

Report of External Evaluation and Review

Building and Construction Industry Training Organisation

Highly Confident in ITO performance

Highly Confident in capability in self-assessment

Date of report: 21 November 2012

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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:	Building and Construction Industry Training Organisation (BCITO)
Location:	Wellington
Gazette recognition date:	January 2013
Gazette coverage:	<p>'Pursuant to section 5 of the Industry Training Act 1992, full recognition is given to the Building and Construction Industry Training Organisation for a period of five years with effect from 5 January 2008 to set standards at Levels 1 to 8 on the National Qualifications Framework for the building and construction, fibrous plastering, solid plastering, tiling, and cement and concrete industries.</p> <p>Pursuant to section 8 of the Industry Training Act 1992, provisional recognition for the Building and Construction Industry Training Organisation Incorporated as an industry training organisation has been granted from 17 November 2010 to 5 January 2013 to set standards at Levels 1–8 on the New Zealand Qualifications Framework for the architectural technology, quantity surveying and construction technology industries.</p> <p>Pursuant to section 8 of the Industry Training Act 1992, provisional recognition for the Building and Construction Industry Training Organisation Incorporated as an industry training organisation has been granted from 9 February 2011 to 5 January 2013 to set standards at Levels 1–8 on</p>

the New Zealand Qualifications Framework for the blocklaying, bricklaying, masonry, monumental masonry and stonemasonry industries.'

Number of qualifications registered on NZQF:	34
Number of trainees:	4,095 Standard Training Measures (STMs) in 2012. There are approximately 5,300 trainees currently in training (as at March 2012). In 2011, 12 per cent of trainees identified as Māori and just over 3 per cent as Pasifika.
Number of staff:	144
Number of registered workplace assessors:	75
Distinctive characteristics:	All trainees complete training on the job with self-paced learning packages. All learning is assessed by roving BCITO assessors (known as training advisors). Brick and blocklaying trainees are assessed for a few specialised skills at off-job block courses at Weltec (Wellington Institute of Technology). In some locations, carpentry trainees may elect to attend night classes at contracted providers for topical tutorials, for example mathematics.
Recent significant changes:	In 2011, the ITO extended its gazetted coverage to include brick and blocklaying and masonry, after the closure of Creative Trades ITO. BCITO has implemented a number of changes to its organisational structure and assessment processes following the most recent previous quality assurance visit, which was an audit in 2007. New initiatives included the transformation to an 'assessment team' model using roving BCITO training advisors as assessors, employers as evaluators, and moderators working closely together to encourage trainee progress. The ITO also restructured from eight regions to four areas, with the centralising of the business support team.
Previous quality assurance history:	BCITO did not meet eight requirements at the 2007 audit, against two elements of the standard then in place. The eight requirements not met

were in relation to:

- Development and review of unit standards and national qualifications
- Trainee information and support
- Workplace assessors
- National external moderation.

The main reasons for the requirements not being met were that the electronic quality management system (eQMS) was not fully developed, the register of assessors was not complete, the review of some unit standards had not been reviewed within the normal review cycle, and the eQMS internal moderation and AMAP (Assessment and Moderation Action Plan) procedures had not been fully implemented.

BCITO met national external moderation requirements in 2011. Previously, the ITO reported very few credits for unit standards managed by NZQA and was exempt from engaging with the national external moderation process in 2009.

Other:

Wider economic and environmental events have also had an impact on BCITO's operations. The effect of the current recession has meant a decrease in trainee numbers, which affects the ability of the ITO to train suitable numbers of skilled workers to respond to the rebuild of Christchurch following the 2011 earthquakes. This has led the BCITO executives to work on strategies with local advisory groups, providers, and construction businesses, as well as the ITO consortium known as the BETA group.

In addition, recent amendments to the Building Act 2004 mean that it is compulsory for workers in the construction industry to be Licensed Building Practitioners to do restricted building work or supervise restricted building work. It is probable that a relevant industry qualification will be a prerequisite to become a Licensed Building Practitioner from 2015.

2. Scope of external evaluation and review

The focus areas selected for the external evaluation and review (EER) included the National Certificate in Carpentry (Level 4), National Certificate in Frame and Truss Manufacture (Level 3), and the National Certificate in Solid Plastering (Level 4). The majority of trainees (around 88 per cent, or 4,475 in total) are in a training agreement to complete the National Certificate in Carpentry. The ITO's June data shows that around 21 trainees are in training agreements for frame and truss manufacture, a relatively new sector, and a small number are involved in training agreements for solid plastering. The low number of solid plastering trainees (15 at the time of the visit) is due to the trade being a specialised artisan trade with few people practising in this area.

The focus areas selected were used to evaluate the majority of the ITO's activities, including assessment outcomes, development of standards, training arrangements, and skills leadership. Brick and blocklaying was not selected as a focus area because this is a new area of coverage for the ITO and the training and assessment arrangements are still being embedded into BCITO's systems, although the ITO has recently been working with industry to develop suitable training arrangements and relevant standards.

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 had an opportunity to comment on the accuracy of this report, and any submissions received were fully considered by NZQA before finalising the report.

The EER was conducted over four days and included a team of five evaluators who visited BCITO's head office in Wellington, the southern area office in Christchurch, and regional offices based in Albany and Napier.

The EER team sighted the ITO's business strategy, the 2011-13 investment plan with the Tertiary Education Commission (TEC), ITO employer and trainee surveys, duration reports for trainees in specific regions, trainee completion and qualification achievement data for all sectors, leadership collaboration documentation, and moderation reports. The team also viewed/sighted some minutes and papers from advisory group and board meetings. The team spoke to relevant staff at each site. In Wellington they spoke with executive leadership team (consisting of the chief executive, group manager apprenticeship training, group manager standards leadership, and group manager support services), quality assurance manager, the qualifications manager, the central area manager as well as the ITO Board chair

and four representatives of the ITO board. The evaluators also spoke to a selection of area managers, training advisors, members of the training and development team, moderators, and skills brokers at the Christchurch, Albany, and Napier sites. Two evaluators also visited a training site in Napier to discuss the quality of training with a carpentry employer and trainee.

Phone call interviews were conducted with three frame and truss employers and around 20 carpentry employers. The evaluation team also interviewed trainees from all sectors to gather further evidence on the ITO's performance.

Summary of Results

Statement of confidence on ITO performance

NZQA is **Highly Confident** in the performance of **Building and Construction Industry Training Organisation**.

BCITO has demonstrated leadership in managing training arrangements to meet the need for higher numbers of skilled workers in the industries it is responsible for. The 'double whammy' of decline in numbers in training due to the economic recession, followed by Canterbury earthquake, means that the number of trained workers for rebuilding Canterbury and to provide new housing in Auckland, needs to be greatly enhanced. This need can be met through providing relevant qualifications for secondary school students wanting a career in the building and construction industry, as well as through providing a pathway for people to qualify as Licensed Building Practitioners with qualification(s), which may be required by from 2015. This situation applies across many of BCITO's sectors and, more recently, includes its engagement with the brick and blocklaying sector, a new area under its coverage.

The training pathways are relevant and suitable to the industries for which BCITO manages training needs, as indicated by the annual industry and trainee satisfaction surveys which show a high degree of support for the ITO, and also by the high participation of employers who are active in training their employees and choose the ITO training model over direct enrolment with a training provider.

External factors have provided challenges to the ITO in meeting the need for sufficient trained people. There has been a dramatic decline in the numbers of employers hiring new staff, exacerbated by uncertainty over the timing of the Christchurch rebuild. However, the ITO has persevered with developing partnerships with other ITOs and training providers, so when the upturn in business activity occurs, it will have the ability to assess people's skills and provide pathways to other training partners.

Trainee completions have been over 100 per cent in recent years because of the high number of trainees enrolled from 2007 and 2008 completing within this period, along with better support for trainees to complete and the assessment of experienced people. However, the number of trainees enrolling fell from 2009 as the flow-on from low employment in the building and construction industry meant fewer people entering into training agreements. On this basis, the ITO contracted fewer Standard Training Measures (STMs), which measure trainees' credit achievement towards qualifications with the TEC in 2011 and for 2012 than previous years. However, the ITO fell short of these targets as the expected increase in building activity, in Auckland and in Christchurch, has not occurred, meaning there are fewer people in employment to take on training agreements and complete credits towards the STM targets. The ITO has forecast another short fall of 1,123 of the TEC's allocated 4,095 STM target for 2012, as the industry is still

awaiting the re-building activity to pick up in Christchurch following the 2011 earthquake before they commit to employing new staff.

The ITO moderation system has led to consistent, robust, quality assessment decisions by its own on-job assessors, as shown by the increase in the number of verified assessment decisions over 2009-2011, and completions within the duration of the programme. One of the factors driving this improvement is that assessment is conducted by a team involving the trainee, the employer, and a BCITO training advisor, which helps reduce assessment bias resulting from employer-only assessment of their own trainees. A small team then moderates a sample of the assessment decisions to enhance consistency. The reduction in the number of assessors from as many as 6,000 to 75 has also enabled the ITO to manage the moderation of assessment better, providing greater assurance that trainees are demonstrating their knowledge and skills in a workplace environment and that the assessment is more reliable.

Overall, the ITO is performing well in its statutory roles, led by an active board that provides advice on industry requirements and the skills needed to enable the management team to develop strategies to keep up with demand for skilled workers.

Statement of confidence on capability in self-assessment

NZQA is **Highly Confident** in the capability in self-assessment of **Building and Construction Industry Training Organisation**.

BCITO understands the industries it serves through its involvement in industry associations, high-profile engagement in industry forums, and regular engagement with national advisory groups to gather information on the skills required and the most suitable training pathways. The ITO commissioned a report (*Boom and bust study: The impact of cyclical building activity on BCITO apprenticeships* (November 2010)) to better identify the skills needs of the sector, and is a partner in the Building and Construction Sector Productivity partnership, established to address productivity and skills development in the sector. In addition, the above study documents the research and planning by the ITO to rebuild capacity.

The high satisfaction of employers and trainees with the training model is further evidenced by the industry's 32 per cent cash contribution to the ITO. Employers have confirmed that the ITO is meeting their needs, and have shown a preference for the on-job training model that the ITO has in place for all of its industries. An exception is the recently acquired brick and blocklaying sector, which the ITO is working with to provide a training model to better suit their needs beyond the traditional block course provision. Brick and blocklaying employers have already agreed in principle to a future on-job training model.

Progress towards goals is monitored closely throughout BCITO at various levels. The training advisors monitor trainee progress at an individual level, and this information is included in reports on training duration which are analysed at regional and national level to identify where further support is required to enable trainees to achieve qualifications. The close relationship between training advisors,

the trainee, and their employers or supervisors enables BCITO staff to implement timely interventions which help ensure that trainees are receiving the appropriate support, including specialist literacy and numeracy training or night class training where this is identified as a need. The ITO has monitored results for a number of years and, more recently, is assessing trainees' needs using the TEC online assessment tool. The ITO has identified that the smallest interventions have the greatest success in helping trainees to overcome learning needs, using external support agencies as well as its own trained staff. In addition, resources developed for qualifications include the appropriate literacy levels.

The ITO executive leadership team, responsible for outcomes of standard-setting activities and training arrangements, reviews overall trainee progress to see whether interventions are successful. The executive is aware that the time it takes for trainees to complete their qualifications has decreased due to the on-job support and assessment of on-job competency against standards that are work-based and relevant. It also believes that this is due to the literacy and numeracy support initiatives introduced over the past three years, along with more effective training and other changes to reduce the overduration of trainees and increase completions.

There is still some uncertainty about the future of individual industry training organisations as a result of the review of the industry training sector and its future directions and functions, as well as the prospect of more mergers of ITOs. However, BCITO maintains a watching brief to identify where it might help improve the training for its sectors. The chief executive and board chair are active in a number of groups responding to the Government's aim to reduce the number of ITOs, and is pragmatic about how BCITO might fit with the new vision, whatever form it may take. BCITO has shown a strong understanding of its role and has arranged for appropriate training for its sectors over a number of years. The EER team expects that the ITO will continue to do so, despite the constraints on implementing greater improvements until the outcome of the ITO review is known.

Findings¹

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 **Good**.

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

BCITO demonstrated a strong understanding of the needs of the sectors for which it is responsible for setting standards and managing training arrangements in order to meet the national demand for skilled workers. The ITO is active in a range of areas, including promoting trades in secondary schools and working with industry to increase trainee numbers and ensure that qualifications are relevant. The ITO analyses information gathered directly from its involvement in key strategic industry groups, including trainee numbers, trainee completion data, and econometrics reports to estimate the numbers of workers and skills required by an industry. This information relates predominantly to carpentry and associated trades such as frame and truss manufacturing, interior plastering, exterior cladding, solid plastering, and brick and blocklaying.

An external research project conducted in November 2010 by the New Zealand Institute of Economic Research described the construction sector as being in a continual boom and bust cycle. The findings revealed that that the recession has led to a significant downturn in employment in these sectors, more than in other trades areas, and therefore in trainee numbers. There were almost 9,000 trainees at the height of the building boom in 2008, but this has since fallen to 5,300. At the depth of the economic recession, BCITO took the initiative and intervened to find employment for 3,000 trainees who lost their apprenticeships to ensure they were retained in the industry.

The ITO also recognises that the recession will result in a shortfall of skilled tradespeople to meet rising demand for building in Auckland and to respond to the Christchurch rebuild. Fewer people in employment to enter into training agreements with the ITO creates a lag between the numbers entering into training agreements and the timing of the demand for workers by employers, possibly beginning early 2013. On this basis, the ITO contracted fewer STMS with the TEC in 2011 and for 2012 than previous years. However, the ITO fell short of these targets as the expected increase in building activity, in particular in Christchurch, has not occurred, meaning there are less people in employment to take on training agreements and complete credits towards the STM targets.

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

BCITO has an agreement with Fletcher Earthquake Recovery (EQR) in Christchurch to help identify training pathways and suitable training partners for the expected resurgence in building activity. The ITO has a strong relationship with a trades initiative by the Christchurch Polytechnic Institute of Technology, which will provide an important link in providing timely and relevant training. Currently, until insurance payments are guaranteed for Christchurch homeowners and businesses, the sector is mainly focussed on repair work to damaged buildings, which many experienced builders will complete within their existing business expertise (capacity) rather than by taking on new employees in specialised areas such as plastering.

BCITO has led widespread qualification development since 2011 for the NZQA Targeted Review of Qualifications (TRoQ) work within its sectors, with the current allied trades review underway. The ITO has involved stakeholders in national advisory groups to lead this review. The advisory groups include representation from industry associations, employers, polytechnics, and private training establishments. This is helping to break down some of the competition for resources within the training sector as the ITO encourages cooperation to provide suitable training pathways for industry.

Previously, BCITO developed the National Certificate in Construction Trades (Main Contract Supervision) (Level 5) and the National Certificate in Construction (Supervisor) (Level 4). These qualifications were developed to help people who have a level 4 national certificate to move into supervisory or management roles in the industry, and the qualifications align with Licensed Building Practitioner criteria. People with level 4 qualifications in their trades may also progress to the National Diploma in Construction Management (Level 6). The ITO has seen a steady increase in the uptake of these qualifications and is working with the sector in the upcoming TRoQ review to ensure the qualifications continue to be fit for the industries it serves. Future qualifications development work will be targeted to meet the need for more management training for middle management and the need to further engage Māori, Asian, and Pasifika with training.

The ITO is also active in building closer relationships with secondary schools to encourage students to choose a career in the building and construction industry. This is achieved through the Gateway programmes and the National Certificates in Building, Construction and Allied Trades Skills (Levels 1 and 2) (BCATS), branded as BConstructive. These were developed specifically for, and offered at, 220 secondary schools nationwide. The ITO is also involved in promoting construction careers at secondary school expos and in communicating the benefits of a career in construction to secondary school careers counsellors and principals.

The solid plastering sector has 15 trainees, and the ITO is holding off from new training developments until after the TRoQ process which will utilise feedback from a national advisory group representing employers in the plastering sector to identify training needs. Although there is currently low uptake of the National Certificate in Solid Plastering (Level 4) (with an optional strand in Specialist Mouldings and

Decorative Work), the ITO predicts that the demand for repairs and restoration in Christchurch will produce a small rise in trainee numbers for this qualification.

There has been a qualification for frame and truss manufacturing for over five years. This sector consists of a small number of larger employers, and there is a small number of training agreements for this qualification (around 100). This area is also undergoing a TRoQ review in 2012, and the ITO has developed advisory groups to review these qualifications to meet industry skill needs.

Overall, the ITO has demonstrated success in identifying needs and providing suitable training pathways for its sectors with the development of qualifications based on its engagement with industry and its own research into the wider economic environment, although further analysis is required to increase industry penetration and gain a better understanding of sector employer needs other than builders.

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 **Excellent**.

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

BCITO has a high profile in the construction sector in leading school programmes and engagement with key companies and employers in the sector. The ITO has used its strong presence within its sectors, particularly carpentry and associated trades, to influence employers to take on apprentices, as well as retain employees and use the spare time resulting from the downturn in work to upskill their employees. Of the identified 23,000 building companies in New Zealand, around 15,000-17,000 are self-employed builders who do not usually employ an apprentice. This leaves around 6,000-8,000 building employers that train their employees, which is around 34 per cent of all builders providing formal training towards BCITO qualifications, up from when training numbers dropped in the mid-1990s. The ITO has also identified an increase in trainees in 2012, with an estimated 80 per cent of all employers in training choosing to sign their apprentices to training agreements with the ITO to complete the level 4 qualification, rather than opting for a four-year programme provided by polytechnics.

Some of BCITO's qualifications are recognised by the Department of Building and Housing as the basic requirement, which may be compulsory from 2015 for people to become a Licensed Building Practitioner. These qualifications also link to career progression to site supervisor or project manager, which the ITO sees as a valued outcome for the sector as a result of formal training. Employers across all sectors that the EER team spoke to stated that the level 4 qualifications are now becoming a starting point for entry into employment, particularly with carpentry, but they are only beginning to take hold with the frame and truss manufacturing and concrete sectors.

Trainees generally receive pay rises as they progress through their apprenticeship. BCITO trainees can also apply for student identification cards which provide discounts at movies, for clothing, and at fast food outlets. The apprentices appreciate being able to earn while they are learning without having a large student loan to pay back at the end. Employers often pay the annual training fee, although some apprentice fees are built into pay rates. The employer contribution, measured for funding purposes, is around 31 per cent, although the ITO receives a lot of additional support from industry suppliers and specialists providing training workshops and other sponsorship. Employers' feedback continuously emphasised that they are confident their apprentices are competent because they are trained and assessed in a work environment. In this way, trainees' work-readiness is not a key issue as they are learning on the job and assessment is timed to workflow. The numbers of trainees that find employment overseas, particularly in Australia, also indicates that the qualification is internationally recognised for employment. However, competition from Australia is a key issue for New Zealand employers, as this is contributing to a shortage of skilled workers across a number of trades.

The pre-manufacture of frames and trusses is nowadays done by specialists rather than builders. The ITO developed a qualification in consultation with industry for the specialist makers of frames and trusses for use in construction. This provides a qualification to formalise the skills used. The employers and trainees the EER team spoke to endorsed the qualification, although the ITO recognises that it has yet to bring on board all the major employers in the frame and truss manufacturing sector. Feedback included that it enabled manufacturers to comply with the requirements of a producer's certificate and, in turn, the quality assurance needs of a Licensed Building Practitioner who uses the frames and/or trusses supplied. Employers also notice an improvement in their workers' attitudes once they complete the qualification because their skills are being recognised with a national qualification. Trainees' increased awareness of health safety practices for operating machinery and the correct use of tools is a direct benefit of the assessment of competency on the job required to achieve the qualification.

BCITO has recently had some success in engaging with the brick and blocklaying employers and trainees to identify a suitable training pathway. The ITO has recently reviewed the national diplomas in architectural technology and construction management, the first of which only became part of this ITO's coverage in 2010. The review and setting of standards for training in these areas involved engaging with representatives at association and provider level. The ITO undertakes quality assurance of training at training providers to monitor the standard of training delivery arrangements with off-job training providers.

BCITO has continued to look at ways it can improve outcomes for its trainees and the industry, and to ensure qualifications remain credible and are suitable for advancing careers in the respective industries for which it has coverage. The ITO achieves this through monitoring the number of apprentices and qualification achievements, along with annual employer and trainee satisfaction surveys.

1.3 How well do trainees achieve?

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**.

The percentage of trainees completing BCITO programmes was above the 2009 and 2010 TEC targets. The TEC's educational performance data showed that the ITO's programme completion rate was 152 per cent in 2009, and reached 169 per cent in 2010. One reason given for the rates exceeding 100 per cent was the high number of trainees, most of whom were enrolled in carpentry training agreements at the peak of the building boom and who were near the end of their training programme. The ITO's analysis shows that trainees achieve the majority of their unit standard credits towards the end of the training programme, leading to the high number of credits reported, and in turn, programme completion rates. In addition, the ITO implemented better monitoring of over duration trainees to help them to complete during this period.

The Experienced Recognition Process (ERP) enables trainees to be recognised for previous learning using a process of evidence collection from a range of verifiers, including employers and building inspectors. This is triangulated with plans, photos and visits to sites where the trainee has worked, in order that the BCITO Training Advisor can verify competency. ITO data indicates that ERP assessments were a small proportion of the high credit completions achieved in 2009 and 2010 (none in 2009 and three per cent in 2010). The introduction of people achieving credits using this process occurred around the time the new LBP scheme was introduced, which led to an increased awareness amongst experienced but unqualified trade practitioners, and in turn, led to the small increase of qualifications reported using this process for this period.

In 2011, the programme completion rate was 99.3 per cent. The lower programme completion rate meant the ITO did not meet its 2011 Standard Training Measure (STM) target and on this basis the ITO set a lower STM target with the TEC for 2012, which it is forecast to fall short of by 1,123 STMs. The shortfall for 2011 and 2012 is due to the delay in the Christchurch re-build following the 2011 earthquake. The rate is expected to fall further over the next few years, as fewer apprentices were employed from 2009 and trainee numbers will not peak again until the numbers of employers employing new trainees increases as predicted by the sector from 2013.

The ITO does not rely solely on TEC data as an indicator of achievement. Currently it is focussed on decreasing the number of trainees who are not completing within the 45 months it takes on average to complete the carpentry qualification, which also contributes to increasing the completion rates. BCITO has reduced the numbers of overdue trainees significantly since 2010 by monitoring credit achievement using duration reports and credit completion data against trainees' individual training plans. The ITO's reports show that the support provided by the new training and assessment arrangements, and better literacy and

numeracy support introduced in 2009, has led to a reduction of over 50 per cent of overdue trainee completions.

It is difficult for the ITO to compare the success of apprentices completing their training and assessment at a polytechnic against the on-job training and assessment model, as data for training arranged and assessed by polytechnics is not available. However, the ITO believes the increased number of employers who have not previously used the ITO model for their apprentices' training is an indicator that employers believe it is effective in helping trainees to complete.

The ITO data for each sector shows a high rate of retention in the training agreements and a low number of terminations, which are attributed to the guidance and support the ITO provides, as well as its ability to engage with trainees using relevant learning resources. This approach is leading to consistent credit achievement, although qualification achievements vary according to where the trainees are in the industry's boom and bust cycle, as identified in the external research conducted in November 2010. The introduction of the ITO's new trainee management system, which went live at the time of the evaluation visit, will further enhance the monitoring of trainees and help increase their achievements.

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 **Excellent**.

The biggest change BCITO has made that has been successful in increasing trainee achievement was to arrangements for training and assessing trainees' competency. This enabled the ITO to align to the need of employers in carpentry and associated trades for trainees with relevant, credible skills. Previously, trainees attended block courses for theory and practical assessment, but feedback from employers showed that the timing of the training did not match their needs and the content often did not relate to the work being done at the time.

From 2009 to the present, the ITO introduced an assessment team approach which enables roving BCITO assessors and employers to work together to ensure trainees are receiving appropriate training on the job, and that trainees' competence is assessed according to their needs as well as employers'. Assessment is conducted on the job using employer validations, evidence from trainee workbooks, a work diary, photos, and the introduction of a blog where trainees can record the work they have completed. The ITO has arrangements where the trainee can pay to receive additional tuition at night classes, but no summative assessment occurs off-job.

Previously, an ITO moderator signed off the employers' assessment of trainee practical skills and theory knowledge on the job. The ITO has now reduced the number of assessors (mostly employers or supervisors) from up to 6,000 to 75

training advisors. In addition, night classes are not compulsory, and only around 6 per cent of trainees are actively attending night classes compared with around 20 per cent six years ago. The ITO moderators now moderate the training advisors' assessments.

The high number of successful completions by trainees is a result of the strong presence of training advisors (1:100 trainees) who assess employers' suitability for training and work with the trainees and the employers as an assessment team to help trainees complete the theory and practical components of the qualifications. Training advisors receive training in adult education and assessment in order to carry out their role effectively. Trainees are interviewed at the start of their training to identify their literacy and numeracy support needs, and employers are also assessed on their ability to provide a suitable work environment for the trainee to complete the necessary assessment components.

BCITO is continuously monitoring the trainees' progress at area and regional level using the area managers' and the training advisors' progress reports. In this way, the ITO can help with trainees who may be considering withdrawing from a qualification because of personal issues, or it can provide literacy and numeracy support where required. The ITO has referred trainees to a literacy and numeracy specialist provider over the past three years if specialist help is needed. This intervention has contributed to the greatest improvements in trainee completions, along with the embedding of literacy and numeracy techniques in trainee workbooks to engage learners more in the learning. The ITO uses the TEC numeracy assessment tool and is introducing the literacy tool to better capture data on trainees' literacy needs. BCITO already has a relationship with Literacy Aotearoa for literacy and numeracy interventions and considers that the TEC tool provides more formalised results.

BCITO will also help a trainee to transfer their apprenticeship to another employer if they are made redundant or need a larger scope of work to complete the on-job task requirements to demonstrate competency. The ITO is planning to introduce exit interviews to formally capture reasons for terminating agreements as well as to monitor trainees following completion to identify suitable ongoing training to meet their future career needs.

Training arrangements have been working well for the carpentry and associated trades. A group of brick and blocklaying employers and trainees (brick and blocklaying is a recent addition to the ITO's scope), are currently working with the ITO to develop an on-job training and assessment model that suits their needs. Currently, trainees attend a block course for training and assessment of their on-job competency for some specialised skills. For architectural technology, construction management and quantity surveying, training providers deliver the training and conduct assessment for qualifications at level 5 or above, as this is the training arrangement preferred by these sectors. However, the ITO is responding to a request by the carpentry industry to undertake on-job assessment for the level 4 and 5 supervisor qualifications, rather than trainees having to complete additional paperwork and study through a remote training provider.

This is also another reason why employers have supported the training arrangements, as they do not need to spend so much time on paperwork but are still involved in discussions around trainee competency.

Industry employers and trainees alike were very positive about the training arrangements, and this feedback was supported by the ITO's own annual employer and trainee satisfaction surveys and the assessment feedback gathered by training advisors. The ITO continues to review training arrangements and resources to ensure it continues to be effective in training skilled workers.

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**.

BCITO has worked on developing the current system for ensuring the quality of assessment, which provides confidence to employers and the industry that assessments are valid and consistent and recognise trainees' commercial competency in the workplace.

Starting in 2009, the ITO restructured how assessment was carried out in the workplace. This was in response to the outcome of its NZQA quality audit in 2007, where issues around managing the quality of assessment were raised. The ITO itself had also been reviewing its systems, under the leadership of the chief executive, to provide assurance to the sector about the quality of assessment and to reduce the number of workplace assessors.

This led to the development of the assessment team as described in section 1.4. Employers are no longer responsible for assessing on the job; rather, they are termed evaluators and validate that the evidence is authentic and meets the industry standard. The ITO trained its 75 training advisors to carry out assessments in the workplace. The training advisors spend time on site with the trainee and the employer or supervisor to observe the trainees' work and assess their knowledge of practices. In this way, assessment quality is shared across the team rather than being determined by one person. This occurs for all of the ITO's sector coverage, except for the higher-level diploma qualifications.

In each region, a member of the training and development team moderates training advisors' assessments to ensure they use robust evidence and are conducted according to the best principles of assessment. This process is formally documented and the report to the training advisor is used to provide feedback on practices and any improvements. One of the two national quality assurance moderators then monitors the training development team members' reports to ensure the system is being applied and is effective. In this way, moderation focusses on the overall assessment practice and not just on the unit standards

alone. The training advisors have regular opportunities, both formal and informal, for continual reflection and discussion on their practices.

BCITO has moved away from providing resources that are unit standard-focussed as it believes this led to training to the unit standards. Instead, the ITO developed training materials that integrate theory and practical knowledge for a range of unit standards. The assessment resources are also developed in this way and have been pre-moderated to ensure the training advisor is assessing all components of the unit standards on the job. The ITO believes that this system has led to improvements in quality assessment. One of the contributing factors is that the assessment is conducted by a team, which also helps reduce assessment bias. In addition, the two national moderation teams help ensure that training advisors are making consistent assessment decisions, while the reduction of assessors from up to 6,000 to 75 means the ITO is better able to monitor the quality of assessment. Lastly, employers know that trainees are demonstrating their knowledge and skills in a workplace environment, ensuring that the assessment is valid.

The ITO moderates the assessment of 19 institutes of technology and polytechnics and 18 private training establishments, which makes up around 15 per cent of the total assessments each year. In 2011, 86 per cent of assessments sampled met the national standard. The ITO also checks the assessment resources for all institutes of technology and polytechnics that use their own resources prior to use.. As part of the moderation process, the ITO visits all providers to observe the off-job assessments and provide a report on whether they meet the requirements'. The post-moderation survey of providers in 2011 showed that they were highly supportive of the ITO's moderation process. The ITO has so far moderated 184 of the 220 secondary schools assessing BCATS in 2012. This process included a visit by a BCITO moderator, who also checked that the assessment materials and assessment decisions were valid. The verification rate for secondary schools has improved steadily from about 60 per cent of assessment decisions sampled in 2009 to just under 90 per cent in 2011.

The ITO's system demonstrates effective quality assurance of the on-job assessment, which integrates theory and practice, and the ITO is conducting robust external moderation of off-job assessment. It has good records of monitoring of assessment for each assessor and is able to identify improvements with the system of feedback from the training and development team to the training advisors, and with overall quality assurance monitoring.

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 **Excellent**.

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

BCITO board members are selected from industry for their understanding of the training needs and are active in providing advice on setting the strategic direction for the ITO to meet the training requirements of the industries for which it is responsible. Specialist skills, such as for finance and law, may be co-opted on an as-needs basis to support decisions about the organisation's strategy and its achievement of its statutory responsibilities. The board chairperson relies on the chief executive to provide information about the initiatives for the sectors it represents, and the board entrusts the chief executive with the running of the organisation's 20 regional and area offices. The implementation of BCITO's assessment team approach to on-job training and assessment, with a high number of employers and employees participating in the training arrangements, was supported by the board through a budgeted allocation of staff resources. The board chair and the chief executive are active in consultation with the TEC, NZQA, the Industry Training Federation, and Government.

The chief executive is active in a leadership role to bring together relevant ITOs and training providers to develop a partnership approach to training that aims to meet requirements for the Christchurch rebuild. BCITO is operating in an environment with multiple mergers of ITOs and mooted Government changes to future ITO functions and related legislation. The ITO is aiming for governance-level discussion with other ITOs to develop a strategy that includes determining how best to unite ITOs to ensure they meet the most important needs of industry as a whole.

BCITO has demonstrated that it is improving outcomes for trainees as well as industry with a steady increase in completions since the dramatic fall following the first couple of years of the current economic recession. The ITO is leading the allied trades TRoQ process and is ready to provide support to manage training arrangements between employers and trainees. BCITO has developed a staff team who have the appropriate technical and educational knowledge and expertise, and are highly engaged. Each site has its own regular forum for updating and providing feedback on individual trainee progress and employer needs. Regional and area team meetings provide a channel for effective communication to ensure that the support and advice provided by staff are consistent and current.

The ITO is active in the industries for which it is responsible, as shown by its high profile. The scholarships and awards that BCITO offers show that it is part of, and working alongside, major industry associations and suppliers. BCITO also offers an employer development grant to help small business owners to develop their capacity for training.

Another feature of BCITO that enables it to respond to industry and Government needs is that it has displayed an openness to innovation and a willingness to try new ideas in order to satisfy the industries it serves. The ITO trials new methods to ensure they are effective, such as how it assesses using an assessment team and how it moderates its assessors.

BCITO demonstrates a reflective nature, with staff understanding the organisation's goals and purpose and undertaking regular surveys of industry and trainees. It also keeps abreast of the economic environment to support the board in making decisions on areas to develop. Initiatives are reviewed against a set of key indicators, based on trainee progress, satisfaction, and achievement of qualifications, to see how well they are working.

Focus Areas

2.1 Focus area: Carpentry Apprenticeship training

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

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

2.2 Focus area: Frame and Truss Manufacture Apprenticeship training

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

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

2.3 Focus area: Solid Plastering training

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

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

Recommendations

There are no recommendations arising from the external evaluation and review other than those embedded in the body of 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/>*

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