



Phase Two Evaluation

Concurrent Provision 2017

Skills Highway: Industry Training Federation:

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Phase Two Evaluation of Concurrent Provision

Introduction

In June 2016 the Workplace Literacy and Numeracy (WLN) Fund was to extended to include industry trainees studying at Levels 1 and 2 on the New Zealand Qualifications Framework (NZQF). This became known as 'concurrent provision'.

In late 2016 the Industry Training Federation conducted Phase One of an evaluation of the uptake and impact of this policy change by gathering data through document analysis (providers' reports to the TEC); interviews with providers, and ITOs. The findings from this phase showed that five months after the introduction of the policy there was very little uptake of concurrent provision.

A follow-up evaluation was conducted in August - October 2017.

Key Point Summary 2017

Findings from Phase Two of the evaluation conducted in August to October 2017 show:

- Successes:
 - A small increase in uptake since 2016
 - Two ITOs have proactively developed formal relationships with providers whom they think have the skills to deliver in their sectors and are getting programmes underway in companies
 - Reported improvements in qualification completion by two ITOs with some trainees looking to progress to Level 3 qualifications.
- Challenges:
 - Lack of stronger uptake is attributed to a limited number of qualifications at Level 1 and 2 in some ITOs and the desire for the policy to be extended to include Level 3 qualifications
 - Providers not being willing to deliver in workplaces where there are small numbers of trainees
 - Providers finding it difficult to tap into the employer market or build relationships with ITOs.

Evaluation Approach

As concurrent provision widens the eligibility scope of employees who can access WLN, more needs to be known about how it works, how it achieves its intended outcomes and the extent to which there are any unintended consequences. As such, a process evaluation approach has been used. While process evaluations are usually conducted to assess the

extent to which programmes have been implemented in the way intended, this process evaluation is more open-ended as there is no “set programme”. Rather there is a defined funding policy and it is likely to be operationalised in different ways.

The information can be used to inform the future development of programmes and approaches to be used to support Level 1 and 2 trainees. It will also inform policy decisions about the extent to which it is worthwhile to continue with concurrent provision and/or the extent to which demand has grown and the WLN fund needs to be expanded or concurrent provision needs to be extended to include higher levels of qualifications.

Context for Concurrent Provision

In 2016, 35 percent of the 106,000 industry trainees (excluding apprentices) were undertaking qualifications at Levels 1 and 2 on the NZQF.¹ This means there are around 37,000 (9,000 fewer than in 2015) additional workers who have the potential to access the \$22million WLN fund, which in 2016 funded just over 6000 workers. In 2016 both the TEO-led and Employer-led strands were fully subscribed. In Budget 2017 an additional \$3.5 million was allocated to the Employer-led strand. This increase means the fund can reach 7,900 workers.²

Rationale for Concurrent Provision

Concurrent provision is built on the assumptions that:

- Trainees at Level 1 and 2 need literacy and numeracy support to help them complete their qualifications
- Additional support for trainees will bring about increases in qualification completion rates
- Trainees will acquire the skills to progress to further qualifications.

While this evaluation is looking at the outcomes and impact of the policy change, it also looks to assess the extent to which there have been any fundamental changes / unintended consequences that have occurred to, for example:

- The ways providers engage with employers
- ITOs’ interaction with employers
- The reach of the WLN – region, demographics, industry
- The content and types of programmes delivered
- The impact on individuals and workplaces.

Findings

In August - October 2017 data were gathered through an online survey of providers, follow-up interviews with ITOs, follow-up interviews with small sample of providers, and case studies of approaches being used by three providers and Industry Training Organisations (ITOs).

¹ Ministry of Education. (2017). *Profiles & trends: New Zealand’s workplace-based learners 2016*. Wellington: Author.

² Tertiary Education Commission. (2017). *Statement of performance expectations 2017-2018*. Wellington: Author.

What the providers are doing

On 1 August 2017, an email link to a short quantitative survey was sent to 58 providers on the Skills Highway contact list, with a follow-up reminder being sent on 8 August 2017. Twenty-nine respondents started the survey, with 24 of them completing it. This is a response rate of 41 percent.

Eleven of the 24 respondents were delivering workplace literacy programmes to employees who were undertaking Level 1 and 2 qualifications. Seven had TEO-led funding; five had employer-led funding; six had ILN; five had programmes for ESOL learners; three had other training programmes.

Of these 11 providers, five had talked with five or more employers, three had talked to three-four employers, and two with three to four employers. In terms of delivery, eight were delivering to one to two companies, two to three - four companies and one to more than five companies. There is variation in the number of employees being delivered to in each company, with seven (1-5); two (6-10); one (16-20); one (21 or more).

There is a sense from this data, and other data from employer-led reports to the TEC, that it takes time to get employers to agree to and start programmes. In addition, these data show that providers are promoting the opportunity for concurrent training to employers.

It is taking a long time to get this across the line, but we are working on this with a number of clients.

The policy change has instigated closer working relationships between ITOs and providers. Four providers said they are working with ITOs, two in some cases, and five are not working with ITOs. The ITOs are BCITO (4); Competenz, Careerforce, MITO, and Primary (2 each); ServicelQ and Skills Organisation (1 each). Given that five providers said they do not have a connection or relationship with ITOs it is unclear how these providers are delivering concurrent provision. It may be that they are working to prepare employees so they can sign up for qualifications after a WLN programme or that they are receiving funding from ITOs to support trainees with Level 3 and 4 qualifications.

Existing arrangements with employers helped six of the providers to get this work underway and four were helped by existing arrangements with ITOs. For four providers, the work with Level 1 - 2 trainees followed on from workplace literacy programmes and for one it was new business.

Our WLN programmes are not specifically designed for Level 1 & 2 trainees, but may include some Level 1 & 2 trainees, where workplaces have identified these learners as needing WLN support.

There is no simple answer to this. Some people are already registered in a training agreement, other times we are trying to get this pathway up and running.

For seven of the providers the focus of the programmes was a mix of both literacy and numeracy to improve workplace operations or production and to help employees achieve

unit standards and qualifications. For the other four the focus was solely on literacy and numeracy to improve workplace operations or production.

Six providers said it has not changed the way they deliver WLN programmes, with five of them saying that in some cases it has.

Our programmes are amended to include some study skills, and time & workload management skills. It may also include some of the content from the relevant unit standard/s as reading activities.

We are working on mapping the outcomes of L2 programmes and looking at the LLN content to support participation and success in formal training. This is whether it is a bridge to the formal training, or concurrently.

Barriers and enablers for providers

Seven of the 11 providers delivering concurrently said that nothing gets in the way of them delivering concurrent provision. However, two of them said that delivering programmes in companies where there are small numbers of trainees is an issue.

Most organisations that we have worked with have not wanted specific Levels 1 & 2 WLN programmes. The time allocation to a WLN programme is not sufficient to gain a Level 1 or 2 qualification. Most organisations who require their employees to have Level 1 or 2 qualification, already have arrangements for the delivery of the qualification, e.g., an ITO.

For five providers developing it as a new business opportunity would help; three would build from existing arrangements with companies; four develop new arrangements with ITOs; two build from existing arrangements with ITOs; eight would like ITOs to introduce them to companies; and four see a programme for Level 1 and 2 following on from an LN programme.

This information suggests a 'disruption' to previous ways of working. It presents a business opportunity for providers and is a way for them to get into a market that was previously not open to them.

In terms of extending provision to Level 3, five say there is 'some' demand; five say there is 'a lot' of demand; and one provider is not sure. These eleven providers did not think the extension to Level 4 was required to the same extent, with seven saying 'some' demand; two 'a lot' of demand; one, 'no' demand and one 'not sure'.

Probably less than for Level 3 though - just because you are vocationally at Level 3 or 4 doesn't mean that you have the lit/num skillset.

Thirteen providers were not delivering under concurrent provision. Of the 13, seven had TEO-led funding; three had employer-led funding; nine had ILN; five had programmes for ESOL learners; and seven had other training programmes.

The 13 providers who were not delivering concurrent provision provided a range of reasons why this was the case including:

- not dealing with companies who have large enough numbers of trainees to make it viable (1)
- have tried to get something underway – but it's not worked out (6)
- have yet to build a relationship with an ITO (4).

Four supplied other reasons related to the challenges they have encountered.

Have delivered Level 2 quals successfully however, operational /logistical constraints around catch-up times with learners can be a challenge especially given the practical nature of the quals.

Our focus has been L and N more than qual orientated. ITOs haven't helped with mapping...so a cost for us....qualifications are unfunded.

Did one for an ITO but they appear to align with "preferred providers" and when our clients, as for this training, are at L3 and does not qualify or the ITO has a PTE they use.

Relationships and connections have been made but this is yet to turn into training of these learners.

These 13 providers said they would be helped to deliver concurrent provision by:

- developing it as a new business opportunity (7)
- building from existing arrangements with companies (4)
- developing new arrangements with ITOs (8)
- building from existing arrangements with ITOs (6)
- having an ITO introduce them to a company (10)
- having it follow a WLN programme (8)
- having an employer free up trainees during week time (1).

In terms of extending provision to Level 3, seven say there is 'some' demand; three say there is 'a lot' of demand; and three providers are not sure.

Often employees start on a Level 3 course despite not having the literacy/numeracy foundation.

We are finding that some of our potential people don't find it hard until they get to Level 3 or 4.

Learners who are at a supervisory level often have skills gaps. Companies usually go for Level 3 for this profile of employee.

As with the 11 providers who are delivering concurrent provision, these 13 providers did not think the extension to level 4 was required to the same extent, with five saying 'some' demand; three 'a lot' of demand; and five 'not sure'.

Probably less than for level 3 though - just because you are vocationally at Level 3 or 4 doesn't mean that you have the lit/num skillset.

I am aware of many trainees that find it a challenge to complete their assessments with no LLN support and guidance. We often help them unfunded.

Comment

From the providers' perspective there has been some movement since the end of 2016. However the uptake of concurrent provision is still not as strong as might have been expected given the business opportunity it provides. It seems from the providers' perspective that it is challenging to get into companies and they either don't have relationships with ITOs or it is taking time to establish these.

We have not been successful in our region, countless visits to groups and key businesses, can't see what we are doing 'wrong'.

ITOs aren't great at partnering with providers. Also not always helpful with up-to-date training and assessment material. Seen as competition by many providers.

The other barrier for providers is that the access to concurrent provision needs to be extended to trainees at higher levels of qualifications.

I think it would be very valuable to see funding available at L3 across all qualifications seeing as the new TROQ is mainly at this level now.

Most apprentices we see are on L3 quals or above with limited school qualifications. They are therefore not able to be funded under WLN and yet not supported by ITO L&N funding.

We are finding that the guys get to the higher level and acknowledge that they are having a literacy problem. One of the companies we are building a relationship with is wishing to assess all guys using the tool before they begin an apprenticeship and that will help us to identify which ones need assistance now and/or potentially later.

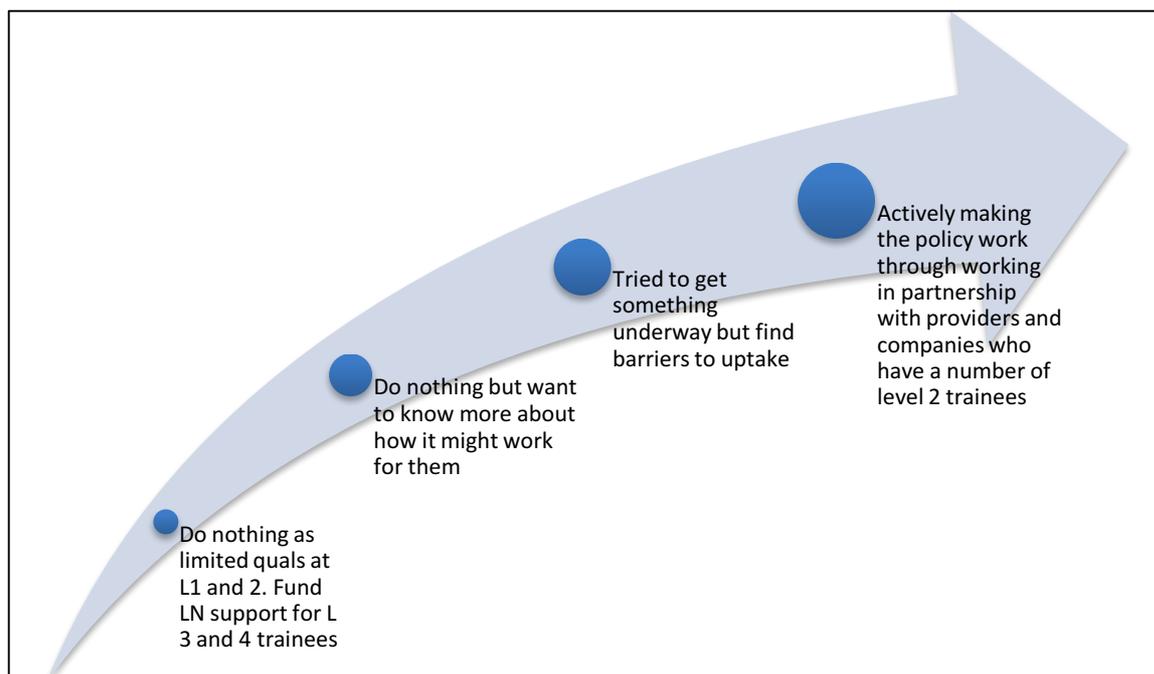
However, in saying that there are barriers, those providers who have existing relationships or have established new relationships with ITOs are making the process work. This is exemplified in the vignettes that follow on page 10.

Industry Training Organisations

A combination of phone and face-to-face interviews were conducted with representatives from eight ITOs: ServiceIQ; Competenz; PrimaryITO; MITO; The Skills Organisation; Careerforce; Connexis; and BCITO.

Overall these ITOs are on a continuum of uptake of concurrent provision as the figure below shows. The ITOs who are at the top end of the continuum are those who in 2016 were starting to think through and develop an approach to making the policy work for them.

Figure One: Continuum of Uptake



Two ITOs talked about how they are not doing anything with concurrent provision as they have a limited number of qualifications and therefore trainees at Level 1 and 2. Both of these ITOs have arrangements with Literacy Aotearoa whom they fund to support trainees with Level 3 and 4 qualifications. Both of these ITOs feel they are really well supported by their organisations / organisational policies.

We don't have the same challenges [as some other ITOs] selling it internally. There is commitment right the way through the organisation – top down ... See literacy and numeracy as an important part of the tool kit to get completions. We make it clear to employers that it's needed if trainees have issues ... We want people to succeed.

Three ITOs have found it challenging to get concurrent provision underway. The barriers for them have been lack of buy-in from their own organisations, an inability to engage providers as they are not willing to work with small numbers of trainees, in small and dispersed workplaces as there are no economies of scale.

People are not creative enough. In our organisation, people say why do workplace literacy and numeracy if we are not going to get anything out of it [sign-ups]. They are sales people, but they need to understand it more and how it will help get trainees over the line

Two of the ITOs are making the concurrent provision policy work well for them. They are enabled to do this as they have support from their organisations and have workplaces where there are good numbers of trainees. *We're enabled by company size – it's economically viable for providers and for companies that aren't too big and who have their own systems.*

These ITOs have taken a proactive active approach that has included developing partnerships with literacy and numeracy providers who they know will work well with employers.

We've set up an MoU with Education Unlimited, Learning Wave, Aspire2, and Upskills. We looked at these four as they have different talents. The Account Manager goes into a company ... and then works out which provider to contact – the best fit for the company.

We have a partnership arrangement in place. We rang around providers and went and saw them. Have a contract with Learning Wave, Aspire2 and Edvance. We felt they fitted what we did. We make a decision on which provider to bring in based on the company.

These ITOs see the advantages of the policy in relation to the impact it can have on completions – which will be tracked, and the ability it gives them to sign up trainees who they previously might have had to put on hold.

Concurrent provision is fantastic. The TAs have high targets and this helps with completions. With TRoQ there is not much at level 2 now ... but the trainees haven't changed ... We're starting to see more success with Level 1 and 2. More confidence to go on to further quals.

The ITOs are unanimous in their opinion that concurrent provision needs to be extended to higher levels. Their rationale is:

- as a result of TRoQ there are fewer qualifications at Level 1 and 2
- while Level 3 is the starting qualification the trainees will still be the same as those who previously undertook Level 2
- Level 2 courses are short and trainees need more time to learn and practise their literacy and numeracy skills
- apprentices starting a Level 4 qualification begin with the equivalent of Level 2 and work over a three- to four-year period to get up to Level 4.

Comment

The ITOs' actions in relation to concurrent provision policy shows those who have seen the need and have organisational buy-in have been able to make it work for them. They see it as adding to what they already have to offer to companies. However, only two ITOs are working in this way, so there is the opportunity for more to be done by ITOs.

Vignettes of concurrent provision

How concurrent provision works and the outcomes of it are exemplified in the three vignettes below. Data for these were gathered by talking with providers in two of the examples and with the provider, ITO and trainees in the third example. This latter example is already a published success story on the Skills Highway website.

Vignette One

Provider X is an education provider delivering employer-led programmes to companies in the manufacturing and construction sectors. In terms of Level 1 and 2 qualifications, Provider X either delivers concurrently or has a qualifications programme follow from a workplace literacy programme.

At the end of the day WPL should be about getting employees to work towards formal qualifications. You can't keep delivering WPL without moving people to where they want to go.

Provider X concurs with providers in the survey in that getting work underway that requires working with both ITOs and the companies can be challenging. "People in companies change, people in ITOs change, quals change!" However when it does come together it works and people do complete qualifications.

Provider X's work includes working with a manufacturing company who had signed up 200-300 staff for a Level 2 qualification. The company then discovered their employees needed support to get them through the qualification. Since the intervention of the workplace literacy programme the provider reports a 75 percent completion rate.

This provider is now working to support these workers by developing their skills so they can progress to a Level 3 qualification. This means designing a bridging programme that will work across sites in Christchurch, Levin and Auckland.

We looked at the unit standards, pulled them apart and looked at the literacy and numeracy requirements. We also had to look at the requirements for the qualification and the evidence that trainees need to collect. A focus is being given to health and safety, and quality, and the language around that. The idea is that by the time they enrol in Level 3 they will understand what and why they are doing what they do.

Provider X believes the advantage of this approach is because it is running with employer-led programme and the materials will stay with the company and can be used in the future.

Provider X strongly believes that concurrent provision should extend to Level 3.

Without a doubt we need the policy to extend to level 3. It's a bloody high jump getting to Level 3 ... the jump from Level 2 to Level 3 is massive. [Trainees] need critical thinking, they need to know how to interpret questions. [The company] has people at Level 3 who need support and the ITOs are not set up to do this.

Vignette Two

Provider Y uses TEO-led funding to work with smaller numbers in companies. Provider Y has an existing relationship with Competenz and has worked with a company over a few years to put about 20-30 staff through qualifications. This provider sees concurrent provision as a good thing to be able to sell to employers. It also widens the scope of what it is possible to deliver, for example Provider Y is now able to provide those who are interested, the opportunity to get their Level 1 literacy and numeracy credits. This is appealing to younger

workers who want to achieve NCEA and the workplace provides the context for the collection of naturally occurring evidence.

Provider Y has just delivered a programme in a social enterprise that included a Level 1 Certificate in Work and Community Skills. Alongside this they also supported workers to achieve unit standard 497, Demonstrate knowledge of workplace health and safety.

Provider Y also works with employees who self-refer. For example they are currently working with three ESOL learners from a manufacturing company. The intention is to improve their English skills so they can progress on to qualifications. The learning programme will include a health and safety unit standard along with others standards that are relevant to the workplace.

This provider thinks it has been more challenging in recent years to get employers to agree to programmes. This combined with a reduction in funding for TEOs means it is more challenging working in the TEO-led space.

Vignette Three

Provider Z works in the employer-led space with three companies in the security industry to support a number of workers through Level 2 National Certificate in Security. The vignette below has been written up as a 'success story' and is on the Skills Highway website.

Professionalising the security industry workforce

That uniformed minder, quietly keeping guard out front might be the first 'security industry' image that comes to mind, but there's a lot more than meets the eye, says Zed. "I used to think security was easy money, but I've learnt about the responsibility security has. We make it look easy, but there's a lot on our mind."

Security workers from Auckland's Ten 7 Security and Waiheke Documents & Security had an animated discussion with the Skills Highway team. Having undertaken workplace literacy and numeracy training together with the Level 2 National Certificate in Security with Left Field Consulting, they had a lot to report. Together with being trained and qualified, learning new skills and knowledge was already having an impact for individuals and their workplaces – improving health and safety, resulting in better conditions and job security, and better performance at work.

Ten 7 Security provides an alarm monitoring service – protecting people and assets in a huge range of settings including hospitals, retirement villages, construction sites, the university, and in bars. Training staff is crucial for Ten 7 Security's commitment to smarter, safer and more successful employees. "We like helping people and keeping people safe," says Sukh, who adds the night shifts can be convenient in terms of versatility. "The reality is that people have families and work needs to be designed around this – it needs to be family friendly."

Waiheke Documents & Security employs 20 staff on the island. Co-owned by Waiheke born-and-raised residents Justin Moroney and Alex Mansell. They pride themselves on

delivering professional security services from crowd control through to document services. Justin won the 2017 Security Association, Security Supervisor or Operations Manager of the Year, for his commitment to growing the skills of his staff and the professionalism of the team.

Ensuring staff are sufficiently trained and qualified has helped Waiheke Documents & Security to diversify and grow their business, says Alex. "Security is known for being thuggish and we didn't want that, we wanted to be better than everyone else." Working with Left Field Consulting and the Skills Organisation, all Waiheke Documents & Security staff are now signed into Training Agreements for their Level 2 National Certificates.

"I used to be comfortable as the big brown fulla," says Morgan, who has been in the industry for 16 years. "But the business is changing, so you have to upskill. You can't rely on the old ways. Physical force is not the primary weapon. Clients don't like that. It's about the top 20 percent and we have more tools now. In the old days there was fear of the bouncer. Now they come out with weapons." Getting qualified is the way the industry needs to go, says Morgan, adding that Left Field training is better than previous programmes, noticing a growth in confidence from the younger workers.

"I learnt a whole lot of stuff I didn't know before. I have a different attitude and manners now," says Jillian, who is new to the job. "I used to yell, but have been taught to restrain myself in situations – that's what security has to do. I feel much safer having had the training. And the qualification helps a lot. I'm looking to do Level 3 next year. I keep asking."

Peter has been working in security for 10 years. Before the course he said he knew he had difficulty with English, but now he says he understands more. "I know what to do and when to walk away," he says. "At the hospital I've learnt how to calm people, what words to use that won't scare the patient. And also the importance of body language."

For Logan, who went straight into security from school, the most valuable aspect of the course has been learning new communication techniques, "With simple communication you turn things into a positive. Get people to agree with you and then you can give the instructions. Fine tuning your body language can also make a difference," says Logan. He now uses these skills with his flatmates and has even sorted out a confrontation between neighbours!

Learning as a group helped the trainees get to know each other, including learning about the different languages and religions of the other trainees. "There is laughter in the classroom. Gloria, our tutor, makes it fun. She's even been out and done some shifts." And as Gloria McGirr from Left Field Consulting says, "Courses like this raise the profile of what security is and it's also a career path into other jobs in, for example civil aviation and security."

The Skills Organisation, ITO for the security industry, are right behind the call for professionalisation and increased recognition of the value of the security workforce. "The Security Industry plays such an important part in our community, keeping us personally safe and protecting our business assets," says Erica Quayle, Industry Manager for the security industry at the Skills Organisation. "Whilst supporting our learners to increase their literacy levels and preparing them with the skills and confidence needed to deal with the situations

they face is a benefit for the individual learners, there are also huge benefits for their companies, clients and the wider community.”

Erica hopes to see more security companies supporting their staff with robust training and support programmes. “If this is done, the profile of the industry will rise and the skills required to keep us safe will one day be widely appreciated.”

“If you want to grow your business, pay staff more and train them well,” says Alex from Waiheke Documents & Security. “It’s hard to convince contractors of this, but they need to know. If you train staff you will get quality and they will stay. If you look after your staff and they feel respected then you are likely to keep them. Happiness produces performance.”

Conclusion

The delivery of concurrent provision has increased slightly since the end of 2016 when very little was happening. Since that time, two ITOs have been proactive and developed relationships with providers. Where these relationships have not been established, providers have struggled to either get concurrent provision underway or to go to scale with it.

Having ITOs working in the WLN space is a ‘disruption’ to previous ways of working in that it has placed ITOs in a brokerage role. If this approach was to be taken up by other ITOs it presents a business opportunity for providers and is a way for them to get into a market that was previously not open to them.

In terms of outcomes from the concurrent provision, there is an indication that completion rates are increasing as a result of employees being taught literacy and numeracy along with their qualifications. This is reported in two cases where concurrent provision has gone to scale in security and manufacturing companies. There are also reports that some of the workers are to progress to Level 3 qualifications. This in turn enhances their career opportunities.

However, the barriers to uptake remain similar to those at the end of 2016, namely:

- The lack of existing relationships between ITOs and providers and the time it takes to build these. However, there have been strong connections made by two ITOs with providers.
- ITOs having too few qualifications at Level 2 and wanting the change to extend to Level 3 qualifications.
- Providers not being willing to deliver in workplaces where there are small number of trainees.

Considerations for the future

There are indications in these findings that the concurrent provision policy is working for those who have been proactive and found ways to make it happen. However uptake can be improved by:

- Extending the policy to Level 3 so a wider pool of trainees has access to literacy and numeracy training to support them in their qualifications and career pathway
- Looking at ways that the WLN fund can better support employers where there are e.g., small numbers of trainees or trainees in rural areas, who are not currently able to access provision as there are no economies of scale for providers.

Appendix One: Summary of Findings from Concurrent Provision: Process Evaluation, Stage 1

1. This paper summarises the findings from interviews with nine Industry Training Organisations and 14 Workplace Literacy providers about the opening up of concurrent provision. This means that trainees undertaking Level 1 and 2 qualifications are now able to access programmes funded through the Workplace Literacy Fund.
2. These interviews were undertaken as the first stage in a process evaluation of concurrent provision. The information gathered in late 2016 will serve as a baseline against which to measure ongoing changes. Another set of interviews will take place late in 2017. Further information about the evaluation approach is outlined in Appendix Two.

Background

3. On 23 June 2016 the Tertiary Education Skills and Employment Minister, Steven Joyce, announced that the Workplace Literacy and Numeracy (WPL) Fund is to be extended to include industry trainees studying at levels 1 and 2 on the New Zealand Qualifications Framework (NZQF).
4. Up until this time trainees were not eligible for this funding as it was seen as “double-dipping”. To access workplace literacy funding Training Agreements had to be put on hold. Under the new mechanism this is no longer the case for trainees at Levels 1 and 2, but remains the case for those undertaking higher level qualifications.
5. In 2015, just under half (42 percent) of the 109,000 industry trainees (excluding apprentices) were undertaking qualifications at levels 1 and 2 on the NZQF.³ This means there are now likely to be around 46,000 additional workers who have the potential to access the \$20mil WPL fund which currently funds approximately 6000 workers a year. In 2016 both the TEO-led and Employer-led strands were fully subscribed.
6. There are higher numbers of Māori and Pasifika trainees enrolled in level 1 and 2 qualifications than in higher level qualifications. Levels 1 and 2 consist of Europeans 39 percent; Māori 46 percent; Pasifika 53 percent; Other, 38 percent.
7. The industries with the highest numbers of trainees are manufacturing, healthcare and social assistance, and agriculture, forestry and fisheries. Of note is that manufacturing and agriculture have the lowest levels of literacy and numeracy in the most recent Survey of Adult Skills (PIAAC).⁴
8. Staff from nine ITOs and 12 workplace literacy providers were interviewed in November and December 2016. The intention was to capture information about work

³ Ministry of Education. (2016). *Profiles & trends: New Zealand's workplace-based learners 2015*. Wellington: Author.

⁴ Ministry of Education. (2016). *Skills at work*. Wellington: Ministry of Education & Ministry of Business, Innovation & Employment.

underway as a result of the policy change. They were asked about their current approaches and the extent to which they had any intentions to get different work underway as a result of the policy change.

ITO Thinking

9. Each of the ITOs held similar views about the extent to which they may use the funding opportunity in the future. There were those ITOs who:
 - had small numbers of qualifications at level 2 and below and thought the policy change should extend to level 3, as this is where their lower level qualifications have moved to as a result of the Targeted Review of Qualifications (TroQ). These ITOs tended to have ongoing contractual arrangements with providers to support trainees at an individual level.
 - thought the policy change would work for them and were thinking about how they might establish or were starting to establish working relationships with providers to set something in place. This group of ITOs tended to already be working closely with providers and employers in relation to workplace literacy and numeracy, have high(ish) numbers of trainees enrolled in level 2 qualifications (Competenz, PrimaryITO), and were thinking how they could build from this.
 - had not done anything, and while one thought that as they had few level 2 trainees, the other thought it would be worthwhile talking the implications of the policy change through with the senior leadership team.
10. The over-riding sense from the ITOs was that the policy change had not gone far enough. Those who already had arrangements with providers thought they would keep them in place as the need still existed for those trainees enrolled in higher level qualifications to have literacy and numeracy support.
11. Only one ITO has some work underway as a result of the policy change.

Provider thinking

12. Apart from three of the providers who are not interested in moving into the industry training space, the others are either thinking about it as they would like to get into the market or are actively working with ITOs on this and other work.
13. Four of the providers have proactively engaged with ITOs as result of the policy change. They see it is an opportunity to grow their business and build from the work and relationships they currently have. Another provider was already actively engaged with an ITO, has accreditation to assess, and will build from the existing relationship and new opportunity.
14. Of those who have not worked with ITOs, some would like to start relationships and others are not interested as their pool of learners, mainly ESOL, are unlikely to be enrolled in qualifications.

15. Apart from one provider who has a long standing relationship with four ITOs, some of the other providers said that in the past their biggest challenge had been in establishing relationships with ITOs. The policy change has, in some cases, given providers the opportunity to start conversations.

There are opportunities now, but ITOs are not easy to work with. But now we know we need to be working together otherwise we are doing a disservice to our clients.

From our point of view it has opened up discussions with employers. It's a good alignment. It's very bitty so far, but it has taken double dipping away.

16. While there is opportunity for providers as the market has widened, there was also a sense that putting workplace literacy together with qualifications has the potential to change the nature of what was taught and how it was taught. There was a concern that the focus of programmes could change to collecting evidence for unit standards and skills checks, rather than developing transferable skills.

The difficulty is that people get a qualification, but still can't talk and communicate in the workplace as there has been no skills development, they are just signed off for tasks. ITOs are primarily about skill checks, but not about skills transfer. Their account managers don't understand what workplace literacy is.

17. Another concern was that workplace literacy programmes build the foundation that pathways people onto qualifications and provides the opportunities to meet specific learning needs. The providers also thought these things might be lost if the focus of programmes shifts to qualifications.

18. While the providers recognise there is an opportunity to get into a wider market and will have to change the way they do things, there were also comments about ITOs needing to rethink how they work in this space and get support for trainees.

Comment

19. The funding change has not been leapt on with alacrity for the following reasons:

- The lack of existing relationships between ITOs and providers and the time it takes to build these
- ITOs having too few qualifications at level 2 and wanting the change to extend to level 3 qualifications
- A wariness on the part of providers about the extent to which it might change what is delivered in programmes.

20. However in saying this, the more 'entrepreneurial' providers have been quick to see the opportunity to grow their businesses and develop relationships with ITOs, such as PrimaryITO and Competenz.