Report of External Evaluation and Review

ElectroTechnology Industry Training Organisation

Confident in ITO performance

Confident in capability in self-assessment

Date of report: 19 September 2012

Contents

MoE Number: 8103

NZQA Reference: C07422

Dates of EER visit: 7, 8, 9 and 10 May 2012

Purpose of this Report

The purpose of this external evaluation and review report is to provide a public statement about the industry training organisation's (ITO) performance and capability in self-assessment. It forms part of the accountability process required by Government to inform investors, the public, trainees, communities, employers, and other interested parties. It is also intended to be used by the ITO itself for quality improvement purposes.

Introduction

1. ITO in context

Name of ITO:	ElectroTechnology Industry Training Organisation – Real ITO (ETITO)
Location:	Level 3, Building B, 65 Main Highway, Ellerslie, Auckland
Gazette recognition date:	1992
Gazette coverage:	Pursuant to section 5 of the Industry Training Act 1992, full recognition is given to the Electrotechnology Industry Training Organisation for a period of five years with effect from 1 December 2007 to set standards at Levels 1 to 8 on the National Qualifications Framework for the electrotechnology, telecommunications, security, offender management, contact centres, ambulance, financial services industry (excluding personal trust administration, family trust, education and funeral trust as administered by the Public Trust under the Public Trust Act 2001).
	The Electro-technology Industry Training Organisation Incorporated has been granted… 1 December 2011, to set standards at Levels 1 to 8 on the New Zealand Qualifications Framework for the real estate industry being: the appraisal, sale and purchase, letting and leasing, property management of commercial/industrial, residential and rural properties, and businesses; and body corporate services for commercial/industrial, residential and rural properties and businesses.

Registered Qualifications:	46
Registered Consent and Moderation Requirements:	CMR 3
Number of Standard Training Measures:	5,333
Number of trainees:	8,955
Number of staff:	91
Number of registered workplace assessors:	Industry Training Commercial (e.g. call centre operations, Financial Services, Ambulance): 408 active assessors (that is, have reported unit standard credits in the last three years).
	Industry Training (Electrotechnolgy): 892 active assessors
Distinctive characteristics:	None
Recent significant changes:	ETITO was granted the real estate coverage in December 2011. REAL ITO's external evaluation and review visit was conducted before then, at which the outcome was Confident for ITO performance and Not Yet Confident for capability in self-assessment.
Previous quality assurance history:	ETITO met all requirements at the previous quality NZQA assurance visit in 2007.

2. Scope of external evaluation and review

The external evaluation and review included the following focus areas:

- National Certificate in Electrical Engineering (Electrician for Registration) (Level 4)

- National Certificate in Contact Centre Operations (Level 3)

- National Certificate in Financial Services (Level 5)

- National Certificate in Security (Level 2).

These qualifications were selected as focus areas for the evaluation because they cover a range of activities related to the organisation's strategies, such as developing literacy and numeracy-embedded learning and assessment materials, increasing qualification completions, improving outcomes for Māori and Pasifika trainees, setting standards for industry regulatory requirements, and reviewing qualifications to meet industry needs.

The evaluation did not include the real estate sector because the ITO only took over responsibility for setting the standards and making arrangements for training in 2011. The ITO responsible before this, Real ITO, had an external evaluation and review in 2012.

3. Conduct of external evaluation and review

All external evaluation and reviews are conducted in accordance with NZQA's published policies and procedures. The methodology used is described fully in the document Policy and Guidelines for the Conduct of External Evaluation and Review available at: http://www.nzqa.govt.nz/for-providers/keydocs/index.html) (Refer to ITO supplement). The ITO has an opportunity to comment on the accuracy of this report, and any submissions received are fully considered by NZQA before finalising the report.

The external evaluation and review was carried out by a team of four evaluators at the ITO's head office in Penrose, Auckland. The evaluation team gathered evidence from conversations with the chief executive officer, the industry manager (responsible for the electrotechnology and telecommunication sectors), staff from qualifications and resource development, the commercial general manager and training managers (responsible for the financial services, call centre operations, real estate, and security sectors), the quality assurance manager, board representatives, senior management, trainees, and employers. The team also reviewed relevant documents relating to trainee achievements, training needs forecasting, setting standards, and moderation of assessments.

Summary of Results

Statement of confidence on ITO performance

NZQA is **Confident** in the performance of the **ElectroTechnology Industry Training Organisation (ETITO) – Real ITO.**

ETITO has developed standards and qualifications that are aligned strongly to industry needs through research of the economic environment and consultation with sector employers and associations. This alignment has enabled it to take a leadership role in and across its sectors in providing timely and useful advice in relation to skills shortages and training needs. In particular, the ITO has developed qualifications to meet the regulatory needs of the financial sector for the supply of approved financial advisors and security workers working across a wide range of roles.

The development of a standards-based qualification and assessment system to meet Financial Markets Authority requirements for registration, introduced in 2011 for approved financial advisors, is a good example of the ITO demonstrating leadership by identifying the nature and scope of the training needs to be met. The ITO developed a relationship with the sector and government and led the development of the qualification and the training arrangements, so as to meet the (legislated) requirements of the Financial Markets Authority. The initial roll out identified some issues with the assessments which have since been addressed by the ITO in 2011. Ongoing monitoring of industry feedback will be utilised to ensure training serves the needs of the financial services industry.

In addition, the National Certificate in Electrical Engineering is recognised as the qualification required for registration as an electrical worker with the Electrical Workers Registration Board (EWRB), the industry regulatory body. This area has undergone a review through the Targeted Review of Qualifications process with industry employers and providers, and is awaiting the outcome of the NZQA analysis to meet the new qualification approval criteria. The ITO has already performed an effective leadership role in the Targeted Review of Qualifications process in relation to the telecommunications and offender management sectors and is leading the contact centre and financial services sector reviews at present.

The value that the industry places on the qualification and training arranged by the ITO is shown by the high industry uptake of the Electrotechnology qualifications, with nearly 20 per cent engagement across all of the sectors, as well as the high industry contribution towards the cost of training (34 per cent). This is high because not all people employed require training and some would have already completed training at this level.

Trainee credit achievements are well within the Tertiary Education Commission (TEC) targets for all sectors. The ITO monitors credit achievement regularly to identify where support for trainees is required, and this has been effective in increasing trainee qualification completion.

Although credit achievement is meeting targets, the goal of the ITO is now to improve the qualification completion rate for trainees, as many do not complete the qualification within the timeframe that the TEC specifies. This is mainly because completion depends on the timing of work tasks so that trainees have the opportunity to meet the on-job assessment requirements as well as complete the theory related to particular tasks. The ITO is closely monitoring training arrangements with providers and training on the job to ensure trainees and employers have the appropriate support available to help trainees improve their qualification completion rates. Already the ITO has seen gains, in particular in relation to improved credit achievements for contact centre and security trainees. This has happened as a consequence of the ITO's increased focus on training plans and providing information to employers.

Electrotechnology trainees currently have a high rate of success, with over 60 per cent of ITO apprentices gaining registration with EWRB. This could improve further, however, as figures show that those who enrol in courses with providers such as Etech achieve at a higher rate because they are able to apply a more selective entry process in contrast to the ITO, which caters to all trainees from various academic backgrounds and abilities.

A robust ITO moderation system, which involves industry participation and a range of moderation activities, ensures that a high standard of unit standard assessment on the job and by training providers is maintained at the national level and that assessment decisions are consistent between assessors.

The ITO has a strong governing board that works effectively to support all of its sectors, with broad industry representation covering a range of organisations and associations who are key players in the sectors they represent. In this way, the ITO ensures that the training and support needs of the many industries for which it has responsibility are considered equally.

Statement of confidence on capability in self-assessment

NZQA is **Confident** in the capability in self-assessment of the **ElectroTechnology Industry Training Organisation (ETITO) – REAL ITO.**

ETITO is implementing an overall evaluative approach to understanding whether its strategies have led to improvements in trainee learning across sectors. The ETITO database management system sits at the heart of the ITO's administrative infrastructure and has a well-developed capability to:

- monitor performance and progress in relation to all the ITO's day-to-day operations

- support the industry sectors for which the ITO provides leadership, trainee supervision, and moderation.

This capability especially supports policy and leadership that the board provides as it reviews the overall operation of the ITO and provides oversight of direction for the achievement of goals.

The ITO accordingly is responsive to needs, as indicated by qualifications aligned to industry regulations and the positive feedback that stakeholders and others have provided.

The chief executive officer communicates new initiatives on achievement to staff monthly. The centrally monitored and networked structure of the organisation means that information flows readily across the organisation, with key staff taking on roles across teams to ensure success with strategy implementation, as for example in assessor support for the contact centre workers and employers.

The strength of the ITO's administrative organisation lies within the research projects that the ITO conducts to understand industry training needs and trainee support requirements.

The ITO monitors trainee achievement systematically through centralised database reporting functions, and the training manager has systems and processes in place that constantly update the database. Further work is required, however, to capture better data for meta-analyses of qualification achievement for each sector. This would further enhance the ITO's analysis, as distinct from the TEC data, which does not distinguish success for different sectors of the ITO.

Findings[1]

1.1 How well does the ITO understand and meet the needs of industry, learners and government?

The rating for performance in relation to this key evaluation question is **Excellent.**

The rating for capability in self-assessment for this key evaluation question is **Excellent.**

Ongoing monitoring and research drive the ETITO in all sectors it engages with. The ITO has close relationships with industry employers, regulatory bodies, and industry associations from each sector to develop standards and qualifications that meet the needs of the industries it supports.

In addition, the recent focus on the Targeted Review of Qualifications to meet new NZQA qualification approval requirements has enabled the ITO to provide leadership with a wide range of stakeholders, particularly for the electrotechnology and financial services sectors.

ETITO has a history of conducting surveys and research to systematically inform the development of standards for quality training and the effective assessment of learning and achievement. In this way the ITO is well placed to provide evidence-based advice to its various industry partners in respect to the quality of training, achievement of unit standards, and ways to improve learning outcomes. For example, the ITO staff members who support and work with the financial services sector are currently engaged in reviewing the adequacy of unit standards for the various qualifications recently developed for this sector.

The strategies implemented to meet industry needs are initially driven by a scan of the current environment, including government policies, Department of Labour statistics, and industry employment forecasts. The ETITO management team uses research analysis, including a commissioned report by an external, independent research company, as well as the ITO's own survey of individual industry needs using graduate profiles, to inform its board of emerging qualification needs and to make recommendations about the training required to address skill shortages through targeted training initiatives. The ITO's market research supports the process and industry satisfaction surveys monitor how well the ITO is currently addressing needs and meeting them. In summary, the ITO is implementing an overall evaluative approach to understanding whether its strategies have led to improvement in trainee learning across the sectors.

---

[1] The findings in this report are derived using a standard process and are based on a targeted sample of the organisation's activities.

The National Certificate in Security is an example of how the ITO has addressed industry qualification needs. It has done this through extensive consultation with employers and its training advisory group, including other training providers. The qualification review 2010 took into account emerging industry and proposed regulatory requirements in New Zealand, international changes in the sector, as well as the needs of the diverse requirements of the sector, including Māori wardens. The review led to the introduction of conflict management competencies into the qualification, encompassing the special requirements to work in the security sector. Over 2010-2011, the uptake of the National Certificate in Security increased from 1,200 to 1,300.

Another example of addressing industry needs is the development of qualifications to meet the regulatory standards introduced by the Financial Markets Authority (formerly known as the Securities Commission) following the credit crisis of 2008. The ITO approached the Government and industry leaders about developing qualifications for financial advisors that meet the new statutory requirements. The outcome was that the ITO implemented the training and assessment for this sector in 2011. To date, 1,105 trainees have completed the qualification and this is expected to reach over 3,000 in 2012. Following high enrolment to complete the qualification initially, the ITO is now researching likely demand for the future.

Electrotechnology employers have traditionally employed apprentices who enrol in the level 4 electrical engineering qualification, which is the sole qualification that the industry recognises at this level. This recognition is due to the ITO's work with EWRB to ensure that the qualification meets the requirements for registration. Trainees who achieve the required unit standards, which include two unit standards assessed by an independent EWRB examination, can apply to EWRB for registration as an electrical worker.

Overall, the ITO shows an in-depth understanding of meeting the needs of the industries for which it is responsible, and how the needs are to be met. Over the past year (2011-2012) research reports for each sector have focussed more on understanding why employers engage with training, which has lead to more structured support for trainees as well as employers. This approach will leave the ITO well placed to implement changes that may follow from the Ministry of Education's review of the industry training sector currently in progress.

1.2 What is the value of the outcomes for employers and their trainees?

The rating for performance in relation to this key evaluation question is **Good.**

The rating for capability in self-assessment for this key evaluation question is **Good.**

The ITO is continuously engaging with the sectors it serves, with qualifications aligned to industry training needs. A large number of organisations across industry sectors hold training agreements with the ITO[2], with approximately a third of the ITO's trainees working in the electrotechnology sector. Although the number of trainees in this sector decreased from 2010 to 2011, as an effect of the economic recession, the ITO has observed the numbers increasing for each sector in 2012. This growth in confidence in the ITO is also seen in the high (34 per cent) industry contribution to the training, which is the employer-funded component of the training and annual membership fees. Members include:

- Ambulance New Zealand

- Electrical Contractors Association of New Zealand

- New Zealand Engineering, Printing and Manufacturing Union

- New Zealand Security Association

- Real Estate Institute of New Zealand

- Telecommunications Users Association of New Zealand

- ElectroTechnical Association Incorporated.

Large companies such as banks are also members, but on a different membership tier.

As a consequence of new regulations on financial services implemented in 2011, it was expected that around 5,000 financial advisors would need to complete a qualification to meet the new regulations. However, because of a late change to legislation, fewer people than the initial research projected required the qualification. The ITO is monitoring demand for this qualification for 2012 to see how it can further enhance the value of the qualification to this sector.

ETITO is also aware that this is the first time that the sector has had regulations set by the Financial Markets Authority, and believes this has contributed to some issues in implementing a qualification for this sector. ETITO is continuously monitoring feedback to ensure that the sector better understands unit standard-based training and assessment.

The ITO continues to show a leadership role in setting standards for this sector and arranging appropriate training. It is currently involved in a Targeted Review of Qualifications process with the sector which it intends to further address industry

---

[2] See Annual Report 2010: http://www.etito.co.nz/annual-reports/

perceptions of the value of the training. The process engages representatives from within the sector and the ITO's own findings from a recent survey of employers and trainees to address concerns.

The electrotechnology sector, on the other hand, highly values the National Certificate in Electrical Engineering and perceives it to be worthwhile because it is aligned to EWRB registration and is recognised overseas. Employer and trainee feedback indicates that this qualification is the recognised industry standard. The level 4 qualification also leads to the National Certificate in Electrical Engineering (Advanced Trade) (Level 5) and/or the New Zealand Diploma in Engineering (Level 6), which a small number of trainees go on to complete to advance their career.

Trainee numbers in the contact centre operations fell for some years, which the ITO attributes partly to the maturing of the sector and the number of call centre operations now based offshore, meaning there are fewer people to sign training agreements in this sector. This downturn has reversed over the past year due to employers taking a more positive approach to training combined with ETITO taking a more tailored approach to supporting the training in the particular workplace. Current research conducted by the ITO seeks to understand factors and forces that motivate employers to customise training to specific workplace requirements and increase the numbers training in this sector. Feedback from trainees who had completed a qualification with the ITO showed that having a qualification provided them with transferrable skills and assisted them with internal career pathways and promotions.

A substantial increase has occurred in the number of security trainees, from 759 in 2007 to 3,342 in 2011, principally due to increased expectations relating to a minimum number of trained security personnel required for commercial tenders.

The ITO qualification review means that the National Certificate in Security is now more relevant and suitable for more people working in this sector. Trainees as well as employees value the qualification because for many it provides their first formal qualification. Feedback shows that the qualification is achievable within the organisations that employ security workers. Many trainees do not proceed to level 3 qualifications, because they need the level 2 which, because of the transient nature of the work in this area and unpredictable work demands leads to non-completion.

Overall, feedback from all sectors, but in particular the contact centres and security sectors, along with increasing demand for training, demonstrate that ETITO is achieving the understanding required of how the various industry sectors operate and of how best they may help to provide appropriately trained and well-qualified employees.

1.3 How well do trainees achieve?

The rating for performance in relation to this key evaluation question is **Good.**

The rating for capability in self-assessment for this key evaluation question is **Good.**

The TEC requires ITOs to focus on STM achievement (that is, the number of trainees achieving credits within a specified time). The ITO monitors this very closely and 2011 data shows that ETITO has met the credit achievement target of 80 per cent of all trainees achieving credits. This is a result of the ITO's strategy to increase completions through more engagement with employers and support for trainees, as well as to prepare for the growth in employee numbers when the country emerges from the current recession.

ETITO had an overall credit achievement of 55 per cent and qualification completion rate of 47 per cent in 2010, which is below the national ITO average of 65 per cent and 55 per cent respectively. Because the data for qualification completions in 2011 has yet to be finalised with the TEC, it is not yet known whether the ITO has increased its qualification completion rate overall.

When results are analysed for each sector, level 4 electrical engineering trainees have the best success in qualification achievements and credit completions out of all the sectors for which the ITO is responsible. The registration exam, which is the end assessment of the National Certificate in Electrical Engineering and a proxy for measuring success, shows that overall, around 90 per cent of people who completed the qualification and gained registration with EWRB. Trainees are able to enrol for pre-employment off-job training with a training provider and complete the on-job training with the ITO. For comparison, trainees are more successful when enrolled with a training provider in a managed apprenticeship than directly with the ITO, with 85 per cent and 64 per cent gaining registration respectively.

In order to increase electrotechnology trainee completions, ITO training managers now provide additional support for on-the-job training and assessment, and have also introduced text message reminders to complete assessments. In addition, training plans give trainees better short-term goals to work towards and they enable the ITO to provide interventions, such as additional off-job provision, helping them to achieve. In 2011, however, the ITO still had issues with completions for just over 400 trainees in this sector. The reasons identified for late or non-completions were the alignment of work on the job to the requirements of the workplace assessment, which means that it can be difficult for trainees to have opportunities to learn on the job to complete assessments successfully. The two three-hour examinations, if failed, can also lead to a delay in completions, as the trainee must wait six months before they have an opportunity to re-sit the examination. In addition, the ITO feels that it needs to educate some employers to get them to link pay increases to credit achievement for trainees to lift motivation to complete more quickly. Another consideration is the current economic downturn, which has limited opportunities for training on the job to meet the workplace unit standard requirements.

ETITO did not have coherent data to show contact centre and security qualification achievements in 2011, it does know that achievement is very low in these sectors, particularly security, which contribute to the ITO's lower than national average credit achievement rate. This is because many security workers are casual workers and often have problems with the literacy and numeracy aspects of learning and achievement. The explanation for the lower than average contact centre operations credit achievement was to do with barrier to completion, which the ITO has attempted to address with new training and assessment materials. The ITO expects that support strategies implemented by training managers will lead to improvements in both of these sectors and some gains are being noted for 2012.

The ITO's research shows that 60 per cent of individuals had exemptions from the new regulations for financial advisors because they already held relevant qualifications. The system developed by the ITO in consultation with the sector was designed to enable learners to complete partial qualifications (standard sets) as well as a whole qualification, by offering specific training and assessment pathways towards relevant qualification components, with support from ETITO-managed training arrangements.

Of the 4,482 individuals who registered with ETITO, many did so out of interest in understanding the process financial advisers were going through, or because they thought they may be required to because of impending regulatory requirements which subsequently changed. A total of 1,105 have completed the whole qualification, and of these, 170 completed in 2011 through ETITO-managed arrangements for the whole qualification, and the remainder were through individuals' open engagement with combinations of training provider and ETITO assessment systems.

However, feedback from individual companies interviewed by the evaluation team identified dissatisfaction with the assessment process, with reports that trainees withdrew because of issues with the examination questions, as well as onerous evidence-gathering requirements at the initial roll-out, although this issue has since been addressed by the organisation. The ITO research data shows that the highest rate of partial completions was in the single unit standard assessed by an examination, known as Standard Set B. A total of 3,590 individuals have sat this examination and 3,308 (92 per cent) have passed this part of the qualification to date. The frustration some individuals experienced with some examination questions led to a 1.7 per cent appeals rate, of which approximately 55 per cent were upheld.

The ITO has made changes to the exam since and made changes to the qualification structure to address issues that were raised by industry after the initial trial period. Of the 2,485 people with partial qualifications that potentially may choose in future to complete the qualification, approximately 10 per cent are in ETITO-managed arrangements for the whole qualification, and ETITO is working with these people towards their completion. Many of the evidence requirements are set by the Financial Markets Authority and are outside the control of the ITO; however, it has made as many adaptations as possible to assist trainees to

complete requirements and is analysing its recent research to further understand drivers and barriers for completion.

The ITO routinely monitors credit achievement towards quarterly targets set by the Tertiary Education Commission, but it needs to improve the way that it uses this information to compare results across sectors to determine whether this approach is improving qualification achievement for trainees. Despite investigation by the evaluation team, it was not clear what proportion of trainees are achieving credits for each sector and what proportion of trainees enrolled in a training agreement with the ITO are achieving a specific qualification within the expected timeframe.

A more coherent approach to understanding achievement of qualifications and monitoring trainees' employment pathways, such as comparing electrotechnology trainees who gain registration across time, would be useful.

It is important to recognise, however, that the ITO is not able directly to influence trainee achievement, because the majority of outcomes depend on the employer and the economic environment. That is to say, good employers generally see value in encouraging trainees to achieve, but work commitments frequently take priority over the training and, therefore, qualification achievement. This situation occurs across sectors. The ITO has increased its support for employers and trainees by providing them with workbooks and training plans, with some affect in lifting credit achievement. Results for 2011 and 2012 will show whether the approach has assisted more trainees to complete their qualifications.

1.4 How effective is the training arranged by the ITO?

The rating for performance in relation to this key evaluation question is **Excellent.**

The rating for capability in self-assessment for this key evaluation question is **Good.**

ETITO has developed training options that enable trainees to achieve the industry qualifications they need while working. This means that employees in contact centres, electrical engineering apprenticeships, and in the security sector can gain recognition for their skills while they are working.

Training that the ITO arranges provides a direct pathway for successful electrical apprentices to register as an electrical worker with EWRB, and a large number of electrical engineer employees are in training towards the qualification.

Individuals employed in the industry already can choose to do an apprenticeship through the ITO or, if not, they are able to enrol with an off-job training provider directly for theory training only. Apprentices attend block courses, night school, or complete via distance learning with a training provider to complete around 140 credits of theory learning and assessment. They complete the remaining 101 credits on the job, with two three-hour examinations at the end which permits successful trainees to apply for EWRB registration.

Elsewhere, training and assessment for qualifications is mainly assessed on the job, such as in the contact centre and security sectors, where the ETITO training manager engages with the employer to determine how the training package can be tailored to meet specific company requirements. In addition, the training manager assesses the training capability of the workplace to identify and arrange appropriate training for the trainee. ETITO arranges training with employers to develop assessment capability in the workplace where this is required for on-job assessment to occur. The trainees then gather evidence on the job using workbooks that a supervisor validates before submitting evidence to the ITO for verification and sign-off. The ITO also contracts off-job training with a training provider.

The ITO has focussed on providing better resources and support for the contact centre and security sectors because traditionally these have had less trainee success than the electrotechnology sector. This is partially attributed to the qualification not being compulsory for employment in this sector. In addition, trainees often have not completed a formal qualification previously and are also constrained by having to arrange assessments while working night shifts. The ITO has already seen an increase in credit and qualification achievement for these areas due to better arrangements for on-job assessors and better trainee workbooks. The ITO revised the contact centre trainee workbooks and guidelines following the review of the qualification in 2010, which mandated them to include additional strands and condense workbooks, make them easier for trainees to complete.

The 50 credits for the security training and assessment are mostly assessed on the job, with three unit standards in fire, first aid, and in some cases, the practical conflict management unit standards assessed by an accredited training provider. The programme takes nine months, which fits in with the work patterns of security workers and enables trainees to complete, as many tend to be transient in this sector. Again, the ITO training managers maintain a close relationship with the employers and trainees to monitor progress and help with any barriers to achievement. Feedback on the workbooks for this sector shows high satisfaction.

Because of industry involvement and the industry leadership role held by ETITO around the time new regulations for the financial services sector were being introduced, it has developed a training model that meets Financial Markets Authority requirements for approved financial advisors. The training involves off-job theory assessments, on-job evidence-gathering, and a final examination. Trainees are able to seek exemption from components of the national certificate for the purposes of authorisation by the Financial Markets Authority. This is appropriate for people who have worked in this sector for a number of years or who have completed recognised qualifications in the sector.

ETITO worked to establish training capacity in the private training establishment, institute of technology and polytechnic, and university sectors. This involved issuing a Request for Proposal (RFP) and communicating the need and urgency for training to the sector to meet the incoming requirements. This involved facilitating

new accreditations for 11 organisations, and facilitating communication between the TEC, NZQA, and training providers and the creation of memorandums of collaboration.

Approximately 2,000 eligible financial advisers identified by the Financial Markets Authority successfully engaged with the relevant parts of ETITO's assessment system, and most did so before the scheduled deadline for the implementation of the regulations. The monitoring and reporting of standard set completions to the Financial Markets Authority provided a seamless data transfer of results for all learners across New Zealand regardless of the source of training and/or assessment. ETITO's reporting system to the Financial Markets Authority eliminated the requirement for trainees to collate multiple records of achievement when seeking authorisation. This system allowed the Financial Markets Authority to maintain an accurate record of completions, enabling it to process applicants with no hindrance to their authorisation.

Some of the financial services trainees were critical of the Set B exam questions and the amount of evidence required when the training was initially rolled out at the beginning of 2010. ETITO worked with the examination provider (Assessment Services Ltd) and industry subject matter experts to improve the range of questions and validate the level required to meet the Financial Markets Authority standard. The ITO has implemented the changes and is monitoring feedback and achievement to identify improvements. The NZQA Targeted Review of Qualifications process currently underway will allow the ITO to align unit standards better with industry requirements and improve perceptions of the training that various agencies provide. The ITO expects to see the training arrangements embedded over time because the sector has not had training to meet regulatory requirements before or engaged with the New Zealand Qualifications Framework. Massey University's accreditation for the National Certificate in Financial Services is a first for a university to seek and gain accreditation for a level 5 unit standard accreditation.

ETITO developed its trainee workbooks in line with principles of literacy and numeracy development, and ITO surveys show that trainees are very satisfied with them. The ITO has been monitoring trainee literacy and numeracy results using the TEC online assessment tool and it is noticing gains in literacy and numeracy across all of its trainees. Ongoing analysis of results will confirm whether strategies are lifting the level of trainees' literacy and numeracy skills noticeably.

The introduction of electronic 'tablets' for training managers' use when talking to employers has raised the level of discussions with employers, as they can directly show employers the training plans and evidence of trainees' progress. The training managers also develop specific training plans with assessment goals to motivate trainees. ETITO is satisfied that its implementation of better trainee support is working to increase completions across sectors. This support includes revised workbooks and ETITO training managers' higher engagement with employers and trainees.

The ITO confirms whether training is effective by monitoring credit achievement and feedback from employers, trainee workbook evaluations, and training manager reports.

The ITO uses its survey and evaluation research to determine the appropriate mix of training. It is continuing to seek ways to improve the training for trainees and their employers to increase completions.

1.5 What is the quality of the assessment being undertaken towards industry standards and qualifications?

The rating for performance in relation to this key evaluation question is **Excellent.**

The rating for capability in self-assessment for this key evaluation question is **Excellent.**

ETITO has developed robust processes to ensure that assessment is valid and at the appropriate level across sectors. The on-job unit standard assessment for the electrical engineering qualification is conducted by training managers who verify evidence collected on-job by the trainee and signed off by their supervisor. The ITO has around 375 active evidence-gatherers trained in assessment for this sector. An industry expert, contracted by the ITO, then verifies that the evidence meets the standards.

The commercial sectors among the ITO's stakeholders, such as the security, contact centre, and financial services sector, have around 190 active assessors. Assessors are workplace supervisors, ITO-contracted assessors, or an ITO training manager.

Assessors on the job or with providers are required to hold the unit standard 4098 *Use standards to assess candidate performance*. The ITO arranges training for supervisors in the workplace to achieve this. Assessors are required to attend refresher training every three years to maintain their assessor registration.

The ITO moderates all active assessors each year according to its moderation plan. This engages all assessors who have reported credits for unit standards in the last three years. The ITO developed its moderation plan as a result of a review of poor national external moderation results in 2009. The ITO accordingly developed a moderation 'Bucket' – an early warning system, which enables the quality assurance team to manage the moderation of a wide range of assessors (for example, reporting credits outside of scope, submitting incomplete documentation etc), as well as to moderate individual unit standard assessments. The ITO selects assessments for moderation across sectors, based on credit reports, but also monitors the frequency of moderation for its assessors to ensure that they are engaging each assessor annually.

The internal moderation system requires assessors to use ETITO-developed and pre-moderated assessment materials. Assessors' decisions are submitted annually to industry moderators (the ITO's 'external moderator'), who are industry experts

from each sector, to check that decisions are at the national standard. The ITO holds annual assessor forums for assessors to discuss assessment issues and practices, as well as to review updated assessment materials.

Overall, assessor feedback is very positive about the assistance that the ITO provides to support them, including the assessor guides, candidate workbooks, and moderation feedback. The ITO training managers provide additional coaching for organisations that need assistance with assessment, where this has been identified through moderation. In turn, the moderators meet twice a year to peer review moderation decisions and to discuss moderation issues.

In the case of electrical engineering, EWRB developed and moderates the final exam for the level 4 electrical engineering qualification. The ITO monitors trainees' pass rates to ensure that the assessments conducted by its assessors are at the required standard, and the positive outcome is reflected in the high number of trainees that gain registration.

The ITO worked with the exam-setter, Assessment Services Ltd, to iron out issues with the validity and level of assessment for the financial services final online exam. Assessment Services Ltd and the ITO continue to monitor the questions to identify any ambiguities or issues with the exam. The ITO believes that the issues have been resolved and trainee feedback supports this.

The ITO has developed a package for assessment of prior learning. The ITO is working with providers and Immigration New Zealand to develop a better process for recognising the prior learning of immigrants as a result of feedback from people who have gone through the process, in particular for telecommunications qualifications.

In order to ensure that the ITO's moderation plan submitted to NZQA for national external moderation is up to date, the ITO has implemented a system by which the ITO can produce a report of all the unit standards reported monthly and advise NZQA of any changes. This is a proactive process that the ITO introduced and it has helped to address and resolve previous issues with reporting unit standards not on the moderation plan. In this way, the ITO ensures that it meets national external moderation requirements.

In 2010 the ITO introduced a consultation process with stakeholders (Proposed ETITO External Moderation Strategy 2010) and signalled a change in moderation strategy from postal-only to three models to suit the circumstances of the provider: post-assessment moderation visits, peer moderation workshops (provider clusters with an ETITO national external moderator), and postal. These models are now being implemented and evaluated. The models selected also take into consideration the risks associated with training and assessment in a particular sector (capacity and assessment of new units such as conflict management for the security sector).

The ITO has noticed an improvement in moderation consistency across sectors, with a significant improvement in assessment practices and understanding of the

process. The outcome is positive changes in assessment outcomes and improved assessment resources.

1.6 How well does the ITO's governance and management support the ITO to meet its statutory functions?

The rating for performance in relation to this key evaluation question is **Good.**

The rating for capability in self-assessment for this key evaluation question is **Good.**

Many of the processes and outcomes mentioned in this report are applicable to other sectors for which the ITO is responsible. This is because the ITO has a cross-functional organisational structure and systems, with staff working across areas to support training for each sector. This is a strength in managing the training arrangements to address and meet multiple sector training needs – including ambulance services, the newly acquired real estate sector coverage, and other qualifications not reviewed during this external evaluation and review.

The board is competent in performing its function to oversee and monitor the best training arrangements and qualifications for all the sectors for which the ITO is responsible. Board members, although not sector representatives, come from a range of industries covered by the ITO. This enables them to maintain impartiality when making board decisions about the ITO's direction.

The board receives monthly and annual reports to monitor achievement towards key performance objectives which are reviewed each year. The objectives include increasing credit completions and qualification achievements along with increasing the number of employers involved with and who support industry training. Current strategies developed to achieve the objectives include:

- Implementation of the new Itomic database for capturing credit achievement and which is aligned with the new TEC reporting tool

- Better support for trainees and employers to increase qualification achievement

- Increasing employers' ability to gain and use skills.

However, the ITO predominantly measures its success against the TEC educational performance indicators and the strategic plan does not have specific targets for each of these areas to measure whether it is achieving its goals.

The chief executive officer communicates to staff regularly. He reports on research outcomes, strategies implementation, and trainee achievement to keep staff informed of progress and new developments. Staff receive these reports via video conference link and the intranet. Regional workers also have access to databases for reporting and keeping track of achievement.

A recent survey of industry's satisfaction regarding value for money from the industry training contribution[3] showed a 3.7 mean score, below the mid-point of 4, for its training, and the ITO will monitor whether new initiatives will improve this.

The ITO conducts a lot of upfront research to set standards but needs more coherent analysis of achievements to ensure that training strategies are successful.

---

[3] ETITO E-Tech Research Study, January 2012, pg 18

Focus Areas

This section reports significant findings in each focus area, not already covered in Part 1.

2.1 Focus area: National Certificate in Electrical Engineering (Electrician for Registration) (Level 4)

The rating in this focus area for ITO performance is **Excellent.**

The rating for capability in self-assessment for this focus area is **Good.**

2.2 Focus area: National Certificate in Contact Centre Operations (Level 3)

The rating in this focus area for ITO performance is **Good.**

The rating for capability in self-assessment for this focus area is **Good.**

2.3 Focus area: National Certificate in Financial Services (Level 5)

The rating in this focus area for ITO performance is **Good.**

The rating for capability in self-assessment for this focus area is **Good.**

2.4 Focus area: National Certificate in Security (Level 2)

The rating in this focus area for ITO performance is **Good.**

The rating for capability in self-assessment for this focus area is **Good.**

Recommendations

There are no recommendations arising from the external evaluation and review, other than those expressed or implied within the report.

Appendix

Regulatory basis for external evaluation and review

In 2009 NZQA introduced the evaluative approach to quality assurance in the tertiary education sector, consisting of self-assessment and external evaluation and review. This is applied in the quality assurance of course approvals and accreditations under sections 258 and 259 of the Education Act 1989, as well as for PTE registration under Part 18 of that Act.

The NZQA Board also published policies and guidelines for the conduct of external evaluation and review of ITOs on 27 May 2010. NZQA relies on ITOs to build the self-assessment and external evaluation and review model into their infrastructure. ITOs will be evaluated on their infrastructure and use of the model in the following ways:

- *Advising Ministerial recognition of an ITO under the Industry Training Act, 1992*

- *Accepting arrangements for monitoring and assessing of industry training under section 10 of the Industry Training Act, 1992*

- *Registering standards on the Directory of Assessment Standards*

- *Awarding consents for ITOs (or their assessors) to assess against standards on the Directory of Assessment Standards under section 253(1)(c) of the Education Act, 1989*

- *Applying course approval criteria where ITOs are course owners.*

External evaluation and review is also used by NZQA as a monitoring and evaluation tool, with the outcomes of these processes informing Tertiary Education Commission decisions relating to re-recognition of an ITO. In addition, external evaluation and review reports are one contributing piece of information in determining future funding decisions in relation to an investment plan agreed between an ITO and the Tertiary Education Commission. The understandings and expectations for the implementation of ITO quality assurance are set out in a protocol to the Memorandum of Understanding between NZQA and the Tertiary Education Commission.

This report reflects the findings and conclusions of the external evaluation and review process, conducted according to the policies and criteria approved by the NZQA Board. The report identifies strengths and areas for improvement in terms of the ITO's performance and capability in self-assessment.

External evaluation and review reports are public information and are available from the NZQA website (www.nzqa.govt.nz).

Information relevant to the external evaluation and review process is summarised in the publication Policy and Guidelines for the Conduct of External Evaluation and Review. Two other documents explain how the process is applied to ITOs: EER Policy and Guidelines – ITO Supplement *and* Evaluation Indicators for Industry Training Organisations*. These documents are available at: http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/external-evaluation-and-review/policy-and-guidelines-for-eer-ito/introduction/*

NZQA

Ph 0800 697 296

E eeradmin@nzqa.govt.nz

www.nzqa.govt.nz