

# Report of External Evaluation and Review

The New Zealand Engineering, Food  
and Manufacturing Industry Training  
Organisation Incorporated trading as  
Competenz

Confident in ITO performance

Highly Confident in capability in self-assessment

Date of report: 28 October 2014

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MoE Number:       8104  
NZQA Reference:    C14826  
Date of EER visit: 20-23 May 2014

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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:	The New Zealand Engineering, Food and Manufacturing Industry Training Organisation Incorporated trading as Competenz
Location:	Newmarket, Auckland
Gazette recognition date:	22 March 2005
Gazette coverage:	Engineering, Manufacturing, Plastics and Materials Manufacturing, Transport, Forestry, Trades, Food and Beverage, and Communications and Media.
Number of qualifications registered on NZQF:	183 (as at 23.9.14)
Number of standards registered on NZQF:	4,578 (as at 23.9.14)
Number of trainees:	6,600 Standard Training Measures (STMs) 20,000 trainees
Number of staff:	144 full-time equivalents, 13 part-time
Number of registered workplace assessors:	848 plus 68 roving assessors
Distinctive characteristics:	Competenz arranges the provision of mixed training which is mainly on-job with one to two-week block courses in some industries.  Competenz prefers to use the term 'learners' rather than 'trainees', and the report reflects this usage in most instances.
Recent significant changes:	Retail Meat ITO (RMITO) merged with Competenz

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in January 2013.

Forest Industries Training and Education Council (FITEC) merged with Competenz in May 2013.

Plastics and Materials Processing ITO (PaMPITO) merged with Competenz in October 2013.

Communications and Media ITO (CMITO) merged with Competenz in January 2014.

As at 1 January 2014, Competenz is one of 12 ITOs compared with 38 at the same date in 2011.

Previous quality assurance history:

The Retail Meat ITO (RMITO) external evaluation and review (EER) visit was in December 2010 and the report was published in March 2011. NZQA was Confident in both RMITO's ITO performance and its capability in self-assessment.

The Communications and Media ITO (CMITO) EER visit was in April 2012 and the report was published in August 2012. NZQA was Confident in both CMITO's ITO performance and its capability in self-assessment.

The Plastics and Materials Processing ITO (PaMPITO) EER visit was in March 2013 and the report was published in May 2013. NZQA was Confident in both PaMPITO's ITO performance and its capability in self-assessment.

Forest Industries Training and Education Council (FITEC) did not have an EER prior to its merger with Competenz.

Competenz has not had a previous EER.

Recent NZQA Tertiary Assessment and Moderation National External Moderation Reports were as follows:

- RMITO had an adverse report in 2012.
- CMITO had adverse reports in 2012 and 2014.
- PaMPITO had an adverse report in 2012.
- Competenz was not fully meeting the national standard in assessment decisions for Business and Management,

Communication Skills, Core Skills, and Maths in the Workplace in 2013, and it reported credits for unit standards not listed in its Assessment Plan submitted to NZQA. NZQA had no credit reporting issues with Competenz.

Other:

Trainee numbers have increased from 12,000 to 20,000, and a new Rotorua regional office was acquired through the merger with FITEC. Competenz is leading 26 Targeted Reviews of Qualifications (TRoQs) and contributing to another nine.

Competenz works with trainees, companies and industries. It now has two teams. The Trades team incorporates forestry, wood manufacturing, glass, plastics, print, packaging and signmaking. The other team is the Traineeship team -- the employing company determines the training agenda, not the trainee, i.e. the relationship is between the ITO and the company, not the trainee. Competenz works with about 3,500 companies.

Competenz updated its database which resulted in removing 3,000 trainees from a total of 12,000 before any mergers took place.

## 2. Scope of external evaluation and review

1.	Governance, management and strategy	This focus area was agreed by NZQA and Competenz because it was considered important to investigate Competenz' active engagement in strategy, stakeholder engagement, leadership and participation in the TRoQ in light of the mergers – and also its improvement initiatives for courses, organisational structure (in particular the trades and traineeships divisions and their impacts on learner outcomes), and performance.
2.	Mergers	This focus area was agreed by NZQA and Competenz because it was considered important to investigate how well the mergers have been managed relative to performance and achievement, and the value of the outcomes for learners, employers and other stakeholders including industry and government, of all the areas Competenz is now responsible for. NZQA and Competenz wanted to know how well the ITO maintained its core business and fulfilled its mandatory functions for an increased number of industries.
3.	Mechanical Engineering	This focus area was agreed by NZQA and Competenz because it was a core legacy Competenz industry. This is one of the trades operated by the Competenz Trades team. As at 6 May 2014, there were 213 STMs (13.1 per cent of the total), comprising 1,650 learners (10.9 per cent of total learners), according to the ITO's figures.
4.	Retail Meat	This focus area was agreed by NZQA and Competenz because RMITO was the first ITO to merge with Competenz, in January 2013. This is one of the traineeships operated by the Competenz Traineeship team. As at 6 May 2014, there were 50 STMs (3.1 per cent of the total STMs), comprising 387 learners (about 2.6 per cent of the total), according to the ITO's figures.
5.	Forestry	This focus area was agreed by NZQA and Competenz because FITEC was the second ITO to merge with Competenz, in May 2013, and was the only ITO (apart from Competenz) which had not previously had an EER. Forestry is also a high-risk industry. This is one of the trades operated by Competenz' Trades team. As at 6 May 2014, there were 296 STMS (18.2 per cent of the total), comprising 2,977 learners (19.7 per cent of the total), according to the ITO's figures.

The first two focus areas represent all learners. Focus areas 3-5 represent approximately 5,000 learners or 33 per cent of current, active Competenz learners as at 6 May 2014. Given the other factors already mentioned, NZQA and Competenz agreed that the focus areas were representative of Competenz' recent and relevant industry training activities.

### 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.*

A team of four evaluators conducted the EER over four days, which involved visiting the head office in Newmarket, Auckland, two client sites in Auckland, and regional offices in Rotorua and Hamilton. The evaluators spoke to the Competenz board chair, board members, the Competenz chief executive officer, the senior leadership team, general managers, national business managers, account managers, industry managers, industry specialists, team leaders, assessors, moderators, contractors, forest owners, product developers, and learners.

The evaluators sighted a range of relevant documents before, during and after the visit, including self-assessment information, governance and management documents, results, achievement data, analysis, learner resources and assessment materials, and the Competenz website.

# Summary of Results

## Statement of confidence on ITO performance

NZQA is **Confident** in the performance of **Competenz trading as Competenz**.

- Competenz understands and meets the needs of a range of diverse industries, employers, trainees and government agencies well in what has been a rapidly changing environment, including four mergers with Competenz within a 12-month period, 2013-2014.
- Learners are gaining qualifications that generally reflect the skills needs of their respective industries.
- Learner achievement is sound overall but varies and could be improved significantly in some merged areas. It is important to acknowledge that this is within a situation where different merged entities brought with them different levels of learner achievement performance at different points of time according to when they merged – some industries need more time to improve their performance. As part of its support of such improvement, Competenz is developing good systems to aid its understanding, measurement and monitoring of learner achievement.
- Training delivery arranged by Competenz is generally effective and meets the needs of employers and learners.
- Assessment practices vary but the quality and integrity of assessment was clearly evident. Generally robust moderation systems support and contribute to assessment.
- Competenz has embraced the mergers and has clear direction and purpose – it is well governed and managed and fulfils its statutory requirements. The quality and validity of Competenz' self-assessment body of evidence relating to its performance is generally well informed, although there are some areas that it is currently strengthening, or is committed to doing so. Examples are training effectiveness, apprenticeship returns on investment, and the economic impact of industry training.
- There is sound evidence that Competenz is meeting most of the important needs of diverse industries, employers, learners and government agencies. There is clear evidence of effective processes that contribute to training and assessment and other related outcomes, such as achieving credits and gaining qualifications. Areas that need improvement and which Competenz has identified itself are mostly not critical or are not fully within the control of Competenz, and/or are being effectively managed.
- The range of outcomes at this time is not yet sufficient to justify a rating of highly confident. However, NZQA is confident that Competenz has the

governance, leadership, management resources and processes that will enable it to improve outcomes.

## Statement of confidence on capability in self-assessment

NZQA is **Highly Confident** in the capability in self-assessment of **Competenz trading as Competenz**.

- Competenz has followed a very robust process for each of the four mergers. This has included comprehensive due diligence before each merger and regular programme reviews after each merger.
- Competenz has developed online tools which enable all staff, including account managers and assessors and employers to track and monitor individual learner progress – this contributes to increased and more timely credit and qualification completions.
- Competenz has led 26 targeted reviews of national qualifications and participated in a further nine. This has provided a unique opportunity for Competenz to benefit its self-assessment through key stakeholder engagement while also representing the interests of those involved in the reviews and the development of qualifications. The review process will also enable Competenz to participate in the related development of standards, programmes and assessment as appropriate.
- Having come from a compliance-focused view of quality assurance, Competenz is embedding wider-ranging self-assessment to understand the effectiveness, quality and capacity of its self-assessment processes and systems, including such areas as moderation.
- Competenz has invested in the development of an online industry profiling tool. The tool, which was viewed by the evaluators, is expected to provide invaluable opportunities for trend analysis and forecasting of employee and business movements. Competenz expects the benefits of the tool to be far-reaching and to inform decisions on qualification development, operational management and strategic planning, as well as providing valuable information for all industries.
- Competenz has effective self-assessment and evaluates all its activities continuously along with periodic reviews. The quality and validity of the self-assessment information reviewed as part of the EER is consistently high.

# Findings<sup>1</sup>

## 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**.

Competenz understands and meets very well the needs of the industries and trades it is now responsible for, their trainees and government agencies. This is the consequence of extensive due diligence before each merger, the knowledge and experience that the employees of the merged organisations bring to Competenz, the knowledge, skills and abilities of Competenz staff, annual reviews of industries and trades, and proactive networking by Competenz, which includes representation on and participation in industry and trade organisations. Competenz already has historical and current comprehensive understanding of mechanical engineering which was previously its main core responsibility.

Competenz' account managers are aware from their connections with employers that demand for employment and new apprentices has significantly increased in the past 12 months in most industries for which it is now responsible, including mechanical engineering, retail meat and, until recently, forestry. Additional funding by the government ('re-boot') has enabled more apprentices to be taken on to meet employer demand. This has resulted in employers in some industries having at least one apprentice.

Account managers have a well-informed understanding of what is going on in their areas based on their effective ongoing relationships with industry, employers and trainees. In addition, the Competenz board chair, the board and chief executive officer work effectively together to provide leadership to a range of industries and learners, which enables Competenz to meet their needs and those of government. This was evidenced through discussion with governance and management representatives, an external review report on how governance and management at Competenz used to operate, and documented evidence of how well they work together now.

Competenz provides valid information and advice to government and other agencies based on comprehensive and effective self-assessment. The due diligence Competenz has undertaken prior to each merger, and regular comprehensive programme reviews following each merger, provide valuable industry-specific information which enables Competenz to understand trends and issues in each industry.

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

Competenz' investment, leadership and participation in the TRoQ process are clearly a vital part of its self-assessment. Competenz contributes significantly to the 26 TRoQs it is leading (and the other nine in which it participates). In order to ensure stakeholder needs are met in this review process, Competenz consults effectively. Consequently, Competenz maintains up-to-date information about developments and likely future outcomes within and across its diverse industries. For example, it has detailed knowledge and understanding of a relatively small industry such as retail meat on the one hand, but is equally well informed about a much larger and higher-risk industry such as forestry, where the safety review of that industry necessarily becomes part of Competenz' self-assessment.

Competenz' investment in the development of an online industry profiling tool will provide it with a wide range of readily accessible information about a particular industry. This will enable Competenz to understand and meet the needs of its industries, learners and government extremely well. It will provide useful information regarding skill shortages, supply and demand that are of value to the ITO and also to a wider audience, including industry. The tool is due to go live very shortly.

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

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

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

Overall, Competenz learners are gaining relevant industry standards and qualifications that meet the needs of its industries and provide valued outcomes. Competenz supports its industries, and overall they value the ITO highly. The Tertiary Education Commission (TEC) requires a minimum industry cash contribution of 30 per cent, which ITOs in the past struggled to achieve – in 2013 the industry cash contribution for Competenz was 40 per cent. The ITO is contributing to a skilled workforce that largely meets the needs of diverse industries so that they retain and advance the skills and capability required within their industries.

Competenz has minimised the potentially negative impact of mergers on learners and employers. Due diligence and post-merger programme reviews have contributed to this. Continued employment of former employees of merged ITOs and retraining as necessary have also contributed. Other strategies that have helped to minimise the risks inherent in the mergers include:

- Reviewing and improving previous practices such as the block courses in retail meat
- Recognising a preference for on-job training by employers as much as possible, compared with some employees who would prefer more time

training off-job (evidenced by employers, learners and Competenz managers)

- Contributing to maintaining and improving the quality of standards and qualifications, arranged training, assessment and moderation, and resources.

The close networking, interactions and representations with different industries by the board chair, board members, chief executive officer and account managers help identify, support and ensure that Competenz is producing valued outcomes for employers. Forestry poses particular challenges, given that continuous production is a priority. Forestry employers are committed to training, and some of them argue strongly that they would like greater input by trainers. But arranging more on-job training is difficult, especially given the commercial imperative, which limits some of the value of the possible outcomes of training. In addition, the recent fall in the price for logs is reducing the forestry workforce and those who complete training and qualifications, so the value of their outcomes will at least be delayed.

There is currently a mismatch between the regulatory framework (WorkSafe), which is compliance driven and focused on specific unit standards, and forestry qualifications which encompass competency to perform a role. Competenz continues to work with WorkSafe to align the focus to qualifications rather than unit standards. The qualifications have been restructured in the TRoQ to deliver to industry's desire to have smaller packages of learning. This has been achieved through qualification design featuring a common core and strands reflecting different operational roles. Competenz has not been leading the Independent Forestry Safety Review, but has played a significant role including input into the terms of reference, providing insights for the review and sitting as part of the training reference group. The outcomes of the work of the safety working party and review are eagerly awaited.

Annual employer surveys and case studies confirm the value of the outcomes to learners and employers. However, surveys are generally unreliable because of low response rates, and feedback is gathered and validated through Competenz' account managers, supported by customer satisfaction surveys, research, feedback following block courses and night classes, TRoQ feedback processes, programme reviews, and business model reviews.

Competenz recognises that learning more about what learners and employers value, and their next steps, are beneficial. The ITO has conducted satisfaction surveys, and commissioned research ('Converting the Unconverted') and apprenticeship returns on investment. In addition, it is turning its database from being compliance focused to a full customer relationship management system. From 2015 (to be piloted from October 2014), Competenz is conducting customer feedback research based on contacting all completed and withdrawn learners and their employers. Determining the contribution of successful training and qualifications completions to greater industry efficiency and effectiveness, competitive and lean manufacturing, and productivity and profit, remains a

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challenge.

### 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**.

How well Competenz learners achieve varies. This is not surprising given that merged entities have brought different achievement levels to the merger and have merged at different times which has given Competenz differing periods of time within which to make improvements. There is a general sense that achievement has mostly improved since the mergers, although the historical data also varies and in some cases, such as forestry and retail meat, it is not particularly reliable.

In mechanical engineering, overall credit achievement rates have remained at similar levels over the past three years and have consistently been above Competenz' overall educational performance indicators. While Māori credit achievement rates have also met or exceeded overall Māori achievement rates across Competenz, they remain below the overall mechanical engineering achievement rates. Pasifika achievement rates are closer to overall achievement rates, but have fallen steadily over the past two years. Addressing the low retention and qualification completion rates remains a work in progress.

Retail meat is attracting apprentices from outside the meat industry and providing career development for those within as learners gain credible standards and qualifications to work within the industry and across the sector. The longer-term value of these outcomes for industry is still to be explored by Competenz as apprentices move through the programme. The achievement and progress of learners is actively monitored. The movement of learners in terms of withdrawals and completions since 2013 has begun to stabilise following the transition of learners who started their apprenticeships under RMITO. The first of the Competenz enrolled learners and their employers consider that the retail meat learners are progressing very well (and their credit achievement rates are higher than in mechanical engineering). Competenz has identified key indicators that it considers have an impact on retail meat achievement. These include duration of training, credit achievement and progress against the training plan, and are closely monitored and reported. Comprehensive tracking by Competenz enables individual targeted engagement with each learner to support achievement.

Forestry credit achievement rates have been very poor at less than 40 per cent, but are improving. Competenz is fully aware that achievement rates in forestry training are generally well below expectations, and the ITO has developed strategies and set targets to progressively raise the level of achievement. Competenz is making good progress against achieving its set targets for improvement, although the loss of jobs as a direct result of a fall in log prices is expected to have an impact on credit achievement and qualification completions. Māori and Pasifika achievement is well below their respective cohorts across Competenz, and Competenz has

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identified that a high proportion of forestry sector employees are Māori. Again, this is difficult to accurately and fully determine because of historical data uncertainties. Also, forestry has not been merged with Competenz for very long.

The recent development and roll-out of a useful tool to monitor achievement, the 'e-Learning portal', which enables employers to have instant access to learners' achievement progress, has been welcomed by learners and is expected to lead to improved results. Account managers track and respond to progress using Competenz' 'Smart TMS' reporting tool, which includes unit standard assessment results and apprentice visit summary reports and action plans. The trades manager and account managers were not aware of Māori achievement rates at the time of the EER visit, but they were aware that this is a focus and a work in progress for Competenz – that the ITO was developing strategies and practices that would ensure future tracking and monitoring and improvement of such achievement rates. At the time of the EER visit a new focus group was looking at developing strategies to enhance enrolments and achievements of Māori and Pasifika learners, and account managers would be participating in this. Competenz has provided subsequent updates of its progress in these developments. Based on comprehensive collaborative research, Competenz has identified clear priorities for action to improve Māori and Pasifika participation and achievement. These are based on promoting workplace learning and careers in the trades, improving learning materials and assessment processes, and supporting learners based on building stronger cultural partnerships and understanding with Māori and Pasifika.

#### 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 **Good**.

Competenz arranges a mix of on-job and off-job training that ensures learners gain and develop relevant knowledge and skills for their industry and workplace. It actively monitors the progress of its learners and supports them effectively to succeed. Competenz strives to ensure that the training it arranges meets the skills needs of both employees and employers.

Apprentices' skills and backgrounds are identified on enrolment, enabling account managers to prepare an individual training plan and to support the apprentices' needs, including literacy and numeracy. The training plan also provides flexibility in the scheduling of the block courses to meet employer needs and apprentices' availability. Forestry employers want more practical on-job training to be arranged, and see the lack as a deficit in the current structure. However, as mentioned, training is difficult to arrange because of commercial imperatives, and its effectiveness is also affected by the current mismatch between the safety regulatory framework, unit standards and national forestry qualifications, which is currently being addressed through the TRoQ and other means. Apprentices' training progress is monitored by the account managers on a one-to-one basis

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against the training plan. Health check reports also ensure any training issues are flagged.

Competenz is keen to innovate in the types of training arranged to meet sector and learner needs. Embedded literacy and numeracy in Competenz resources is evident but still a work in progress. E-learning resources were recently introduced to better meet the needs of learners. This is a very recent development and it is too early to determine its success to date, including whether the e-Learning resources are best used as an alternative, rather than supplementary, resource to avoid duplication and add to apprentices' workload. The intention is to further enhance trainee achievement, although the impact of this has yet to be determined.

Competenz gathers regular feedback from learners and periodic or occasional feedback from employers. As mentioned, feedback is gathered after block courses and from night class learners, customer satisfaction surveys of employers, research, provider reviews, programme reviews with employers and learners, and business model reviews, as well as TRoQ customer feedback processes and feedback from account managers. All account managers use the Smart TMS to identify trainee achievement by employer, which enables any issues or trends to be followed up. Internal satisfaction surveys enable account managers to provide feedback on their views on training and assessment effectiveness. Competenz has not been analysing achievement rates in detail (for example, apprentices by ethnicity, particularly Māori and Pasifika) but this is changing. Such self-assessment tools and the online industry profiling tool will enable Competenz to be increasingly responsive as it continues to improve the effectiveness of the training it arranges and supports.

### 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**.

Assessment in the workplace supports learning well and provides sound evidence of achievement to the required standard. It is conducted by adequately trained and qualified assessors who hold unit standard 4098 *Use standards to assess candidate performance* as a minimum requirement and are required to attend a professional workshop every two years to maintain their registration with Competenz. Mechanical engineering employers/on-job trainers are briefed on the assessment materials and NZQA level descriptors to ensure they understand the different levels of skills and knowledge to be verified for assessment purposes. On-job work skills are verified by the employer or on-job training manager. All verifiers are expected to have minimum trade skills/qualifications. Assessors discuss the process and results with verifiers and then assess documented materials.

The assessment processes and the Competenz resources used to support assessment give the evaluators considerable confidence in its validity, reliability  
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and consistency. This is reinforced by the moderation practices Competenz uses. Every two months, account managers, who are also assessors, peer moderate a sample of each other's assessment to ensure consistency. Any new staff also have to undertake pre-moderation before they can assess. A multi-stage tool is also used to further support internal moderation, which involves a peer moderator going into the workplace to view evidence of assessed apprentices' skills.

Learners and assessors receive constructive feedback on their learning as well as their assessment which helps support improved outcomes. Achievement records are kept up to date and used as part of the dialogue with the learner about their progress, any issues affecting their learning, and their next steps. Moderation also informs assessment processes and practices.

While Competenz' assessment of learners and moderation of the assessment conducted by the providers with whom it arranges training gave the evaluators considerable confidence, there were some matters that raised some concerns. The Competenz moderation team convinced the evaluators that the cyclical moderation plans were appropriate and that any recurring assessment issues were dealt with adequately, although follow-up actions were not always clear. There were no issues with the reliability of assessment, but the evaluators raised concerns at the visit about Competenz' moderation capacity and consistent assessment practices, especially in forestry. There are now two moderators for forestry, in addition to back-office support, increased information technology functionality and provider support, where pre-merger there was only one moderator who performed all moderation and paperwork. Competenz considers that because the moderation is based on practical on-job assessment and moderation, it is more effective than paper-based assessment and moderation. The challenge for the ITO and the industry is to ensure that learning is applied in the workplace, resulting in safe practice within the forestry industry.

## 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**.

Competenz has effective governance and management systems and processes which enable it to articulate a clear purpose and direction, undertake activities consistent with its purpose and direction, effectively respond to change, and allocate resources efficiently and effectively. These activities support the development of skilled and qualified employees.

Competenz has restructured its organisation to meet its changed needs as a result of mergers and becoming a larger organisation. Competenz' networking and representation on industry bodies helps it meet the needs of employees, employers and industry. It has made changes to its constitution and board membership to enable it to move away from a representative board model towards skills-based membership. Competenz has undertaken to appoint Māori and/or Pasifika members to its board, although a suitable candidate has not yet been found.

Good business planning evident in strategic and business plans is informed by effective self-assessment, and purpose and direction are informed by comprehensive industry needs assessment. Effective systems are used to plan and allocate resources. Marketing is effective and reaches likely sources of current and future employees, including secondary schools.

Competenz is very much involved in ensuring that standards and qualifications are current, credible and meaningful so that they reflect current knowledge and skills and career pathways as well as identifying further future training for the industries it is responsible for, and this enables the ITO to effectively anticipate and respond to change and allocate resources accordingly. The ITO's commitment to and investment in its leadership and participation in the TRoQ is exemplary. TRoQ has provided an invaluable contribution to Competenz' self-assessment, which has strengthened its ability to understand and meet the needs of a range of industries, learners, employers and government. This has helped Competenz to provide valid and effective information and advice, including about matters relating to skill shortages, supply and demand. This also provides confidence that Competenz has the wherewithal to subsequently contribute significantly to the development of standards and other tools and programmes to support the arranged delivery and assessment of the reviewed and revised industry qualifications.

Competenz has embraced the challenges and opportunities provided by the mergers with four previously independent ITOs. Its commitment and investment has been considered and comprehensive based on thorough and robust self-assessment, which has included thorough pre-merger due diligence and regular post-merger reviews. Competenz has reviewed, refreshed and developed tools

and resources which enable it to maintain and improve arranged industry training with minimal disruption.

Competenz is continuing to develop and improve the arranging of appropriate mixes of mainly on-job training – but also off-job training where appropriate – that most effectively ensures that learners gain relevant skills for their industries and workplaces. Competenz actively tracks and monitors the progress of its learners and supports them to succeed. It has developed effective tools to measure and monitor performance, most notably its Smart TMS which enables it to be open with performance information so that not only Competenz staff but also employers can use it.

Assessment in the workplace supports learning and achievement to the required standard. Moderation helps confirm that assessment conducted in the workplace or by accredited providers or by block courses is valid, reliable and consistent.

Overall, Competenz and some of the ITOs which have merged with it have taken a compliance view of self-assessment, but this is changing as Competenz has become increasingly aware of the value of embedding wider-ranging self-assessment to understand the effectiveness and quality of its processes and systems. Examples include moderation and the impact and benefits of successful learning and training to industry, employees and employers.

# 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 **Excellent**.

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

The Competenz board, chief executive and senior management team work effectively together to provide leadership to a range of industries and learners. This enables Competenz to meet many of the needs of industries and learners and those of government. This is partly the result of a Competenz-commissioned external review of the board's performance in early 2013 which identified issues around how well governance and management worked together. These issues have largely been addressed. There is a healthy, positive and robust relationship between the board, the chief executive, and management, and effective outcomes are based on how well the board, chief executive and senior management work together.

Competenz has articulated a clear purpose and direction which is shared by governance and supported by management and all staff. To help ensure that this continues to be the case, the Competenz constitution and board membership have been reviewed and changed, moving away from a representative board model where all industries are represented at that level towards a more complementary skills-based membership. One of the initiatives related to this is the ongoing search for appropriate and effective representation on the board via a Māori and/or Pasifika member on the board. If a suitable person cannot be found, Competenz is aware that there are other ways of addressing the needs of these learners.

Competenz constantly assesses the political and industry landscape. Its future-scanning has helped contribute to recently investing in an innovation team to find more flexible ways of learning and assessment, including distance and online – currently these are at a relatively early stage of development.

Competenz engages with other ITOs through the Industry Training Federation, and engages with other peak bodies. According to Competenz, it has political influence at least to the extent that government considers the ideas Competenz puts forward even if they are contrary to government views or policy.

Competenz has restructured to meet changed needs as a result of mergers and becoming a larger organisation. It has shown the importance of effective business planning when undergoing major change. Having cleaned up its own database and addressed some of the issues around its previous core business of mechanical engineering, Competenz has developed tools to measure and monitor learner

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achievement performance. It has been open with performance information and shared it widely, with staff and employers having appropriate access.

Competenz has actively and effectively resourced the mergers and related activities. As mentioned, it has led 26 TRoQs and actively engaged in another nine developments. Competenz is involved in the current forestry safety review. Staff are involved in activities such as TRoQ, but also support and contribute to increasing the effectiveness of their own organisation, most recently through Competenz' 'Opportunities for improvement' email scheme.

Learner achievement varies across industries for a range of reasons including, as mentioned, when entities have merged with Competenz and the level of achievement they have brought with them. Competenz has committed resources to aid understanding, measurement and monitoring of learner achievement and has set mainly realistic targets for improvement. It is looking to innovate in the types of training it arranges to meet sector and learner needs and to gain improvements in performance and achievement, to the extent of considering the use of new technologies in the future to enhance the effectiveness and consistency of learning and assessment in forestry.

Competenz promotes awards and recognises the achievements of learners and their training success on special occasions, which are popular and worthwhile. It is developing ways of finding out more about what learners and employers value about training, and the next steps to be taken. Competenz recognises that this will add value, including feedback on the relevance and quality of the training and career pathways possibilities, and success – in addition to the current case studies conducted by Competenz. It already has sector advisory groups in place, conducts programme reviews with employers and learners and training providers, and carries out business model and customer satisfaction reviews. The new qualifications will have built-in processes for ensuring there is consistency of learner outcomes linked to providers' training effectiveness. This should help strengthen self-assessment around the quality of arranged training in the future.

Competenz is gaining quality feedback through its account managers, and this is becoming increasingly systematic for all industries. Embedding wider-ranging self-assessment activities across the range of industries is helping ensure that Competenz fully understands the effectiveness and quality of its processes and systems, what they show, and how the information they provide can be used to make further improvements, including in areas such as moderation of assessment materials and assessor decisions.

## 2.2 Focus area: Mergers

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

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

Competenz understood the advantages and need for mergers even before they became government policy. In fact, it was arguing the case for them and lobbying government as early as 2010. Competenz put in order its own organisation and database with the help of external auditing commissioned in 2010-2011. Competenz has embraced the mergers despite the challenges they have posed.

To address these challenges effectively, Competenz developed its own process, which included a four-stage transition. During the course of the EER the evaluators were able to determine that the transition has been largely effective and successful. This was based on two mergers as focus areas, retail meat and forestry, which were at different points of maturity. The indicators were relatively reliable and supported not only the rate of integration into Competenz but also the ongoing actions required to maintain and improve the performance of the merged ITOs' very different and diverse industries.

Competenz has continued to arrange training for the merged ITOs' learners. It has minimised as much as possible any potential negative impacts on learners and employers. It has improved engagement with some industries which it has come to understand quite quickly. Some completions have actually improved, although unreliable historical quantitative data has made this difficult to confirm in some cases. After purging its own database as part of improving its performance only a few years ago, Competenz has been doing the same for some of the other merged ITOs, while at the same time further enhancing its monitoring and tracking of learners' progress.

The quality of assessment underpinning achievement varies. For example, Competenz has in the main continued the activities of Retail Meat ITO, and has employed and trained competent assessors and moderators. Competenz has also followed effective processes in appointing and training assessors in forestry and has increased its moderation capacity in that industry, which has higher risks than some other industries.

Notwithstanding, and apart from forestry, achievement has mostly improved since the mergers. As mentioned, the current forestry national certificate qualifications are not very well matched to learner and government needs, although this is being addressed in the TRoQ. An external safety review has contributed to Competenz' self-assessment, but is not currently directly connected to qualifications and their assessment.

Competenz has developed a better understanding of its learners and better processes around ensuring workplaces support learning appropriately and effectively. It has also identified that learners benefit not only from improving their workplace practices but also by having an awareness of their career and how they can advance. As mentioned, Competenz is developing its understanding and

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strategies for Māori and Pasifika learners, but clear success in improved participation and achievement will take time.

In some cases, the mergers have been too recent for Competenz and the evaluators to determine their success. Robust due diligence has preceded each merger, and comprehensive programme review has followed each merger. These processes have helped support effective and successful mergers to date. For example, Competenz' changes to retail meat block courses are worthwhile improvements. Competenz' active engagement and leadership in the TRoQ process has benefited several industries and added value to the mergers.

Competenz has shown a sense of clear direction and purpose throughout the mergers. Its merger activities have been consistent with fulfilling the purpose of the mergers around efficiency, effectiveness and improvement. On the whole, Competenz has anticipated and responded to change in its own previous core business of mechanical engineering, while accommodating and managing responsibilities for a range of additional and diverse industries. The ITO has committed appropriate resources, which have enabled it to effectively facilitate the mergers and related activities. It has retained competent staff from the merged ITOs, and recruited new staff as necessary. The four-phase approach to the mergers has provided indicators that have helped the ITO to recognise and be realistic about the process and time it takes to fully integrate new ITOs with Competenz without disrupting the core business of any industry.

### 2.3 Focus area: Mechanical Engineering (core legacy Competenz pre-mergers)

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

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

Ongoing communication with customers and survey feedback from employers indicate that there is high employment demand for staff in engineering industries, enabling successful learners to maintain their employment or seek and gain other employment opportunities. All successful learners are listed in the 'Guild Magazine' with a story related to their success. The one-to-one regular contacts with employers keeps account managers aware of employer needs and industry demand. Employment and demand for new apprentices has increased in the past 12 months. Additional funding by the government ('re-boot') has enabled more apprentices to be taken on. The Competenz research ('Converting the Unconverted') found that approximately 25 per cent of the sector has at least one apprentice. Account managers' engagement with education providers, including school Gateway coordinators, has also enabled the ITO to identify and encourage pathways for new apprentices.

Apprentices' skills and backgrounds are identified on enrolment, enabling account managers to prepare an individual training plan and support learners' needs, including literacy and numeracy. The training plan also provides flexibility in the

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scheduling of the block courses to meet employer needs and apprentices' availability.

Staff team meetings are held on a regular basis. Any issues that arise from learner achievements or from employer and apprentice surveys/one-to-one discussions/complaints are discussed and addressed as needed. Five-yearly cycle programme reviews analyse the collated information on the qualifications to identify areas for improvement and recommended actions. Programme reviews clearly document observations and recommendations and these are tracked to ensure they are actioned. Block course, correspondence, night class and annual customer feedback reviews and actions are monitored. Identifying and documenting the known outcomes of actions strengthen self-assessment processes.

Completions of the National Certificate in Mechanical Engineering (Level 5) in 2013 were very low. Competenz relates this to learners not fully realising the demands of a level 5 course, and subsequently withdrawing early. The level 5 qualification had several reviews and surveys prior to the TRoQ, and changes were made to support from providers, additional units were developed, and additional training was held for account managers on learner needs identification and qualification structure was undertaken. Addressing the low retention and qualification completion rates remains a work in progress. Surveys conducted with both customers and learners to determine what works well and what does not work, and review of feedback including practical aspects, were worked through with the provider(s) and learner help-desk (to ensure follow-up and further feedback). All changes were tracked with every learner and showed an increase in credit achievement in the last 12 months in the level 5 qualification. As part of the TRoQ, it was identified that industry wished to retain the level 5 qualification – the survey feedback provided as part of the TRoQ on the structure of the qualification was that it needed to be amended and realigned to ensure it meets employer and learner needs.

As Table 1 shows, overall credit achievement rates for the National Certificate in Mechanical Engineering (Level 4) have remained at similar levels over the past three years and have consistently been above overall Competenz educational performance indicators. While Māori achievement rates have also met or exceeded overall Māori achievement rates across Competenz, they remain below the overall mechanical engineering achievement rates. Pasifika achievement rates are close to overall achievement rates, but have continued to fall over the past two years. Competenz believes this may be an anomaly, given that Pasifika programme completion rates across all trades are above 80 per cent.

Mechanical Engineering (Level 4)	2011	2012	2013
Overall credit achievements*	67% (62%)	74% (70%)	70% (66%)
Māori credit achievements (overall Māori achievement at Competenz)	57% (52%)	61% (61%)	60% (52%)
Pasifika credit achievements (overall Pasifika achievement at Competenz)	82% (48%)	73% (48%)	67% (63%)
* Credit achievement rates are based on every apprentice completing 70 credits per year.			

Account managers track and respond to progress using the Smart TMS, which includes apprentice assessment results and visit summary reports and action plans.

Smart TMS is also used to identify and analyse trainee achievement by employer, enabling any issues/trends to be followed up. An example provided identified that some apprentices had been struggling with maths-based unit standards. A night class was subsequently created to provide extra support, with apprentices encouraged to follow up with their off-job tutor. Overall completion rates indicate that support groups help improve completion. Learners generally only attend the groups if the account manager has identified a need and then tracks individual performance. (Attendance is not mandatory and some choose to attend for social reasons other than to address particular learning challenges. Attendance in such cases is ad hoc.)

While the Trades manager and account managers were not aware of Māori achievement rates at the time of the EER visit, they were aware that a focus group was developing strategies to enhance the enrolments and achievements of Māori and Pasifika learners. Account managers are now participating in this development.

Apprentices' training progress is monitored one-to-one against their training plan by the account managers. Health check reports also ensure any training issues are flagged. No significant on-job or off-job training issues have been identified. E-Learning resources were recently introduced to better meet the needs of learners. The full impact of this is yet to be determined, including whether the e-Learning resources are best used as an alternative, rather than supplementary, resource to avoid duplication.

All assessors, including account managers who undertake the majority of assessment, have a background and relevant skills in mechanical engineering. Apprentices' on-job work skills are verified by the employer/on-job training manager. All verifiers are expected to have minimum trade skills/qualifications, and are briefed on assessment materials and NZQA level descriptors to ensure understanding and consistency. Assessors discuss processes and results with verifiers and then assess documented materials. Peer moderation is undertaken by account managers every two months. Any new staff will also have a pre-

assessment moderation undertaken. A multi-stage tool is also used to further support internal moderation, which involves peer moderators going into the workplace to view evidence of apprentices' skills. The effectiveness of this is endorsed by the external moderation results provided, which showed a 92 per cent verification of off-job and on-job assessments in 2012.

It was evident that current processes used for sharing important information among staff and across sites has been beneficial to Competenz. One example provided to the evaluation team included a recent concern about a drop in communication between account managers and the Auckland head office. The matter was subsequently addressed by the introduction of a regular video-conference. A further improvement involved the introduction of the 'Opportunities for improvements' email system, which enables all staff to identify a range of issues for sharing current practices, ideas and any emerging issues. A number of examples were provided to show improvements made and the resulting benefits.

#### 2.4 Focus area: Retail Meat: (RMITO merged with Competenz 1 January 2013)

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

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

Retail Meat ITO (RMITO) merged with Competenz in January 2013. Since then, Competenz has made sound headway in engaging and leading industry through the review of qualifications and maintaining and improving training arrangements that meet industry and learner needs in retail meat.

Competenz leads and facilitates the TRoQ review and has representation on relevant professional associations. Relationships with the two largest meat retailers (Progressive Enterprises and Foodstuffs) and smaller independent retail meat companies are established. The variety of needs within the industry is understood and, through programme review and consultation, changes have occurred, reflecting the skills and knowledge required by industry. Competenz is aware of and giving due consideration to the industry's desire for additional career pathways.

Retail meat is attracting apprentices from outside the meat industry and providing career development for those within as learners gain credible standards and qualifications to work within the industry and across the sector. Every learner is in paid employment and each training programme is selected and supported by the employer. The value of the outcomes for industry, learning more about what employers and learners value, and the next steps to be taken, are being explored by Competenz as apprentices complete the programme.

The achievement and progress of learners is actively monitored. As at 15 May 2014, credit achievement was 88 per cent (Māori 70 per cent and Pasifika 96 per cent) and programme completions 63 per cent. The movement of learners in terms

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of withdrawals and completions in 2013 has begun to stabilise following the transition of learners who started their apprenticeships under RMITO. The first of Competenz' enrolled learners and their employers understand how well they are progressing. Key indicators that Competenz identifies as having an impact on achievement (duration, credit achievement, and progress on the training plan) are closely monitored and reported. This comprehensive tracking by Competenz enables targeted engagement with the learner to support achievement.

The training in retail meat arranged by Competenz is valued by employers. The apprenticeship programme is mostly 'on-job', with small block courses, and this combination meets the needs of employers and learners. Competenz supplements the training by facilitating occasional site visits to broaden the exposure of learners to the meat industry. Companies and employers arrange for learners to gain sufficient experience and skills in areas that may not be available within the workplace, such as customer service or breaking down a chicken. Competenz reports an increase in enrolments, indicating training is meeting needs and is effective.

The quality of assessment being undertaken in retail meat is effective. All Competenz account managers are assessors with industry expertise and relevant adult education qualifications. Programme review has led to embedding literacy and numeracy into resource materials, which have been updated. Retail meat assessment occurs in the workplace, and the Competenz account manager and the employer manage assessment collaboratively, ensuring the learner is well prepared and able to achieve.

Competenz' retail meat unit is clear about its purpose and strategies to support industry through the continued supply of qualified butchers in New Zealand. There is clear reporting to Competenz management and board around the key functions of the ITO in relation to retail meat. Early indications – Competenz' own review, engagement with industry, leading the TRoQ, programme review and systematic tracking and review of learner progress and achievement – show that the needs of the sector are not only being maintained but are improving. Retail meat is well resourced, including for staff capability and capacity. Analysis of systematic and comprehensive feedback about the effectiveness of the arranged training and the utility of qualifications will further validate the ITO's performance in the retail meat industry.

## 2.5 Focus area: Forestry (FITEC merged with Competenz 1 May 2013)

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

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

Competenz has a good understanding of the needs of the forestry industry, primarily through the increase in staff to seven account managers and a national business manager supported regionally by 165 assessors (30 per cent of whom are contract assessors). The assessors support Competenz' customer engagement and attend regular workshops to upskill and increase capability to service the sector.

Competenz completed a survey of all contractors, forest owners and assessors to gather feedback and inform the review and changes to Competenz' service within the first three months of the merger. More than 500 responses were received. Regular engagement is undertaken with the key industry associations, the Forest Industry Contractors Association and Forest Owners Association at chief executive officer, general manager and national manager levels. Account managers are active in their local areas in the forestry and wood councils and regional bodies and have contributed at regional meetings during the forestry safety review. Account managers attend bi-monthly team meetings with other account managers to share information and discuss forestry training.

Achievement rates for forestry apprentices and trainees have historically been poor, and Competenz has found pre-merger data to be insufficient and unreliable. Course completion in 2013 was less than 25 per cent. Achievement rates for Pasifika learners are well below the cohort averages. Achievement rates for Māori learners are above cohort averages. Again, achievement is difficult to accurately determine and analyse because of the aforementioned data uncertainties.

Notwithstanding the difficulties with data, Competenz openly acknowledges that achievement rates in forestry training are generally well below expectations, and the ITO has developed strategies and set targets to progressively raise the level of achievement. In 2014, the target is 50 per cent course completion for all cohorts. Credit achievement as at August 2014 was 42 per cent, up from 36 per cent for 2013. Competenz is rapidly developing a thorough understanding of the factors that lead to improved achievement and is rolling out strategies to bring about this improvement. For instance, as mentioned, the recent launch of the 'employer portal', which enables employers to have instant access to employees' achievement progress, has been welcomed by employers and is expected to lead to improved results.

Employers interviewed during the EER were highly committed to training in their industry, although they expressed frustration that Competenz was not able to arrange at least some practical on-job training. While the employers see this as a deficit in the current structure, Competenz is currently working on packages of learning to offer industry should they wish to invest in training. As mentioned, the

current mismatch between the regulatory framework (WorkSafe), unit standards and forestry qualifications is being addressed through the TRoQ.

There was no indication of any issues with the reliability of assessment, and Competenz was able to clearly demonstrate that it has consistent assessment practices. Over 93 per cent of assessments over the past two years were verified, and this is consistent with other moderation systems. The ITO has a moderation and verification system in place now with two moderators (with additional administration and information technology support since the merger) who moderate 165 contract assessors assessing on site on a two-year cycle. Given that there are also 1,000 forestry employers spread across New Zealand, the evaluators interrogated the effectiveness of the moderation system. Competenz argues that the attention paid to the front end of assessment in the management of assessor scope, currency, observed moderation and focus on performance provides considerable confidence in both the quality and consistency of assessor judgement and the assessment system overall. Competenz is satisfied that a single national moderation manager engaging with every assessor from induction through their development, moderation and feedback processes and two moderators and support do ensure consistency. All forestry assessment and moderation are practical, and the moderation system appears to be effective.

Competenz' governance and management aims to provide support for improving achievement in the forestry sector. To date, only one year and four months post-merger, achievement rates are on the increase, showing a 10 percentage point increase in the current year to date, which is encouraging.

# Recommendations

There are no recommendations arising from the external evaluation and review.

# 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](http://www.nzqa.govt.nz)).*

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*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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