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Report of External Evaluation and Review

ACI Operations NZ Limited trading as
O-I New Zealand Milestone Centre

Not Yet Confident in educational performance

Not Yet Confident in capability in self-assessment

Date of report: 22 August 2017

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Final Report

Purpose of this Report

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

Introduction

1. TEO in context

Name of TEO:	ACI Operations NZ Limited trading as O-I New Zealand Milestone Centre
Type:	Private training establishment (PTE)
First registered:	1 December 2002
Location:	752 Great South Road, Penrose, Auckland
Delivery sites:	752 Great South Road, Penrose, Auckland
Courses currently delivered:	Training scheme: Introduction to Glass Container Manufacturing Skills (Level 1) and consent to assess a range of engineering standards to level 3, generic management standards to level 2, competitive manufacturing to level 5, and core unit standards of Glass Container Manufacturing and Glass and Technology to level 4. The PTE also assesses standards towards the New Zealand Certificate in Glass Container Manufacturing (Level 3).
Code of Practice signatory:	No
Number of students:	Domestic: all O-I New Zealand employees (currently 230 representing 27 nationalities) receive compulsory induction training including health and safety. Thirty-one employees are completing the New Zealand Certificate in Glass Container Manufacturing through training agreements with

Competenz ITO (industry training organisation).

Twelve engineering apprentices from ATNZ¹/Competenz are hosted by O-I New Zealand.

Number of staff:	One full-time equivalent
Scope of active accreditation:	Refer: http://www.nzqa.govt.nz/providers/nqf-accreditations.do?providerId=753527001
Distinctive characteristics:	<p>O-I New Zealand Milestone Centre (Milestone Centre) is embedded within the O-I glass container manufacturing plant and is fully funded by O-I New Zealand. Milestone Centre is located on site to develop a workforce with the skills and knowledge to underpin the safety, productivity and long-term sustainability of the New Zealand operation. Training is not available to the general public. All employees are required to complete 24 hours of training annually.</p> <p>O-I New Zealand is part of the O-I Group, the largest glass container manufacturer in the world, with 81 plants in 21 countries. The New Zealand plant produces 400 million containers annually and has six production lines operating 24 hours a day, 365 days a year on a four-shift system.</p> <p>Milestone Centre participated fully in the NZQA Targeted Review of Qualifications to develop New Zealand qualifications for glass container manufacturing.</p>
Recent significant changes:	<p>The O-I Group has undergone significant organisational change worldwide. O-I New Zealand is part of the Asia-Pacific region which is managed from Melbourne. The O-I fundamentals training programme has been introduced worldwide to 'improve our performance by standardising the way we work'.</p> <p>Two experienced trainers for Milestone Centre have retired in the past two years, and line management has also undergone significant</p>

¹ Apprenticeship Training New Zealand

change. During the EER, the Asia-Pacific management made a decision on regional line management for the training centre.

Previous quality assurance history: At the 2013 external evaluation and review (EER) of O-I New Zealand Milestone Centre, NZQA was Highly Confident in the PTE's educational performance and Confident in its capability in self-assessment. Since that EER, the organisation has met the Competenz moderation requirements and met overall NZQA moderation requirements in 2014 and was exempt in 2015. However, in 2016 assessment materials for moderation were not submitted to NZQA and NZQA has not been provided with a rationale for non-submission.

2. Scope of external evaluation and review

The following focus area was chosen in consultation with the training manager and represents the majority of the training undertaken by staff at Milestone Centre:

- New Zealand Certificate in Glass Container Manufacturing (Level 3)

This qualification is completed by both manufacturing employees and apprentices to enable them to progress through the work roles related to the skills and knowledge achieved.

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 web document Policy and Guidelines for the Conduct of External Evaluation and Review available at: <http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/external-evaluation-and-review/policy-and-guidelines-eer/introduction>. 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.

The EER was conducted by a team of two evaluators over two days. The evaluators visited Milestone Centre in Penrose, Auckland. The visit included a tour of the manufacturing plant.

Prior to the EER visit, the lead evaluator met with the training manager to discuss the purpose of the EER and the scope and arrangements for the on-site enquiry. A self-assessment summary was supplied in advance of that visit. After selection of the focus area, relevant key documents were supplied to the evaluation team to

support the on-site enquiry. These documents included the organisation chart, qualifications diagram, sample assessment booklet, and outcomes data.

During the EER, interviews were conducted with the training manager, manufacturing plant manager, human resource consultant, production line manager, E tū² union representatives, supervisors, employees in training, employees holding qualifications, a health and safety committee member, continuous improvement manager, and the Australia/New Zealand director quality. Telephone conversations were held with Competenz representatives and an external stakeholder. The EER team reviewed a wide range of documentation, both paper-based and online.

² E tū is a union representing tens of thousands of people working in eight industries.

Summary of Results

Statement of confidence on educational performance

NZQA is **Not Yet Confident** in the educational performance of **ACI Operations NZ Limited Trading as O-I New Zealand Milestone Centre**.

Trainees at Milestone Centre are gaining skills and capabilities that are relevant to their work roles at the O-I New Zealand glass manufacturing plant. Across the organisation, the evaluation team saw evidence that trainees are developing industry-specific skills and achieving qualifications in engineering and glass container manufacturing that align with their career progression.

Linkages between plant operations and Milestone Centre ensure that training in safe practice, core technical skills and applying theoretical knowledge to on-job skill requirements for workers is effective and employees operate safely and competently in their work roles. Training is interconnected with performance in work roles to support employees to meet the goals and timeframes of their individual training plans. There is evidence of a culture of respect, support and collaboration across the levels of workers, between management and work teams, and experienced and new employees. There is an emerging practice to use expert workers in support as mentors and verifiers.

Milestone Centre develops training materials aligned to the vision and values of the O-I Group, and responds to organisational direction and strategies to ensure consistency in skill acquisition across all plants. Training materials are developed using organisational policies and procedures, and there is input from experts and experienced workers to ensure accuracy and quality. Other plants of the O-I Group regard the Milestone Centre materials as quality training. The Milestone Centre is the only externally reviewed training centre within the global organisation. Workers are engaging in training to progress their careers and develop confidence in their skills and capabilities.

Governance and management of Milestone Centre has undergone a number of changes recently, coinciding with significant change across the global organisation. The two experienced trainers who left in 2016 have not yet been replaced which has created a significant gap in staffing. Milestone Centre operates as a tertiary education organisation within the New Zealand tertiary education sector and has responsibilities to meet the compliance requirements for maintaining this registration under the Education Act 1989. There is evidence of emerging gaps at governance and management level which are having an impact on the operational management of Milestone Centre. Roles and responsibilities are yet to be finalised to ensure the centre has effective leadership and management to maintain a clear focus on the provision of quality training to meet the needs of employees and plant management.

Statement of confidence on capability in self-assessment

NZQA is **Not Yet Confident** in the capability in self-assessment of **ACI Operations NZ Limited Trading as O-I New Zealand Milestone Centre**.

Self-assessment at Milestone Centre occurs through the monitoring of the progress of individual employees. A personalised approach is taken to ensure employees meet the goals of their individual training plans.

While individual progress is being monitored and training materials are being reviewed, the approach to self-assessment and review is not yet systematic and purposeful, in gathering data to be able to show overall achievement and progress. Further analysis and review would provide evidence of trends year on year, and identify areas for improvement.

Employee feedback and evaluation is informal and conversational. Strategies to support employees to complete their training are discussed individually, however the organisation needs to develop strategies for obtaining more formal feedback on the impact of the training from both employees and plant management to identify areas for improvement at an organisational level.

There are pathways aligning the achievement of qualifications with promotion and progression in salary, work roles and responsibilities. Individual progress and achievement are monitored by the training manager to identify staff who are not meeting set timelines. However, as a result of significant organisational changes, there is no evidence of purposeful evaluation of the overall performance of Milestone Centre.

Findings³

1.1 How well do students 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**.

Staff and trainees at O-I New Zealand achieve well. The overall measure of achievement is the successful completion of qualifications. All new staff are required to complete the induction training programme which is focused on health and safety practice and incorporates the newly introduced O-I fundamentals programme. To ensure safe work practice, staff must pass this programme before starting work in the manufacturing plant.

Almost all employees and apprentices complete the engineering and glass container manufacturing qualifications. Over the past three years:

- Twelve employees have completed the level 3 glass container manufacturing qualification, with seven progressing to supervisory or management roles within the manufacturing plant.
- A further 14 employees have met the assessment requirements, and the award of their certificate is imminent.
- Of the 18 apprentices who started the apprenticeship training, 17 (94 per cent) gained the level 2 engineering and the level 3 glass container manufacturing qualifications, and one withdrew for personal reasons after completing the level 2 engineering qualification. Thirteen are working at O-I New Zealand, while the remaining four are guaranteed employment at the plant when matched to an appropriate role. In addition, three of those already working have progressed to higher-level study related to their work role.

Throughout the theory and on-job training programmes, employees and apprentices achieve the technical competencies required at each level of work role. Personal skills achieved include improved communication, working effectively in a team without direct supervision, and greater confidence in their skills and abilities.

All trainees complete qualifications while they are employed at O-I New Zealand. There is good evidence of monitoring of individual progress and achievement to motivate and support the trainees. Improved data analysis for overall achievement could be more systematic and purposeful to identify trends such as length of time

³ The findings in this report are derived using a standard process and are based on a targeted sample of the organisation's activities.

taken to complete qualifications and overall completion of individual courses across the employee group.

1.2 What is the value of the outcomes for key stakeholders, including students?

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

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

The learning environment at Milestone Centre supports the O-I New Zealand performance expectation to provide quality training to build a highly skilled workforce with clear pathways and progressions for work roles within the manufacturing plant. There is a strong emphasis on comprehensive health and safety requirements, particularly in the induction training. This has contributed to no 'loss of time' injuries in the past eight years, and a low number of minor incidents. Robust health and safety reporting monitors the effectiveness of training and identifies areas for improvement. There is good evidence that staff value the training as a way to move to higher levels within the plant operations, for promotion to supervisory and managerial positions, and to earn better pay. Some staff are first-time receivers of a qualification, and this has contributed to increased confidence in work practices and feeling valued in a supportive work environment, providing long-term career opportunities. Strong indicators of valued outcomes for staff include:

- Regular safety reporting indicates an injury-free workplace. Hazard reporting is increasing while injury accidents are decreasing. This indicates a high level of awareness of the importance of safety.
- Along with their qualification, graduates receive a letter of introduction to any O-I glass plant in the world, confirming the skills and knowledge achieved and endorsing the level of skills gained in New Zealand.
- Some of the current supervisors and managers began their career at operator level and progressed through the training programmes to roles including specialist technician, shift supervisor and line manager.

Tracking the progress of graduates and obtaining feedback from staff engaged in training through more formal evaluations would provide greater understanding of the value of outcomes to staff as well as the progression and employment trends for graduates. While this may be known on an individual basis, there is an opportunity to extend analysis to the organisational level.

The regular performance reports from the O-I employee engagement survey for training and development show that 87 per cent of staff at the New Zealand plant say 'the training I have received has adequately prepared me for the work I do'. This is the highest outcome for O-I glass plants in the Asia-Pacific region.

Management from other regional facilities overseas regularly visit Milestone Centre to look at the training because it is more comprehensive than at other plants. They often ask to use the training material in their organisations. The strengths and quality of Milestone Centre training – confirmed by the ready employment of O-I New Zealand staff internationally – are being used to build talent within the global organisation.

1.3 How well do programme design and delivery, including learning and assessment activities, match the needs of students and other relevant stakeholders?

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**.

Milestone Centre training and development is highly relevant to the staff employed at O-I New Zealand. The training aims to ensure that work practices are safe and follow standardised operating procedures for working in a high-risk environment. Training management works closely with plant management to provide a training environment that is flexible and responsive to the needs of shift workers. The levels of qualifications achieved are aligned to career progressions to ensure that workforce capabilities are matched to work roles. Because of the high level of mechanised equipment in the plant, all staff are required to have qualifications in both mechanical engineering and glass container manufacturing to be effective workers.

The training programme is well structured and integrates theory and practice. The O-I fundamentals programme has been embedded into the training programme to meet the direction set by O-I globally of 'one vision, one company', using the same principles and practices to achieve consistency across all plants within the group.

Milestone Centre training is structured and specific to ensure that staff understand exactly what they have to do and why. The learning is immediately useful in the workplace. The new training materials have been introduced following a flexible and responsive process: an initial pilot with one group, review with input from experienced staff, followed by adjustments and the improved materials made available to staff. The training has been improved over the past two years to be more learner-centric, with the right blend of mentoring and co-worker support to ensure skills are verified prior to assessment. Increasing use is being made of video clips relating to particular skills to demonstrate correct practice. Longer-term employees and managers recognise improved confidence and better results from these changes. For example, staff engaged in training are taking responsibility for their learning, asking for help at appropriate times, assisting others, and being purposeful in their self-directed study. Key experts from relevant areas of the plant

are engaged as trainers to ensure quality of content, and on-job training is under the supervision of experienced operators as verifiers.⁴ Plans are in place to train more verifiers and assessors from within the current qualified group of staff to increase the pool of experts.

Milestone Centre training materials are considered high quality by other O-I Group manufacturing plants through feedback from their staff on regular visits to the New Zealand operation. Another indicator of the quality of training materials is that other O-I Group plants around the world are asking to use the training materials in their own operations. Comments from a highly satisfied external stakeholder indicated that the engaging and informative training provided by Milestone Centre on recognising glass defects reduced the number of complaints from customers.

A comprehensive skills rubric is used to assess the core technical competencies against five levels of progression – from novice to expert – to emphasise the expectation that staff are encouraged to achieve the ‘subject matter expert’ level of achievement. Internal moderation includes feedback on the accuracy, clarity and useability of the training materials from expert, experienced staff within the local operations. Senior staff confirmed to the evaluators that they undertake this work because they have a strong interest in the quality of production and enhancing staff capability.

The compulsory induction training of one month must be completed by new employees prior to working in the plant to ensure that staff meet health and safety requirements. This results in the development of an individual training plan to clearly identify areas for further learning and to set expectations for professional and personal growth. Quality procedures manuals provide a point of reference on the job to ensure standardisation of operational processes across all lines.

Milestone Centre is fully involved in managing the transition to newly registered qualifications⁵, using a needs analysis for individual staff to identify gaps and align training to meet these gaps. A review is planned for 2017 to identify overall training requirements will assist in finalising the training and development plan for the near future.

⁴ ‘Verifiers’ are experts in their workstation roles who are used to confirm the scope of these roles.

⁵ New qualifications were established as a result of the NZQA Targeted Review of Qualifications.

1.4 How effectively are students supported and involved in their learning?

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**.

Milestone Centre is located within the manufacturing plant which enables easy access for staff to study and complete assessments at times that are most suitable to their work hours.

Robust pre-acceptance testing on aptitude is used to identify the 'right people for the right jobs', and any gaps in literacy, numeracy and ability to communicate. As noted, all new staff complete the induction programme to ensure safe practice within a high-risk environment. A recent improvement has been to introduce a 'buddy' system to provide real-world guided practice during the induction period to support new staff and to assist with their integration into the line work teams, adding to the comprehensive on-job support. An individual training plan is set up for each employee to set training goals and provide timeframes for completion of training modules. With a multi-cultural workforce of 31 nationalities, Milestone Centre has a strong focus on communication to ensure that all staff are supported with any language upskilling required. This includes additional tuition for literacy and numeracy where gaps have been identified.

Experienced staff assist co-workers to be effective in their work roles within a strong culture of co-operation, support and shared responsibility for safe and effective work practices to standardise operational procedures. Additional support is provided for employees who get behind with their training or are lacking motivation. This support involves additional theory tutorials and mentoring to help these employees get back on track. Similarly, employees who are unable to work in the plant for medical or family reasons are encouraged to come into Milestone Centre and work on their training, or to assist with developing training materials. This is an effective strategy to purposefully employ staff while they are getting ready to return to work.

Better use of electronic data systems to record progress and analyse skills and knowledge could provide a comparison of the skills gained across the different training levels.

1.5 How effective are governance and management in supporting educational achievement?

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

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

Milestone Centre operates under a charter and heads of agreement between E tū and O-I New Zealand. All staff are expected to complete engineering and glass container manufacturing qualifications relevant to their work roles. Employees have an annual time allocation for training. Milestone Centre is located within the manufacturing plant to enable easy access within flexible timeframes.

Over the past 12 months, changing management decisions have disrupted the work of the centre. There has been a lack of clear direction and strategy to support the training centre and provide the leadership and resources required to deliver training and development at former levels. This has resulted in loss of two experienced trainers, work overload and gaps in training provision. The previous senior manager recently left the company, and this has provided an opportunity to re-assess the accountabilities and responsibilities within an environment of significant change to leadership and management across the organisation.

There is evidence of strong links between the manufacturing plant management and Milestone Centre. This has enabled the continuation of essential training for new staff and those currently engaged in completing qualifications to maintain the required technical skills. This is mainly driven at an operational level, rather than by direction provided by senior staff, although there is organisation-wide support for the training.

An apparent lack of understanding by the previous manager of the Milestone Centre of the requirements for maintaining registration as a PTE has had an impact on the workload of the training manager. Positive efforts are being made to revive both the training committee to support communication and provide the right training to staff, and the Milestone Centre governance committee to meet compliance requirements, provide feedback on the quality of training, and to plan for the future. At the end of the evaluation visit, a decision from the Asia-Pacific head office to the training manager indicated that responsibility to govern and manage the PTE is being allocated jointly to the New Zealand business lead and the New Zealand plant manager. This decision attends to the identified gap in management however there is no evidence to indicate how well this is working.

1.6 How effectively are important compliance accountabilities managed?

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

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

Milestone Centre has robust internal processes to ensure that O-I and New Zealand health and safety regulations are adhered to. There are close links between the O-I New Zealand health and safety committee and Milestone Centre to ensure that training meets internal compliance requirements.

Milestone Centre retains a list of all training completed by each employee since 2002. This record could be used more effectively to identify gaps and trends in training and related work roles.

Due to significant changes to management and line responsibilities, accountability for compliance with NZQA rules has become blurred over the past 12 months. The recent resignation of the human resources manager created a short-term gap in accountability. This has been rectified by Asia-Pacific region management taking on management roles and responsibilities. The urgent rejuvenation of the governance committee has been prioritised by the newly appointed managers, however this committee had not met at the time of the on-site visit. Some of the documentation required to meet NZQA compliance accountabilities has not yet been received and is now overdue.

Focus Areas

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

2.1 Focus area: New Zealand Certificate in Glass Container Manufacturing (Level 3)

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

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

Recommendations

NZQA recommends that O-I New Zealand Milestone Centre:

- Continue to develop self-assessment practice, including data analysis and review of trainee performance, to understand the impact on their work and to identify trends.
- Develop systematic, formal evaluative processes to review and analyse feedback from trainees and stakeholders.
- Establish a review process to evaluate performance and compliance effectiveness at governance and management levels.

Appendix

Regulatory basis for external evaluation and review

External evaluation and review is conducted according to the External Evaluation and Review (EER) Rules 2013, which are made by NZQA under section 253 of the Education Act 1989 and approved by the NZQA Board and the Minister for Tertiary Education, Skills and Employment.

Self-assessment and participation in external evaluation and review are requirements for maintaining accreditation to provide an approved programme for all TEOs other than universities. The requirements are set through the NZQF Programme Approval and Accreditation Rules 2013, which are also made by NZQA under section 253 of the Education Act 1989 and approved by the NZQA Board and the Minister for Tertiary Education, Skills and Employment.

In addition, the Private Training Establishment Registration Rules 2013 require registered private training establishments to undertake self-assessment and participate in external evaluation and review, in accordance with the External Evaluation and Review Rules (EER) 2013, as a condition of maintaining registration. The Private Training Establishment Registration Rules 2013 are also made by NZQA under section 253 of the Education Act 1989 and approved by the NZQA Board and the Minister for Tertiary Education, Skills and Employment.

NZQA is responsible for ensuring non-university TEOs continue to comply with the rules after the initial granting of approval and accreditation of programmes and/or registration. The New Zealand Vice-Chancellors' Committee (NZVCC) has statutory responsibility for compliance by universities.

This report reflects the findings and conclusions of the external evaluation and review process, conducted according to the External Evaluation and Review (EER) Rules 2013. The report identifies strengths and areas for improvement in terms of the organisation's educational performance and capability in self-assessment.

External evaluation and review reports are one contributing piece of information in determining future funding decisions where the organisation is a funded TEO subject to an investment plan agreed with the Tertiary Education Commission.

External evaluation and review reports are public information and are available from the NZQA website (www.nzqa.govt.nz). The External Evaluation and Review (EER) Rules 2013 are available at <http://www.nzqa.govt.nz/assets/About-us/Our-role/Rules/EER-Rules.pdf>, while information about the conduct and methodology for external evaluation and review can be found at <http://www.nzqa.govt.nz/providers-partners/external-evaluation-and-review/policy-and-guidelines-eer/introduction/>.

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