

Aide-Memoire: An update on the progress of the two Centres of Vocational Excellence (CoVEs) – the Construction CoVE (ConCoVE) and the Food and Fibre CoVE

To:	Hon Chris Hipkins, Minister of Education
From:	Gillian Dudgeon, Deputy Chief Executive, Delivery Directorate
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Purpose

1. The purpose of this aide-memoire is to provide you with a brief update on the progress of the two pilot CoVEs – the Construction CoVE (ConCoVE) and the Food and Fibre CoVE – in the time since their launch in September 2020.
2. Information on the potential for you to visit the CoVEs during the next six months is included for your consideration.
3. We will be able to provide you with a more detailed update later in the year, following receipt of Mid-Year Reports from both CoVEs. These reports are due to be submitted to TEC on 1 September 2021.
4. We recommend that this aide-memoire is proactively released in full.

CoVEs were introduced as part of the Reform of Vocational Education

What is a CoVE and what are its functions?

5. CoVEs were announced in August 2019 as part of the Reform of Vocational Education. The construction and primary sectors were chosen as the pilot CoVEs in response to the skills shortages and rapid technological changes happening in these sectors. Furthermore, both sectors are crucial to New Zealand's economic recovery from COVID-19.
6. CoVEs must represent a consortium of two or more parties and are hosted by a Tertiary Education Institution (excluding universities).
7. The core purpose of a CoVE is to inform best practice in vocational education by working with Te Pūkenga, Workforce Development Councils and other vocational education providers and groups, and by strengthening links with industry and communities.
8. To achieve this core purpose, CoVEs are required to support the growth of excellent vocational education provision within their areas of specialty. The CoVEs will undertake projects that inform and support the development of high-quality curriculum and programme design across the vocational education system.

9. CoVEs' performance and results will be measured against agreed outcomes focussing on improving vocational education.
10. Additional CoVEs may be established in the future as funding allows, taking account of lessons learned during the pilots. Additional CoVEs could be defined by industry, occupation, or by type of delivery.

Selection process for the two pilot CoVEs

11. The pilot CoVEs were selected through a two-stage contestable process that included a Registration of Interest process open to any applicants, then a Request for Proposal process restricted to shortlisted applicants.
12. An independent panel of industry experts evaluated submissions at each stage, and put forward a recommendation to the TEC Board. The process was overseen by an independent probity auditor from Audit New Zealand.

The CoVEs have completed their establishment phase

13. The two successful CoVEs were announced by you at the Manukau Institute of Technology (MIT) on 12 August 2020:¹
 - The ConCoVE, which is hosted by Te Pūkenga subsidiary MIT. The ConCoVE proposal was led by Professor Martin Carroll, Executive General Manager Academic and Provost at MIT.
 - The Food and Fibre CoVE, which is hosted by Te Pūkenga subsidiary Eastern Institute of Technology (EIT). The consortium's proposal was led by Jeremy Baker, Chief Insight Officer, Beef + Lamb New Zealand.
14. In September 2020, both CoVEs began their establishment phases, which included setting up governance structures, recruiting key staff, and working with the TEC to finalise their immediate work programmes through their Annual Plans. In January 2021, the TEC approved ConCoVE's Annual Plan. The Food and Fibre CoVE's Annual Plan was approved in March 2021. Alongside their industry partners, both CoVEs are now progressing through the early stages of their work programmes, which are comprised of industry-led projects that contribute to the core purpose of each CoVE.

Funding arrangements

15. Each pilot CoVE is funded for \$12.5m over five years, at \$2.5m per year. The funding agreements for the two CoVEs were signed in August 2020.

Reporting and monitoring arrangements

16. Both CoVEs are required to develop an Annual Plan, which is updated each year. The Annual Plan outlines the proposed work programme and performance measures for the following 12 months, and is approved by TEC.
17. The CoVEs are required to provide two formal reports per year to the TEC on their progress against their Annual Plans: a Mid-Year Report and an Annual Report.

¹ E-20-00547 Launch of Construction Sector and Primary Sector CoVEs at Manukau Institute of Technology, Wednesday 12 August 2020.

18. In addition, TEC Relationship Managers meet with the General Managers of each CoVE every month to discuss progress against the agreed work programmes.

CoVEs report against function measures and impact measures

19. A key requirement of the CoVEs is to report on their progress against their function measures and impact measures. The function measures for each CoVE are set in their funding agreement, and ensure that the CoVE is undertaking activities which align with the intent of the CoVE policy. Impact measures will be agreed with each CoVE at the end of 2021, and will measure the impact that the CoVEs are having on their respective sectors through the work that they are undertaking.

CoVEs and Workforce Development Councils will work in alignment

20. The expectation is that the relevant Workforce Development Councils, once established, will build working relationships with the two CoVEs. Over time the research work undertaken by the CoVEs, which identifies skill and training issues in the primary and construction sectors, will feed into aspects of the work of the WDCs.

21. The WDC Establishment Unit will be progressing this connection as part of their scope.

About the Construction Sector CoVE – ConCoVE

22. ConCoVE is currently made up of 42 members, predominately from industry (including the Construction Sector Accord), and providers.

23. Supported by a Māori Advisory Group, Pasifika Advisory Group, and Woman's Advisory Group, ConCoVE's Board is comprised of 10 members with strong representation from across the construction industry. In March 2021, Bharti Kottaiya was appointed as ConCoVE's General Manager.

Work programme

24. ConCoVE's First Annual Plan was approved by the TEC in January 2021. This plan built on the CoVE's initial proposal and identified six priority projects to begin within the first year of operation. ConCoVE has a top down approach to its project management, with the CoVE taking a strong lead in each of projects, supported by their industry partners.

25. The six agreed projects are:

- *Career Framework* - with industry, co-design a comprehensive framework with the express aim of identifying and enabling career long transitions.
- *Disruption* - Identifying the timing, scale and scope of future disruptions to the workforce, and developing appropriate responses.
- *Entry* - Design a new learning framework that increases participation and outcomes for learners, employers, and industry.
- *Productivity* - Improve productivity through retention, upskilling and reskilling.
- *Diversity* - Growing and strengthening the workforce through diversity.
- *Sustainability* - Improving the Industries' attention to environmental sustainability through establishing how relevant sustainability principles can be incorporated into appropriate training products.

26. All six projects are currently underway. A formal progress report will be provided to the TEC as part of the CoVE's Mid-Year Report, due on 1 September 2021.

About the Primary Sector CoVE – the Food and Fibre CoVE

27. The Food and Fibre Consortium is a significant collaboration of around 54 organisations across the entire food and fibre sector including industry associations, tertiary providers, Māori business, employers, employees and standard setting bodies. Establishing the Food and Fibre CoVE with its sector-led approach is a key result for the 115 member Food and Fibre Skills Establishment Group as it delivers on the Food and Fibre Skills Action Plan. It is also a decisive step forward in the partnership between the food and fibre sector and government.

28. The Food and Fibre CoVE has a seven member Board of Directors, providing broad representation from a range of primary sector industries and the tertiary education sector. In January 2021, Paul Hollings was appointed as the Food and Fibre CoVE's General Manager.

Work programme

29. The Food and Fibre CoVE's Annual Plan was approved by the TEC in March 2021, following several weeks of discussions. Distinct from ConCoVE, the Food and Fibre CoVE is taking a very strong bottom up approach to its projects. Using a decision making matrix, the Food and Fibre CoVE consortia members can propose projects to the CoVE, which are then assessed against their alignment to the CoVE's strategy. Successful projects will receive funding from the CoVE, which will also provide project management support. In this model, industry is expected to take a strong lead in each of the projects.

30. While this approach ensures that there is a very strong industry element in each of the Food and Fibre CoVE's projects, it has meant that it took longer than anticipated to approve the CoVE's Annual Plan.

31. Food and Fibre CoVE currently has three foundation projects underway focused on:

- developing a shared data platform;
- the creation of an Evaluation Framework; and
- a stocktake of work currently being undertaken in the Food and Fibre sector.

32. Further projects will begin shortly, including:

- a Māori Cadetship/Apprenticeship Programme;
- the development of a Micro-credential Framework;
- an investigation into attracting and retaining staff in the sector; and
- a project on product handling and spoilage minimisation.

33. Food and Fibre CoVE will provide an update on their progress as part of the Mid-Year Report, due on 1 September 2021.

Regular planned engagements over the next six months

34. TEC Relationship Managers meet with the General Managers of each CoVE every month to discuss progress against the agreed work programmes. Feedback from the most recent engagements in late April/early May indicates that both CoVEs are making good progress, with no particular issues or concerns raised.

Potential opportunities for you to visit each of the CoVEs

35. The Board of Directors for each CoVE meet regularly. These Board meetings could provide an opportunity for you to visit each CoVE and engage with the Boards and senior management. Any such meetings could also potentially be combined with wider visits to host Te Pūkenga subsidiaries MIT and EIT.



Gillian Dudgeon

Deputy Chief Executive, Delivery Directorate

Tertiary Education Commission

11 May 2021



Hon Chris Hipkins

Minister of Education

The work programme of the COVEs seems to have departed quite a way from the original intent, which was not to replicate the functions of the WDCs but have nodes of speciality within the VE provider network that were also embeded with the relevant industries and developing new programmes, teaching methods etc, to meet current and emerging needs. Some of these work plan items seem more the realm of WDCs. I think we should let this progress for now, but once WDCs are up and running we should re-assess.

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