



# **Industry Training and Apprenticeships Amendment Bill**

**Submission to the Education and Science Select  
Committee by the Public Service Association: Te  
Pūkenga Here Tikanga Mahi**



**For a better working life**

New Zealand Public Service Association  
Te Pūkenga Here Tikanga Mahi



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## Submission to the Education and Science Select Committee by the Public Service Association: Te Pūkenga Here Tikanga Mahi

19 December 2013

### Introduction

1. The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 58,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities, state owned enterprises), local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.
2. PSA members expect their union to have a strong role in ensuring that they have good jobs and careers. One of the aspirational goals of our PSA strategic plan is that PSA members' workplaces have been transformed to provide good jobs and improved services in a high trust, high performance workplace culture. Skill and career development play an important part in this.
3. As an affiliate of the New Zealand Council of Trade Unions Te Kauae Kaimahi, we strongly support their submission and each of the recommendations they have made. This submission does not reproduce the points made by the CTU but rather addresses the Bill from the particular perspective and experience of the PSA and its members. Our recommendations are listed in appendix 1.

### The leadership vacuum

4. The explanatory note states that removing the skills-leadership role from ITOs will allow other organisations, such as industry associations, to take a greater role in communicating demand and supply of skills to government agencies. It is our view that the current assignment of the skills-leadership role to ITOs does not prevent or discourage this and it is our experience that there has been little consistent leadership from employers at the industry or sector level on issues around skill supply and demand. There is no consistency in the quality or extent of employer organisation across industries and removing the skills-leadership role from ITOs risks industries most in need of skills planning and development missing out.
5. In addition, it is unclear how the raft of agencies with roles in this area - the Tertiary Education Commission (TEC), the Ministry of Education (MoE), the Ministry of Business, Innovation and Employment (MBIE) and the New Zealand Qualifications Authority (NZQA) - would be well placed by the Bill to respond or co-ordinate an effective response to such communications from industry associations.

6. In our view there needs to be an entity with responsibility for providing a global view of the skills system and to co-ordinate effort to ensure business and employees have the skills required now and in the future. The Ministry of Business, Innovation and Employment, with its networks with employers, could be well placed to oversee this co-ordination function. MBIE has no vested interest in the skills system but does hold good information about the Labour market and what it is likely to need and could bring this to conversation about what is needed from the qualifications system.
7. The Bill appears to have the effect of further concentrating oversight of the skills system at the ministerial level. It is only at the ministerial level that there is any overview of this system. It is not clear that this is desirable as it would seem to further distance industry from responsibility for the system. NZQA, which is to have responsibility for quality assurance of ITOs, has a stake in the qualifications system but not in the overall skills-system.
8. *The PSA supports the CTU's submission that the removal of the statutory skills-leadership role from ITOs should be deleted from the Bill and their further submission that the Committee direct MBIE and TEC to work with ITOS to fully develop a more comprehensive skills leadership role.*

### Efficient co-ordination of skills-leadership across industries

9. The current uncoordinated distribution and scope of ITOs renders the skills-system inefficient. The Bill partially addresses this through provision in clause 11, proposed s7 (h) that before recognising an ITO the Minister must take into account "whether the organisation has taken reasonable steps to avoid fragmentation and to provide a clear and representative industry focus for each organisation." This would appear to ask of potential ITOs something that the Minister, with his/her overview of the system, is best-placed to deliver.
10. *We recommend that Clause 11, proposed s7 (h) be amended to read: "whether the focus of the organisation avoids fragmentation and maintains a clear and representative industry focus for each organisation."*

### Accountability of persons other than industry training organisations who receive funding for industry training

11. Clause 15, proposed s11A enables persons other than ITOs to receive funding for industry training. The PSA opposes this amendment as we believe it is greater coordination and consolidation of industry training that is needed, rather than further fragmentation. We note that there is no requirement for the Commission to take into account when deciding whether to fund such a contract the kind of matters the Minister must take into account when deciding whether to recognise an ITO.
12. *We recommend that clause 15 be deleted or that if this provision continues, that it be amended to require the Commission to take into account the matters specified in clause 11, proposed s7 when making a decision whether to fund a contract for industry training.*

13. We are strongly concerned that such persons are not subject to the same level and processes of accountability as ITOs.

14. *If this provision proceeds, we recommend that the following clauses also apply to persons other than ITOs receiving funding for industry training: 11C Qualifications Authority may issue quality assurance improvement notice, 11D Qualifications Authority may issues compliance notice, 11E Industry training organisations not to operated registered private training establishments and 11F Annual fee apply.*

### Apprenticeship training

15. Apprenticeships remain largely the preserve of male dominated occupations. In 2006, 99% of builders, plumbers, electricians and motor mechanics were men<sup>1</sup>. The PSA is concerned that a continued focus on apprenticeships as a flagship for delivering on the skills gains needed at levels 1 – 4, risks excluding women in low paid work. The gender pay gap remains intractable in New Zealand and concentrating funding for industry training on male dominated occupations will further entrench this and also result in an under-utilisation of women’s skills, decreased labour mobility and consequent negative impacts on economic productivity and economic growth<sup>2</sup>. *We recommend that the Committee direct a move in policy to balance the focus on apprenticeships with a more inclusive vocational education and training system.*

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<sup>1</sup> Statistics New Zealand New Zealand 2006 Census

<sup>2</sup> P.2 Women in Trades, Ministry of Women’s Affairs, November 2011.

## Summary of recommendations

1. *The PSA supports the CTU's submission that the removal of the statutory skills-leadership role from ITOs should be deleted from the Bill and their further submission that the Committee direct MBIE and TEC to work with ITOS to fully develop a more comprehensive skills leadership role.*
2. *We recommend that Clause 11, proposed s7 (h) be amended to read: "whether the focus of the organisation avoids fragmentation and maintains a clear and representative industry focus for each organisation."*
3. *We recommend that clause 15 be deleted or that if this provision continues, that it be amended to require the Commission to take into account the matters specified in clause 11, proposed s7 when making a decision whether to fund a contract for industry training.*
4. *If this provision proceeds, we recommend that the following clauses also apply to persons other than ITOs receiving funding for industry training: 11C Qualifications Authority may issue quality assurance improvement notice, 11D Qualifications Authority may issues compliance notice, 11E Industry training organisations not to operated registered private training establishments and 11F Annual fee apply.*
5. *We recommend that the Committee direct a move in policy to balance the focus on apprenticeships with a more inclusive vocational education and training system.*