



**ROAD TRANSPORT FORUM NEW ZEALAND INC
SUBMISSION
ON
Industry Training Review
2012 Discussion Document**

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SEPTEMBER 2012

**SUBMISSION BY ROAD TRANSPORT FORUM NEW ZEALAND TO
MINISTRY of EDUCATION ON INDUSTRY TRAINING REVIEW 2012
DISCUSSION DOCUMENT**

1.0 Comment

- 1.1 The consultation document seeks views on proposals to change New Zealand's industry training system to improve its effectiveness for employers, trainees and the government.
- 1.2 We welcome the opportunity to comment on these proposals as training provision from Tranzqual ITO did not successfully meet the road freight transport industry's (the industry) requirements. Tranzqual ITO was formed by the industry and its governance was monitored by industry representatives and yet Tranzqual fell short of industry expectations. Tranzqual's performance was to a large extent handicapped by Government policy rather than through institutional inadequacy.
- 1.3 Industry training in general is unlikely to change in the future unless wide sweeping changes are made to current training doctrine. The difficulty that a number of training institutions face is that they are competing against Government policy to deliver training. Road freight transport trainees are particularly affected as the fundamental qualification required to operate heavy vehicles cannot be readily adapted or amended to meet industry requirements like other qualifications can.
- 1.4 The foremost qualification required to transport freight is the heavy vehicle driver's licence. The vehicle licensing system is particularly rigid with no scope for change. Generally it takes up to 4 years to progress through the varying licence grades to reach the stage that prospective drivers are able to legitimately operate the heavy vehicles and heavy vehicle combinations.

- 1.5 There are other competencies required to ensure the safe and efficient transport of freight but these skills are ancillary to the Class 4 & 5 drivers licence. Tranqual placed an unnecessary amount of focus on these competencies in order to access funding. However, these were not competencies which the road freight industry desperately needed and therefore (as the discussion document has noted) completion rates were low.
- 1.6 It is also noteworthy that the only real beneficiary of this programme was Tranqual itself.
- 1.7 In addition, the time taken to progress through the licensing regime is similar to the period of time required to obtain some Level 5 and 6 (diploma level) qualifications. Level 5 and 6 certificate holders enjoy funding assistance while lower ranked qualifications that require similar amounts of time to complete receive comparatively little support.
- 1.8 This situation is not solely applicable to road freight transport and the discussion document appears to recognise that there may not be a one size fits all solution to tackling training needs requirements. The discussion document puts forward a number of varying proposals to tackle this.
- 1.9 Industry training is a partnership between employers, trainees/apprentices and government. As such it will be necessary to modernise thinking around training provision. It is imperative that future change creates a more responsive system while also recognising government and industry objectives.

2.0 **PROPOSAL RESPONSES**

2.1 **Proposal 2. ITO's focus on the skill setting function for their respective industries**

- 2.2 This proposal is being put forward with the vision that ITO's will continue to collaborate with industry on the development of skill standards and qualifications.
- 2.3 This highlights some of the flaws in the training programme. In the majority of cases industries have developed training requirements and set them in place without the need for ITO involvement. In cases such as this ITO involvement only adds cost without adding any value to qualifications or their training provision. In other words ITO's are clipping the ticket but providing little in return for their efforts.
- 2.4 Industry is not totally convinced that qualification development should be shared by industry and ITO's for this reason. We imagine that there are a number of industries that possess the support and ability to develop and deliver the training needs they require.
- 2.5 Therefore we do not entirely support ITOs retaining the standard setting function for their respective industries. If ITO's are to provide greater returns it will be important for qualification policies to enable industry to set standards and qualifications to meet their requirements.
- 2.6 The NZQA should review standard setting and qualification policy to ensure that ITOs effectively and efficiently set standards for their respective industries. Which leads us to proposal 4.
- 3.0 **Proposal 4. Industry will be responsible for communicating skill needs to Government, with support from the Ministry of Business, Innovation and Employment and the Tertiary Education System**
- 3.1 The details of this proposal are that the statutory skills leadership role would be removed. Industry groups would work directly with the Ministry of Business, Innovation and Employment and the Tertiary Education Commission to indicate industry's skills needs.

3.2 ITO's will still be able to contribute to skills leadership by industries, alongside other stakeholders.

3.3 This proposal fits well with the road freight industry's desires. And all that remains from the industry's perspective is a means to access funding.

4.0 **Proposal 5**

4.1 This proposal sets the principle of creating a more sustainable funding regime to increase the subsidy rates for trainee ships and introduce a new higher subsidy rate for apprenticeships.

4.2 This will be beneficial to a large number of trainees. However, targeting a specific sector of trainees (apprentices) and providing them with higher subsidies will not assist with engaging trainees that are not apprenticeship based. Vocational occupations contribute to New Zealand's wellbeing yet there are no proposals to assist trainees in these occupations.

4.3 It is inequitable to offer subsidies to trainees in occupations which also benefit from gaining qualifications while offering comparatively little to trainees within vocational occupations. BERL research has demonstrated that New Zealand's economy is driven by elementary skilled labour. Offering no incentive to this labour group does little to lift New Zealand's productivity or skills.

4.4 The elementary skilled labour group and their employers should be better supported if productivity and skills in general are to be increased.

4.5 Proposals also detail that co-funding by industry will continue and employers will be expected to contribute to the cost of training. Again for some industries and their trainees this principle may not work.

- 4.6 We support the establishment of a sustainable funding regime for trainees/apprentices. This support is tempered somewhat by concern that funding rate reviews (for industry training and apprenticeships) will not be incorporated into standard setting rationale. There is also concern that services provided to workplaces and schools from ITO's will diminish in value. And as stated earlier these principles do very little to offer support to vocational trainees and elementary skill groups.
- 4.7 Funding rates for industry training should reflect the activities of ITOs in the vocational training system. As standard setters, ensuring that qualifications reflect industry needs and preferences are paramount.
- 4.8 Policy must also ensure that ITO's are able to provide adequate support and services to workplaces. Doing so would have a positive influence on achievement with the following provision of high quality traineeships and apprenticeships.