

## Appendix 9 - ServiceIQ

### Purpose of this document

This document focuses on the approach ServiceIQ is taking to the transition of its various functions, and associated staff and other relevant resources, that marry with the new WDC entity functions and organisation structures/functions.

These include in no order of importance:

1. Develop, Set and Maintain Industry Qualifications and Skill Standards
2. Moderation Activities
3. Endorse Programmes
4. Skills Leadership
5. Brokerage and Advisory Services
6. TEC Advice

When considering the transition of these functions we also believe corresponding resourcing to support Industry Engagement, honouring Te Tiriti, and underserved learners should be incorporated in WDC organisational structures from October.

This document should be read in conjunction with the Workforce Development Council (WDC) transition summary document, prepared by the WDC Establishment Unit. Note that the ServiceIQ Transition Plan for arranging training and other functions is not going to be finalised until 30 September 2021.

### Background

1. Service IQ is currently located across 3 physical locations (Auckland, Wellington and Christchurch) with its main office being based in Wellington. A number of field staff also work in regions across NZ and are home-office based. There are approximately 100 staff with up to 28 undertaking solely or partially WDC functions. These functions will be transferring to the Workforce Development Councils listed below.

Service  
Creative, Culture, Recreation and Technology  
Manufacturing, Engineering and Logistics

### Timing

Unlike transition of arranging training and other functions that are phased across TITOs, functions to WDCs will be transferred from TITOs and NZQA at the same time – the execution is not staggered. This means that ServiceIQ planning will need to be aligned with other TITOs/NZQA in our activities, to ensure all affected staff are being treated fairly and consistently, and WDCs are able to commence at the same time.

There are a number of key activities and dates that are relevant to the creation of WDCs:

1. Consultation with TITO/NZQA staff on organisational structure proposals will commence in late June 2021. Staff will receive a proposal that outlines the impact on them of a revised organisation structure within ServiceIQ, to reflect the move of functionality to the new WDC entity. They will also have the opportunity to provide feedback on the proposed organisation structures of the WDCs.
2. Workforce Development Councils permanent governance teams will be in place in early July 2021.
3. Based on current timelines, WDC operational stand up will be on October 4, 2021 with staff in place and functions transferred and expected to operate.

As the WDC establishment activities, including design, are still in flight there is still the possibility of changes to the key dates outlined above. The WDC Establishment Unit will need to ensure joined up planning occurs with ServiceIQ and the other TITOs, and NZQA. This is particularly important for planning the consultation process, including the matching of job roles to existing staff, consultation materials, timings, and managing staff feedback, and subsequently staffing the new entities.

We expect that there will be a need for some of our staff to participate in various start-up activities, e.g. recruitment processes and induction, before October 4, 2021, along with continuing to support the ServiceIQ operational needs.

## Principles, Approach and Strategy

Service IQ has a set of transition principles as follows;

1. Do what's right – for industries, learners and staff – decisions we make will be in their best interests.
2. Be supportive – of the Governments' Review of Vocational Education (RoVE) reforms ensuring our employers and learners and staff needs are met.
3. Work in partnership – with all organisations involved in transition – TEC, NZQA, new entities WDCs and Te Pūkenga or other providers.
4. Be transparent and consistent in all our dealings with all stakeholders.
5. Maintain simplicity and seamlessness – avoid complexity, keep things as uncomplicated and least disruptive for all stakeholders, as possible.
6. Be fiscally responsible – keeping transition costs minimised, accountable for all assets and liabilities, distribute surplus assets appropriately.

## Communications

ServiceIQ has been and will continue to proactively communicate with industry, employers and staff about what the implementation of WDCs will mean. We will work with the RoVE/EU communications team to ensure that the information is accurate and timely. We will, wherever appropriate and practicable, coordinate with other TITOs and NZQA.

## Mapping of Qualifications, Standards and Credentials

The following table describes the allocation of current ServiceIQ Qualifications, Standards and Credentials to WDCs.

	<b>Creative, Culture, Recreation &amp; Technology</b>	<b>Manufacturing, Engineering &amp; Logistics</b>	<b>Service Industries</b>
Qualifications	1	0	62
Standards	121	4	1,326

ServiceIQ currently has 1,451 unit-standards, 63 New Zealand Certificates and Diplomas, including 2 transitioning New Zealand Diplomas and 1 transitioning National Diploma.

## Managing the impact on Staff

The creation of WDCs will mean that ServiceIQ is no longer required or able to undertake WDC functions as of the operational stand-up date (4 October 2021). As a result, there will need to be changes to the jobs that some staff undertake.

There are two main scenarios that impact our staff:

1. ServiceIQ no longer needs the role a staff member holds, as the functions the role does are to be undertaken by a WDC.
2. ServiceIQ no longer needs to perform some of the functions in a role a staff member holds, as they are WDC related, but needs to continue to perform other functions within a role or new role.

Service IQ will consult with its staff on changes to its structure that reflect the transition of functions and related roles to the WDC, and that enable it to continue to deliver the ongoing requirements as a TITO through to its transition of arranging training in 2022. As part of this consultation it will gather feedback from staff on both the proposed ServiceIQ structure, and the proposed WDC organisational structures.

The legislation enables the transfer of staff without redundancy where a role in a WDC is substantially the same as their current role. We note, however, there is no requirement for a WDC to employ any Service IQ staff. However, the TEC and TITO CEOs have agreed a set of principles that will apply, and these need to be kept in mind as the transition occurs. i.e.

Overarching Transition Principles agreed with TEC and TITO CEOs

The parties acknowledge that the TEC and the Chief Executives of the Transitional ITOs have identified eight overarching principles to guide the Transfer:

- 1. Intent:** The Transfer should reflect the Government's Reform of Vocational Education's intent to create a strong, unified, and sustainable vocational education system that delivers skills that learners, employers and communities need to thrive.
- 2. Learners:** The Transfer should provide certainty, opportunity, and seamless pathways for all learners.

3. **Employers:** The Transfer should incorporate the voice of industry and maintain industry confidence.
4. **Employees:** The Transfer should be fair and consistent and provide certainty for employees of Transitional ITOs.
5. **Seamless:** The Transfer should involve minimal disruption during the Transition Period.
6. **Flexible:** The Transfer should accommodate the differences between Transitional ITOs.
7. **Clear:** The Transfer should provide clarity to Transitional ITOs with respect to processes, choices, milestones, and communications; and
8. **Pragmatic:** The Transfer should take an approach that is practical and reflects challenges and opportunities.

As the WDC organisations are outside ServiceIQ's control, ServiceIQ will not be able to control or conduct any selection process for staff in the WDCs. However, the WDC and ServiceIQ will need to, in conjunction with Skills Org, Careerforce, and NZQA, agree which roles in the new structure are matching roles and to whom, both for consultation purposes, and to facilitate offers to those staff at the appropriate time.

Service IQ intends to continue to:

1. Provide input and guidance to the WDC EU functions including the impact on job design, processes and other requirements.
2. Contribute to and understand the WDC organisational structures and position descriptions.
3. Determine, in conjunction with the WDC EU, the impact of these changes on ServiceIQ staff, including agreeing job matching.
4. Clearly communicate the proposed and final changes for ServiceIQ staff, including providing a clear proposal for change for ServiceIQ staff as part of the staff consultation process
5. Support ServiceIQ staff through any selection processes, including provision of interview training and CV writing skills.
6. As appropriate, support staff to participate in WDC induction activities.

It is noted that in line with agreed principles with TEC, staff whose roles are to be disestablished and who are not offered substantially similar roles within a WDC, will be able to apply for vacant roles in all WDCs ahead of other candidates.

## Transfer of Work in Progress and Data

Service IQ intends to cease all WDC work on September 4, 2021, where it is clear that the WDC will be operational. If there is work with industry that needs to be continued, we will carry this on until the WDC can operationalise it, e.g. the Hinonga Kōkiri project.

This will support the smooth transition of work in progress and minimise industry disruption.

Specifically, ServiceIQ will:

1. Identify all existing work that can transition to the WDC.

2. Determine the status of that work (complete, in progress, to commence)
3. Determine what information, data and resources are required to support that work.
4. Work with the WDC Establishment Unit to determine the best way to transfer the associated information, data and resources.
5. Transfer the data in the manner and with the timing agreed with the WDC EU.

The WDC EU data migration strategy has identified the following data types are in scope; Stakeholder Data, Qualification Data, Skills Standards Data, Moderation Data, Endorse Programme Data, Research and Analysis Data, Historical Data for supporting Business Process, Website Content Data, Files and Supporting Documents, Provider Data, Other Data.

ServiceIQ will conduct its own research and analysis and advise of any other data or information it considers needs to be transferred-migrated to the Services' WDC/s.

## Transfer of Assets and Intellectual Property to WDCs

Excluding data, no assets or intellectual property will be transferred to a WDC.

### Locations

Service IQ currently has the following office locations and leases:

#### Lease Information for ServiceIQ

##### Wellington Office

Level 14&15 Plimmer Towers, 2-6 Gilmer Terrace

Date of lease expiry	Option to renew to	Cost per square metre	Spare desks currently available
9(2)(b)(ii)	9(2)(b)(ii)	9(2)(b)(ii)	30-35

##### Auckland Office

Level 7, Building 5/660 Great South Road, Ellerslie

Date of lease expiry	Option to renew to	Cost per square metre	Spare desks currently available
9(2)(b)(ii)	9(2)(b)(ii)	9(2)(b)(ii)	5-8

##### Christchurch Office

Level 1, 50 Langdons Road, Papanui

Date of lease expiry	Option to renew to	Cost per square metre	Spare desks currently available
9(2)(b)(ii)	9(2)(b)(ii)	9(2)(b)(ii)	3-5

Service IQ has managed its leases so it can vacate premises in line with its overall transition process and timelines. Note that ServiceIQ has some surplus office space and is able to free up discrete space in its offices to accommodate WDC staff, short or long term.

## Continuity of Industry engagement approaches

To operate successfully, and to mitigate one of the largest risks perceived by industry as loss of voice, successful industry engagement is needed. Currently ServiceIQ uses the following mechanisms:

Our current industry engagement mechanisms can be broken down into three core areas.

- A. Our **Industry Engagement Staff** consisting of Sector Managers (who manage clusters of our ten (10) Industry Sectors); Sector Advisors (who work across our larger Enterprise Level Customers using a Key-Account Model, which includes MoUs for the numbers of trainees anticipated to be signed into training, and half yearly reviews, involving ServiceIQ's GM Industry Engagement and CEO); Training Advisors (who work across our SME Customers); and Multi-Sector Advisors (who work across our Industry Engagement Customers and Schools/Gateway - Talent Supply and Transitions Customers).
- B. Service has 3 x **Industry Advisory Groups** (IAGs) which cover the three industry clusters of (1). Aviation, Tourism, Travel and Museums; (2). Retail and Retail Supply Chain; and (3). Hospitality... consisting of (a) Cafes', Bars and Restaurants, (b) Food Services/Catering, (c) Accommodation, (d) Quick Service Restaurants (e) Clubs. The IAGs meet formally bi-annually.
- C. ServiceIQ has an **Industry Board**, consisting of six members elected by the three IAGs, plus three independents and one Chair. In addition, ServiceIQ engages with around ten membership-based and sector specific **Industry Associations and Professional Bodies**, all of which have considerable reach into their respective sectors via their members.

Note that Industry Engagement is one of the key areas of risk (Industry view) and it is imperative the new WDC has independent processes, structures, and resources to maintain ongoing dialogue with its industries, sectors and stakeholders i.e., employers, iwi, unions. We will work with industry and the WDC EU to continue, or enhance these industry engagement approaches. Note also, that for this reason, we have included 'Brokerage and Advisory Services' in the core WDC function section above,

## Risks and Issues

This change is a complex and difficult one. There are a number of key risks that Service IQ and its industry sectors faces:

1. Little control over the creation of WDCs. This means we will need to continue proactively engage to influence the RoVE programme and the WDC EU.
2. Little control over the timing of when WDC functions are transferred. Given the various delays in the RoVE programme, we will need to remain flexible and continue regular two-way communication channels with the WDC EU.
3. There is significant risk that good quality people will be lost to vocational education – due in part to change fatigue. The implementation of WDCs were originally scheduled for October 2020. We will continue to clearly communicate with our people with an emphasis on transparency and frequency.
4. The reforms were touted as giving industry a stronger voice than the current system - industry are still concerned with their "voice" being heard and will be concerned about what

industry engagement mechanisms will be in place, if the TEC water down the Investment Advise function, and if the WDC Endorsement role gets watered