

Careerforce 2016-2017 ITO Investment Plan

Introduction

1. Careerforce delivered 2747, 3208 and 3426 STMs for the 2012, 2013 and 2014 calendar/ financial years. In 2014 this included an additional investment of 125 STMs beyond the level that had been forecast for that year. Activity (under the 10 credit rule) increased from 61% in 2012 to 66% in 2013 and in 2014 the activity rate increased again to 76.6%.
2. The total number of Careerforce trainees increased by 6% from 2012 to 2013, and by 20% from 2013 to 2014. This growth in enrolments each year has impacted on the EPI completion percentage as it takes a year for new trainees to then show in the completion results.
3. For 2016 and 2017 Careerforce is seeking an investment of 4250 STMs in 2016 and 7000 STMs in 2017. These are the necessary numbers of trainees needed to equip employers with qualified workers under the required qualification regime which will progressively be implemented.

Mission and Role

4. Careerforce is the Industry Training Organisation for the health, mental health, aged care, disability, social services, youth work, cleaning, and pest management industries. We provide quality, accessible and flexible qualifications and supports.
5. Our vision is **“improvement in community health and wellbeing for all New Zealanders”** and our mission is **“to increase and enhance the skilled and qualified workforce amongst the industries we support.”**
6. To deliver on our legislated role we have developed a company, also registered as a charity, which is focused on developing strong relationships with the diverse range of stakeholders that make up the sectors we support. Key stakeholders include consumers, employees, employers, employer representative groups, interest groups, unions, tertiary education providers, planners and funders and government agencies.
7. We are specialists in industry training. This requires expertise in sector intelligence, workforce development, research, education, training, product development, service delivery, evaluation and review. These are supported by strong corporate services including communications and marketing, finance, IT and administration.

8. We are a national organisation with offices in Auckland, Wellington and Christchurch. We have 82 staff, 22 of whom work in the field engaging directly with our stakeholders undertaking business development, workplace support, or educator and assessor support. This includes 11 Workplace Advisors who are based throughout the country. Their role is to arrange training for the sectors within our coverage. They do this by supporting employers to develop a workforce plan which includes a specific training plan. We are currently working with 852 employers.

2014 STM delivery, Mix of Provision and EPI's

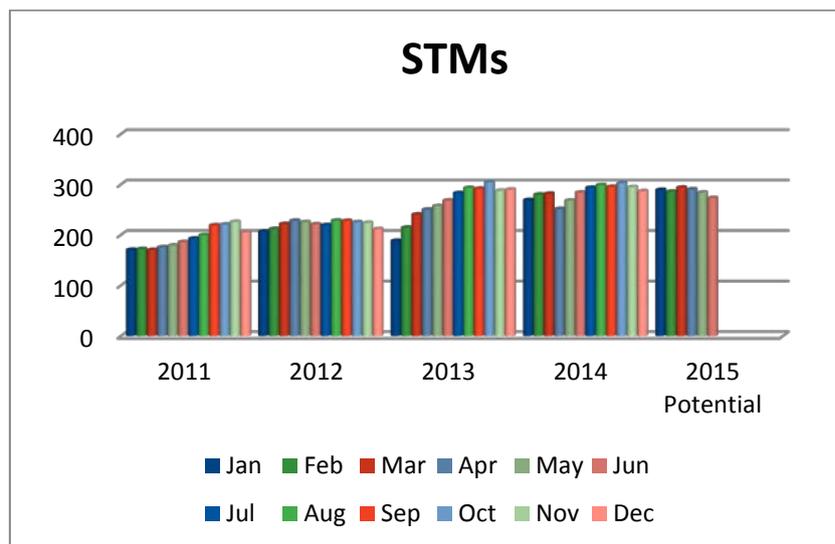
9. In 2014 Careerforce exceeded funded delivery, even after an increase in funding provision of 125 STMS, but did not meet the requirement of 80% of trainees achieving 10 credits. While the activity rate fell short by less than 4% at 76.6%, it is significant that it was higher than our own forecast of 72% for the period; it represents a significant increase on 66% from the previous year; and it continued a pattern of consistent improvement.
10. During 2014 86% of delivery was at Levels 2 and 3 which directly reflects the skill needs of the workforce. After some fluctuations, Level 3 enrolments stabilised in 2013 and increased from this base in 2014. Completions have also followed this pattern. In addition we have seen an increase in the number of trainee's pathwaying into Level 3 after completing Level 2. The structure of the aged care and cleaning sectors limits progression beyond Level 3 for most trainees at this time. Level 4 and 5, including apprenticeships, are currently under development for some sectors and these are reflected in the 2016 – 2017 Mix of Provision.
11. Overall, in 2014 we achieved our credit and programme completion commitments and participation of priority groups (Maori, Pasifika and under 25 years) exceeded the percentages employed in the sector. Assessing priority group performance at Level 4 and above is difficult and potentially misleading because of the small numbers of trainees.
12. Towards the end of 2014 we developed a programme of work to improve activity and completions. This included implementing a new customised approach with our strategic, significant and growth employers. More efficient and effective training plans were also part of the plan and are being implemented. A review of the outcomes of our delivery models identified the need to strengthen our assessor capacity and capability. Improvements are coinciding with the launch of the new qualifications.
13. However, despite this, one of the major challenges of our sectors is that for reasons of patient (service user) safety, new employees tend to enrol in our programmes as part of their induction and orientation programme. Unfortunately there is a high turn-over rate for these new employees within the first 90 days. For example, a company with whom we work has 4,500 part time, casual and full time staff working in the home care environment. They lose approximately 30% of their staff in the first 3 months of employment. This means for that particular company an activity rate of greater than 70% is practically impossible.
14. As was forecast, there has been a significant increase in completions in the cleaning sector in 2015 stemming from a large number of enrolments in 2014 (981 enrolments, compared

with 129 in 2013). The increase in activity and early completions in 2015 has had the perverse effect of negatively impacting on our forecasted STMs as the early completions mean we are 68 STMs behind our forecast. We intend to recoup these STMs by increasing enrolment numbers faster.

- Mental Health and Addiction Support Level 4 is the other qualification that was identified as performing poorly with only 41% completions in 2014. This result is due to the fact that the qualification has a large proportion of new trainees and the training plan includes most of the assessment at the end of the plan. We are reviewing the training plan with the employers, encouraging them to adopt our more efficient assess-learn-assess model.

2015 STM Delivery and EPI's

- The graph below shows the historic pattern of STMs per month since 2011 using TEC data. Rather than flat line delivery, which TEC assumes, the graph shows that the delivery trend year on year is a pattern of consistent increase as the year progresses.



- It is this consistent pattern which Careerforce uses to plan. The table below shows actual 2015 enrolments versus expected, the variance, and the impact on planned STMs delivery. Training programme completions are 15% higher than forecast for the period January to June and the impact of this is a deficit of 68 STMs on forecast delivery. The peak of enrolments in February and March, and subsequent drop in April and May, is a result of the timing of the launch of the new Level 2 and 3 qualifications.

Enrolments by start month	Actual	Expected	Cumulative Expected	Cumulative Actual	Variance	Impact on STMs
Jan	363	360	360	363	3	.14
Feb	615	495	855	978	123	5.5
Mar	939	675	1530	1917	387	17.4
Apr	539	801	2331	2456	125	5.6
May	703	873	3204	3159	-44	-2.0
June	393	882	4086	3552	-533	-24
						2.7

18. The table below further looks at Careerforce's STM performance each year since 2011. The table includes the forecast position as at the end of June 2015 including all enrolments. This shows that Careerforce will need to achieve 54% of our agreed STM target with TEC in the second half of 2015. As the table shows, this proportion is entirely consistent with second half performance over previous years and as such Careerforce remains confident of achieving 3750 STM's in 2015.

	2011	2012	2013	2014	2015
Jan – June	1054 STM's (45%)	1316 STM's (49%)	1420 STM's (45%)	1635 STM's (48%)	1701 STM's (46%)
July - Dec	1263 STM's (55%)	1336 STM's (51%)	1750 STM's (55%)	1772 STM's (52%)	2049 STM's (54%)
Total	2317 STM's	2652 STM's	3170 STM's	3408 STM's	3750 STM's

19. The following table shows the relevant EPI's at the end of June 2015.

EPI	June 2015
Credit Achievement Rate	62.82%
Programme Completion Rate	71.08%
Activity	56.26%

Future demand

20. Careerforce continually strives to ensure that we are matching our qualification content and training arrangements to the skill needs and workforce plans of our sector and employers. We maintain a strong focus on engaging with our relevant stakeholders to ensure continued alignment to current and future needs.

21. The outlook for future demand is strong. This is largely due to the fact that, while the current health system has been able to adapt until now, all indications are that it will not be sufficient to cope with the increasing older adult population. Workforce demand is expected to dramatically grow with the demand for carers and support workers rising as the population ages and the trend for care to move out of hospitals and closer to people's homes continues (Ministry of Health, 2014).
22. This is perhaps best summed up by the Treasury in its 2014 briefing to the incoming Minister of Health:

“The role of the care and support workforce in the aged care and disability support sectors is important to the health sector’s capability to respond to the ageing population and the increasing prevalence of chronic disease. It is also important to the wider workforce because it allows other health workers such as nurses to concentrate on tasks that make better use of their training. A well-functioning, appropriately trained care and support workforce enables people with more complex health needs to be cared for in their homes for longer and facilitates earlier discharge from hospital, freeing up hospital beds with a positive impact on patient flows and efficiency.”

Future Demand Next 1-2 years

23. The most significant growth in the next 12 to 24 months is expected in Levels 4 – 6 with the availability of new qualifications in 2016. These include new health and wellbeing Level 4 and 5 qualifications and programmes of study in business. These developments will mean that Careerforce can support a full pathway of qualifications from Levels 2 – 6 on the National Qualifications Framework.
24. The new Level 4 and 5 qualifications include an expanded content to support parts of the workforce that previously have not been able to access qualifications, for example workers in primary health organisations and workers supporting people with chronic conditions such as multiple sclerosis.
25. Growth is also expected in Level 3 as this qualification increasingly becomes the recognised qualification for workers supporting consumers requiring non-complex care and support. The strengthened content aligns with other government investment, for example the new dementia content supports the governments *Open Minds Open Doors* programme, while new content relating to understanding and responding to vulnerability supports the *Vulnerable Children Act 2014*.

Forecast Demand Next 3-5 years

26. Beyond the next 12 to 18 months, the most significant influence on demand in the next 3 – 5 years is anticipated to come from the actions in the Kaiāwhina Workforce Action Plan.
27. In late 2013, Careerforce and Health Workforce New Zealand (HWNZ) agreed to develop a 20-year vision and a five-year workforce action plan to improve the capability and standing of the Kaiāwhina workforce. The 20-year vision is for a workforce that adds value to the health and wellbeing of New Zealanders by being competent, adaptable and an integral part of service provision.

28. The Kaiāwhina workforce is essential for supporting health and disability consumers to meet their goals and to meet service expectations. As is reflected in the Treasury view, demand for the Kaiāwhina workforce will increase as the population grows and ages, and as models of care and support change. We need to ensure that the Kaiāwhina workforce is developed and recognised as essential to an integrated service delivery team and that it is strongly positioned to respond to new and changing models of care and support.
29. In addition, Careerforce is currently working with the social services sector to develop a 5 year action plan and 20 year vision for the social service sector workforce. An industry advisory group has been brought together to provide guidance to Careerforce who is taking a leadership role in articulating the need for this action plan and vision.
30. Careerforce is also incorporating the requirements of a number of Government initiatives and programmes into our planning, such as planning for the needs of the children's workforce for the Children's Action Plan; Better Public Services targets; and the Productivity Commissions review 'More Effective Social Services', as well as keeping other emerging initiatives in mind such as the social housing reforms, social investment bonds and the social sector trials.
31. By working with the social sector to articulate what its future workforce requirements are, Careerforce is ensuring that the services that it provides, including sector leadership, qualification development and access to training, remain at the forefront of the sector's needs and creates a workforce that continues to meet the strategic requirements of Government.

Our Strategic Intent

Responding to the Government's Tertiary Education priorities

Delivering skills for industry

32. The Targeted Review of Qualifications (TROQ) provides Careerforce with the opportunity to work with stakeholders to review qualifications across the health, disability, social service and cleaning sectors.
33. The review involves 900 stakeholders from 700 workplaces and Careerforce is working with employers and other relevant parties to not only review the existing qualifications but to also identify gaps in the qualification suite for the current and emerging workforce.
34. The qualifications support the development of a person centred, thinking workforce. This is a shift from a predominantly task focused workforce and is critical if the government is to achieve an integrated primary and community workforce that can help strengthen families, reduce violence and vulnerability, and intervene early to prevent hospitalisations due to declining health.

35. The qualifications suite will also provide pathways from Certificates at Level 2 on the New Zealand Qualifications Framework through to Bachelor's degrees and entry into the registered workforces.
36. Developing a thinking workforce will be critical if we are to meet the growing population demands as described above. In partnership with key employers Careerforce has commissioned Critical Thinking Workshops aimed at enabling workplace trainers to deliver tailored and contextualised critical thinking skill development and support to their trainees. The project has been co-funded by Ako Aotearoa's Southern Hub and will result in a suite of tools and resources that trainers can adapt for their workplaces and training set-up. The project is being evaluated by the NZ Institute of Community Health Care and the report and resources will be available in August.
37. Competency needs are only part of the equation. Our engagement with employers is maturing with increasing focus on *workforce* rather than *qualification* planning. Following on from trials in 2014, Shared Plans are now developed with our employers. These workforce plans help to ensure that workplaces have the right people with the enabling skills and knowledge to meet the health and social needs of New Zealanders now and into the future. Workforce planning contributes to ensuring that the workforce will be well positioned to embrace future changes in the workplace environment by ensuring that workplaces have a workforce of the right size, with the right attitudes, values and skills, organised in the right way. This underpins the delivery of quality service, meeting the needs and aspirations of the people they are supporting.
38. Employer level workforce planning ensures that the employers will make their business plan a reality, and that any changes they need to make, now or in the future, take the entire workforce into account.
39. In response to industry feedback we have also developed a new training plan model that respects the existing competency of experienced workers. Under this model managers and coordinators identify the competence of their more experienced staff as a first step in the training plan. This is followed by a question and answer session with the assessor. The subsequent learning gap is then addressed and followed by the final assessment.
40. This model not only respects competence it is also a more efficient model which can provide greater quality time to supporting the learning gap.
41. Alongside efficient training, employers and government are equally concerned about the effectiveness of training. To understand the difference training is making to the workforce, Careerforce has invested in two research projects:
 - a. Value-add of industry training: Using a Balanced Scorecard approach. This research develops case studies where employers select and report on key metrics. The aim is to help them (and Careerforce) build a business case for investment in training. The effectiveness of training is a key dimension of this work. This project is due for completion at the end of 2015.
 - b. Learning transfer research project: The aim of this significant piece of work is to better understand learning transfer so that Careerforce can:

- i. Articulate what difference learning transfer makes to the performance and/or work outcomes of learners/workers, with a view to attracting a broader base of support for training from employers and government;
- ii. Work with employing organisations to develop their learning cultures; and
- iii. Develop knowledge that can be used to suggest adjustments to training programmes, pedagogies and organisational structures that may make a crucial difference in learner achievement.

Getting at-risk young people into a career

- 42. In 2015 Careerforce has worked with the Ministry of Education, secondary school sector and interested workplaces, to develop a Vocational Pathway Programme for the Social and Community Services pathway. This is in line with the New Zealand Better Public Service target that 85% of 18 year olds will have NCEA Level 2 or equivalent in 2017, and supports our Investment Plan by introducing learning opportunities and career pathways for younger people.
- 43. The development of a Vocational Pathway Programme also aims to support employers develop their future workforce to meet the changing workforce needs, changes to the ways that services are delivered, and increasing health and social needs in the community. These challenges require a larger, more broadly skilled, diverse workforce, and the provision of access into the sector for younger people.
- 44. During 2015, Careerforce was nominated by the Ministry of Education to lead the Social and Community Services Sector Consortia Group. This group met in March to review and refine the NCEA Level 1 and 2 Vocational Pathways documents and better align with the 6 Vocational Pathways.
- 45. Careerforce also participated in this year's Careers Expos held in four main centres around the country. The key purpose was to promote the sectors that Careerforce represents to the wider communities by providing advice to students, their families/whānau, teachers and school Careers Advisors, and to identify and build future stakeholder partnerships. The Expos also provided an opportunity to highlight the pathways for young people and show how a student could transition into work and further training with Careerforce.
- 46. In 2016, Careerforce will roll out a Careerforce Vocational Pathway Programme for the Social and Community Services pathway, in line with the school academic year, and continue to develop and build partnerships with the stakeholder groups. Careerforce also intends to work with Ministry of Education and employers to explore future pathways for secondary school students at Level 3.

Boosting achievement of Māori and Pasifika

- 47. In recent years there have been three key areas of focus for Careerforce in respect of Māori as a priority learning group:
 - a. Increasing Māori trainees

b. Improving completion rates

c. Advancing literacy and numeracy

48. In some key areas we have been successful with Māori achievement exceeding targets. The exceptions were in the areas of participation and achievement at Level 4. The numbers of Māori involved at this Level make up a very small overall proportion and the focus for us over the next two years will be on improving those rates and getting more Māori into the New Zealand Level 4 qualifications that become available in 2016. Feedback from Māori has identified the need to respect their existing competencies. A new assessment programme has been developed and trialled that meets this need.
49. Last year also highlighted the need for a concerted effort to improve the Māori completion rate which will be a second area of key focus over 2016 and 2017. In addition we are also upskilling all staff to improve our responsiveness to Māori. A half day training session has been held this year which all staff attended. We are also growing our collective understanding of what Te Toi Pukenga means.
50. During 2014 there was a strong focus on boosting the achievement of Pasifika. This included investing in research that informed our 2015 Pasifika Action Plan around key areas that include increasing training demand, and improving training content and delivery methods for Pasifika learners.
51. The considerable attention paid to this priority learner group over the past two years has led to an increase in participation to 12.78%, up from 8% in 2013. Pasifika trainees are also outperforming non-Maori and non-Pacific learners in Credit Completion and Programme Completion, especially at Level 4 and above, while activity rates for Pasifika trainees parallel non-Maori and non-Pacific learners.
52. Research will continue to influence initiatives in 2016-2017 and beyond, and accordingly this will continue to be a focus for investment. Careerforce has been actively contributing toward cross-ITO research that looks into the links between interventions and retention, completion, and higher achievement for Pasifika learners in workplace settings. This research is specific to ITO delivery models and is being conducted in partnership with ServiceIQ, The Skills Organisation, Competenz and Pacific Perspectives Limited which is a Pasifika owned and led consultancy.

Improving adult literacy and numeracy

53. The assessment tool process remains a challenge to implement for employers in our sectors, particularly where their workforce is home and community based. The online tool is simply not an option for many. We welcome working with TEC to identify a more efficient process that enables the information to be available when training starts.
54. However, in the meantime Careerforce will continue to focus on supporting our workplaces to build literacy and numeracy capability and there are a variety of ways in which we are currently invest in achieving this. These include:

- a. Educator Hubs to support achievement of the National Certificate of Adult Literacy and Numeracy Education (Vocational/Workplace Tutor) – in partnership with an employer.
 - b. Peer Mentor training for senior support workers to provide stronger learning support to trainees in workplace training structures.
 - c. Educator Workshops to demonstrate techniques and resources for embedding literacy and numeracy.
 - d. Advice to workplaces on the use and benefits of the Literacy and Numeracy Adult Assessment Tool.
 - e. Building awareness by informing the sector about the literacy and numeracy learning needs in our workforce.
 - f. Research into the specific skills needed for the Kaiāwhina workforce – currently we are trialling a series of Critical Thinking Development training workshops for our workplace educators to deliver to senior support workers.
55. In addition we are currently working with the National Centre of Literacy and Numeracy for Adults (NCLANA) to review our current approaches and identify gaps. Using NCLANA's templates, we are formulating a Literacy and Numeracy strategy and action plan which will cover two broad areas:
- a. Improving the embedding of literacy and numeracy across all business functions of Careerforce.
 - b. Further support for stakeholders to develop embedded literacy and numeracy capability.

Apprenticeships

56. The development of Apprenticeships is a new delivery model for Careerforce which aligns with both the government's long-term strategic initiatives for ITO's, and the emphasis on building clear career pathways as outlined within the Kaiawhina Action Plan and the Ministry of Education's Vocational Pathway Programme.
57. An Apprenticeship delivery model will be a first for the New Zealand Health and Wellbeing sector and represents a new concept for the employers that Careerforce supports. Apprenticeships are however a common delivery model in the equivalent sector overseas and in January 2015 members of the Senior Leadership Team travelled to the UK in order to gain insight into the practical implications of setting up an Apprenticeship model for the Health and Wellbeing sector in New Zealand.
58. Following on from the UK visit and other research undertaken in 2014, a project has been initiated to ensure Careerforce carries out a robust process and sector engagement using sound project management methodology in order to achieve the strategic objective.

59. The following are the key reasons for the Project Board approving the development of Careerforce Apprenticeships:
- a. The presence of at least 1000 Apprentices across the Health and Wellbeing sector will increase the value for that sector through the achievement of improved health and wellbeing population outcomes.
 - b. The Apprenticeship development goal aligns with the Government initiatives of building a more responsive industry training system and increasing the opportunities for all New Zealanders to train on-the-job through Apprenticeship training.
 - c. Careerforce's long-term viability will always rest on its ability to highlight needs in workforce training and develop employer training solutions that meet those needs and align with government initiatives. The development of Apprenticeships is innovative and fits the needs of the sector.
 - d. The Apprenticeship model is an internationally successful model of delivery, prevalent both in the UK and EU. Introducing Apprenticeships to the NZ Health and Wellbeing sector will provide a solution to a current gap in Level 4 training and provide an equivalency to those within the Trades sector.
 - e. There is a strong emphasis on creating clear pathway opportunities for workers. Apprenticeships support this goal by providing opportunity for trainees from not only Levels 2 and 3, but potentially school leavers as well.

Mix of Provision and Lifting Credit and Completion Achievement

60. Level 2 enrolments have remained strong due to our involvement in the cleaning sector. For the rest of our sector coverage the trend is towards a smaller percentage of Level 2 enrolments compared to those at Level 3.
61. The new qualifications have been built with the sector with the clear understanding that Level 2 is no longer an exit point but instead provides induction and confidence in learning to trainees who are then able to move on to Level 3. There is an exception in the commercial cleaning workforce which is still Level 2 focused, however cleaning in the health sector is now a mix of Level 2 and 3.
62. Our mix of provision continues to show a strong Level 2 component. This programme is important for our sector because we have a significant number with no previous qualifications and experience tells us that enrolling directly into Level 3 is simply too challenging for many. This programme also assists us to support literacy needs and English as another language needs. A Level 2 programme gives trainees the confidence and underpinning learning skills to move on to engage in Level 3 training. The percentage of Level 2 trainees will continue to decrease but will remain a critical part of the career pathway for our sectors for the next 1 – 3 years.

63. Activity (under the 10 credit rule) increased from 61% in 2012 to 66% in 2013 and in 2014 the activity rate increased again to 76.6%. This shows a strong improving trend and we will focus on continuing this trend in part by working with our strategic employers to understand their business model and then map the Level 2 and 3 qualifications to their model. As a new initiative to lift activity and credit achievement, we have recently trialled a new approach to assessment which assesses and recognises existing trainee competency at the outset through the capture of naturally occurring evidence. This is the assess-learn-assess model referred to in paragraphs 16 and 39 which trains managers to recognise the existing competence of staff and then focus on competency gaps through more effective training and assessment plans. The evidence to date is that as a result trainee activity rates increase and credit is reported earlier in the training and assessment plan.
64. After reviewing the inherited social service qualifications we chose to address them as part of the current TROQ process and this work will conclude in 2015 ready for launching in 2016. As a consequence trainee growth in this sector is expected to in 2016.
65. We are forecasting that our completions percentage will not increase in 2016 due to increased numbers of new trainees and new programmes with longer durations.

Long term capability and sustainability

Strategic Plan

66. The Careerforce Strategic Plan 2015 to 2017 (Appendix 1) includes the strategic objective of having 30,000 engaged trainees by the end of 2017. This is a growth of 150% from 12,000 trainees in 2014. The path to this growth is summarised as 3750 STMs in 2015; 4200 STMs in 2016; and 7000 STMs in 2017, with 250 apprenticeships at the commencement of 2016, a further 250 at the commencement of 2017, and increasing to a total of 1000 adult apprenticeships by the end of 2017.
67. In developing these targets Careerforce has taken into account the large body of available research and analysis of the sector workforce.
68. Between 2006 and 2010 there was a 10% growth (9,220 people) in Careerforce's workforce catchment compared to just over one percent growth in the New Zealand workforce over the same period. Almost 60% of the workers were aged 45 years old or older. The total number of people employed was 105,390 which represents 5.5% of the total New Zealand workforce (BERL, 2014).
69. Careerforce's analysis of 2013 Census data identified 62,910 Kaiāwhina – an increase of 13.5 percent, or 7520 people, since the 2006 Census. A Department of Labour study found that the demand for resources in health and disability services will grow by between 40 and 69 percent by the year 2021 and estimates that around 48,200 paid carers alone will be needed in 2036 just to care for older disabled New Zealanders requiring high levels of care and support, a 300% increase on current numbers (Labour, 2009). That is about 30,000 more paid caregivers compared with 2006 (17,900). This growth will need to occur against

a backdrop of retirement of an aging workforce and turnover of more than 20% annually. The 2010 NZACA survey (Association, 2011) reported an annual turnover rate of almost 30 percent for care givers.

70. In addition to the paid workforce, there is a volunteer workforce of a further 400,000 people involved in delivering health and disability services in New Zealand. We are partnering with Carers NZ to pilot a training programme for these informal carers.
71. Further driving demand for training is the fact that increasingly District Health Boards are specifying minimum staff qualifications in new contracts. Where new models of care such as the restorative model are being implemented, District Health Boards are requiring a minimum of a Level 3 qualification in components of their service specifications. ACC is also enforcing contract requirements that 75% of staff hold minimum qualifications. At the 2013 census 40% of the existing carer workforce (15,456) had either no qualifications or only had Level 1 qualifications gained at school.
72. The home and community sector in between time and travel settlement, which takes effect in July 2015, will also drive demand as part of the agreement is to regularise and train the workforce. The outcome will undoubtedly influence the 2017 numbers.

Capability

73. To achieve this growth it is recognised that our capability will be critical and the budget includes provision for the recruitment of additional staff to match growth while at the same time we are regularly reviewing our processes and seeking operational efficiencies wherever possible. During 2015 staffing levels will remain at 86 FTEs. Beyond 2015 it is highly likely that roles established as fixed term for project purposes will be required to be on-going in the future and that these will transition to permanent roles.
74. During 2016 and 2017 provision has been made for the employer support staff numbers to increase from 35 to 52 over those two years. As growth occurs, increased capability in terms of skilled staff has been planned and budgeted for.

Financials

75. The Careerforce budget for 2015 is a planned \$4.6m deficit which will reduce our reserves to a level in line with the Board's current policy, which is to maintain a reserve equivalent to 3 months operating costs.
76. The bulk of the 2015 expenditure from reserves (\$2.93m) has been committed to support the TROQ and the related development of resources to support the New Zealand qualifications. A significant proportion is deferred spending (\$1.895m) from 2014. The anticipated spend in 2014 had to be sensibly deferred due to NZQA requiring changes in the qualification suite which required additional sector consultation.
77. During TROQ the sector requested, and provided evidence for, a significantly improved set of Level 4 qualifications. This is where the bulk of the anticipated spend is as Careerforce currently only has a small offering at Level 4 and above. Some of these Level 4 qualifications will be delivered as Apprenticeships.

78. The sector has also identified the need for access to management and leadership training. This need was also highlighted during the TROQ. Programmes of study and resources are being developed in 2015 to enable these to be introduced during 2016. Leadership and management programmes are seen as a critical part of the career pathway for Careerforce's sector coverage.
79. This approach represents a significant investment in areas that are strengthening Careerforce's product offering and contributing to meeting the growth forecast above. As such it represents a solid investment in growth and reduces the level of reserves Careerforce had at the beginning of the year, while still retaining a sound financial position in excess of minimum requirements, as the projected cash available at the end of 2015 is \$3.5m. The deficit position is reversed in 2016 with a projected surplus of \$200k based on achieving 4200 STMs. The 4200 STMs were forecast based on the predicted mix of provision. The mix of provision was developed by looking at each sub sector, and each qualification within, and realistically identifying demand. The actual increase per sector per existing qualification is less than 7%. The cumulative increase is significant because it is across all sectors and includes new qualifications at new Levels not previously available.
80. The 2017 targets and associated budget are aspirational based on achieving 7000 STMs. This figure is reliant on a high end of year enrolment number but this is anticipated as we will have more trainees at Level 4 and above enrolled in longer programmes. Achieving 7000 STMs would result in retained earnings exceeding \$4.0m, enabling further investment in future developments to support sector needs.
81. Management acknowledges the size and complexity of the obligation to provide the quality competent workforce necessary to deliver government plans, and has therefore considered what the position will be should that obligation not be met. Monitoring of progress towards the 2015 and 2016 targets will allow for reconsideration of the budget position should that be required. In the worst case scenario, should there be no growth from 2016 (considered to be highly unlikely), then Careerforce will still retain a surplus position in excess of the 2015 position, particularly as staff increases and investment in service provision can be scaled back to match demand and therefore reduce expenditure.

Support for Employers

82. As has been widely signalled to employers, Careerforce is to cease the eligibility for the Assessment Support Programme (ASP) on 31 December 2015 with residual payments reducing over 2016 and 2017 as trainees complete. ASP has been largely funded out of reserves and was set up to support employers to build their assessment capability and training plan infrastructure. One of the outcomes sought was to encourage the bringing forward of enrolments ahead of the imposition of the requirement for mandatory minimum qualifications by the funders of our employers like DHB's and ACC. Many employers have taken the opportunity to do this and the payments to date and budgeted figures for the remaining liability are shown in the table below. The 2016 and 2017 figures represent the estimated liability for ASP accruing from qualifying enrolments up until 31 December this year.

Year	ASP Payments
2012	\$4,208
2013	\$956,110
2014	\$1,825,515
2015	\$2,322,000 (Budgeted)
2016	\$1,980,000 (Budgeted)
2017	\$300,000 (Budgeted)

83. While the ASP has been utilised by a significant number of employers to date, it is important to note that it was always a limited time programme as our reserves were finite and therefore the programme was always going to cease once the reserves were reduced to a reasonable level in line with Board policy. With the investment in the TROQ and the related development of resources to support the New Zealand qualifications the ASP is no longer sustainable however it has served its purpose and has enabled us to better understand the services employers value while at the same time develop more efficient training plans.
84. ASP having achieved its purpose it is now timely to direct funding to new initiatives outlined above such as Apprenticeships, Vocational Pathway Programmes, additional research, development of management and leadership programmes, and the recruitment of additional employer support roles. Our value to employers and new offerings start at the highest Level by developing 5 year workforce plans with all stakeholders within the sector as evidenced by the Kaiāwhina Workforce Action Plan and the emerging Social Services plan.
85. We then focus on the employer and develop with them a 'Shared Plan' which identifies their workforce needs and gaps. This work includes identifying their training plan capacity, capability and infrastructure. The number of trainees for each qualification is also identified.
86. For strategic employers we identify their service and HR business model and identify when evidence of competence is seen, heard or filed. This enables us to unpack the assessments and model them to fit to their business model.
87. This information informs the delivery model required. We have three delivery models:
- a. Self-service - the learning and assessment training plan is led and managed by the employer
 - b. Partnered - a component of the learning and assessment plan is supported by a partner e.g. another employer, sector expert or education provider
 - c. Full service - learning and assessment is provided on contract
88. An employer may use more than one delivery model. For example, for their Level 2 and 3 trainees they may be self-service, while their one Level 4 trainee may be in a partnered service working with Level 4 trainees from other employers.

89. Once the delivery model/s have been established the most efficient training plans are identified. Training plans differ depending on the level of experience the trainee has and where and when evidence of competence is observed, heard or filed. The training plan also identifies opportunities to establish effectiveness. What will you now do differently? What did you do differently? For example an effective training plan will have incidents and accidents reviewed with the findings informing the next learning session.
90. We have learnt that we need to shift our services from a 'tell' approach to a 'show and do' approach. We plan to provide more in depth initial support to workplaces and have 'immediate response' plans for situations where key people like workplace assessors leave. These will all be in place by the end of this year.
91. We are currently reviewing the costs of our services and will have our new services ready for 2016. The outcome will be a sustainable business model that enables the implementation of efficient and effective training plans which realise planned results and are valued by employers.
92. We recognise that our percentage results will be less than an ITO or education provider that does not have a growing trainee base. We are not forecasting significant changes in our Level 4, 5 and 6 completion EPIs until the end of 2017 as it will take this time for completions to mature.

External Evaluation and Review

93. Careerforce underwent external evaluation and review by the New Zealand Qualifications Authority in 2013 and we are currently in the process of carrying out a subsequent self-review. The result of the 2013 review was that NZQA considered that it was *Confident* in both the performance of Careerforce and our self-assessment capability. In reaching those conclusions NZQA concluded that Careerforce has successfully implemented an employer-led workplace training model and demonstrated a sound understanding of the sectors it is responsible for.
94. NZQA also concluded that the success of the employer-led workplace training model was shown by the high rate of trainee credit completions and achievement of qualifications. They also noted that this included a significant increase in Māori trainee completions with the development of Te reo Māori resources and better workplace support with the appointment of a Kaiwhakahaere. The overall increase in qualification and credit achievement was attributed to the implementation of an employer-focussed assessor support strategy since 2006.
95. A copy of the report can be found here in the External Quality Assurance section:

<http://www.nzqa.govt.nz/providers/details.do?providerId=814473001>

Gazetted Decision Making Criterion	Investment plan evidence	Other evidence
<p>Criterion 1: The TEO's proposed mission and role, and the outcomes the TEO intends to contribute to, show an awareness of, and are appropriate to the TEO's place in the regional and national tertiary system and the Government's priorities.</p>	Paras 4–8, 23-69, 79-89	Appendix 1 – Careerforce Strategic Plan
<p>Criterion 2: The TEO's proposed mission and role as outlined in its proposed plan is consistent with the mission and role the TEO has articulated in its other strategic planning documents.</p>	Paras 63-69	<p>Appendix 1 – Careerforce Strategic Plan</p> <p>Careerforce 2014 Annual Report</p>
<p>Criterion 3: The TEO has clearly and accurately identified its key stakeholders, including:</p> <ul style="list-style-type: none"> • Employers, businesses or industries relevant to the TEO's areas of delivery: and • Learners or prospective learners, in particular those who are Māori, or Pasifika, or under the age of 25, or who have low Levels of literacy, language, and numeracy; and • The communities that support Māori and Pasifika learners 	Paras 4, 6, 8, 11, 12, 27, 29-33, 37, 42, 44, 45, 47-55, 79-93	<p>NZQA Report of External Evaluation and Review September 2013 http://www.nzqa.govt.nz/providers/details.do?providerId=814473001</p>
<p>Criterion 4: The TEO has ascertained the needs of its key stakeholders, including through consultation and the use of statistical information about regional or national demographics and employment market demand.</p>	Paras 20-33, 37-39, 41-42, 45, 47-55, 69-75	<p>NZQA Report of External Evaluation and Review September 2013 http://www.nzqa.govt.nz/providers/details.do?providerId=814473001</p>
<p>Criterion 5: The TEO's proposed programmes and activities respond to the needs of its</p>	Paras 12, 30, 32-53, 85-95	<p>NZQA Report of External Evaluation and Review September 2013 http://www.nzqa.govt.nz/pro</p>

<p>stakeholders and the priorities of the Tertiary Education Strategy 2014-2019.</p>		<p>viders/details.do?providerId=814473001</p>
<p>Criterion 6: The TEC considers that the Teo is likely to be able to carry out the programmes and activities (including capital asset management where applicable) and contribute to the outcomes outlined in the proposed plan.</p>	<p>Paras 1-3, 6-8, 9-19, 32-98</p>	<p>NZQA Report of External Evaluation and Review September 2013 http://www.nzqa.govt.nz/providers/details.do?providerId=814473001</p>
<p>Criterion 7: The TEC considers that the TEO's proposed programmes and activities (including capital asset plans where applicable) are desirable and appropriate in the context of regional and national need and the proposed programmes and activities of other TEO's.</p>	<p>Paras 20-31, 32-98</p>	
<p>Criterion 8: The TEO's proposed performance commitments are:</p> <ul style="list-style-type: none"> • SMART, so that they give clear evidence about the quality of the activity being measured; and • Relevant, so that they give meaningful information about the TEO's progress towards its proposed outcomes; and • Set at a level that represents a meaningful improvement on past performance, especially with respect to outcomes for priority learner groups; and • Complete, so that they cover all significant programmes and activities the TEO intends to undertake, and all important dimensions of those activities; and 	<p>Refer to Mix of Provision</p>	

<ul style="list-style-type: none"> Clearly presented. 		
<p>Criterion 9: The ITO has performed well against its current and its previous plans, and in particular has:</p> <ul style="list-style-type: none"> Improved its performance over time; and Met its plan commitments and KPI's; and Demonstrated satisfactory educational performance; and Demonstrated satisfactory financial performance; and Been assessed as satisfactory in terms of its last external review by the relevant quality assurance body; and Demonstrated good management capability in forecasting, planning, and implementation, and the (where applicable) ability to provide supplementary information such as capital asset management reporting; and Complied with conditions imposed on funding approval; and Complied with its obligations to report to TEC. 	<p>Paras 1-3, 9-19, 32-54, 69-98</p>	<p>NZQA Report of External Evaluation and Review September 2013 http://www.nzqa.govt.nz/providers/details.do?providerId=814473001</p>

Careerforce Strategic Plan 2015-2017

Our Mission

Our mission is to increase and enhance the skilled and qualified workforce amongst the industries we support.

Our Vision

Improvement in community health and wellbeing for all New Zealanders.

Our Values

Kaitiakitanga – Upholding responsibilities

We are committed to benefitting the communities we serve and protecting the wellbeing of future generations.

Kotahitanga – Connecting people

We are all united in our common goal to improve the health and wellbeing of New Zealanders and everything we do is focused towards this goal.

Manaakitanga – honouring others and ourselves

We provide an environment where everyone is comfortable and can participate in a meaningful way.

Our Strategic Challenges

Careerforce operates in a fast growing and dynamic sector which is facing significant workforce challenges as demand for services grows along with competition for skilled workers.

Over 12,000 employees are undertaking workplace training annually throughout our sectors which include health, mental health, aged care, disability, social services, youth work, cleaning and pest management. We provide quality, accessible and flexible qualifications and support.

Significant growth and regulatory change is predicted across our sectors over the next five years. Careerforce understands the need to be responsive and adaptable, as industry funding models change, and the requirements of consumers, learners, and industry employers evolve.

Careerforce is contributing to meeting some of these challenges through cross agency partnerships in programmes such as the Kaiawhina Workforce Action Plan

As an organisation we are committed to our values. We will focus on ensuring that we are united in our common goal to improve the health and wellbeing of New Zealanders and that everything we do is focused towards this goal. To that end this strategic plan details the strategic priorities and the direction of our organisation so that we are aligned internally and externally with our people and our stakeholders and that we are clear about the goals that we will strive to achieve in the period covered by the plan.

Careerforce has identified 5 key areas of our operating environment that shape our strategic direction.

Educational Landscape

The demand for different styles of learning is evident. This includes different methods of delivering learning such as moving from classroom based training to a mobile model. Flexibility and being able to keep pace with the changing demand for different methods that suit the customer are critical.

Engaging with customers is also changing, with more direct contact required. The perception of the length of training engagement needs to change from being seen as a one off or short term engagement to a career long engagement where a learner moves through their career requiring supporting skill development.

Sector/Industry Development

The ITO space in the industry will become more competitive. The number of employers is reducing and they are becoming larger as ongoing consolidation occurs. In addition, the aging global population is seeing workforce shortages internationally, with the New Zealand

workforce being offered enticements to work overseas in countries like Australia. The demand for qualifications is increasing with mandatory qualifications becoming the norm.

Government Priorities

The Tertiary Education Strategy, (TES) 2014-19 provides clear direction on the government's educational priorities. Careerforce will continue to contribute to these priorities:

- Delivering skills for industry
- Getting at-risk young people into a career
- Boosting achievement of Māori and Pasifika
- Improving adult literacy and numeracy
- Strengthening research-based institutions
- Growing international linkages

Technology Shift

Demand for different learning media will present opportunity for Careerforce to innovate and stay ahead of methods offered by competitors, while at the same time staying in tune with the needs of the learner. The *learn anywhere and anytime* concept is one that is key to staying competitive.

Competitive Behaviours

With funding being made direct to employers there is the opportunity for other ITO's to have a presence in this space. Existing Careerforce relationships and our reputation as a leading ITO are key competitive advantages over competitors seeking to enter the market.

Our Strategic Goals 2015 – 2017

- 1. Support 30,000 engaged trainees by the end of 2017**
 - a. Support organisations to implement efficient and effective training and transition to the New Zealand qualifications.
 - b. Expand market share and attract organisations in areas that are currently under represented.
 - c. Create opportunities for trainee involvement in the development of new products and services that meet their learning needs and provide career opportunities.

- 2. Introduce 1,000 achieving apprenticeships by the end of 2017**
 - a. Promote the benefits of the apprenticeship model to stakeholders and gain commitment.
 - b. Roll out the apprenticeship plan that includes a partnership relationship with apprentices and workplaces.
 - c. Develop, review and refine the delivery models.

- 3. Facilitate workforce development planning and support the development of a person-centric thinking workforce**
 - a. Contribute to Government policy development and initiatives.
 - i. In collaboration with HWNZ develop and drive actions and outcomes from the Kaiāwhina Action Plan.
 - ii. Support the Tertiary Education Strategy through the development of opportunities for Māori, Pasifika and Youth.
 - iii. Develop mechanisms to understand and articulate the value of continued support of an ageing workforce.
 - b. Engage with the sector to develop qualifications and skills training that match employer's changing needs.
 - c. Position Careerforce as a collaborative partner amongst its current and potential stakeholders including strategic international alliances.
 - d. Implement the social services engagement plan.

- e. Measure and report on how training improves services and identify tools to improve skills utilisation.

4. Improve the employer experience

- a. Support employers by facilitating the development of shared workforce plans.
- b. Develop and offer systems and supports that are responsive to workplace needs that enable effective and efficient workplace training.
- c. Create wider opportunities for industry involvement in the planning and access of workforce training.
- d. Research and report on the value add of training.

5. Strengthen Careerforce capability

- a. Develop our capability to match the changing environment and growth.
- b. Invest in our workforce to build their capability, develop leadership skills and increase their engagement in the work they undertake at Careerforce to ensure we can deliver our strategic objectives.
- c. Create an environment that is flexible, innovative, outward looking and collaborative.
- d. Ensure the Careerforce Total Quality Management System meets all external evaluation and review requirements and provides for self-assessment and continuous improvement.
- e. Develop an operating framework that is robust, scalable and sustainable.