

Item 1: RoVE - Industry Skills Bodies (ISBs)

This advice on ISBs follows on from our 10 April discussion with you about arranging training.

We will provide more detailed advice on 26 April seeking decisions on role changes for ITOs and providers, building on these strategy sessions.

Two further papers will also be provided this week, on opportunities to use the design of RoVE to: better support Maori learner outcomes, and better support Pacific peoples and communities.

Number and Structure of ISBs

Four options emerged from consultation, discussed below. Option 2 is recommended.

	1. Single ISB	2. Consolidated ISBs	3. Eleven ISBs	4. Many ISBs
Assessment criteria	Sub-committees provide industry representation; shared services arrangements for technical capability	Several larger ISBs covering broad industry sectors. Government facilitates co-design process to consolidate and enhance coverage.	Transition current ITOs into ISBs (by transferring standard setting and leadership functions).	Industry self-identifies their preferred areas of coverage. Could get 40-50 ISBs (similar numbers to ITOs in the 1990s).
More and better vocational education and Integrated system	✓ Improved technical capability but risk of industry disengagement	✓✓ Scale benefits but stronger industry engagement	-- Similar to status quo	XX Weak technical capability and fragmentation that undermines collaboration
Enhanced Crown-Māori partnership	✓ Crown-Maori partnership mainly advanced through governance requirements and NZQA rules, but scale will make it easier	✓ As for option 1	-- Crown-Maori partnership advanced through governance requirements and NZQA rules	-- As for option 3.
Clear roles for industry and no conflicts of interest	XX Role is clear (in representing industry) but perceived to be more like a government agency	✓ Roles should be clear, boundaries firm with reduction in areas of competition for coverage	✓ Industry remains in control during transition. ISBs remain close to their industries, but contention in coverage remains	✓ Roles clear, but many more industry boundaries result in increased contention in terms of coverage and influence
Future proofed system	XX Likely to be least responsive to industry needs, but more strategic in focus	✓✓ Best balances responsiveness to industry with strategic effectiveness	✓ Likely to continue to be responsive to industry, but smaller ISBs may not have as much influence	X Smaller ISBs likely to be responsive, but lack strategic capability
Transition risks	X Likely to be perceived as a take-over by one ITO and/or by government. Could require much more establishment funding	✓✓ Likely support from most ITOs (especially larger ITOs) if co-designed. Some industry groups may need specific support to ensure buy-in	✓ Easier transition (probably lower cost), but larger ITOs are already looking for opportunities to amalgamate	XX Transition likely to have unknown outcomes; some industry sectors very fragmented. Later rationalisation likely to be difficult

Functions

Skills leadership

Scope:

- Skills leadership role that identifies industry-supported skills needs and advocating (to employers, education providers, and government) for those needs to be met through education and careers systems.

Mechanisms:

- ISBs to identify skills needs through skills leadership plans informed by research, planning, engagement and collaboration activities
- ISBs to have clear pathways for learners to progress from schooling to industry training and into further training, education and employment
- With RLGs, could also advise on broader labour and immigration issues, etc

Advice to TEC about investment.

Design principles:

Responsive: ISBs' advice has a tangible effect

Transparent: TEC's use of advice is clear

Efficient: ISBs' advice is delivered in a consistent form/timing

Flexible: TEC has regard to ISB (and RLG) advice but has flexibility to manage across competing priorities

Skill standards, qualifications and programmes:

Most requirements set in NZQA rules, can be designed over time

Key co-design work will be on

- balancing national consistency and flexibility; and
- should ISBs establish 'common core curriculum' e.g. via training packages

ISBs to oversee capstone assessments and other moderation; NZQA oversight to ensure they are being used appropriately

If ISBs don't establish common core curriculum they could co-approve provider programmes with NZQA (NZIST to self-accredit programmes but ISB approval still required)

Work to do on how NZQA's Te Hono o Te Kahurangi QA framework should apply to ISBs

Legal form and funding of ISBs

- Similar recognition approach for 'licensing' ITOs should continue for ISBs, but with greater flexibility for the Minister to set criteria (following co-design process)
- 'Stand-up' of ISBs to use recognition process – likely to involve mergers/changed coverage for existing ITOs, but should remain open to the possibility of new actors
- Industry support desirable through co-design process in order to transfer assets/capability out of existing ITOs to ISBs (although transition funding is almost certain to be necessary)
- Further work is required to consider an interventions framework for ISBs (fewer = higher risk)

Most ISB functions would likely require public funding:

- Around 25-30% of ITO activities appear to map to ISB roles. If this was provided to ISBs it would be in the order of █████ per year.
- Most current industry contributions are for training fees, although there are some levy contributions
- Work on employer incentives should consider whether levies should include support for ISBs.