

Report of External Evaluation and Review

Building and Construction Industry
Training Organisation
trading as BCITO

Highly Confident in ITO performance

Confident in capability in self-assessment

Date of report: 1 March 2017

Contents

Purpose of this Report.....	3
Introduction	3
1. ITO in context.....	3
2. Scope of external evaluation and review	8
3. Conduct of external evaluation and review.....	8
Summary of Results	10
Findings	15
Recommendations	25
Appendix	26

MoE Number: 8101
NZQA Reference: C22998
Date of EER visit: 26-29 July 2016

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:	5 January 2018
Gazette coverage:	<p>Pursuant to section 5 of the Industry Training Act 1992, full recognition for the Building and Construction Industry Training Organisation Incorporated has been granted with effect from 5 January 2013 to 5 January 2018, to set standards at Levels 1-8 on the New Zealand Qualifications Framework for the building and construction, fibrous plastering, solid plastering, tiling, cement and concrete, architectural technology, quantity surveying and construction technology, blocklaying, bricklaying, masonry, monumental masonry and stonemasonry industries.</p> <p>Pursuant to section 5 of the Industry Training Act 1992, the Building and Construction Industry Training Organisation Incorporated as an Industry Training Organisation has been granted an extension of coverage for five years from 28 December 2013 to 27 December 2018 to set standards at Levels 1-8 on the New Zealand Qualifications Framework for the automotive re-glazing, glass and glazing, joinery, architectural aluminium joinery, kitchen and bathroom design and manufacturing, and interior design industries and an extension of coverage for five years from 1</p>

	January 2014 to 31 December 2018 to set standards at Levels 1-8 on the New Zealand Qualifications Framework for the flooring and painting and paperhanging (painting and decorating) industries.
Number of qualifications registered on NZQF:	64 (71 per cent of trainees are enrolled in Carpentry qualifications – apprenticeships)
Number of standards registered on NZQF:	790
Number of trainees:	5,588 Standard Training Measures (STMs) 9,932 learners comprising 8,790 New Zealand Apprentices, 236 Modern Apprentices and 906 Industry Trainees
Number of staff:	216 FTEs (full-time equivalents); head-count 218
Number of registered workplace assessors:	Nil workplace assessors; 140 employed assessors; 12 contracted assessors
Distinctive characteristics:	BCITO arranges training which is largely delivered on-job by employers. This is supported by BCITO field staff who undertake the majority of the on-job assessment. In some industries, BCITO purchases off-job training which comprises both night classes and block courses. BCITO's operating revenue in 2015 was \$35.8 million, of which 22 per cent comprised member fees and subscriptions. The balance is STM funding from the Tertiary Education Commission (TEC).
Recent significant changes:	BCITO merged with the Joinery ITO (JITO) and The New Zealand Flooring Industry Training Organisation, effective 1 January 2014. The 2014 mergers included arrangements for training which involve block courses in some cases. These courses are provided by polytechnics, a private training establishment, and one training provider which is not a registered with NZQA. Also with the 2014 ITO mergers (automotive re-glazing, glass and glazing, joinery, architectural aluminium joinery, kitchen and bathroom design and manufacturing, and interior design industries),

BCITO inherited staff from the merged ITOs. This arrangement maintained continuity in these sectors, both in terms of the relationships and the arrangements for training.

At the beginning of 2015, a new group, Stakeholder Engagement, was established with new positions called industry advocates whose role is to provide a conduit between industry stakeholders and the organisation. This group liaises with all industry sectors.

BCITO's chief executive of 10 years' standing stood down in June 2016.

Previous quality assurance history:

BCITO's previous external evaluation and review (EER) visit was in July 2012, and the report was published in November 2012. NZQA was Highly Confident in both BCITO's ITO performance and its capability in self-assessment.

The New Zealand Flooring Industry Training Organisation received an EER visit in June 2013, and the report was published in September 2013. NZQA was Confident in both the Flooring Industry Training Organisation's ITO performance and its capability in self-assessment.

The EER visit planned for the Joinery ITO for 2013 was cancelled pending the amalgamation with BCITO.

The TEC conducted an audit of BCITO in May 2016, to 'review compliance with the legislative requirements and conditions defined in the Tertiary Education Commission's funding confirmation ... including funding from the Industry Training Fund'. Two findings and related recommendations were made: to develop guidelines regarding the checking of completions data prior to submitting it to the Industry Training Register; and to review contractual agreements annually with the one current off-job training provider, which is not a registered private training establishment.

National external moderation of BCITO by NZQA has found BCITO to be not meeting the national standard in the following New Zealand Qualifications Framework Systems: Business and

Management, Communication Skills (levels 4-6), Core Skills, Numeracy and Mathematics (levels 1-4) in one or more of the past three years. In this time, 52 trainee samples have been moderated and 34 found to not meet the national standard. This is an issue of insufficient trainee evidence gathered to meet the requirements of the standards.

This issue is a work in progress due in part to BCITO having adopted a new approach to assessment and moderation internally, based on research¹, and involving on-job assessment primarily using professional conversations.² NZQA is currently working with BCITO so NZQA can be assured that assessor decisions in relation to NZQA-managed standards are consistent with the relevant standard.

BCITO also assesses unit standards developed by Competenz ITO, Motor Industry Training Organisation (MITO), and The Skills Organisation. BCITO noted that there are agreements in place between each of these ITOs to not moderate each other, due to all parties accepting the quality of each other's assessment and moderation processes. This mutual agreement is documented in emails and letters. However, there are no formally documented agreements such as memoranda of understanding or similar in place to cover the extent and parameters of this arrangement, for example the basis of the agreement, when the agreement will be reviewed, and any specific ITO responsibilities agreed on, such as informing the other ITOs of assessment methodology.

¹ See: [A Transformational System for On-Job Assessment in the Building and Construction Industries](#).

See: [Knowing Practice: vocational thresholds for GPs, carpenters, and engineering technicians SUMMARY REPORT](#).

² Professional conversations are structured conversations that explore interviewees' knowledge, skills and experience, supported by documented evidence such as affidavits, photographs and work logs. This results in a record of the process which forms the basis of discussions – internal moderation with peers as a community of practice.

Competenz noted that they are 'operating in a high trust environment, and have not called for moderation samples for 2015 and 2016', and are scheduled to meet with BCITO in October 2016 to review this agreement.

The Skills Organisation confirmed that 'there has been a standing agreement to work more collaboratively and as a partnership [with BCITO] and they will be moderating BCITO later in the year'. There are no previous records of moderation with BCITO due to the mergers into The Skills Organisation of OTTO (scaffolding and crane drivers) and NZITO (health and safety).

Other:

At the time of the previous evaluation (2012), BCITO had begun to introduce workplace assessment by professional conversation three years earlier. Since 2012 this has been fully implemented and has involved ongoing training for training advisors whose role it is to do this. At the time of this evaluation, 140 BCITO training advisors were responsible for workplace assessment, where previously there had been 5,000 workplace assessors.

BCITO has been actively involved in the Targeted Review of Qualifications, leading reviews of qualifications in the building and construction area. The organisation is in the process of writing the new New Zealand qualifications. Currently BCITO has developed three New Zealand diplomas and 15 New Zealand certificates which have been listed on the New Zealand Qualifications Framework.

2. Scope of external evaluation and review

This evaluation included four focus areas:

- Governance and management
- Apprentice management and support
- Staff learning and development
- Qualification, programme, and resource development.

These focus areas were suggested by BCITO. The four areas provide a lens through which to explore how well BCITO is performing across its statutory functions as well as providing the ability to look into any of the 15 industry sectors³ currently within the organisation's coverage. This evaluation was also able to explore BCITO's unique approach to workplace assessment and moderation which was in its beginning stages at the previous EER.

These focus areas provided sufficient depth and breadth for the evaluation team to gain an in-depth view across the organisation's operation.

There are no mandatory focus areas for industry training organisations in the EER process.

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

Prior to the site visit, two members of NZQA's evaluation unit met twice with two of BCITO's management team towards developing the scope for this EER. Options for focus areas were explored and agreed between BCITO and NZQA.

A team of four evaluators visited BCITO's national office for four days, and met with a wide range of staff and management including; three members of the board of directors, the chief executive, members of the executive leadership team, and a

³ The 2015 BCITO Annual Report notes that there are 15 sectors, but this is not a definitive number, as several 'sectors' can legitimately be divided into further subsectors, as the trades within each sector include disparate skills and knowledge.

range of operations staff from national office and six BCITO regions, either face-to-face or via video-conferencing and telephone interviews. The evaluation team held telephone interviews with a number of stakeholders, including employers, apprentices and national advisory group members.

The evaluation team sought input from the TEC, and two standard-setting bodies, Competenz and The Skills Organisation.

The evaluation team was provided with a wide range of BCITO's records and documents prior to and during the on-site visit, to confirm and validate the evaluative discussions.

Summary of Results

Statement of confidence on ITO performance

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

The main reasons for reaching this level of confidence were:

- BCITO staff engagement with industry, regional and national advisory groups, and contracted professional market research provides robust and current information about current and future skill and training needs across the ITO's 15 industry sectors. This information is systematically analysed on an ongoing basis and is used to inform the development of standards and qualifications, and the arrangement of training to meet workforce supply needs.
- Trainees and employers gain significant value from the training arranged by BCITO. Stakeholders consider that their needs are heard, and qualifications and the arrangements for training are periodically adjusted to address these needs. For example, qualifications are regularly reviewed and updated, as are the arrangements for training, including off-job training, where industry or trainees express a preference for this.
- The training arranged by BCITO is highly effective. The TEC performance indicators (trainee credit achievement rates) show BCITO at or near the top of the top quartile of ITO educational performance indicators⁴ for the last four years, as reported by the TEC. Trainees have individual training plans with personal goals, and are closely monitored and mentored by training advisors.
- BCITO focuses on individual trainees' progress and success. While this ensures a high level of attention and support for individuals, overall patterns of trainees' progress and achievement within each of the 15 industry sectors are not tracked. This means that areas of high performance or poor performance are not known. No evidence was presented at this evaluation of comparative performance between sectors.
- Māori and Pasifika trainee achievement rates are lower than the overall trainee achievement rates. Currently, this trainee achievement data is monitored by BCITO through the TEC published performance indicators. While all trainees are regularly monitored, assessed and supported on an individual basis, BCITO does not analyse the overall Māori and Pasifika achievement rates within each of its 15 industry sectors, or overall. This information comes from the TEC's twice-monthly reported data, and annually reported educational performance

⁴ See TEC website: [Educational performance at individual tertiary providers](#).

indicators. This limits the organisation's ability to identify where initiatives are required to lift achievement rates for Māori and Pasifika trainees.

- BCITO has effective processes to match trainees with suitable employers who have an appropriate scope of work to ensure trainees can gain experience to complete their national certificate. There are limited processes to enable employers to develop their skills as apprentice-trainers. There are real-time or commercial barriers to training employers as trainers, but this has the potential to limit the quality and depth of training, for example where theory components are learned on-job.
- BCITO has developed an approach to assessment and moderation different to that practised by other ITOs. This process is grounded in research and was three years into its implementation at the previous evaluation. At the current evaluation there was considerable evidence that the professional conversation-based process is well planned and implemented. Training advisor judgements on apprentice progress and competencies are openly and informally reviewed by peers, as well as formally moderated through communities of practice⁵ where training advisors collectively review and critique the evidence from on-site conversations, observations and record books.
- BCITO meets its statutory⁶ requirements for the national external moderation of institutes of technology and polytechnics, and private training establishments with 'consent to assess' BCITO-managed unit standards using the conventional approach of reviewing documented evidence of all aspects of unit standard achievement. BCITO's national external moderation of The Skills Organisation, Competenz and MITO has not been carried out due to mutual understanding and confidence in each other's assessment and moderation systems. There are informal agreements between these ITOs. This has the potential to benefit all concerned. However, NZQA considers that the agreements are not sufficiently robust or detailed.
- The organisation has a highly effective board and senior management team. The organisational structure includes appropriately experienced and skilled personnel who support BCITO to meet its statutory functions. The board and management take a proactive approach to exploring new ways of working as a standard-setting body and industry training organisation, and to meet the current and future skills needs of its industry sectors. An example of this is the current digital engagement strategy which includes the stated intention of

⁵ [Introduction to communities of practice: A brief overview of the concept and its uses – Etienne and Beverly Wenger-Trayner, 2015.](#)

⁶ Education Act s248B (3) (b) manage consistency across New Zealand in learning outcomes in the relevant subject areas; and, (c) carry out national moderation of assessment of students.

enhancing learning options, for example by improving online access to training materials and supporting online study groups.

- In 2011, BCITO established a Kaitakawaenga position to engage with hapū, iwi, Māori business, and government agencies; and a Kaitautoko position to support employers and training advisors. These positions are a part of BCITO's planned approach to lift Māori and Pasifika trainees' participation and completion rates, a key focus in the Tertiary Education Strategy.⁷
- The evaluation team considers that BCITO is effective in meeting its statutory responsibilities. BCITO has close and effective networks within its 15 industry sectors, ensuring it remains well informed of changes in these sectors. BCITO makes improvements, for example in the development of new qualifications and learning materials, and has effective processes for the arrangement of training for its trainees. As noted, there are some gaps in the arrangements for training and results from this, as well as some gaps in meeting its moderation responsibilities to NZQA and the three ITOs discussed above.

Statement of confidence on capability in self-assessment

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

The main reasons for reaching this level of confidence were:

- BCITO has a strong and well-established culture of critical reflection across all levels of the organisation. Good use is made of input from extensive stakeholder engagement and commissioned research on current skills and future trends to adjust and develop standards and qualifications. This provides a high level of assurance that the organisation understands the needs of its stakeholders. The organisation is proactive in its critical reflection and analysis of data as well as the development of improved processes, in most aspects.
- There is a gap in the analysis of specific achievement rates for high-priority groups identified in the Tertiary Education Strategy. These groups are Māori, Pasifika and under 25-year-olds. The organisation reviews the overall achievement rates but does not conduct any analysis of each of its 15 industry sectors to determine the relative equity of trainee progress and achievement. Māori and Pasifika trainees are currently achieving at approximately 10-15 per cent lower than the overall trainee group, as reported twice-monthly by the TEC.⁸ While BCITO has established liaison and support positions, as noted above, the evaluation team saw no evidence that BCITO has reviewed the

⁷ [Tertiary Education Strategy 2014 – 2019](#): Priority 3 – Boosting achievement of Māori and Pasifika.

⁸ The TEC receives data from ITOs and reports analysis of this back for confirmation.

impact of these appointments. BCITO is in the process of developing a Māori and Pasifika strategy for board approval. The evaluators consider that the appointments are in line with the spirit and intent of the Tertiary Education Strategy, and are likely to be having a positive impact. However, the level of impact has not yet been established by BCITO. The BCITO board's records show: 'the focus on Māori and Pasifika participation and completion has not moved forward as rapidly as desired'.

- The organisation has commissioned research on the value of training in relation to financial return on investment for industry training. This is used primarily in the marketing and promotion of industry training, and shows a return on investment ranging between \$2.80 and \$10 for each dollar spent on training. This is valuable information for both BCITO and employers.
- BCITO analysis of graduate surveys indicates that its graduates and employers gain significant value from structured apprenticeship training. This includes improved technical construction skills, understanding and knowledge of construction and site planning, as well as gaining a nationally recognised qualification as a starting point for further career development.
- Trainee achievement is tracked at the individual level. Strong mentoring and goal-setting processes are provided through training advisors' regular site visits. The organisation has a well-structured and research-based approach to verifying skills and knowledge development through training, as well as strong processes for the moderation of judgements of competence (see Findings 1.5).
- The organisation has sound processes for establishing trainees' needs at the point of signing training agreements, and this is taken into account in matching trainees with employers. The organisation also actively reviews employers' suitability to train, considering factors such as the scope of work or past training experience with previous apprentices.
- The board of directors uses the Institute of Directors self-review process for overall board effectiveness, and several board members have attended Institute of Directors training to develop governance capability. The board also undertakes a 360-degree review of individual members. These processes provide a good level of assurance that the board is critically reflecting on its effectiveness as a governance body.
- Appropriate processes are used for reviewing chief executive performance (see Findings 1.6). Across the organisation, management is proactive and monitoring ongoing changes to bring about improvements in the performance of the organisation. One example of this was the relatively recent establishment of the stakeholder engagement unit to complement the regional and national advisory groups and to build and maintain close connections with and gain input from the 15 industry sectors that BCITO now has responsibility for.

- The evaluation team considers that BCITO's approach to critical reflection is mainly well established, strong, and proactive, providing a good level of assurance that the organisation is meeting its statutory responsibilities. There are, however, some areas for further improvement that hold back NZQA's level of confidence. These are primarily in relation to how well the organisation reflects on how it meets the needs of some of its stakeholders, specifically the Tertiary Education Strategy priority groups: Māori, Pasifika and under 25-year-old trainees. While there is a very strong and consistent level of attention at the individual trainee level, there are no processes to analyse achievement data for patterns or trends within or across the 15 industry sectors, including for Māori, Pasifika and under 25-year-old trainees' relative progress and achievement.

Findings⁹

1.1 How well does the ITO understand and meet the needs of industry, trainees 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**.

BCITO has strong processes in place to stay connected with its 15 industry sectors, and receives information on current and future skills needs. These are primarily through national advisory groups which meet two times a year. Feedback from these groups to BCITO, confirmed by the evaluators during the site visit, is that the process is effective and they feel heard and have confidence that the skill and training needs of their respective industries are well matched and met.

BCITO has set up a stakeholder engagement group with industry advocates who meet with industry associations where these are in existence, or directly with key organisations and firms within industry sectors where there is no peak body. This group was established to enhance the relationship with the wide range of industries that BCITO covers. All indications are that this is a highly effective process.

An 'insight and innovation' manager has been appointed, whose primary role is in forecasting, marketing, and research to determine future trends. This is a good example of the proactive stance taken by this ITO. Information is also sought through contracted research companies who survey areas such as current apprentice satisfaction rates, and undertake apprentice exit surveys. These are significant pieces of research and in-depth analysis, providing robust data that informs planning and the review of programmes and standards.

The organisation considers that its current trainee numbers (9,932) are 'close to saturation point' in some sectors, 'but others are still well down on their potential'. Management noted that it was their considered view that, currently, BCITO is supporting most school leavers who wish to enter the construction industries to gain an apprenticeship, and there is little room to source more trainees. The current strategy is to attract more female trainees as they currently account for only around 1 per cent of the total.

One issue significantly affecting BCITO's ability to meet industry needs is the changing nature of construction, mainly in the Auckland region, but to a lesser extent elsewhere. This is the specialisation of building processes, for example

⁹ The findings in this report are derived using a standard process and are based on a targeted sample of the organisation's activities.

where, for speed and efficiency, building gangs specialise in one or more areas of foundations and concrete placing, framing, interior lining, roofing, etc. This has an impact on trainees' ability to complete a full national certificate because their employer does not have the scope of contracts to provide the breadth of training in all aspects of construction. However, BCITO has effective processes to work with builders to swap trainees between employers or put trainees out on loan to another builder to gain wider experience.

The organisation has effective self-assessment processes to collect, review and analyse changing industry knowledge, technology, and trends across the 15 industry sectors under its coverage.

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 **Good**.

Employers and trainees gain significant value from the training arranged by BCITO. This is evidenced through their monitoring of overall trainee achievement and apprenticeship completion rates, and trainees gaining nationally recognised qualifications and the required skills and knowledge to be an effective tradesperson in their chosen industry.

Some information is coming to BCITO through the national advisory groups of longer-term outcomes. For example, where apprentices stay with an employer they can progress to leading hand positions and completing higher-level qualifications. However, this is not actively researched, information is anecdotal, and so no conclusions can be drawn at this stage about the longer-term added value of completing an apprenticeship. BCITO has information which shows that a small number of graduates progress to further qualifications such as the National Certificate in Construction Trades (Supervisor) (Level 4), but these graduates have all been in supervisory roles prior to completing the supervisor certificate. As at June 2016, there were 144 trainees enrolled in this qualification, and 48 have completed. While this is not a higher qualification on the New Zealand Qualifications Framework, it encompasses higher-level supervisor skills for supervisors of construction gangs. The organisation has developed an in-depth set of resources for industry to inform and support organisations to be compliant with new health and safety regulations. This meets industry training requirements as well as adding value to employers' awareness and knowledge of these matters.

A number of 'system checks' (internal audits) are conducted to review internal processes, ensuring learning outcomes continue to add value to trainees and employers. For example, BCITO conducts system checks on on-job assessment

processes, to confirm trainees are gaining value through building the right skills and capabilities towards becoming competent tradespeople.

The organisation has commissioned research on the financial return on investment for industry training. This is used mainly in the marketing and promotion of industry training, and shows a return on investment ranging between \$2.80 and \$10 for every dollar spent on training, depending on the construction industry sector. This is valuable information for both BCITO and employers, and a good indicator of added value.

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**.

Table 1 shows that BCITO trainee achievement has been at the top of the top quartile for the last four years, for the total trainee group, but achievement rates for Māori and Pasifika trainees have been lower than the 'all trainees' group, in the key indicator of credit achievement.¹⁰ The comparative achievement of credits is the key measure for the TEC, because programme completions are variable due to a range of factors, for example economics and patterns of growth in the construction sector, or the adoption of new qualifications following the Targeted Review of Qualifications process, which can have longer achievement times. These overall credit and programme completion rates over the past four years are very strong.

The organisation tracks individual trainee achievement by monitoring '10,000 cohorts of one', through training advisor quarterly visits, when trainees' progress and achievements are reviewed and goals set for the next period. All indications are that this process is well planned and structured and results in individual trainees receiving personalised one-to-one attention and mentoring. Assessments are monitored closely and appropriately moderated (see Findings 1.5 for further detail).

The focus on the individual trainee provides a high level of mentoring and support for individual trainees and tracks their progress effectively. As noted, there are gaps in the organisation's critical reflections on the achievement rates within individual industry sectors or when comparing the performance of high-priority groups as defined in the Tertiary Education Strategy. These are areas for improvement. BCITO is, however, tracking and monitoring a number of other

¹⁰ The programme completion rate provides a less clear indicator of ITO performance than credit achievement. This is because it is subject to fluctuations in the number of trainees signed up, and the number of trainees completing in a given year. There is not always a direct connection between the number signed up and the number completing in a given year.

factors such as the average number of weeks trainees take to complete qualifications and the numbers and percentages of trainees who are signed up, to monitor participation rates as well as the number completing a qualification.

Table 1. TEC data, supplied by BCITO, TEC fund managers, and the TEC website¹¹

	Ethnicity participation rates	Credit achievement – Māori and Pasifika trainees	Programme completion rate – Māori and Pasifika trainees	Credit achievement¹² – ‘all’ trainees	Programmes completion rate – ‘all’ trainees
2012	Māori 13% Pasifika 4%	Achievement data not available Māori commitment ¹³ 80% Pasifika commitment 75%	Achievement data not available Māori commitment 60% Pasifika commitment 55%	100% BCITO-TEC agreed commitment 80% Median 70% Highest-performing ITO	100% BCITO-TEC agreed commitment 60% Median 68% Highest-performing ITO
2013	Māori 14% Pasifika 5%	Achievement data is not available Māori commitment 85% Pasifika commitment 80%	Achievement data not available Māori commitment 65% Pasifika commitment 65%	100% BCITO-TEC agreed commitment 85% Median 72% Highest-performing ITO	95% BCITO-TEC agreed commitment 65% Median 74% Third of 20 ITOs
2014	Māori 16% Pasifika 6%	88% – Māori 82% – Pasifika Māori commitment 75% Pasifika commitment 75%	82% – Māori 40% – Pasifika Māori commitment 75% Pasifika commitment 75%	100% BCITO-TEC agreed commitment 75% Median 76% Highest-performing ITO	75% BCITO-TEC agreed commitment 75% Median 72% Fifth of 11 ITOs
2015	Māori 16% Pasifika 7%	78% – Māori 69% – Pasifika Māori commitment 75% Pasifika commitment 75%	68% – Māori 51% – Pasifika Māori commitment 75% Pasifika commitment 75%	100% BCITO-TEC agreed commitment 75% Median 81%	79% BCITO-TEC agreed commitment 75% Median 70%

The organisation’s self-assessment indicates that feedback from employers confirms the traditional understanding that new graduates with a level 4 qualification have attained appropriate competence.

¹¹ See TEC website: [Educational performance at individual tertiary providers](#).

¹² This measure shows the number of credits that were achieved by trainees in a given year, as a proportion of the credits trainees were expected to achieve in that year.

¹³ *Commitment* refers to the figures agreed between the ITO and TEC. This is not seen as a target as such.

Employers and trainees contacted at this evaluation confirmed that the processes to monitor trainee achievement are 'tough but valid'. The evaluation team concurs with this view.

1.4 How effective is the training arranged by the ITO?

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**.

The training arranged by BCITO is effective, as indicated by overall trainee achievement rates and the monitoring processes of employers as trainers, and the contract monitoring and moderation of assessments that occur off-job, for example at night classes and block courses provided for apprentices.

BCITO has produced 'A Guide for BCITO Apprentices and Employers' to support the setting up of the training arrangement and providing some guidance to employers as trainers. This is a valuable guide, but includes little in the way of building the capability of employers as trainers.

BCITO checks employers as suitable to train, considering such factors as the employers' scope of work (the range of construction site activity) that will provide an apprentice with access to develop the full range of skills and knowledge for the national certificate they are signed to. Other factors include employers' past training experience, access to appropriate tools and support on site, and having suitable numbers of qualified tradespeople to supervise the apprentice, which is usually one-to-one. BCITO noted that this is increasingly difficult to maintain in the Auckland market due to increasing specialisation, and is a growing concern for the quality of training.

The organisation also responds to employer and trainee feedback for alternative training to be arranged off-site where apprentices need assistance with theory components of the training. The need for and interest in off-job training (night classes or block courses) changes over time and with demographic changes. Management discussed responding to these changes by closing night classes in one region while arranging for night classes to open in another region, largely due to trainees' interest in attending varying over time or regions.

For most apprentices, the theory and practical components are integrated on the job, with trainees being provided with a wide range of support documentation and workbooks which they can work through and gain guidance from employers and their training advisor, or work through on their own. Evidence reviewed at this evaluation indicated that this is working well for most apprentices.

The organisation is currently working on a digital engagement strategy exploring, among other things, the use of digital technologies for 3-D drawings and diagrams,

and online learning options to better support trainees and to keep pace with future technological changes.

BCITO has a range of processes for its critical reflection on the effectiveness of training arrangements. The training advisor visits to the workplace are the primary tool for monitoring the effectiveness of on-job training, and this is a robust process. Some off-job training, such as night classes, is arranged to support trainees' study rather than formal training programmes where assessment occurs so there is less close monitoring required. Providers of off-job block courses have documented contracts with BCITO, and these are well monitored, as evidenced by BCITO documents, moderation reports and the assessment matrix.

BCITO has reviewed aspects of training such as the BCITO support of learning and trainees' reflections on such factors as the usefulness of resources, how they were assessed, and the effectiveness of the training advisors. The resulting detailed report raised some concerns. For example, 'nearly 30 per cent of apprentices felt they were not well supported by their employers', 'nearly 40 per cent of all apprentices did not find training plans to be particularly useful, and 28 per cent stated they did not receive training plans in a timely way after visits'. These comments related to three trades, but indicate some areas where improvements can be made to training arrangements.

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 **Good**.

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

The quality of assessment of BCITO-developed standards is sound. Assessments conducted on the job are carried out by BCITO training advisors and a small group of contract assessors. Trainees progress through their training plan, and overall achievement is established through a process of professional conversations with employers and trainees. This is supported by naturally occurring evidence such as building projects completed, photographs, completed work diary entries, and verifications from employers (evaluators). There is a strong process for critical reflection on the validity of this process by individual training advisors and informal peer reviews by colleagues as well as a structured formal process of involvement in communities of practice. Training plan visit reports are reviewed and judgements compared for validity and reliability.

National external moderation of tertiary education organisations other than standard-setting bodies is scheduled and completed appropriately. These moderation events are clearly documented and provide sufficient evidence to the tertiary education organisations about the findings and recommendations or requirements for improvement. BCITO uses a standard methodology for this:

reviewing selected samples of learners' assessment scripts to determine how robust the assessment processes are, and how well the evidence presented shows that all aspects of the national standards have been met.

As noted, BCITO's informal moderation agreements with each of three other standard-setting bodies are not documented sufficiently robustly (emails and a letter dated after the EER on-site visit) to guide these arrangements. As noted, ITOs have a statutory requirement to conduct national external moderation of all tertiary education organisations that hold consent to assess their unit standards. If this is not deemed to be required in a particular year due, for example, to a history of strong assessment practices that meet the national standard, this should be clearly and formally documented, for example in a memorandum of understanding.

NZQA has for the past few years rated BCITO as not meeting moderation requirements for a range of unit standards that fall under NZQA's standard-setting responsibilities. This is primarily due to a difference in approach to assessment and moderation, with BCITO using professional conversations to assess trainees' competence, and NZQA using a documented, evidenced-based approach.¹⁴ Between 2013 and 2015, 34 of the 52 samples moderated by NZQA did not provide sufficient evidence to show that assessment judgements met the national standard. NZQA and BCITO are working together to arrange visits to observe construction-site assessment events to determine whether the national standard is met for NZQA-managed standards.

While BCITO's internal quality systems show evidence of well-considered and robust processes, at the time of this evaluation there are two significant gaps. BCITO is not yet meeting NZQA moderation requirements for the assessment of NZQA-managed unit standards, and agreements between BCITO and three other ITOs to not moderate each other are not sufficiently robust for what is a statutory responsibility.

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**.

The BCITO board of directors is effective and is made up of sector representatives, ensuring that a range of construction sub-trades have a voice on the board. The level and effectiveness of governance skills on the board is reviewed annually

¹⁴ As noted, BCITO uses this same documented approach for the moderation of all tertiary education organisations except ITOs. NZQA expects there to be sufficient records to show the national standard has been met rather than having a prescribed model of assessment.

using the Institute of Directors self-review process for overall board effectiveness, and several board members have attended Institute of Directors training to develop governance capability. However, this review process has not occurred in the past two years. The board undertakes a 360-degree review of individual members. The board also contracts specialist organisations to conduct external audits. These processes provide a good level of assurance that the board is critically reflecting on its effectiveness as a governance body, and is in fact effective. Staff surveys show a high level of staff engagement, indicating staff feel well connected to, and motivated by their organisation.

The board has appointed a new chief executive to replace the incumbent of 10 years. The new chief executive had only been in the role for six weeks at the time of this evaluation, so no conclusions can be drawn on how well the board is monitoring his performance. However, while the previous chief executive's performance is not within the scope of this evaluation, it is noted that all indications are that performance was well monitored by the board and no issues of concern have been noted by the TEC or NZQA since the previous evaluation. The executive leadership team includes considerable talent and expertise both in education and industry, and the overall organisational structure includes appropriate personnel to support BCITO to meet its statutory functions.

The board and management take a proactive approach to exploring new ways of working as a standard-setting body and industry training organisation, to meet the future needs of its industry sectors. An example of this is the current digital engagement strategy which includes the stated intentions to enhance learning options and improve access to resources and support.

The organisation is currently developing and implementing a Māori and Pasifika strategy, with one board paper noting 'the focus on Māori and Pasifika participation and completion has not moved forward as rapidly as desired'. The board approved the two appointments made in 2011, as noted, which itself is a process to improve outcomes for Māori and Pasifika trainees.

BCITO has been actively involved in the Targeted Review of Qualifications and is in the process of developing new qualifications for each of its 15 industry sectors. Programmes based on learning outcomes or 'specifications' (not unit standard-based) are being developed by BCITO to meet the requirements and 'graduate profile outcomes' of the new New Zealand qualifications. This move away from unit standards is a new approach for an ITO, and has raised some issues about the ITO's statutory role as a standard-setting body, the nature of skill standards, and gaining programme approval from NZQA, which is a prerequisite for gaining TEC funding. BCITO has been working proactively with the TEC and NZQA to resolve these issues. At the time of this evaluation site visit, no 'specification-based' programmes to meet the requirements of the New Zealand qualifications had been submitted to NZQA for approval. Subsequent to the site visit, BCITO submitted a 'specification-based' programme to NZQA for approval, but this was declined.

Since the previous evaluation in 2012, BCITO's board and management have maintained a strong focus on researching and understanding emerging skills needs, meeting the volume of training required for skilled tradespeople for its multiple industry sectors, and arranging the effective delivery of training for trainees. BCITO has maintained a proactive approach to engaging with research-based organisations to explore new ways of working in the industry training area.

While the organisation has maintained a strong culture of critical reflection across its business units, there are some areas for improvement. BCITO has an admirable focus on working closely with each individual trainee, supporting and encouraging each to achieve their own aspirations. However, there are some gaps:

- As noted, Māori and Pasifika trainees achieve at lower rates than the 'all trainee' group
- In the absence of any BCITO analysis of overall trainee progress and completion data, it is unknown whether trainee achievement rates in the individual 15 industry sectors are equitable
- As noted, there are some gaps in the robustness of the documentation of the bilateral agreements to not conduct national external moderation of ITOs that hold consent to assess BCITO-managed unit standards
- For the years 2013-2016, BCITO has not provided convincing evidence to confirm that assessments of a range of NZQA-managed unit standards are at the national standard.

These gaps have some impact on how well the organisation is meeting its statutory functions; setting and maintaining industry standards, and developing qualifications and arranging industry training, but BCITO is in the process of developing plans and strategies to address them.

The evaluation team considers that NZQA can have confidence in BCITO's performance and confidence in its capability in self-assessment.

Focus Areas

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

2.1 Focus area: Governance, management and strategy

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

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

2.2 Focus area: Apprentice management and support

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

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

2.3 Focus area: Staff learning and development

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

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

2.4 Focus area: Qualification, programme and resource development

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

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

Recommendations

NZQA recommends that BCITO:

- Analyse Māori and Pasifika completion data to identify the industry sectors where trainees need the most support
- Continue to develop and implement strategies for lifting Māori and Pasifika credit and programme completion rates
- Analyse completion rates across the 15 industry sectors to ascertain where training arrangements are more or less effective
- Carry out more analysis of cohorts and groups as well as comparisons of individual achievement, to better understand trends and patterns
- In relation to determining the long-term value of completing industry training, review the added value of the training, beyond completion of the apprenticeship.¹⁵

¹⁵ This refers to the Tertiary Evaluation Indicators for ITO performance: [Appendix 2: How the ITO indicators relate to the key evaluation questions](#). For example: 'The ITO ensures industries served by the ITO retain and advance skills and capability within their industry/ies'.

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 programme approvals and accreditations under sections 249 and 250 of the Education Act 1989, as well as for training schemes (section 251), consents to assess against standards (section 252) AND 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 252 of the Education Act 1989*
- Applying programme 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