

# **THE INDUSTRY TRAINING ACT**

R. Leitch

CEO, Engineering Industry Training Organisation

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## Introduction:

The background to the current reformation in education and training has to be understood. Briefly, New Zealand must attain international competitiveness if it is to survive the challenges of technological change, intensifying global competition and more sophisticated customer demands. To achieve the objective more emphasis must be placed on effective education and training programmes. Upskilling improves quality, reduces waste, reduced waste improves productivity, this generates increased profitability, profitability allows investment, investment creates jobs.

Reform initiatives in education and training are not exclusive to New Zealand. In the United States public dialogue on industry based skill standards support principles that address the need for flexibility and responsiveness to rapidly changing work organisations, technologies and market structures. Further, industry based trade associations or business groups should become the focal point for the development of standards. President Clinton has endorsed the ambitious goals of America 2000. Examples of the American programme include:

- All children in America will start school ready to learn.
- The High School graduation rate must increase to at least 90%.
- American students will leave school having demonstrating competency in challenging subject matter including English, Maths, Science, History and Geography.
- US students will be first in the world in Science and Mathematic achievements.
- Every adult in America will be literate and possess the knowledge and skills necessary in a global economy.

In Canada, Dr Stewart Smith, making a keynote address at a recent Canadian vocational education conference stressed the need to develop a training culture in Canada.

Australia is engaged in an ambitious wide ranging education and training reform programme. Currently they are dealing with the Federal system in order to achieve National competency based standards and an enriched curriculum which is essential in their training reform programme.

The United Kingdom Government launched a new training initiative early in the 1980s. The central concept being the performance required of individuals to do their work successfully and satisfactorily. To reinforce this position, competitors objectives were quoted and the challenge clearly sketched. For example, by the end of the decade, South Korea aims to have 80% of its young people qualified to enter higher education. To compete the UK needs a similarly ambitious target. This also implied setting targets for lifetime learning. In 1991 a consortium of business, training and educational organisations in the UK, supported by Government, adopted as a national education and training target to provide a focus for action to bridge the national skills gap. For instance:

- 80% of young people at level two by 1997 (School Certificate)
- 50% of young people at level three by the year 2000 (A levels or University Entrance). Equally important was their targets for lifetime learning
- All employees should be taking part in training developments by 1996
- 50% of the employed workforce should be aiming for national qualifications in the same time frame
- 50 % of medium to large employers will be known as "investors in people" by 1996

## THE INDUSTRY TRAINING ACT

The Government announced a new industry training strategy with the 1991 Budget. On 3 December 1991 and Industry Training Bill was introduced to Parliament which contained details of the proposed changes. The Bill signalled the need to form new industry based training bodies called Industry Training Organisations (ITOs). In addition, funding of these organisations would remain with industry members but on a different basis to the current Industry Training Levies Act. At that time, the Engineering Industry Training Board recognised that for Industry Training Organisations to be effective it would be necessary for them to have strong support of their client base. Research was undertaken to identify the training issues of importance to its client base. In this way a clear vision for the future with objectives and priorities fundamentally in concert with actual needs could be structured.

Colmar Brunton was commissioned to conduct a research study including exploratory research with a small sample of people to flush out training issues in terms of industry needs. Following the qualitative work a member survey was conducted involving 500 organisations to determine the extent to which the issues identified in the first stage were held. Industry Training issues identified were as follows:

- National Standards
- Portability of Skills
- Upskilling
- Quality and Service
- Management structure
- Social Skills development
- Non training companies
- The Apprenticeship scheme
- Student number criteria
- Modulation
- Changes in technology
- Defining Industry'
- Decline in the number of apprentices

The survey demonstrated that in industry's mind, training was vital to the employability of an individual and the profitability of the operation. The reaction to Industry Training Organisations was very positive with members having high expectations of this new Organisation feeling it would be very important to industry. They were also enthusiastic about their companies being involved with Industry Training Organisations.

## INDUSTRY TRAINING ORGANISATIONS

Industry Training Organisations lead the process of developing and managing training for their industries. The major objectives of Industry Training Organisations are as follows:

1. Set National Skill Standards to be registered in the New Zealand Qualification Authority's National Qualification Framework.
2. Develop the arrangement for the delivery of training (on and off the job).
3. Develop arrangements for monitoring the training and assessing the trainees (on and off the job).

Further, an ITO may choose to improve and build upon the industry's existing apprenticeship programme and/or develop new training programmes according to the needs of the industry. The ability of an industry training organisation to set appropriate national skill standards for the industry is critical. Before skill standards can be registered on the National Qualification Framework they must be endorsed by industry. The Industry Training Act July 1992 is based on the simple premise of training designed by industry for industry. It provides a framework for industry to take control and therefore become the architect of the development, implementation and administration of industry training programmes.

The Engineering Industry Training Organisation although only in its infancy, has already developed a clear statement of purpose;

"The purpose of the Engineering Industry Training Organisation is to promote the development of an internationally competitive New Zealand industry by providing structured and systematic training and qualifications readily accessible to all those engaged in engineering, manufacturing and other related industries."

## THE NEW ZEALAND QUALIFICATION FRAMEWORK

The National Qualification Framework will cover all post compulsory training. Essentially this means from Form 5 at Secondary School up to Degree level. The Framework is made up of eight levels that build on each other. Level 1 is the broad entry point to the Framework. Successful training at this level takes us up to around a School Certificate level of understanding. The new framework itself will recognise three overall types of National qualifications;

1. National Certificate - made up from levels one to four
2. National Diploma - made up from levels five to seven
3. Degrees - starting at level seven

The Framework is all about increasing skills and recognising skills. It does this through a system of building blocks called units that are packaged into qualifications or courses. They are coherent and meaningful groups of skills, knowledge and understandings - the outcomes of learning. They are the standard against which performance is judged. They are not training programmes or learning modules. Each standard has two key components. Elements; are the various sub outcomes that make up each unit standard. Each element has its performance criteria against which a person can be measured. Performance criteria; describes the performance and standard required as evidence that the element has been attained. The linkage between elements or outcomes and performance criteria is central to the understanding of competency based standards. Competency based standards complement the functional analysis approach to examining work. The system concentrates on the expectations of work broken down through a process of structured analysis which eventually emerges as units of and elements of competence with associated performance criteria. A functional analysis approach defines the key purpose of the occupational area and expresses this in terms of an outcome. By contrast, task analysis describe activities or methods and is both reductionist and behavioural.

## THE RECOGNITION OF PRIOR LEARNING

The term recognition of prior learning (RPL) is a relatively new term in New Zealand however the practice is not. The acknowledgement of previously acquired skills, knowledge, attitudes and values have been common in the workplace, educational institutions and in the community. For many years to be compatible with and supportive of the educational reforms taking place in New Zealand, the definition of RPL, adopted by the New Zealand Qualifications Authority, is as follows: "A process of awarding credit for unit standards in the National Qualifications Framework where the outcomes have been achieved outside the framework". Drawing heavily on a RPL publication by the NZ Qualifications Authority a major principle of RPL is that it should be accessible to anyone with skills, knowledge, attitudes and values that can be validated. Credits can be awarded through the RPL by providers and national standards bodies (all formally recognised Industry Training Organisations are national standards bodies). Not all Industry Training Organisations however may want to implement a system for recognition of prior learning.

All RPL assessors registered by ITOs will:

- have skills, knowledge and experience specific to the content area(s) they will be assessing
- have knowledge, experience and demonstrated competence in assessment
- have personal qualities necessary to undertake the assessment activities

In brief, assessors must be either competent in the subject matter being assessed or have the ability to recognise competence.

### Training Need Analysis:

In order to claim standards both reflective and relevant to industry needs, it is important to ensure extensive industry participation. Crucial partnerships must also be cemented into the process. The endorsement of all major players underpins both the currency and quality of unit standards. The co-operative approach also has the value of minimising the potential for downstream friction in the interpretation and eventual application of standards.



It is also important not to unduly restrict our interpretation of standards and consider a wider market view in terms of geography; Australiasian. Under CER, New Zealand and Australian business; industry and commerce, must of necessity become more compatible in their practices. Consequently, desk research was undertaken to review Australian developments in the area of industry based competency standards. Next, New Zealand industry was extensively canvassed to determine the characteristics of the main disciplines within our definition of the industry. Advisory Groups were established for each sector identified and the process of identifying skill needs triggered. Briefly some 16 advisory groups were established. Each group has an average 10-14 members. Each member in turn networks with their regional cell involving a further 10 people. Overall approximately 2000 industry participants are actively contributing toward the development of and establishment of the EITO Skill Matrix.

We have now reached the stage where draft standards are being developed. The Standards themselves have been prepared by a team of qualified writers. During the second quarter of 1994 draft standards are scheduled to be endorsed by industry and by mid year sufficiently advanced to be forwarded to New Zealand Qualifications Authority for registration on the Qualification Framework. Subject to satisfactory progress it is anticipated registered standards will be available for the 1995 academic year. Industry has the responsibility for developing and registering unit standards. The curriculum associated with unit standards will invariable be developed by accredited Providers.

### APPRENTICESHIPS

Immediately prior to the introduction of the Industry Training Act (July 1992) widespread uncertainty prevailed with respect to the future of Apprenticeships. Legislative changes contained within the Act such as the repeal of the Apprenticeship Act 1983 lacked sufficient public explanation. The communication failed to connect the legislative changes to the Employment Contract Act and roles of Industry Training Organisations. This, coupled with an economic downturn and a concomitant reduction in new apprenticeships added to the confused position. Engineering related apprenticeships are however alive and well with evidence accumulating to support this statement.

Because of the confusion on apprenticeships it is worthwhile to reiterate the difference between existing and new apprentices. If you already have an apprentice his or her apprenticeship contract will automatically be deemed an employment contract from 1 July 1992. This means the apprentice will complete his or her apprenticeship working under the terms and conditions carried over from the apprenticeship order. However the enforcement of the contract and settlement of any disputes will be subject to the provision of the Employment Contracts Act. From 1 July 1992, you negotiate an Employment Contract with each new apprentice in the same way as you would with any other staff member but with one important difference. The Contract must include an Apprenticeship Training Agreement. Signing a Training Agreement means the employer and apprentice agree to enter into an apprenticeship in line with Industry requirements. The Training Agreement is enforceable under the Employment Contract Act.

Effective December 1993, the Education and Training Support Agency transferred the administrative responsibilities for engineering related apprenticeships to the Engineering ITO. The responsibilities include the need to provide education and training opportunities for apprentices to develop and improve their skills in the engineering industry by administering the apprenticeship training programme. Accountability includes:

- Promotion of apprenticeship training
- Providing information to employers, apprentices, schools and the general public
- Assessing employers' suitability to train
- Providing apprenticeship training agreements and requirements
- Issuing to apprentices a statement of training completed
- Promotion of training manuals and training record books
- Monitoring of training manuals and training record books
- Mediation and negotiation in areas of dispute in relation to training matters
- Co-ordination of the off job training programme, including the direction of apprenticeships to courses.

Another important responsibility is the need to liaise with the New Zealand Qualification Authority for the inclusion of any training programme into the National Qualification Framework. Further, to develop consultative mechanisms to ensure that the Engineering ITO is responsive to the needs of its constituents.

During the first quarter of 1994 a series of meetings were held throughout New Zealand to communicate the Organisation's intention to set up Regional Liaison Committees. Liaison Committees replace the previous Apprenticeship Committees. Whilst the Liaison Committee will substantially undertake their predecessor's role and functions, the concepts of assessment will be introduced as an additional responsibility.

Finally, another administrative responsibility taken on board by the Engineering Industry Training Organisation is the Government's Skill Start incentive. Skill Start is designed to encourage employers to take on more young people and provide them with formal training on the job. Skill Start recognises the initial cost to employers of taking on trainees and provides financial assistance so that employers can start training young people.