

Primary ITO Investment Plan 2018-2019

Introduction

Growing New Zealand through growing people

So much of who we are, how we live and where we're heading is connected to the land. It's a central part of what it means to be us. Our land is the foundation of our primary sector, but this country's serious growth will come from its people - those who are guardians of the land, produce food from it, and innovate every conceivable connection to it. These are the people Primary ITO are here to grow.

It's about dialling up talent and attitude, knowledge and skills. The desire to ask what's next, then stepping up and creating it. It's about combining science and technology, hard work with smart thinking and growing a global view of our local ambition.

Primary ITO is on the ground working with individuals, businesses, communities and industry. In high-tech production facilities, on farms and orchards, in sheds and at kitchen tables around New Zealand, we're there. We're coaching, training and sharing the knowledge, building confidence, ambition and capability - and with a desire to do much more than turn the wheel. We want to power up the entire engine.

We develop and maintain national standards for the achievement of more than 290 industry qualifications and arrange training for delivery of these standards, often in partnership with the wider tertiary sector. We work with industry to develop training and qualifications that align with best practice and to meet current and future skill needs.

It's time for a step-change in the primary sector. We have so much in our favour, but the opportunities are even bigger and they sit here with people. We'll connect with those in our industry, as well as those outside the industry who are tempted but need more knowledge. We'll engage with students looking to start a career and see the primary sector as the place they want to be. New Zealand needs its primary industries to grow so New Zealand can grow and it starts here, now, growing smart, tech savvy, ambitious and innovative people.

Let's get on and grow New Zealand.

Primary ITO – Our Mission and Role

Primary ITO is working with government and our industries to achieve the ambitious target of doubling the value of our primary sector exports by 2025. We are in the process of refreshing our Strategy for 2025 and beyond. Our purpose is 'We grow New Zealand's primary sector leaders of the future'. We will do this through collaborating and co-investing with customers and partners to provide applied learning experiences, to ensure that we are leaders of a continuously innovative sector that has a key role in driving New Zealand's global success.

Primary ITO has three roles:

1. To grow the capability of people in our sector
2. To be the super connector in the ecosystem, connecting the world of work with the world of learning
3. To innovate and lead capability development that builds a resilient and dynamic workforce through relevant and valuable knowledge and applied learning

Government has recognized that, to achieve the ambitious target of doubling the value of our primary sector exports by 2025, the primary industries need a skilled workforce that can drive innovation and market development, and create value-adding opportunities both nationally and internationally. While the primary industries have come a long way in their commitment to attracting and retaining competent and qualified staff, there is still some way to go. In many cases, jobs will be more specialized and require people with strong educational backgrounds.

Primary industry businesses will become larger, more productive, use more technology, and require more professional advice. This means a greater need for systems expertise, requiring more degree-qualified people in businesses and in business support roles. The Ministry for Primary Industries (MPI) have estimated that we need an extra 50,000 qualified workers in the sector in the next eight years. In addition, we also need to significantly:

- Increase the number of people completing apprenticeships (used as a proxy for ambitious and committed learners).
- Replace attrition of exiting workers.
- Upskill 42,700 existing workers who do not hold a post-school qualification.

A workforce with the right skills is crucial for the success of our primary sector in New Zealand. Competition is fierce for the best and brightest talent. Attracting the right people is a start, but not enough. Employers must ensure that these people are equipped with the right skills, and maintain and use those skills in the most effective way possible. As well, changes in the workforce, technology, customers and increasing environmental and sustainable farming practices are shaping the primary sector and leading to new career opportunities with accompanying greater skill needs. We are acutely aware of the need to lift the skill level and programme offerings from level 2 and 3, to level 4 and above, focusing on developing soft skills through apprenticeships and management capability to directly drive productivity and profitability in primary businesses.

Future changes in the makeup of the workforce, the increasing economic and sustainability complexities and the increasing divide between urban and rural New Zealand requires us to work closely with our industries, policy makers and funders to agree priorities that will make the biggest difference.

Our Approach to Investment Planning

We have used qualitative and quantitative research (including labor market insights)¹ to develop an evidence based Investment Plan which is linked to our Workforce Development Plan for the Primary Sector (*Appendix 1*). As part of our workforce planning we have considered how we will work with our employers and industries to address:

1. our future workforce requirements – attracting, engaging and retaining a qualified and professional workforce;
2. business management and resilience in the future to proactively drive competitive advantage, environmental sustainability and weather market volatility - having strong resilient businesses, with the skills to manage their people and to operate profitably and sustainably. These businesses will need to adapt and innovate;
3. future skill needs and capabilities and how these will need to be developed and that people value qualified primary industries staff.

The ITO is refocusing on the value of learning on the job and is taking a wider tertiary system approach to off-job training provision to maximize system capacity. This will see a return to grass-roots workplace training. Activities to support this include new programme structures to deliver New Zealand Qualifications and the establishment of more innovative apprenticeship programmes to provide career and learning pathways in the primary industries. Our Workforce Development Plan for the Primary Industries is attached as Appendix 1. This document summarises the workforce trends, issues and risks that the primary industries are facing collectively, together with in-depth labour market insights for our broad industries.

Addressing the needs of our stakeholders

The Plan has been developed in partnership with our industries. The primary sector consists of more than 30 distinct industries which will have their own unique challenges and opportunities. The ITO has 14 Industry Partnership Groups (IPGs) which provide guidance on industry strategy with particular focus on education and training needs. The IPGs consist of both private and corporate representatives of our industry sectors; in total over 100 people. Our IPGs meet with our senior leadership team on a regular basis throughout the year to work on our shared workforce capability action plans.

Our IPGs nominate an individual to comprise a Stakeholder Council. This council has a specific role to engage with the ITO board and in fact is responsible for nominating board directors.

We have consolidated these sectors into nine broader industries; Dairy Farming, Dairy Processing, Meat and Fibre Production, Meat Processing, Horticulture Production, Horticulture Servicing, Seafood and Equine and have provided a snapshot of the workforce trends.

The Stakeholder Council is providing future direction about industry needs. They are seeking greater flexibility around modular learning and the recognition of micro-credentialing for their industries. Another focus for the Stakeholder Council is attracting and retaining talent. This has been supported by a stronger approach from our school transition team and is a vital thread of our work to support regional employment of New Zealanders in the primary industries.

Our customers value their training and are highly satisfied with the ITO. Our 2016 customer survey received responses from across our industry sectors and from over 2,700 trainees and employers. This showed overall satisfaction rates that ranged from 89 to 94 percent for employers and trainees respectively.

The customer advocacy Net Promoter Score (NPS) also received a good rating from employers (+16) and an excellent rating from trainees (+43). Over 85 percent of employers either agreed or strongly agreed that training delivered the expected skills to their employees.

¹ To prepare this resource, Primary ITO commissioned research, carried out surveys of workplaces, and collated data from industry partners. These efforts encompassed both quantitative (surveyed data and statistics) and qualitative research (interviews and case studies), resulting in the findings outlined in this document. Statistical data in this report was sourced from Infometrics, unless otherwise specified, and was current as at 30 March 2017. All other sources for the data are footnoted throughout the document.

Giving effect to the Tertiary Education Strategy through our programmes, activities and outcomes

Our Workforce Development Plan outlines Primary ITO's response and actions to the Tertiary Education Strategy (TES) and the key challenges set out in the "Plan Guidance 2017 and 2018 & Supplementary Plan Guidance 2018-2020":

1. Arranging training that deliver skills for industry
2. Encouraging aspiration in trainees and employers
3. Achieving results for trainees and their employers
4. Increase workforce productivity and prevent skills shortages
5. Raising basic skill levels
6. Facilitating continuing vocational education and training
7. Fostering enterprise-level innovation

Qualifications and Programmes

Our qualification and programme offerings deliver skills for industry that ensure current and future skill needs are being developed. Over the next five years we will be shifting from technical just enough, just in time skill development, to transferrable skills sets that develop competencies that underpin key productivity drivers – entrepreneurship, leadership, management and innovation.

Our programme offerings will be focused on New Zealand Apprenticeships to ensure that there is a balance of transferrable and technical skill development in our learners. This work will be trialled initially with the Pastoral (Dairy Production) Qualifications, which are due to be reviewed in 2018. The ITO is working with DairyNZ and the Dairy Production Industry Partnership Group to ensure alignment between the skill level of the qualification and Dairy Industry Standard roles. This secures a direct link between a 'career pathway' in the industry and education and learning.

The organisational structure implemented early 2017 established four national sector teams each led by a specialist sector manager and supported by learning and development consultants and sector advisers. These teams are the operational interface with industry. This frees up our field team to increase their focus on pastoral support. In programmes that have typically had lower completion and retention rates we are providing additional pastoral care with visits exceeding 4 visits a year.

The ITO acting as a skill broker and facilitator

Through strong partnerships with the wider tertiary sector, we are also brokering:

1. foundation education to ensure that learners and workers entering the industry are developing basic skill levels – technical and transferable (literacy and numeracy);
2. higher levels of learning for employers who are looking to drive increased productivity and profitability (e.g. Diploma in Agribusiness, or other technology/innovation offerings).

In providing leadership for the primary industries, we are working with Dairy NZ, Horticulture NZ and several other tertiary providers (Otago Polytechnic and Wintec) to develop an innovative, systems' approach to flexible and modular learning, that enables learners to access short, bite sized chunks of learning, formal and informal, and have this recognized against an industry standard. In doing so, we will drive increased demand for the uptake of management capability training and drive increases in productivity and profitability across the Dairy sector initially, with a view to widening the offering to other primary industries.

Through the investment plan process, we would value consideration for additional funding through the Strategic Leadership Fund to be able to include digitally enhanced options for delivery of flexible and modular learning and assessment.

Supporting young people into sustainable employment

Our School Strategy is focussed on attracting a new breed of school leavers into the primary industries. Traditionally we have recruited those learners who are looking for manual and labour intensive employment. We are now focussed on how we can work with Industry and employers to attract a rural and urban millennial knowledge-based, skilled and trained workforce, that is focussed on Innovation, technology and entrepreneurship.

Each of these programs focusses on school leavers, career changers and NEETs. In addition, we are working with MSD to pathway long term unemployed into the primary sector. These pathways support attraction and recruitment of talent into the Primary Industries and leverage existing pathways - our Trade Academies, 3+2; Gateway and STAR.

We are also working with employer organisations in the regions such as Federated Farmers, Young Farmers, PICA and the SWEP group at MBIE to align pathways to employment. A similar model is being investigated with Horticulture NZ and their large grower and pack house organisations. These pathways will be largely new apprenticeships in Apiculture; Dairy Goats; Equine; Dairy processing. There are also specifically new Māori apprentice initiatives: Awanui HukaPak and Papakura High School Joint Venture, that will directly link school leavers to a horticulture apprenticeship. Other initiatives include collaboration with Taratahi to provide a stepping stone for young people to complete an intensive pre-employment training programme in advance of their entry into primary industries employment. The Federated Farmers Dairy Apprentices initiative will be launched in early October will attract both NEETS and elite young people.

TEC Working Party with DairyNZ is particularly focused on non-traditional entrants into management and mid-career change aspiring young people. A degree apprenticeship is being explored with the Horticulture industry, MIT and Massey University.

This part of our strategy will help offset some of the skills shortages that are being forecast by the recent changes to immigration regulations. To address skills shortages our stakeholders have uniformly identified the attraction of young New Zealanders into primary industries careers as a key objective. The ITO is supporting this work through its workforce development scans and the development of career and learning pathways in association with our industry partners.

Regional Development

We see a strong alignment between our core business and the government's Regional Growth Programme, and intend to become more involved in government-led initiatives that will increase jobs, income and investment in regional New Zealand.

To date, we have focused on Northland, Bay of Plenty and South Auckland and our work has been largely within the attraction and schools space. For example, we have collaborated with the Skills Organization to provide targeted support for school leavers in Northland and South Auckland. We are also exploring a 'Primary Auckland Hub' aimed at attracting young urban learners into a career in the primary industries. This will be a joint venture with a number of partners in the tertiary and secondary sector as well as Horticulture industry partners.

In the Eastern Bay of Plenty, we are building relationships with Toi Ohomai focused on the Horticulture Industry and aimed at supporting employers in the region to upskill, and have access to a trained and competent workforce. A key focus is the development of an innovative delivery option for the Post Harvest Diploma, that will include micro-credentials and recognized prior learning and experiential learning. The ITO's JVAP for this project has been successful.

Māori

Following recommendations in the EER, we developed a refreshed Māori Strategy, 'Grow Māori' with a vision of growing a highly-skilled Māori workforce within the primary industries.² This will be operationalised through an action plan (under development) with four focus areas:

1. *Our Industry Partners: We will provide strategic leadership across the primary industries to maximize collective impact and alignment in growing the Māori workforce.*

A significant challenge at present is the number of initiatives being progressed with little alignment or collaboration. This is leading to duplication and inefficiencies as well as frustrating some Māori organisations and communities. This issue is not limited to Māori; it is a challenge across the primary industries. Given our overarching mandate for the primary industries, we are working closely with our industry partners such as Dairy NZ, Horticulture NZ and Seafood NZ as well as iwi, ITPs, providers and government departments with a view to increasing collaboration, cohesion and partnerships.

As part of the ITF Maori and Pasifika Forum, we have been working collaboratively with other ITOs to present a cohesive model to iwi such as Waikato-Tainui that is learner-led and enables iwi to determine what ITO support is required based on learner interests and demand.

2. *Our Customers: We will significantly increase the number of Māori businesses we work with in the primary industries to grow the Māori workforce*

The scale of Māori investment and assets within the primary industries is significant and growing, and there is a strong commitment to seeing more Māori working on farm, in orchards and in leadership roles. Māori businesses are natural partners for growing the Māori workforce. However, Primary ITO is working with only a portion of those businesses; there is an opportunity to do much more.

We are actively addressing this through our National Sector teams with positive progress. For example, in dairy, we are working with large Māori corporate farms such as PKW, Ngāi Tahu Farming, Tuaropaki Trust, Wairarapa Moana, Tainui Group Holdings and Sweetwater Farms, and will be increasing engagement with medium-sized Māori land trusts. For example, in Waikato, we are working with a cluster of Maori-owned dairy farms with a view to developing an academy that extends across the full career pathway, as illustrated in Figure 1. Grow Maori – Supporting the Career Pathway.

In horticulture, we are supporting Te Awanui Huka Pak with a cadetship initiative and in seafood, we are working with are Ngāi Tahu Seafood, Pelco, Kono, Te Arawa Fisheries and Port Nicholson Fisheries. In sheep & beef, we are working with Ngāti Pahauwera, Te Uranga B2 and Whangara Farms, amongst others.

3. *Our Learners: We will attract, train and retain more Māori at all levels in the primary industries.*

This will form the large focus of our action plan. Regarding the types of initiatives, within our attraction work, we will optimise opportunities to engage with Māori within our Schools work as well as NEETs initiatives. Within our Trades Academy, we have very high participation rates by Maori of 33.6% and our focus going forward is ensuring that those who want to transition into employment within the primary industries, are assisted to do so as much as possible.

We are also lifting our participation in Māori & Pasifika Trades Training consortia, focusing on brokering employment opportunities. We are currently in discussions to join two agri-focused consortia. As well, we will position ourselves alongside other consortia who may have MPTT learners seeking employment opportunities within the primary industries.

Literacy and numeracy is a major priority. In the last year, we have worked with large businesses like Landcorp that have a large number of Maori employees and taken them through leadership and communication programmes that have L&N embedded within them. We intend to continue this work and expand the companies we work with. We are also developing a mobile L&N concept that will see us work with partners in small, isolated communities to deliver pre-employment initiatives that not only seek to improve L&N rates but increase confidence and help transition people into employment.

² Grow Māori has 7 priority sectors – dairy farming, dairy processing, sheep & beef farming, meat processing, wool harvesting, seafood and horticulture – and 2 secondary sectors – viticulture and apiculture.

As part of our work to lift Māori completion rates, we are testing a new approach with dairy trainees at Ngāi Tahu Farming of quarterly visits. This is the level of pastoral care we would deliver for apprentices rather than trainees. It is hoped that the increased contact time and pastoral care will have a positive impact on completion.

For progression and retention, we are developing an initiative for growing Māori middle managers through a diploma in business management using a cohort approach. Our view is that direct intervention initiatives will be most effective in lifting progression rates. We intend to focus on the seafood sector given the scale of Maori ownership as well as high employment levels. We have approached seafood businesses to garner support and will be approaching potential industry funders to help offset financial barriers for participation such as tuition fees.

We are also developing a campaign to profile Māori that have completed levels 5-6 qualifications to showcase the benefits of higher qualifications. Our strategy is to celebrate success through sponsorship of awards and campaigns as well as profiling positive role models and 'good news' stories. This includes our sponsorship of the Ahuwhenua Young Māori Farmer competition, the 'Got a Trade, Got It Made Māori Community Leadership award as well as promoting Māori achievement within mainstream competitions such as the NZ Dairy Industry Awards. Our measures of success will be a focus on increased progression of Māori learners to higher levels of learning (level 4 and above) and improved programme completions rates at those higher levels.

4. *Our People: We will build the bicultural capability and organisational culture of Primary ITO*

Our Māori Strategy is a Primary ITO-wide initiative and is being integrated throughout the organisation. This is a marked shift away from the former Te Kauta approach of a dedicated Māori unit to lead the work. We want to maximise our impact in this space and will be utilising our full field team and support services to do so.

As part of this approach, we will ensure that our staff have access to cultural training and development so they feel confident and equipped to work with Māori learners as well as Māori businesses. Also, as we seek to develop and deepen our partnerships with iwi and Māori organisations, we know that there needs to be a genuine alignment in values and culture. We have work to do to build a bicultural organisational culture in Primary ITO and we are absolutely committed to doing so.

Figure 1: Grow Māori - supporting the career pathway



Pasifika

The highest level of Pasifika participation is within the horticulture sector (57%) followed by meat processing (25%) then across agriculture and seafood. We train large numbers of Recognised Seasonal Employer (RSE) workers from the Pacific Islands. These RSE workers are critical to horticultural and viticultural operations and we continue to seek support for their government subsidised training.

We are seeking to retain entry level training for new workers, whilst implementing qualification based learning packages that enable progression to levels two and three of the framework for those who have returned in subsequent seasons. This progression will help equip Pasifika RSE workers with skills that support their New Zealand employment supplemented by skills that are relevant and applicable in their home nations. It will complement the work being done by the Ministry of Foreign Affairs and Trade to help provide transferrable skills beyond their core New Zealand based primary sector employment.

Our Pasifika strategy and action plan is under development. It is focussing on how we can lift participation, achievement and completion rates amongst Pasifika alongside attraction, retention and participation across a more diversified primary sector. A full strategy document will be prepared and available for business planning decisions by our Board in December 2017. One agreed outcome of this work will be improved progression and completion at levels four and above on the qualification framework for New Zealand resident Pasifika.

Developing high performing workplaces

We are taking a leadership role in building business capability by developing professional leaders and managers that understand the value of professional development of their staff. In doing so we are ensuring that tertiary delivery meets the needs of employers – flexible, modular offerings that include piloting accreditation of applied experiential learning for experienced business owners and managers (our partnership with Otago Polytechnic provides access to micro-credentials and EduBits that will provide flexible, modular learning options). The ITO's recent successful JVAP application has gained TEC support for an industry – led approach to innovative learning and assessment options. We will continue collaborative efforts with other parts of the tertiary sector and build on the success of the delivery of the New Zealand Diploma in Agribusiness in association with industry partners such as Dairy New Zealand, Beef+Lamb New Zealand, and Horticulture New Zealand. This collaboration will extend to other innovative modes of delivery that will support better business capability and workplace performance.

The ITO is also exploring how it can work with Rural Professional to better service their learning and development needs. Much of the growth forecast in the Ministry of Primary Industries (MPI) is required to come from professional rural services. The ITO's subsidiary ASL is a consultancy developing resources for Rural Professionals and Professional Land Managers.

Apprenticeship training activities

New Zealand Apprenticeships continue to gain currency across the primary sector where there has not been a wide-spread history of traditional apprentice training. The ITO continues to work with industry to review apprenticeship programmes to ensure that they are robust, substantial and meaningful. The ITO's current apprenticeship programmes include a small number of "complex" arrangements which allow an apprentice to enter at Level 3 and exit at Level 4. Examples of new areas are DairyCraft and other processing apprenticeships.

Our industry stakeholders have identified that complex apprenticeship arrangements are an ongoing requirement. Increased participation in New Zealand Apprenticeships is a core activity and focus of the ITO and these are being further developed for industries who have not had significant engagement in apprenticeship programmes – this includes new programmes for the dairy processing and seafood industries.

Literacy and Numeracy

The ITO has a comprehensive approach to improving the low levels of literacy and numeracy across the primary industries, and we are committed to continuing to undertake a range of meaningful activities and interventions to build literacy and numeracy capability.

We administer literacy and numeracy assessments across a range of our trainees - with a core focus being upon entry level learners (NZQF level 2). Results from these assessments are used to make recommendations to employers about further support. Such support includes brokering workplace literacy and numeracy programmes where appropriate, or making referrals to specialised intensive literacy and numeracy providers. Additional activities in this area include dyslexia screening and the volunteer mentoring network that support trainees through mentor groups and study nights.

Funding sought in relation to the programmes and activities - Our Mix of Provision

Key shifts in our Mix of Provision for 2018 – 2019 include:

- a decline on Industry Trainee volume in programmes at level 4 and above, and a relative increase in participation in NZ Apprenticeship programmes.
- an increase of more than 135 STMs in NZ apprenticeship programmes in 2018 and then a further 113 apprentice STMs in 2019.
- activity at level 5 and above is reflective of our partnerships with a number of ITPs in relation to the Diploma in Agribusiness Management and the majority of activity will be done through these arrangements. The ITO will not be consuming STM funding for the majority of these trainees however there will still be a reasonable volume of STM provision that is not included in the collaborative arrangements with ITPs.
- Industry has expressed a demand for user pays short courses in Level 2 'General Skills' and 'Approved Handler/Compliance' type courses.

Outcomes and Educational Performance Indicators

Our Plan Commitments for 2018 and 2019 build on current levels and have been modelled to consider the shift to a cohort based performance measure.

We are committed to achieving and exceeding parity targets in Māori and Pasifika educational performance and will do so through strategies and action plans for Māori and Pasifika respectively. We are also exploring a new Learner Achievement manager role to drive this work together with lifting performance amongst young people.

Given the volume of trainees supported by the ITO it is appropriate that incremental improvements are targeted rather than targeting large increases. This is reflective of the industries the ITO works with and takes account of the challenges the ITO faces including an unregulated workforce, literacy and numeracy levels and a seasonal workforce.

The ITO is committed to ensuring that its achievement regarding EPIs is consistent across the primary industries. We experienced a high withdrawal rate of dairy farming apprentices during the dairy downturn and have been working closely with industry to support them in addressing a number of challenges to improve attraction and retention. These are highlighted in the Workforce Development Plan and, will be helped, in part through improved employment conditions as the industry returns to its forecasted labour market growth in 2018.

New reporting platforms will give the ITO live information about its performance. Better business intelligence is helping the ITO identify areas for improvement in programme completion and the achievement of credits. We have also implemented new quality systems and policies that will ensure graduate outcomes are being met consistently through robust assessment methodology.