

Reform of Vocational Education

Submission from NZ Specialist Trade Contractors Federation (STCF)

STCF represents the majority of Specialist Trade Contractors in the New Zealand construction sector. Members include the industry representative bodies for the electrical, wall and ceiling, climate control, plumbing, gasfitting, drainlaying, concrete, painting, roofing, fire prevention, steel construction, scaffolding and rigging sectors. Our members play a vital role in providing the highly-skilled personnel required to meet New Zealand's current and future construction needs. We advocate on behalf of our members to help support a strong and healthy industry, well equipped to meet these demands of NZ society.

Current Training Landscape

The construction sector has historically suffered from a boom bust cycle that has discouraged investment by employers and made recruitment difficult. The sector has currently had a record period of growth which has led to significant constraint in the labour market at all levels. Skills shortages are exacerbated by a diminishing number of school leavers and a reluctance to enter a construction career. Considerable investment has been made by industry and ITOs to encourage recruitment into the sector.

STCF members are served by several ITOs, mainly BCITO and Skills and have an array of training models including apprenticeships, industry training, ITP and PTE courses. The size of the industries we represent varies considerably, as does the volume of training, ranging from several thousand trainees in some industries down to less than a hundred in others.

The employers represented by our members range from large enterprises with scores of trainees down to very small enterprises with one trainee. The majority of the sector comprises SMEs with less than 5 trainees.

Many employers are reluctant to become involved in formal training for employees due to risks related to forward volumes of work, problems with retention of staff and the lack of resources required to support staff training. There are problems with shortage and consistency of training providers. Employers in the regions are often required to send employees to main centres for off job training, the increased costs making this an inviable option for many.

Support for Change

STCF members generally agree the current system needs improvement. It is well known Government has spent large amounts of money supporting ITPs and this is not sustainable. Some of our members are very happy with the quality of training provided through their ITOs and training providers, but others are not happy. There are many complaints about shortage of training provision, training programmes that are not fit for purpose and inconsistent standards.

The consistent feedback from members and their constituents is concern that the proposed changes are lacking in sufficient detail and are being rushed. Industries with well established programmes that are functioning well are concerned their training will deteriorate. Other industries who are having

problems are concerned they will get worse with wholesale change while the smaller industries are concerned they will be ignored under the proposed ITP model.

Industry training has already undergone many changes over recent years, including the rationalisation of ITOs and the Targeted Review of Qualifications. These changes have required considerable input from employers who volunteer their time to review qualifications and organisation structures, the significant time away from their business often comes at considerable personal cost. Much of this work has been repeated several times to meet requirements due to changes at ITO, TEC or NZQA level, resulting in disengagement from industry. Furthermore, industry input is often overruled to fit funding or academic requirements which result in qualifications and programmes being not fit for purpose.

In summary, industry would like to see change, but this should be evolutionary rather than revolutionary.

Redefined Roles for Industry Bodies and Education Providers

STCF members are all engaged in supporting industry training. The level of engagement with their ITO varies considerably; all are involved with standard setting and promotion of training, some have partnerships with their ITO to provide pastoral care and other services, others run group apprentice schemes, and some own their own PTE to ensure their members are well serviced.

Industry engagement is the cornerstone of vocational training. Current industry contribution is significant but could be leveraged more productively in many cases. Industry Organisations should be encouraged to have hands on input for the benefit of their members.

Currently ITOs cover a range of functions including standard setting, moderation, industry engagement, promotion of training and brokering training. Whether the ITO becomes an Industry Skills Body is immaterial. The important issue is that these core functions are accounted for and funded appropriately.

The current coverage of ITOs needs review. The construction sector is serviced by at least four ITO's, partly because of the range of industries within the sector. This should be rationalised so that one ITO covers the whole sector.

It is vital that the structure and funding of the ITO does not disadvantage those industries with small numbers of trainees that do not have the economy of scale of larger industries. The construction sector is increasingly specialised and smaller industries are just as vital to the system as those with larger numbers.

Industries and employers are in favour of having options for training but not at the cost of quality and consistency. Regulated industries have competency standards imposed on them by their Regulator and any training provision must meet these standards. Some industry organisations have the capacity to deliver or organise their own training which is a viable option as long as NZQA standards are met.

Rationalisation of ITPs is essential for economic viability. STCF is concerned that one overarching ITP will be burdened by bureaucracy, unwieldy and slow to adapt to industry needs. Smaller industries are concerned they will be overlooked. Consideration should be given to a small number of ITPs based on regional and or sector coverage. If organisation of training provision is removed from ITOs, it must be controlled by a separate entity from the providers to ensure smaller and disadvantaged groups are

catered for. TEC could perform this role as the training funder, however they would require additional resources to fill the role including personnel with insight into industry sectors and real time intelligence on industry requirements, as the ITOs currently have.

Regional Leadership Groups may be effective advocates for social outcomes in their areas but will not be able to solve the problems of industries with small numbers and broad geographical disbursement, such as roofing and scaffolding. Distance learning through electronic and other media is a popular form of delivery in some industries but significantly disadvantages many in the construction industry. The demographic makeup of the construction sector includes higher than average numbers of Maori and Pacifica as well as low levels of literacy and numeracy. Distance learning greatly disadvantages these groups who are predominantly kinaesthetic learners who benefit from a collegial learning environment. A combination of on job training and on campus block courses has historically proven to be successful and productive.

Centres of Vocational Excellence could be regional hubs for construction training and work cooperatively with ITOs and Industry Organisations. Three or four Construction Campuses around NZ could provide for the entire construction industry, gaining economies of scale and ensuring consistently high levels of delivery and assessment. Construction Colleges have been run successfully in the United Kingdom for many years and include accommodation so that learners from the regions are not disadvantaged. Funding and fees should be structured to provide consistent costs for trainees and employers whether from main centres or small regions.

Proposals for the NZ Institute of Skills and Technology

As stated above, industry is sceptical at the proposal for one overarching ITP but agrees that the current ITP sector needs to be restructured and rationalised. STCF believes that funding should be allocated by an ITO or overarching body separate from the ITP.

PTEs have an important role in provision of vocational training in the construction sector. These organisations are not mentioned in the proposal and need to be included in the final solution.

Industry Organisations who have adequate resources and systems should also be considered as providers as part of an effective and fit for purpose system. A model for this already exists in the Electrical Industry where the Industry Organisation runs a group apprenticeship scheme and owns a PTE

A Unified Vocational Education Funding System

Currently, around 20% of employers in the construction sector provide vocational training. Effectively these employers are subsidising the 80% who do not train. An industry levy similar to ACC could be used to fund vocational training and rebates paid on a pro rata basis to employers engaged in vocational training. This would encourage more employers to participate in training and be more equitable than the current system.

The funding model for vocational training is grossly disparate in comparison with tertiary education. This is despite the extreme skills shortages in construction and other vocations and the potential earnings of trainees from vocational and tertiary graduates being comparatively even over the working life. A more equitable funding regime would improve the viability of the vocational training sector and give greater return on investment for government.

Final Comments

STCF broadly agrees with the content of the Ministerial Forward in the consultation document, subject to substantial engagement with industry and development of detail.

We agree that changes are needed in Vocational Education but are concerned at the suggested scale and speed of change, which is currently negatively influencing confidence in an already volatile construction sector.

STCF members consistently rank development of a skilled, healthy and productive workforce as their top priority. The STCF is committed to working with government to develop a Vocational Education System which meets the needs of the Construction Sector and NZ society.



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