

# Arranging Training Q&As for PTEs

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## Background

### How do PTEs fit into RoVE?

The intent of RoVE is to create a strong, sustainable, unified vocational education and training system, capable of delivering the skills that learners, employers and communities need to thrive. Private Training Establishments (PTEs) will continue to play an important role in the new system and remain key players that provide choice for employers and learners.

There are a number of ways PTEs will play a role in the future of vocational education.

- In the short-term, some PTEs will be considered alongside other providers to take on arranging training for work-based learners during the transition period.
- Longer term, once transition has completed, other PTEs wishing to arrange training for work-based learners (trainees and apprentices) can apply for funding directly from TEC.
- Presently, a number of PTEs are subcontracted by TITOs to provide off-job training and other support to work-based learners. Where there is an existing delivery contract between a TITO and a PTE, if the arranging training activities shift to Te Pūkenga, it is expected that existing arrangements will continue through the transition period to December 2022.

### Are PTEs being considered for the transition of arranging training?

Yes, PTEs (along with Te Pūkenga and wānanga) are being considered for the transition of arranging training activities currently being done by TITOs.

### Will all arranging training for work-based learners automatically go to Te Pūkenga?

No. TITOs are still in the process of developing their transition plans and what they propose in these plans will then need to be approved by the TEC Board. TITOs have until December 2022 to complete transition of their arranging training activities to providers.

Subject to employer support, arranging training could be transferred to more than one provider.

### Have wānanga been considered to take arranging training activities for work-based learners?

Wānanga are an important part of the vocational education system. TEC is working with wānanga to consider how wānanga can be involved in work-based training. We would certainly consider a wānanga if it was keen and will have the capability to arrange training.

### What does arranging training for work-based learners involve?

“Arranging training” covers the activities needed to develop and maintain the arrangements for delivering work-based training for learners through employers for on-job components and providers for off-job components. It also includes relevant apprenticeship training activities, including providing pastoral care to apprentices.

At a macro level, arranging training includes:

- working with employers to understand and develop programmes to satisfy their needs
- working with employers to sign up their employees into work-based training
- working with employers and their apprentices to develop individual training plans
- ensuring learner achievement and progression towards their qualifications
- arranging for learners to be assessed against standards
- working with providers and employers to organise delivery of any off-job training components
- providing holistic support for learners

- supporting the employer as a provider and their employees as the learner.

### How is it different from what PTEs do now?

Currently, PTEs are responsible for the delivery or provision of programmes of training or study. This is typically done outside of the work place and delivered by dedicated trainers. Arranging training is not the actual delivery of on-campus or online learning for students enrolled directly in these programmes of study, i.e. delivery or provision of training. Arranging training *enables* the delivery or provision of off-job training, and SAC funding does not apply for this provision.

### Do PTEs need to do all the activities that the TITO currently does?

PTEs considering arranging training will need to do all the activities a TITO currently does in respect of arranging training for work-based learners. This is necessary in order to provide a seamless experience for employers and learners as arranging training transitions from the TITO.

The TITO will be able to provide a detailed explanation of what this involves, and may detail other relevant activities such as Gateway or related school-to-work programmes.

### What will happen to existing contracts to deliver services for TITOs?

Where there is an existing delivery contract between a TITO and a PTE, if the arranging training activities shift to Te Pūkenga, it is expected that existing arrangements will continue through the transition period.

## Process for selecting PTEs for transition

This process applies to the period of transition in which TITOs will transfer its arranging training activities to a provider. This transition must be completed by December 2022.

From January 2023 after transition is complete, any PTE has the opportunity to apply to TEC for funding to arrange training.

### Which PTEs will be considered for arranging training for transition?

To be considered, PTEs will need to meet a set of guiding criteria which will help ensure a smooth transition and a consistent level of service for employers and learners. TEC has worked with TITOs using guiding criteria to identify and assess PTEs that may be considered for taking on arranging training.

The guiding criteria include (but are not limited to) a PTE that:

1. Is registered with NZQA
2. Has a current EER category of 1 or 2 (or hasn't yet had an EER)
3. Has accreditation to deliver programmes for qualifications developed by the relevant TITO
4. Meets TEC financial viability requirements
5. Has relevant industry support and relationships
6. Has a track record of working with the relevant industry
7. Has a track record of working with work-based learners
8. Is currently working with employers from the relevant industry
9. Has capability to take on arranging training in line with the success factors identified by the relevant industry and employers
10. Has appropriate geographical coverage to deliver arranging training activities

PTEs will be subject to further assessment by TEC before any decision is made.

Over the next six months, TITOs will be in touch with those PTEs that meet the guiding criteria to canvas their interest in taking on arranging training from the TITO.

## Why have guiding criteria?

The guiding criteria have been designed to provide confidence to the TEC Board that a PTE will be able to continue to arrange training for work-based learners in a seamless way following the transition from the TITO.

PTEs that are unable to satisfy one or more of the guiding criteria may be less likely to be able take on arranging training during this period without significant support from the TITO and relevant employers.

Note, the guiding criteria only applies for the period of transition and to existing PTEs.

## What should interested PTEs do if they have not been contacted by a TITO?

TITOs are at different stages of planning for the transition of their activities. By June 2021 all TITOs should have completed their planning and have made contact with potential PTEs.

If a PTE believes it satisfies the guiding criteria and is interested in arranging training as part of transition, but has not been contacted by a TITO by the dates listed below, it should contact the relevant TITO in the first instance.

| TITO  | Likely engagement period |
|---|--------------------------|
| BCITO, Competenz, Connexis  | January to March 2021    |
| Careerforce, HITO, MITO, Primary ITO, ServiceIQ, Skills Active, The Skills Organisation | March to May 2021        |

If further assistance is needed, please email [TITO.Transitions@tec.govt.nz](mailto:TITO.Transitions@tec.govt.nz).

## Which TITOs can PTEs expect to engage with?

The table below sets out the industries and relevant TITOs. It relates only to the PTEs that were considered as part of this PTE engagement process. That is, industries where PTEs have accreditation to deliver programmes for qualifications developed for the relevant industries by TITOs.

If there are industries not in the list, it's because no PTEs have accreditation to deliver qualifications for those industries, or they do not meet one or more of the other guiding criteria.

| Industry                        | TITO                    |
|---------------------------------|-------------------------|
| Agriculture                     | Primary ITO             |
| Ambulance Practice              | The Skills Organisation |
| Apiculture                      | Primary ITO             |
| Automotive Engineering          | MITO                    |
| Aviation                        | ServiceIQ               |
| Barbering                       | HITO                    |
| Beauty Therapy                  | HITO                    |
| Carpentry                       | BCITO                   |
| Cleaning                        | Careerforce             |
| Competitive Systems & Practices | Competenz               |
| Contact Centres                 | The Skills Organisation |
| Cookery                         | ServiceIQ               |
| Distribution                    | ServiceIQ               |
| Electrical Engineering          | The Skills Organisation |
| Electricity Supply              | Connexis                |
| Emergency Care                  | The Skills Organisation |
| Equine                          | Primary ITO             |
| Exercise                        | Skills Active           |

| Industry                        | TITO                    |
|---------------------------------|-------------------------|
| Financial Services              | The Skills Organisation |
| Food and Beverage Services      | ServiceIQ               |
| Food or Beverage Processing     | Competenz               |
| Hairdressing                    | HITO                    |
| Health and Safety               | The Skills Organisation |
| Health and Wellbeing            | Careerforce             |
| Horticulture                    | Primary ITO             |
| Hospitality                     | ServiceIQ               |
| Hospitality Management          | ServiceIQ               |
| Infrastructure Works            | Connexis                |
| Makeup and Skincare             | HITO                    |
| Outdoor and Adventure Education | Skills Active           |
| Pest Operations                 | Primary ITO             |
| Port Operations                 | MITO                    |
| Primary ITO Industry Skills     | Primary ITO             |
| Property Management             | The Skills Organisation |
| Real Estate                     | The Skills Organisation |
| Retail                          | ServiceIQ               |
| Road Transport                  | MITO                    |
| Seafood Processing              | Primary ITO             |
| Security                        | The Skills Organisation |
| Telecommunications              | Connexis                |
| Tourism and Travel              | ServiceIQ               |
| Trade Baking                    | Competenz               |
| Trade Butchery                  | Competenz               |
| Youth Work                      | Careerforce             |

### What's required of a PTE?

PTEs will need to understand the responsibilities of arranging training, and the additional resources and activities that will be required to support this.

PTEs will also want to understand the funding model for arranging training. Arranging training is funded through the Industry Training Fund (ITF) and not the Student Achievement Component (SAC).

The PTE will need to work closely with the TITO to understand, plan, negotiate and agree the conditions of a transition and provide confidence to the TITO and TEC that it can facilitate a smooth transfer of arranging training functions by December 2022.

PTEs would need to demonstrate to TITOs and TEC that they would be ready to receive arranging training activities from the TITO. In particular, PTEs must have the necessary capability to provide a seamless transition of service to employers and learners and meet the funding requirements of the TEC.

PTEs not already funded by TEC will need to provide further information to TEC for funding assessment purposes.

### If a PTE doesn't have the capability to arrange training, how could it secure this?

A quick way for a PTE to secure the capability to arrange training for work-based learners is to talk to the relevant TITO about what options there are for it to transfer its people, systems and processes to the PTE. The TITO will be able to advise the PTE of what's involved, compliance requirements and reporting systems

and the potential investment that the PTE likely requires to deliver a comparable service to employers and learners.

### **Does a PTE taking on arranging training have to provide all off-job training themselves or can they sub-contract provision out to others providers?**

PTEs, with the approval of NZQA and TEC, may consider continuing to engage existing providers of off-job training, to ensure continuity of service and minimise disruption to learners and employers over the transition period.

All subcontracting arrangements must be first approved by NZQA and then TEC. It is important to talk to NZQA early in the process if there is likely to be subcontracting involved.

### **What's required of the TITOs?**

As part of the transition planning process, TITOs will be required to seek endorsement from existing employers currently involved in work-based learning, to ensure that they support the transition to the proposed PTE(s).

The TITO must be confident that in recommending the transfer of arranging training to a PTE, that the transition from the TITO to the PTE will be seamless for employers and learners and that employers and learners will continue to receive the same level of service.

TITOs will advise TEC on their preferred PTEs so TEC can undertake further assessment to ensure the PTEs meet the requirements to be funded. If a PTE is not already funded by TEC, the PTE will need to provide further information to TEC for a decision to be made.

Transition Plans are due with TEC by the end of September 2021, although some may come in earlier. The selected provider will need to work closely with the TITO to negotiate and agree the conditions of a transition and provide confidence to the TITO and TEC that it can facilitate a smooth transfer of arranging training activities.

### **What happens if employers and industry don't agree with using a particular PTE?**

TITOs will be required to engage with employers and industries to seek their support for potential PTEs that they are proposing take on responsibility for arranging training for work-based learners. TITOs are likely to test this level of support before engaging directly with a PTE.

TEC will be looking for assurance that the relevant employers and industry have been appropriately engaged and support the TITO's proposed providers and transition arrangements before it approves the transition plans.

### **How will TEC decide which providers will take on arranging training from the TITOs?**

As part of assessing and approving a TITO's transition plan, TEC will assess all providers (Te Pūkenga, PTEs and wānanga) the TITOs have proposed to transition arranging training to.

In assessing the destinations for arranging training for work-based learners, TEC will be looking for assurance that the provider and the transition arrangements:

- support the seamless transition of learners and employers to providers
- retain industry relevant skills and expertise in the vocational education and training (VET) system
- minimise service disruption in the VET system
- are achievable within the transition period.

### **What is required if a PTE is approved by the TEC Board?**

If the Board approves the transition plan, the approved PTE will need to submit an Investment Plan to TEC to be funded. The content of that Investment Plan is being worked through at the moment, but at a minimum will require Mix of Provision and EPI Commitment templates.

Once the plans are approved, your TITO will confirm the next steps.

### **If a PTE engages with a TITO to discuss arranging training, is it committed to the process?**

No. Each TITO will work with the eligible PTEs to determine whether the transfer of arranging training would be the best result for all parties involved, including employers and learners. As a PTE and a TITO progress their discussion, either party may decide not to proceed.

If both parties agree to proceed then they will need to reach a formal agreement detailing the terms and conditions of the transfer of arranging training. In addition the PTE will need to support the TITO to complete its transition plan, which must be submitted to the TEC Board for approval.

### **Why might a TITO not progress further with a PTE over the process?**

There may be one or more reasons a TITO doesn't progress discussions with a PTE. These could include:

- an industry or its employers want consistent programmes and national coverage of delivery, and the PTE can't satisfy this
- the PTE can't satisfy the guiding criteria
- the PTE won't be ready to transition before the end of the transition period (December 2022)
- the PTE can't provide appropriate capability to support arranging training.

### **What happens if a PTE doesn't meet the guiding criteria?**

Some PTEs that are unable to satisfy the guiding criteria may believe they have a strong case for being considered to take on arranging training during the transition period. If they have not been contacted by a TITO during the timeframes outlined above, they should email TEC no later than 30 June 2021 on [TITO.Transitions@tec.govt.nz](mailto:TITO.Transitions@tec.govt.nz).

### **Is there an opportunity for a PTE to arrange training in the future, after transition?**

Yes. From January 2023 once transition is complete, PTEs can apply directly to TEC to be considered for funding for arranging work-based training.

## **Funding and Reporting**

### **How will the PTE be funded for arranging training?**

Arranging training is funded through the Industry Training Fund (ITF) via standard training measures (STMs). The amount of funding depends on the size of the programme, the length of time expected to complete the programme, and the number of learners enrolled in the programme.

For more details, visit the TEC website and read the latest [Industry Training Fund funding mechanism](#) and related [funding conditions](#), and how [standard training measures and funding offsets](#) are calculated.

### **What funding can PTEs expect from TEC if they agree to take on arranging training activities?**

In 2021 and 2022, PTEs can expect to receive the same level of funding as TITOs currently receive for the same activity. The amount of funding depends on the size of the programme, the length of time expected

to complete the programme, and the number of learners enrolled in the programme. TITOs should be able to provide an indication of how much ITF funding you would be likely to receive for the activities.

The existing funding system will continue until the unified funding system (UFS) is introduced from 2023.

### **How will funding change once the UFS is implemented from 2023?**

The current funding system will continue to apply until the UFS is implemented. The [new funding system](#) will support shifts in delivery so that more learners have opportunities to be exposed to the workplace, including opportunities to earn while they learn. This shift will also ensure that learners and employers are supported through the vocational education system regardless of the setting they are in. The operational policy is still being developed, and TEC will work with the sector over the next two years to support the transition to the UFS from 2023.

### **Will there be any funding available from TEC to help PTEs establish this capability?**

No funding is available from TEC to help PTEs to establish capability to take on the new responsibilities of arranging training. It is expected the PTE will need to make its own investments in staff and systems to ensure it can successfully take on the responsibility.

### **What are the key things a PTE would need to have in place to arrange training?**

PTEs would need the appropriate capability to arrange training. The way each TITO does this is slightly different, and the relevant TITO will be able to provide more information on this. This might include transitioning some of the capability from the TITO itself through negotiation with the TITO.

PTEs would need to be able to meet the ITF funding conditions, including any reporting requirements.

### **What are the reporting requirements to report enrolment information to the TEC?**

Organisations receiving funding through the ITF are required to report data through a Trainee Management System: enrolment data to the Industry Training Register (ITR) and achievement data to NZQA. TEC is currently looking into ways to make reporting as simple as possible. We expect to have more details early in 2021.

### **If a PTE takes on arranging training, can it also charge enrolment and other fees?**

Yes, a PTE arranging training can charge enrolment and other fees, as well as receive TEC funding. Under the Industry Training Fund, there are no rules or constraints on the fees PTEs can charge their employers or learners.

We recommend you discuss existing industry fee structures with the TITOs, including fees-free and Targeted Training and Apprenticeship Fund eligibility.