

# Report of External Evaluation and Review

MITO New Zealand Incorporated  
trading as MITO

Highly Confident in ITO performance

Highly Confident in capability in self-assessment

Date of report: 5 December 2016

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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:	MITO New Zealand Incorporated (trading as MITO)
Location:	Wellington
Gazette recognition date:	20 October 2018
Gazette coverage:	<ul style="list-style-type: none"><li>• Motor industry</li><li>• Industrial textile fabrication industry</li><li>• Commercial road transport industry</li><li>• State Sector and New Zealand Defence Force for road transport-related operations</li><li>• Stevedoring and port industry (including the New Zealand Defence Force) covering port cargo handling, ship loading and unloading, and port marine services</li><li>• Road transport logistics industry covering warehousing but not wholesaling</li><li>• Freight forwarding and distribution specifically related to the receipt, transshipment and breakdown of bulk, and packaging for re-consignment</li><li>• Extractive industry with respect to coal mining (opencast and underground), alluvial pit (gravel, sand and opencast), quarry and aggregates (hardrock and opencast), dredging</li></ul>

for minerals (civil works excluded), and tunnelling

- Drilling industry including hydrocarbon and non-hydrocarbon
- Gas industry including gas engineering, pipeline mechanical inspection, gas metering, governor fitting, gas measuring, appliance servicing, mains and service laying, leakage surveying, specialist meter reading, distribution, reticulation, sales, repair and maintenance
- Petrochemical, energy and chemical plant industries with respect to plant/process operations in exploration/production, hydrocarbon refining and petrochemical processing sectors; and petrochemical industry specific skills, geoscience, engineering (chemical, civil, electrical, mechanical and process), mechanical instrumentation and electrical tradespersons, metering and telemetry technicians, and cathodic technicians
- Protective coating industry including abrasive blasting, and blasting coating operations
- Resource recovery including areas of scrap metal recovery, waste management (excluding water), recycling and zero waste.

Number of qualifications registered on NZQF:

MITO currently has 128 National qualifications registered on the New Zealand Qualifications Framework and 54 New Zealand qualifications.

Number of standards registered on NZQF:

2,331

Number of trainees:

Contracted to deliver 2,268 Standard Training Measures (STMs) in 2016; 1,883 Apprentice STMs and 385 Industry Trainee STMs.

Year to date (as at 1 October 2016), 5,330 learners had engaged in training with MITO; 13.3 per cent of these learners identified as having Māori ethnicity; 4.4 per cent as having Pasifika ethnicity; 3.3 per cent were female.

Number of staff:	71.5 full-time equivalents
Number of registered assessors:	730 registered assessors
Distinctive characteristics:	<p>On-job training, supported by off-the-job supplementary training, combines to support the achievement of nationally recognised qualifications. MITO programmes generally offer learners the opportunity to gain both theoretical and practical skills at the same time.</p> <p>MITO has a regional network of industry training advisors strategically based throughout New Zealand. The advisors offer regionalised pastoral care services and monitoring of learner progress through regular site visits.</p>
Recent significant changes:	<p>In April 2014, amendments to the MITO constitution changed the governance from a representational to a skills-based Board. The number of directors was reduced from 11 to seven, with provision for up to two additional directors. In May 2015 the constitution was amended to reflect the change of legal name from NZ Motor Industry Training Organisation (Incorporated) to MITO New Zealand Incorporated.</p> <p>In October 2011, the NZ Commercial Road Transport ITO (Tranzqual) merged with MITO, and in December 2012 the NZ Extractive ITO (EXITO) merged with MITO.</p>
Previous quality assurance history:	<p>A Tertiary Education Commission (TEC) audit in April 2016 – aligned to the performance commitments in MITO’s investment plan and the associated funding conditions defined by the TEC – had no findings and no recommendations.</p> <p>External moderation by NZQA in November 2015 noted: only one standard was moderated, which did not meet national external moderation requirements. However, in 2014, all six standards moderated met requirements. For 2015 and 2016, MITO engaged in moderation with five other ITOs.</p>

Two unit standards for one ITO did not meet moderation requirements.

Through engagement with the Targeted Review of Qualifications (TRoQ), qualifications have now progressed, with only a few still to develop for the extractives sector. Programmes leading to qualifications are progressing well, but many are not yet approved or delivery is still in the initial stages, therefore MITO has not participated in NZQA consistency reviews to date.

The previous Tranzqual ITO EER was held in August 2010. NZQA was Confident in the ITO's performance and Not Yet Confident in the ITO's capability in self-assessment.

The previous EXITO EER was held in November 2010. NZQA was Confident in both the ITO's performance and capability in self-assessment.

MITO met all requirements at the previous NZQA quality assurance visit, which was an audit.

## 2. Scope of external evaluation and review

The following focus areas were agreed by MITO and NZQA.

**Governance, management and strategy.** This is an important area of investigation as this is MITO's first EER. Governance and management functions affect all the activities of the ITO. Governance and management structures, processes and practices, including setting strategic direction and planning, are key to the establishment and function of an effective ITO.

**MITO's Light Vehicle New Zealand Apprenticeship Programme.** Successful completion of this programme results in the award of two National Certificates at levels 3 and 4. Inclusion of this programme as a focus area captures the experience and performance of MITO industry training advisors, 33 per cent of all MITO's apprentices, who are the single largest cohort of the ITO, and a variety of stakeholders – mostly employers from corporate, small and medium-sized enterprises. MITO's ability to effectively arrange and manage on-job and off-job components were explored through this focus area.

**Extractives sector.** This sector includes mining, quarrying and drilling. The sector training organisation (EXITO) merged with MITO at the end of 2012, after the Pike River Mine disaster, and has undergone significant changes in legislation and

practice which have recently come into effect. This is the second-largest sector that MITO engages with, and there have been a number of significant changes to the model, systems and processes used since the merger.

Including extractives as a focus area provides an opportunity for MITO to share the journey and challenges, demonstrate changes and improvements in this sector, and provide evidence of the effectiveness of self-assessment to understand, plan and improve performance within this sector.

**NZTA Driver Licensing and endorsements.** The NZ Transport Agency (NZTA) approves providers to deliver driver licensing and endorsement training and assessment. The assessor must be a registered MITO assessor. Assessors purchase resources from MITO and range from single-person entities (independent, i.e. not associated with any tertiary education organisation) to large training providers. MITO is responsible for monitoring the quality of the assessing. NZTA driver licensing and endorsement assessors make up 60 per cent of all MITO assessors.

MITO has four main sectors and three have been selected in part or whole for inclusion in this EER. The industrial textile fabrication sector is the exception. Currently and historically the industrial textile fabrication sector has fewer than 50 learners signed into training agreements.

### 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 EER site visit, the lead evaluator met with the MITO chief executive and principal advisor to develop the scope of the EER, and to discuss and select focus areas and arrange the agenda.

A team of four evaluators visited MITO's national office for four days, and met with a wide range of staff and management, including: two members of the board of directors, the chief executive, principal advisor, manager strategic communications, group managers (who also make up the leadership team). The evaluators also met with a range of operations staff, including: regional managers, industry training advisors, moderation and assessment staff, programme development, and workforce development staff – either face-to-face, via video-conferencing or through telephone interviews. The evaluation team also held telephone interviews with a number of stakeholders, including employers and institutes of

technology/polytechnics providing off-job training and involved in assessment and moderation. The evaluation team sought input from the TEC, NZ Transport Agency (NZTA), Motor Trade Association, Worksafe New Zealand, and a representative from the extractives training leadership group.

The evaluation team was provided with an overview of key processes, systems and reporting mechanisms at the beginning of the on-site visit. A wide range of MITO documents were provided 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 **MITO New Zealand Incorporated trading as MITO**.

The main reasons for this judgement include the following.

Effective stakeholder engagement with industry is strong. Staff at all levels of the organisation have a responsibility to attend, engage and participate in relevant industry association groups and meetings. Feedback and the learning from engagement is reported and monitored. This engagement provides MITO with a broad range of current information and a sound understanding of their industries, their expectations, direction and future training needs. From this solid platform, MITO effectively arranges training and undertakes the development of standards, qualifications and programmes to meet outcomes important to industry.

MITO has managed the mergers and TRoQ well, and industries value MITO engaging with them through each sector's already established avenues. Challenges continue in the extractives industries where there have been significant and ongoing changes. MITO has positioned itself to ensure it understands the needs of industry and is working well to determine where and how it can provide the most effective and useful support. Operationally, the ITO mergers are complete, and MITO has a focus on encouraging a culture of training and development in all the industries it engages with.

The achievements of learners, trainees and apprentices are important to MITO. Comprehensive systems monitor performance, progress, achievement, learner goals and attendance. Two significant initiatives – a responsiveness strategy targeted at Māori and Pasifika learners, and a literacy and numeracy strategy – support achievement and are well resourced and embedded into the practices of the organisation. Staff are provided with training and support to help them understand and implement both strategies, and the implementation is monitored. There is clear evidence the strategies are contributing to the achievement of MITO learners.

MITO understands and undertakes its obligations in moderation and assessment seriously. Robust and systematic moderation systems contribute to and ensure the quality of assessment of MITO standards. Internal moderation of MITO programmes is also robust. Comprehensive processes are implemented and used to monitor all assessors. This is important as MITO has a range of assessors and their judgements are crucial to ensuring the capability of all learners to meet national and industry standards.

MITO is strongly led by the Board, the chief executive and management, who have identified the priorities of MITO and developed high-level strategic goals and a clear purpose and direction. The priorities and focus of MITO are well understood by all staff as they permeate the organisation in the form of objectives for each group, region, staff and trainee, with indicators to monitor and report progress. MITO has effective processes to support and ensure the ITO meets all its statutory functions.

Overall, there is clear and comprehensive evidence that MITO is meeting the most important needs of employers, industry, trainees and government through quality and effective processes that contribute to training and outcomes important to industry.

## Statement of confidence on capability in self-assessment

NZQA is **Highly Confident** in the capability in self-assessment of **MITO New Zealand Incorporated trading as MITO**.

The reasons for this judgement include the following.

Effective and authentic self-assessment is well embedded in the practices, processes and activities of MITO. Purposeful and well-established processes engage all MITO staff. These processes encourage self-reflection and contribute to clarification, understanding and identification of issues that require strengthening or improvement.

Systematic internal and external review and input is a key feature of MITO's self-assessment through scheduled and planned internal self-review, systematic stakeholder feedback and regular external independent reviews. Internal self-review is ongoing and includes the monitoring, analysis and reporting within each industry of the number of learners engaged in training, learner achievement, progress and goals across each sector. The data is reviewed and measured against established targets and goals. Reports from industry training advisors and regional managers are used to inform discussions monthly at management meetings. Summary performance reports are reviewed by the Board.

Stakeholder feedback is proactively and systematically sought from learners, trainees and apprentices, employers and providers of off-job training through MITO's practice of going out to meet with industry and industry organisations, and also in the form of surveys. The response rate is generally good and the information gathered is meaningful. There is evidence of changes resulting from the use of feedback. For example, when a survey identified issues with one training provider, MITO worked with the provider to change the structure of the programme and make it more focused. The provider has improved this year, evident in the most recent surveys.

External independent reviews in the form of audits are undertaken by organisations selected by MITO for their national reputation and areas of expertise. As a result, MITO is gathering independent and meaningful feedback to better understand and challenge its performance.

Overall, self-assessment at MITO is purposeful and genuine. Improvements are occurring such as increased and improved engagement with the extractives sector, and improved rates of achievement for Māori learners. These are the result of effective implementation and review of processes, analyses of useful information, and monitoring the impact of changes to support industry, employers and learners to maintain and develop a skilled and qualified workforce.

# 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**.

MITO understands and meets the most important needs of industry, trainees and government through extensive consultation and a range of networking approaches which involve MITO staff at all levels. These 'touch points' provide connection with each industry, both nationally and in the regions, and with employers and learners, trainees and apprentices.

MITO is engaging with industry through each sectors' already-established avenues: industry associations, key stakeholder group meetings and employers. The exception is MITO's annual industry summit held with industry associations, corporate chief executives and associated board directors. MITO staff at all levels have responsibilities to attend, engage and participate in relevant industry associations, stakeholder groups and meetings. Feedback and the learning from engagement is reported and monitored. This engagement is beneficial in that MITO believes and industry agrees, that a fuller and wider range of views from industry is gathered, providing MITO with up-to-date information, feedback and a sound understanding of industry expectations, direction and future training needs.

Governance groups were formed for each sector through the TRoQ process to provide technical expertise and guidance at a strategic level. Guidance was focused on sector skill needs and the design of a sector-wide workforce framework, to test and communicate progress of the review to their networks. Also, the group promoted the workforce development framework and qualifications to the sector. These groups comprised nominated representatives from industry approved by the governance groups.

The profile of members of the groups depended on the sectors being reviewed, but included industry representatives from large, medium and smaller enterprises, assessors, relevant ITOs, and providers as appropriate. Programme reviews currently underway use the same model of sub-sector working groups drawn from industry. Members of these groups enable and promote collaborative relationships between stakeholders and MITO. Working closely with industry associations, MITO

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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.

has gauged the extent to which learners are engaged in training within each industry. Targets for training engagement have been agreed within the context of each industry. MITO is actively working toward these targets and is well informed about the future needs of each industry and working to keeping abreast of advancing technologies through research.

In the automotive sector, MITO is piloting an automotive workforce development plan in response to the anticipated challenge to ensure a supply of skilled people for the workforce. This plan is well in progress and is based on two years of research. The projected target is to increase participation to the level of training required for industry. MITO has a solid and productive relationship with the Motor Trade Association as a key stakeholder. The two organisations are working together, along with other industry associations on workforce development consultation in a concerted effort to understand how to best meet the future demand for technicians in order to keep pace with rapid international advances in the automotive industry.

MITO is engaging with schools through Gateway programmes which pathway students into the National Certificate in Motor Industry (Foundation Skills) (Level 1). This is promoted as the MITO StartUp® programme. Pre-trade courses are designed to lead to apprenticeships. In addition, MITO is actively engaging with other ITOs in promoting career opportunities in the trades and services sector through the 'Got a Trade Got it Made' campaign which is focused on engaging younger people aged 16-24 years.

In the extractives sector, MITO works with seven industry association groups along with Worksafe New Zealand and the extractive training leadership group to anticipate and meet the need for a skilled workforce. Challenges continue in the extractives industries where there have been significant and ongoing changes affecting industry. The Pike River Mine disaster and merger with EXITO has been a difficult transition for this industry, which was followed closely by legislative changes and increased pressure on industry. MITO also looks internationally to understand this sector and engages with an Australian registered training organisation, using their expertise and experience in specific parts of this sector to facilitate training.

MITO and NZTA have high-level meetings quarterly which keeps MITO informed of legislation and other significant changes. Communication between the organisations about driver education and qualifications/standards aligned to industry needs are ongoing and specifically involve MITO's assessment and moderation group.

Through self-review MITO also recognised that three of its small, specialised industries might better fit with and benefit from being patriated with another ITO. MITO is leading the discussions with the TEC and the relevant ITOs on these

divestments, demonstrating MITO's commitment to all industries for which it holds gazetted coverage.

Systematic needs analysis is ensuring that industry, learner and government needs are well understood. Through the gathering of meaningful information, MITO is strongly placed to provide valid and effective advice on matters relating to industry skill shortages, supply and demand, and to effectively plan for and provide standards and qualifications to meet those needs. The most recent audit by the TEC released in May 2016 validated that MITO is meeting TEC funding requirements, and priorities are being addressed.

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

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

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

MITO identifies the outcomes employers and learners believe are important, including the qualifications and standards MITO develops and monitors through systematic and authentic self-assessment. Effective industry engagement, as described in Findings 1.1, and the direct and purposeful engagement by MITO's industry training advisors and regional managers corroborate the findings gathered from employers and learners through customer, graduate and learner surveys.

The annual customer and learner satisfaction surveys indicate value and overall agreement that training is important to their industry, that there are good career progression opportunities in their industry, and that a MITO qualification improves learners' career prospects. Employers identified the three top benefits of a MITO training programme as: improving the skills base of the business, increasing employee professionalism, and improving the quality of the work of the business. Overall, employers believe that MITO programmes provide good value for money. Although the annual survey is conducted across all sectors, the results are heavily weighted towards automotive customers and learners, who provide most of the feedback. This reflects the composition of MITO's sectors engaged in training.

The automotive sector and learners are the majority of MITO stakeholders. Through apprenticeships the industry is gaining qualified automotive technicians. The significant advances within the automotive industry require ongoing development and upskilling of the workforce to stay abreast of the changes. Currently, the Motor Trade Association and industry recognise that MITO is keeping pace with advancing technologies and maintaining the skills base required, and highly value this. Employers continue to engage with apprenticeships, many to ensure their own businesses can continue to provide automotive services. The

Motor Trade Association values the MITO qualifications as indicators of quality and skills; for example, membership requirements specify that members must have or employ at least one person with a New Zealand recognised qualification.

There is strong collaboration between MITO and Worksafe New Zealand in working with the extractives sector. MITO is looking at the employment roles, skills and knowledge required for each industry – mining, quarrying, and drilling – taking into account the cyclical nature of each industry which creates fluctuating demand for a skilled workforce. Demand for training in itself is not a reliable indicator of industry need or value. MITO understands changing legislative requirements and their impact on acquiring Worksafe New Zealand Certificates of Competence. As a result, MITO has developed new training programmes which incorporate relevant standards to enable current holders to update their Certificates of Competence, thereby adding value and providing avenues for employers and the workforce to be compliant with industry regulations. These unit standards have also been included in all the new New Zealand qualifications in mining and quarrying. Key outcomes for the extractives sector – for example, the extent to which training is penetrating industry, particularly in remote rural areas where many of the extractives industry worksites are small in nature – is still a work in progress and not yet realised. MITO is mapping some Australian industry competencies to the New Zealand standards which will provide the opportunity for qualified learners to seek employment in both countries, mitigating risks for industry.

NZTA is the key stakeholder in driver licensing and endorsements. NZTA highly values the expertise MITO brings with the provision of quality resources and the quality assurance of assessor judgements. There is evidence that MITO resource materials are valued by learners. Eighty-five per cent of the learners who undertake the heavy truck licence choose to complete an approved course using MITO resources instead of the alternative system of driving under supervision for six months and sitting a practical test. Employers recognise the added skills MITO resources provide, for example the pre-driving check and information on use of log books. Quality resources add value to the skills and knowledge learners gain that are not tested in the alternative system.

MITO has a high-level strategy to support the literacy and numeracy needs of learners (see Findings 1.3). There is evidence that the support provided to learners and the resulting outcomes (successful completion and increased confidence) are highly valued by learners and employers who recognise the positive impact the improved skills have on the individual learner. MITO could improve the collection of evidence to better demonstrate the value of this very useful activity and the benefits employers believe are evident.

### 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 **Excellent**.

Learners' progress and performance is actively monitored against MITO and industry-agreed targets for sectors, which incorporate TEC performance indicators. Staff and industry engagement is prioritised and strategies are developed, resourced and implemented to support learners' success.

Monthly reporting on rates of achievement, credit and programme completions by sector and TEC priority groups – Māori, Pasifika and learners under 25 years – are systematically and comprehensively analysed. The progress year to date is compared with the same period the previous year and to MITO's established targets, enabling the ITO to identify patterns and deviations and to monitor the impact of changes.

**Table 1. MITO – completion rates for learners, trainees and apprentices (2014-16)\***

Credit completion	2014	2015	2016 year to date*
Light Vehicle New Zealand Apprenticeship programme			
All	75%	80%	89%
Māori	72%	71%	85%
Pasifika	72%	74%	70%
Extractives			
All	40%	57%	85%
Māori	45%	41%	71%
Pasifika	The number of learners is so few that the resulting percentage is not a useful indicator of achievement; 2016 year to date, 190% (6 learners)		
Overall			
All	72%	81%	90%
Māori	72%	75%	83%
Pasifika	73%	78%	88%
Under 25	69%	79%	88%

Source: Based on data provided by MITO and TEC reports.

\*2016 data is indicative only and will not be verified until mid-2017.

MITO's systems and processes enable effective reporting on matters affecting achievement. The MITO Board's focus on performance has led to changes in organisational reporting. MITO is proactively looking to use all data efficiently. For example, the TEC's categories to report withdrawal reasons are not useful for analysis. MITO is establishing its own categories which, once embedded, will



support more meaningful use of the data collected. MITO has involved other ITOs and the TEC in this initiative.

Monitoring reports are provided by region, industry within sectors and, more recently, by cohort. Achievement indicators, as described above, are tracked and managed through dashboards and include regular feedback to the learner and employer. Graphs of individual learner progress give good visual representation, and individual learner goals are monitored, reviewed and changed to provide a clear indication of what the learner needs to do to complete. The very recent focus on cohort achievement and comparisons with qualification outcomes would strengthen the rating in performance for this key evaluation question.

Fluctuations in credit and programme completions are analysed and explained, reflecting the nature of enrolment, credit completion, and length of programme. For example, within automotive the New Zealand Apprenticeship programmes are only now starting to show programme completion. MITO is aware of the likely benefits of looking at achievement by cohort, for example, to identify and understand trends. This aspect is being explored but is not yet operational. Overall credit completion figures provide the best opportunities to monitor and evaluate performance, which is improving and on a par with sector averages and TEC requirements.

Achievement in the form of credit completions in the extractives sector is improving. The sector was performing poorly, below 30 per cent, when EXITO merged with MITO at the end of 2012. Rates are increasing slowly, although achievement is not yet to the level the TEC requires – extractives is the weakest performer of MITO's sectors. However, the rate of achievement is clearly improving (see Table 1 year to date figures). This is a strong indicator that MITO is engaging effectively, especially given the significant changes occurring within the extractives sector (see Findings 1.1). There is sound understanding of factors that affect the achievement rate. These include prioritising work over completing formalised learning activities, course cancellations due to minimum numbers, and a very small pool of training providers and assessors able to provide training.

MITO is exceeding other TEC performance targets: the percentage of learners achieving a minimum of 10 credits per year, and completion of literacy and numeracy assessments. MITO industry training fund allocations have increased since 2013, and forecasting and delivery is considered reliable and accurate by the TEC.

MITO is proactive in attempts to support the achievement of learners. Key organisational strategies to support achievement include responsiveness and literacy and numeracy strategies. The responsiveness strategy began in 2015 to improve the disparity between Māori and Pasifika achievement compared with non-Māori and non-Pasifika learners. The strategy operates at both national and regional levels. Staff have received training to understand the underlying issues associated with the disparity and to establish a common understanding of the

factors affecting performance. Monitoring occurs systematically, and support and advice is provided to staff to assist them to incorporate new practices and thinking into their roles. The full impact of the strategy and efforts by MITO staff have only recently begun to show a closing of the gap between Māori and Pasifika achievement and non-Māori and non-Pasifika. This looks likely to continue based on 2016 year to date figures. Participation by Māori and Pasifika in training for each sector is monitored against their participation in the industry workforce. Currently, Māori and Pasifika learners are present at training in the same proportion as they are represented in the workforce for every sector.

Literacy and numeracy is understood by MITO to have an impact on learner achievement. Since 2013, MITO has used the TEC's literacy and numeracy assessment tool to good effect: 80-86 per cent of MITO learners are being assessed annually. Those that require further literacy and/or numeracy support are enrolled with an appropriate specialist agency. Attendance with the agency and learner progress is monitored and followed up. MITO provides feedback to the specialist agencies as it monitors the effectiveness of input and outcomes. The emerging patterns, including the review of Māori and Pasifika learner progress, indicate that half the learners no longer require this specialist support after one year, and most who use this service successfully complete the programme of study or apprenticeship.

Smaller initiatives have also been introduced to support achievement. In June 2016, automated notifications to learners, employers and industry training advisors were introduced to follow up on distance learners who had been inactive for 30 days. The immediate impact has been a reduction of inactive learners by 47 per cent. Industry training advisors, regional managers, and the manager corporate provide effective and timely engagement and pastoral support, where required, in the form of a 'recovery plan'. The plan is developed and implemented in collaboration with the learner and employer to support completion.

The research undertaken, implementation of strategies, and resourcing demonstrates MITO's commitment to improving the rate of achievement for all learners, and specifically achievement of Māori and Pasifika learners. The impact is evident for individual learners and industries and is becoming more apparent in MITO's high-level outcomes – identified in the objectives for each group and in the business plan where progression is monitored toward the achievement of MITO's strategic goals.

#### 1.4 How effective is the training arranged by the ITO?

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

MITO recognises the importance of close and direct working relationships with employers, training providers and learners for on-job training supported by off-job supplementary training, leading to the achievement of nationally recognised qualifications.

In addition to the industry engagement described in Findings 1.1, and monitoring of learner achievement as described in Findings 1.3, MITO has an interest in the quality of training provision. The ITO seeks systematic feedback from employers and learners about the quality of training, programmes, resources and assessment that it arranges. Feedback is analysed and changes made are tracked and monitored.

Training capacity for all workplaces, where the on-job training occurs, is annually assured. MITO and employers affirm that the employer has the capacity, facilities and equipment to assist a learner to achieve the qualification. Where gaps are identified, they are addressed through secondments or off-job training.

Off-job learner surveys form a part of annual programme review. Customer satisfaction surveys and the 2015 off-job training research rates the level of satisfaction with off-job training providers. The results are shared with providers, and examples where changes in off-job training have successfully occurred were shown to the evaluators. These included changes to polytechnic and private training establishment programme and delivery. Survey response rates from employers, learners, graduates and polytechnics are sufficient and improving. Automotive is the largest sector and this feedback dominates the collated results. For all surveys, refining the collection methodology to ensure adequate coverage of all sectors may be of benefit so that smaller sector feedback is equally considered and used to ascertain the training satisfaction of that sector. Industry training advisors also attend some of each off-job block course to engage with learners and providers. The capability of providers to deliver is monitored through moderation visits.

Learner goals are set with the industry training advisor and employer. Tracking the progress of goals through dashboards provides information at an individual level about off-job training needs, any literacy, numeracy or learning issues, the involvement and support of employers, and the motivation of the learner. The information collected and reported provides an indication of how effective the arranged training is for the individual learner, and an opportunity to provide additional support or resources as required.

Informal feedback gathered in the field by industry training advisors and regional managers is fed through to the leadership team and the Board as well as into the review of programmes and resources. Regardless of the mechanism, formal and informal feedback is systematically accumulated and logged, enabling it to be appropriately tracked and used. The resulting information is authentic and identifies areas for improvement as well as confirming where arranged training is effective.

Feedback and industry engagement (see Findings 1.1) shows that the automotive industry recognises the primary way to grow the workforce is through the apprenticeship model, and believes MITO's apprenticeship programme is maintaining the skills base required for the industry. Learners and employers in the automotive sector have high levels of satisfaction with the off-job training provided, including the programme structure and distance learning materials. These were developed by a consortium of institutes of technology/polytechnics and moderated and approved by MITO. Almost all graduates regard the training – both off and on-job – as beneficial. Some feedback suggested that components of the programme required better alignment to industry practices. This feedback has been referred to MITO's qualifications group to include in programme review. Maintaining the programme to keep pace with technical advances and industry need is a work in progress. Current processes are ensuring that information is captured to respond to these changes.

In the extractives sector, the ability to attend off-job training is affected by the nature of the industry, such as working hours, remote locations and compliance requirements dictating that skilled staff remain on site. Since the merger, MITO has worked to enhance the quality of training and resources, which includes arranging workshops under guidance of a tutor to provide support to trainees. Supplementary programmes have been created for the sector by MITO where gaps were identified. For example, Safety Critical Surface Manager and Safety Critical Underground Manager programmes have been developed to meet regulatory requirements and are identified as valuable by industry. MITO is making a shift from focusing on pure competencies to upskilling career pathways to support the development of the workforce.

MITO recognises and is focused on encouraging a culture of training and development, and is proactive in researching initiatives, with the aim of developing a range of models of training that are accessible and specific to meet the needs of each sector. A recent initiative is the provision of training by e-learning. This was driven by initial research initiated by the Board. Results indicated that industry and learners did not have the access or resources to engage in this medium. The subsequent pilot in automotive theory packages was a success, and the most recent research indicates that with changes in mobile technology this is an area MITO could progress further. Specifically, for the extractives sector, MITO is researching the viability of web-based learning to address the barriers to access

off-job training and assessment. Opportunities for advancement are evident across all sectors. For example, MITO promotes scholarships with a relevant industry focus to foster career pathways. The provision of night classes and literacy and numeracy specialist support is arranged as needed.

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

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

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

Robust and systematic moderation systems contribute to and ensure the quality of assessment of MITO standards. Comprehensive processes are implemented and used to monitor all assessors. This is important as MITO has a range of assessors and their judgements are crucial to ensuring the capability of all learners to meet national and industry standards. Systems of review and reflection on the quality of MITO's assessments and resources are reliably occurring and driving improvement.

MITO has a variety of registered assessors: workplace, contracted, and independent assessors as well as MITO's own staff (industry training advisors, regional managers, and members of the assessment and moderation group). A new position – industry standards assessor – was approved and filled in January 2016 to strengthen assessment, particularly given MITO's move toward more integrated assessment.

Moderation of MITO registered assessors is robust. Requirements and obligations are clearly stated in the MITO assessor code of conduct which guides practice. New assessors in the automotive sector undergo an induction period where they are monitored and assessed through a peer moderation process until MITO is confident in their performance.

Monitoring of all assessors occurs systematically to review the consistency and accuracy of assessor judgements and the quality of feedback provided to learners. MITO's moderation process is mostly postal and also includes cluster moderation meetings and some on-site assessment observations. Cluster moderation has evolved towards a more professional development focus targeting good assessor practice as a proactive approach to improving assessment, rather than peer moderation occurring after the event. Review of assessors and assessment is cyclical and ranges from annual to three-yearly review depending on volume, sector and programme. MITO's industry training advisors are moderated annually.

Assessors receive a report providing feedback on the quality of their assessing and feedback to learners. Any actions or improvements required are identified and the assessor concerned is supported through a process of peer review and more

closely monitored until the required improvement is achieved. For those in the peer moderation process, all assessor judgements are confirmed prior to reporting to NZQA.

Assessors need to stay active to remain registered. Re-registration is required annually or three-yearly depending on assessor type. Criteria for re-registration is clear and depends on moderation outcomes of the assessors' work and their attendance at cluster moderation meetings. Moderation shows that assessor practice is improving over time, although the evidence is anecdotal and inferred, not formally evaluated.

Assessment in the workplace supports learning and provides evidence of achievement to the required standard. In the automotive industry, MITO is moving towards more integrated assessment. This has led to more centralised marking. The increased need for resource has been met with the appointment of the industry standards assessor. Assessors, through cluster meetings, understand the change from single standard to integrated assessment. Feedback from automotive employers and providers notes that MITO's capability in integrated assessment, assessment design and moderation has improved. This has benefited learners as assessment is more logical, and representatives from institutes of technology/polytechnics supported this.

MITO standards are moderated in a three-yearly cycle, and there is a process and schedule for the sampling of standards across programmes. Where pre- or post-moderation shows any assessment issues, an action plan and tracking sheet are put in place. Moderation reports are produced annually to demonstrate compliance with MITO's own systems and to identify areas for improvement. A summary of actions resulting from analysis of the moderation process is used to make improvements for the following year. Some actions include a focus on registered assessors, induction and re-registration. The effectiveness and impact of the change is reviewed in the next annual review.

Since the merger with the extractives sector, MITO has undertaken two key pieces of research. This involved MITO gauging the rigour and standard of training. As a result, MITO worked collaboratively with NZQA to determine the validity and sufficiency of providers, and managing providers that did not meet required standards. MITO has been introducing and implementing its policies, processes and practices to improve the quality of assessments and assessor judgements. This has been an adjustment for the extractives sector as the requirements differ from the previous ITO. All assessors for MITO's learners are now registered with MITO, and most of the sector's processes are now consistent with MITO's other sectors. For Drilling programmes MITO engages with an Australian registered training organisation and uses their reviewed and pre-moderated materials as they have vast experience and quality products that are valued by the New Zealand extractives industries. MITO also engages with an Australian registered training

organisation to run specialist courses for the mining and quarrying programmes. MITO has and is working to improve arrangements to address the shortage of experienced and competent assessors and training to meet industry need.

MITO is responsible for providing training and assessment materials and registering and monitoring assessors for the NZTA driver licensing and endorsements. MITO reports to NZTA on the quality of assessor judgements and compliance with use of the approved assessment tools. MITO has identified issues around non-recording of unit standard achievements and is working on this with NZTA and assessors. Trainees are interested in obtaining the licence, but much less so in the associated unit standard credits being recorded and reported. Feedback on the resources by assessors are made to the ITO's assessment and moderation team, and changes are made to these resources as a result. The adherence to MITO's own processes is important for this sector as the majority of MITO assessors are independent and undertake assessment for course providers – not necessarily education providers – approved by NZTA. Equally, the evaluators recognise the limitations on the extent to which MITO can ensure the overall quality of driver licensing endorsements as NZTA approves providers to deliver this programme.

MITO is compliant with NZQA-managed systems. The two areas noted in the national external moderation report were also identified through MITO's own processes, and actions were taken to address these. The external moderation of MITO by other standard-setting bodies indicates that MITO is meeting the required standards. MITO is negotiating a formal memorandum of understanding with other ITOs to agree the most effective way to quality assure each other while meeting their statutory obligations and assuring that quality assessment is being undertaken for the standards MITO is responsible for.

## 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**.

MITO has established an effective framework and processes for setting organisational direction, allocating resources and monitoring performance. This includes purposeful and ongoing engagement with its membership – including industry advisory groups, industry associations and individual employers – and key government agencies. MITO has a clear purpose and direction and effective processes to support and ensure the ITO meets its statutory functions.

Following a review, in April 2014 MITO amended its constitution to change the governance of MITO from a representational to a skills-based Board. It also reduced the number of directors from 11 to seven, with provision for up to two additional directors. The Board completes performance appraisals every two years, utilising the BetterBoard (Institute of Directors) evaluation questionnaires. MITO is coming to the end of the transition to the new governance structure, and it considers the new structure to be more efficient and effective, although industry is still adjusting to the change. In May 2015 the constitution was amended to reflect the legal change of name from NZ Motor Industry Training Organisation (Incorporated) to MITO New Zealand Incorporated. Key industry associations interviewed about MITO's performance said they believed MITO's approach to leading the sector was very measured, and industry overall is confident in MITO's capability and commitment to maintaining the development of a skilled and qualified workforce.

Stakeholders recognise that MITO has mitigated the change to the composition of the Board by increasing opportunities to participate in industry as described in Findings 1.1. These opportunities include Board directors and the chief executive attending industry forums, conferences and the annual meetings of associations. A newsletter to each industry is being trialled to improve communication. The chief executive has clear key performance indicators that have been agreed with the Board, and priority areas are given greater weighting when performance is reviewed annually. The chief executive is held in high regard by the Board which recognises her effective leadership of the ITO through mergers and more recently the TRoQ process.

The Board has sound processes to ensure compliance with regulations. In addition, MITO has an established internal audit framework, including reviews by external organisations every year, targeting areas they wish to explore and grow. The most recent audit focused on cyber security. MITO had a planned response to rectify and strengthen IT security, including staff training and testing the effectiveness of the training. The TEC's most recent audit had no key findings and no recommendations. Findings from research underpin crucial decision-making, resource development and investment. The outcomes and information gathered from these activities give the Board and chief executive confidence in the function, direction and effectiveness of the ITO, a view shared by NZQA.

MITO is strongly led by the Board, the chief executive and management who have identified priorities and have developed high-level strategic goals with clear targets and indicators to measure progress. The priorities and strategic focus of MITO reflect industry needs and are well understood by all staff as they permeate the organisation in the form of goals for each group and region. Progress is systematically reported and analysed. Staff training/information ("MEMO") sessions have been introduced to keep staff informed and to communicate directly about various topics of interest. The benefit has been evaluated by a survey, with



pleasing results, indicating that staff have better access to and receive information promptly.

The chief executive and management promote a strong culture which values individual trainee and apprentice achievement. The TEC's most recent audit emphasised this point in the findings. This culture is evident at all levels of the organisation and is prioritised in the significant organisation-wide initiatives: responsiveness, literacy and numeracy, and e-learning strategies. The chief executive spends dedicated time annually in the regions with the industry training advisors and uses the opportunity to meet learners and employers in the workplace to better understand how strategies are working and to hear directly from stakeholders.

Resources are allocated effectively so major initiatives can be undertaken fully and to allow smaller but useful improvements to be progressed. Examples include improvements in data-gathering, use and reporting; wide use of systems for real-time data and information management; improved internal communications; improved intranet (including assessor portal) and website. Enhancements are ongoing and integrated across the organisation, making a difference to learner engagement, timely submission of assessments, reporting to the employer, and moderation and assessment (peer review and cluster meetings).

## 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**.

### 2.2 Focus area: MITO's Light Vehicle New Zealand Apprenticeship Programme

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

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

### 2.3 Focus area: Extractives sector

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

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

### 2.4 Focus area: NZTA Driver Licensing and endorsements

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 MITO:

- Improve the collection of evidence (around literacy and numeracy) to better demonstrate the value of this very useful activity and the benefits employers believe are evident.
- For all surveys, refine the collection methodology to ensure adequate coverage of all sectors so that feedback from the smaller-sized sectors can be considered and used more meaningfully.
- Validate the anecdotal and inferred understanding that assessor practice in moderation has been improving.
- Continue as planned to undertake external moderation, with other ITOs assessing MITO standards until a formal memorandum of understanding between ITOs and agreed by NZQA is signed.

# 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)).*

*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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