

Strategic Training Plan - Distribution Consultation Pack



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Methodology

It takes 4 -15 years to gain competent people.

Without a strategy for training our Industry is at risk.



ITOs have a legislated mandate to produce a Strategic Training Plan (STP) for their industry. It is intended that ESITO produce a STP for two key stakeholder groups. Industry and Government Funding Agencies. The STP will be a high level plan to address both immediate and long term 'needs'. 'Needs' are described as skills, training and wider workforce development issues. To create relevance and contextualise the 'need' the STP will be segmented into industry sectors. From this ESITO will identify key issues and outcomes for the Industry

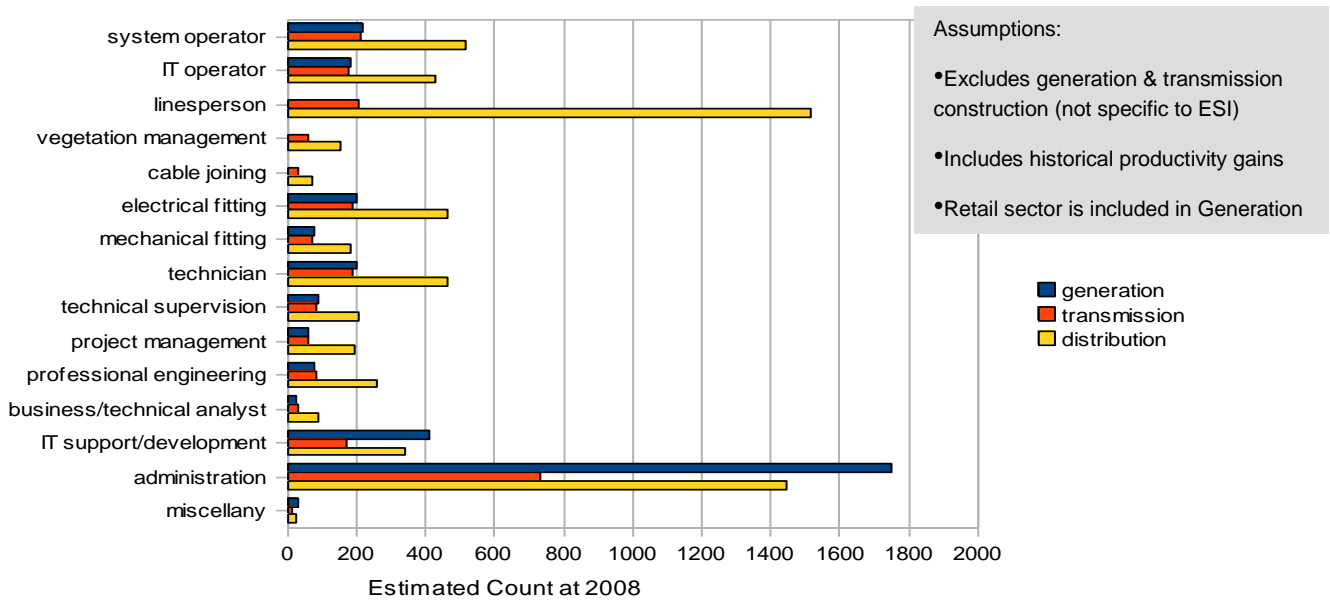
The Future

The consultation is about presenting you with some facts, discussion points and some questions grouped into the following headings:

- > What do ESITO's workforce projections tell us?
- > What does training currently look like in the ESI?
- > What makes up the ESI workforce?

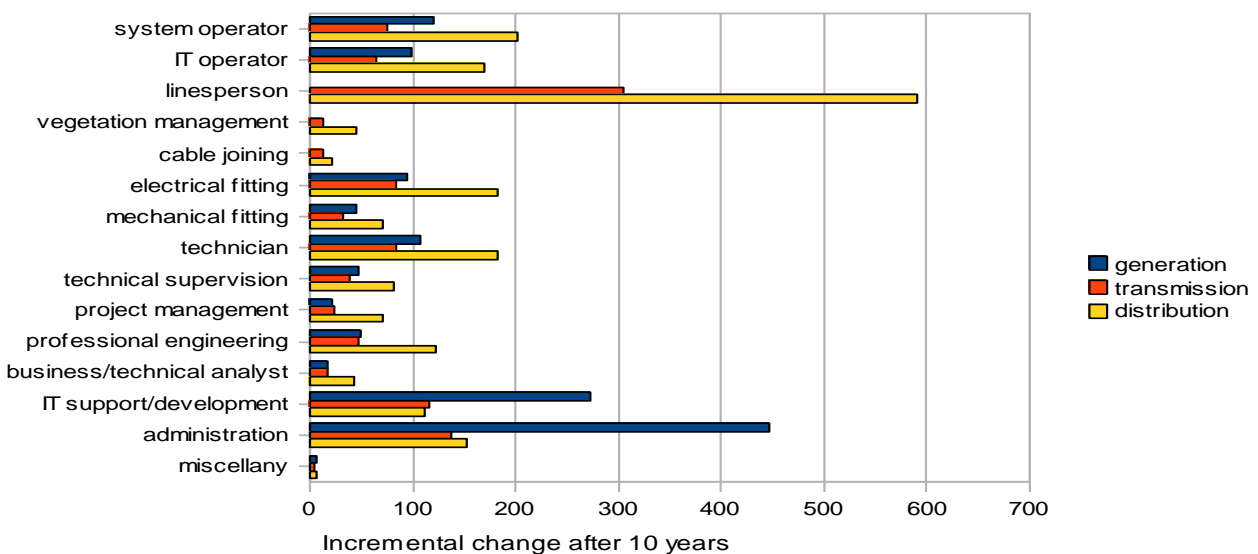
What do ESITO's workforce projections tell us?

Existing Workforce - Cumulative number of positions by skill and sector currently



Numbers need confirmation by sectors

Cumulative number of positions by skill and sector required over 10 years

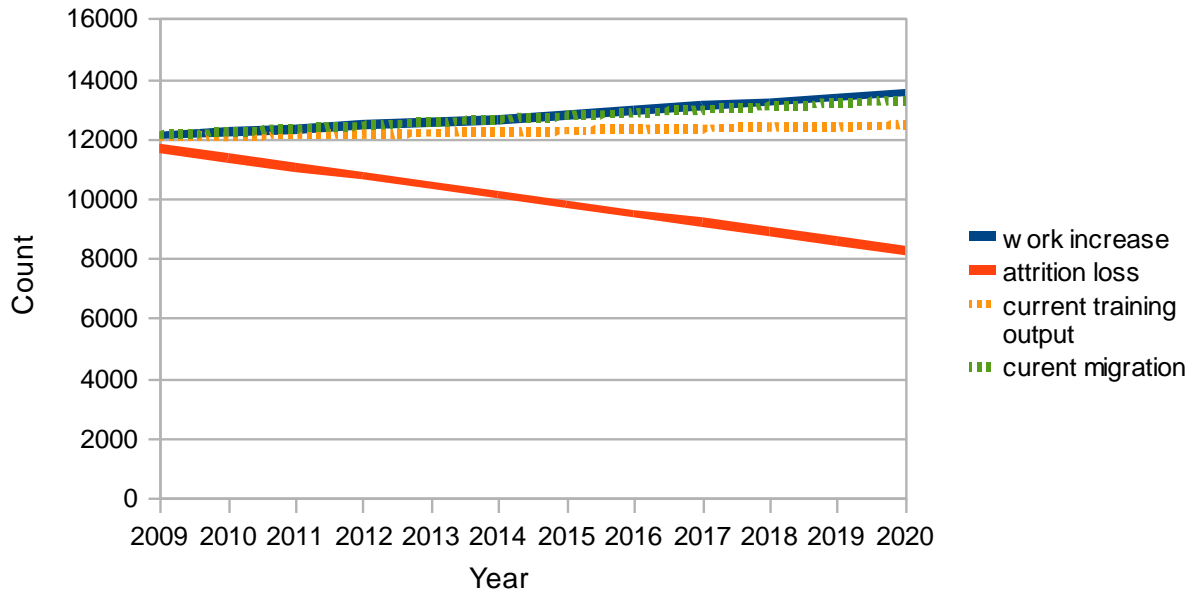


ESITO Strategic Plan It takes 4 -15 years to gain competent people.

Without a strategy for training our Industry is at risk

Do future skills needs make sense?

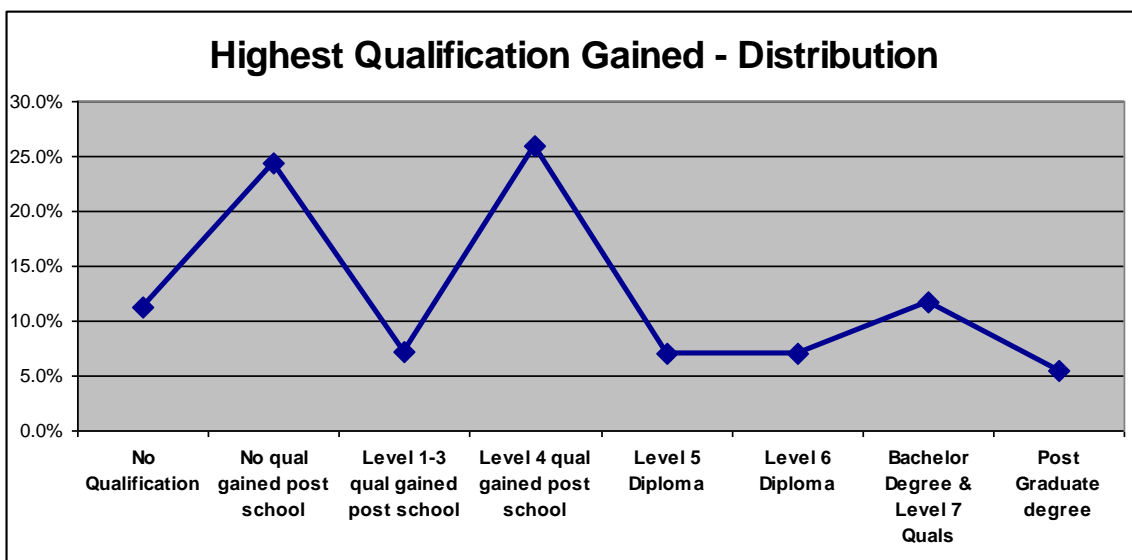
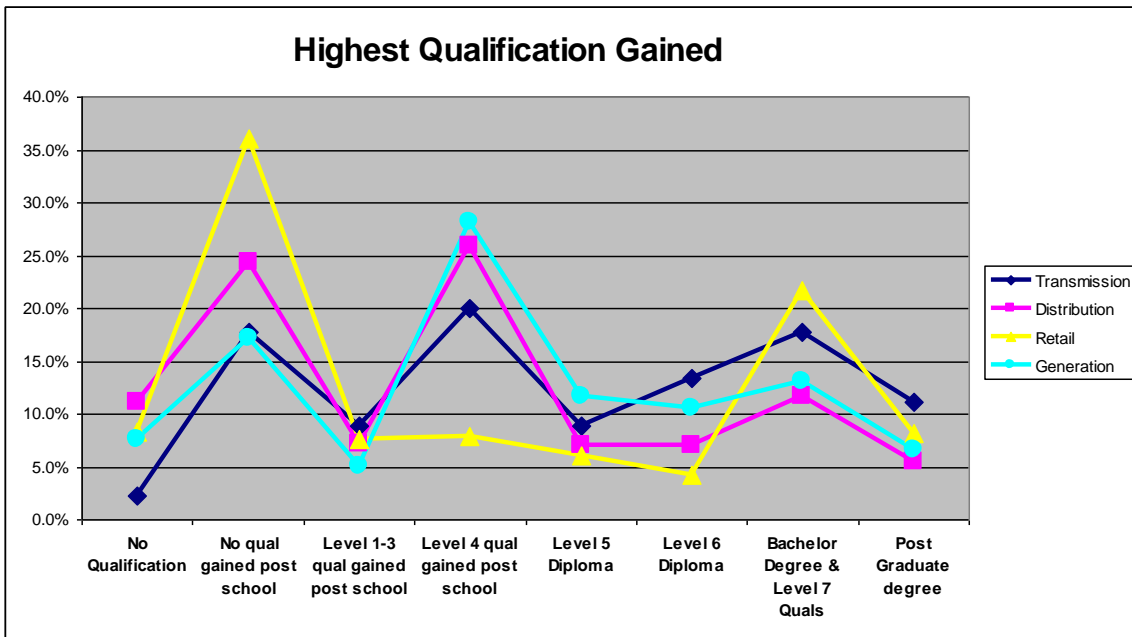
Cumulative workforce numbers showing attrition and work volume projecting separately off the current workforce numbers and the training makeup though current training output and estimated current net migration.



Consultation Discussion

- > Do current workforce skill numbers look correct in your sector?
- > Do the future workforce skills needs look sensible in your sector?
- > Do you see the skills gap about in balance at the moment?
- > Are the right skills and numbers of trainees in training?
- > Where would you change numbers?

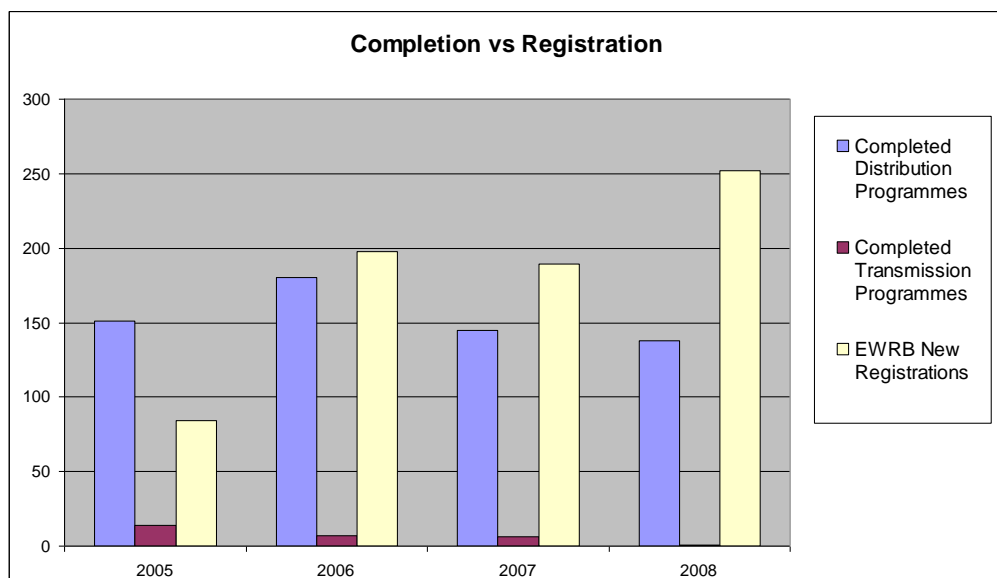
What does training currently look like in the ESI?



Qualifications/Education Levels

The same percentage of employees completes no qualifications as those that complete a Level 4 qualification – 25%.

A comparative of Electrical Workers Registration Board (EWRB) statistics and ESITO completions data shows that in 2008 there were nearly 50% more Dist Line Mechanic registrations than Level 4 Dist Line Mechanic qualifications completed, an ever increasing trend over the past three years.

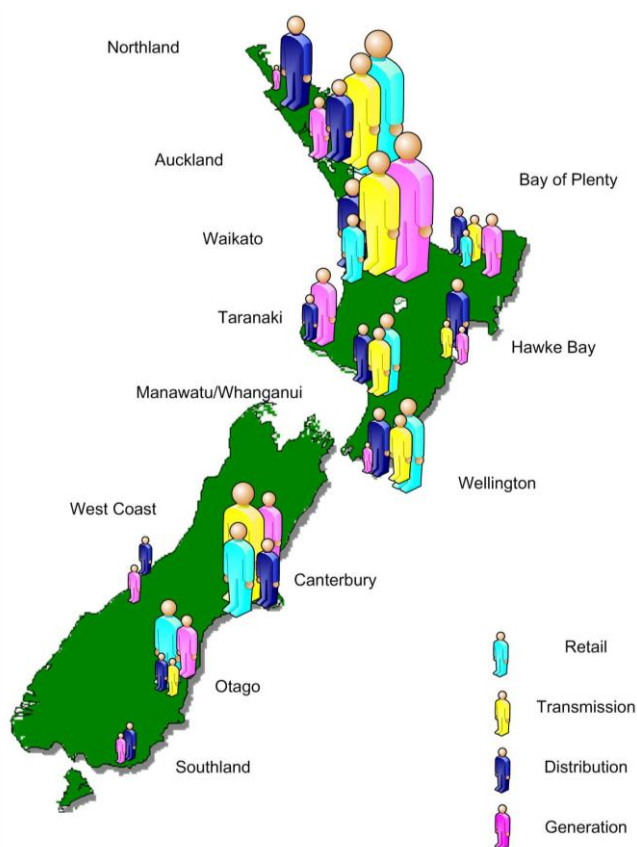


A low uptake of Level 5 qualifications for this sector. Overall 60% of the sector holds a post secondary qualification. The ESITO employer Survey tells us that the Industry does invest in training and that it significantly improves performance, but what proportion of this training is qualifications based?

Consultation Discussion

- > The ESITO Employer Survey tells us that you're more likely to invest in training that improves efficiency or to meet customer specifications. Do our qualifications deliver these outcomes? If not why?
- > Are you aware that the Line Mechanic Level 4 (Distribution) qualification is aligned with registration and that the completion of the qualification is accepted as evidence for registration by the EWRB?
- > Why does this sector have a low uptake of Live Line and Hot Stick National Qualifications?
- > What do these statistics tell you that we haven't discussed?
- > Do we have a good coverage of your sector? If not what areas are missing?
- > Does this data show that our qualifications are relevant to this sector?

Regional Provision and Assessment



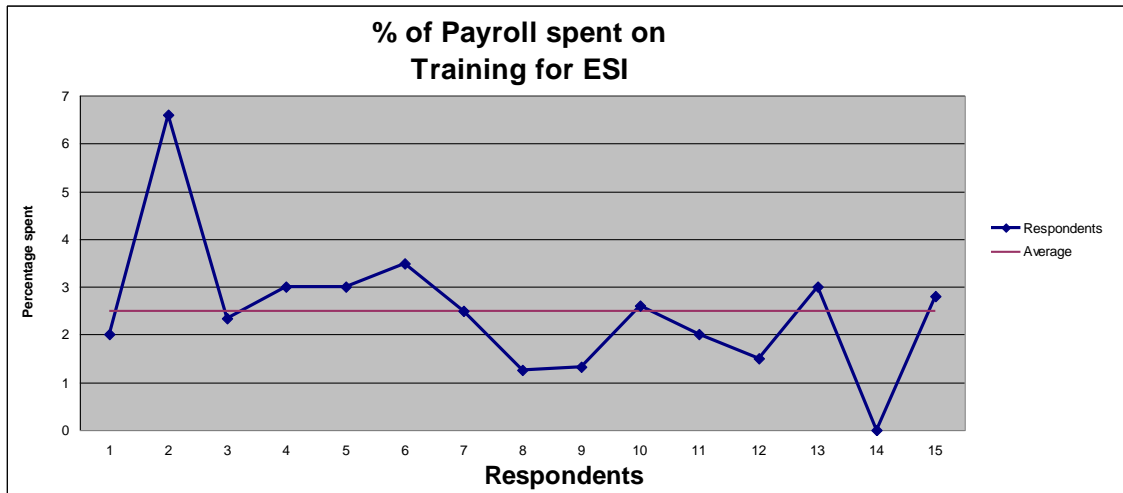
	Generation	Distribution	Transmission	Retail
Region				
Northland	0.7%	17.3%	0.0%	0.3%
Auckland	8.5%	11.2%	20.0%	33.8%
Waikato	41.1%	15.1%	24.4%	7.0%
Bay of Plenty	8.9%	3.9%	4.4%	1.3%
Gisborne	0.0%	0.2%	0.0%	0.0%
Hawke's Bay	2.1%	9.2%	2.2%	0.3%
Taranaki	11.7%	4.6%	0.0%	0.0%
Manawatu-Whanganui	1.4%	6.1%	8.9%	11.4%
Wellington	2.8%	7.4%	8.9%	17.7%
West Coast	1.4%	1.8%	0.0%	0.3%
Canterbury	11.7%	10.7%	26.7%	15.1%
Otago	7.4%	2.2%	2.2%	12.7%
Southland	1.1%	2.6%	0.0%	0.0%
Tasman	0.7%	1.3%	0.0%	0.0%
Nelson	0.4%	0.7%	0.0%	0.0%
Marlborough	0.0%	5.9%	2.2%	0.3%

- > The source data is the NZ Census 2006 and only provides us with indicators for the spread of the workforce relative to sectors.
- > This data is particularly useful for reference to training provision and workplace assessment.
- > It would appear that the Auckland, Waikato and Canterbury region has the majority of demand.
- > Our workplace assessor profiles indicate that there could be an area of concern with Auckland and Canterbury having insufficient access to assessors; however this is not backed up by the 2009 Customer Satisfaction Survey.
- > ESITO has training arrangements with the Polytechnics in these three main centers. The ESITO Employer Survey tells us that availability of relevant courses wasn't a prominent factor when considering training requirements for the next 12 months.

Consultation Discussion

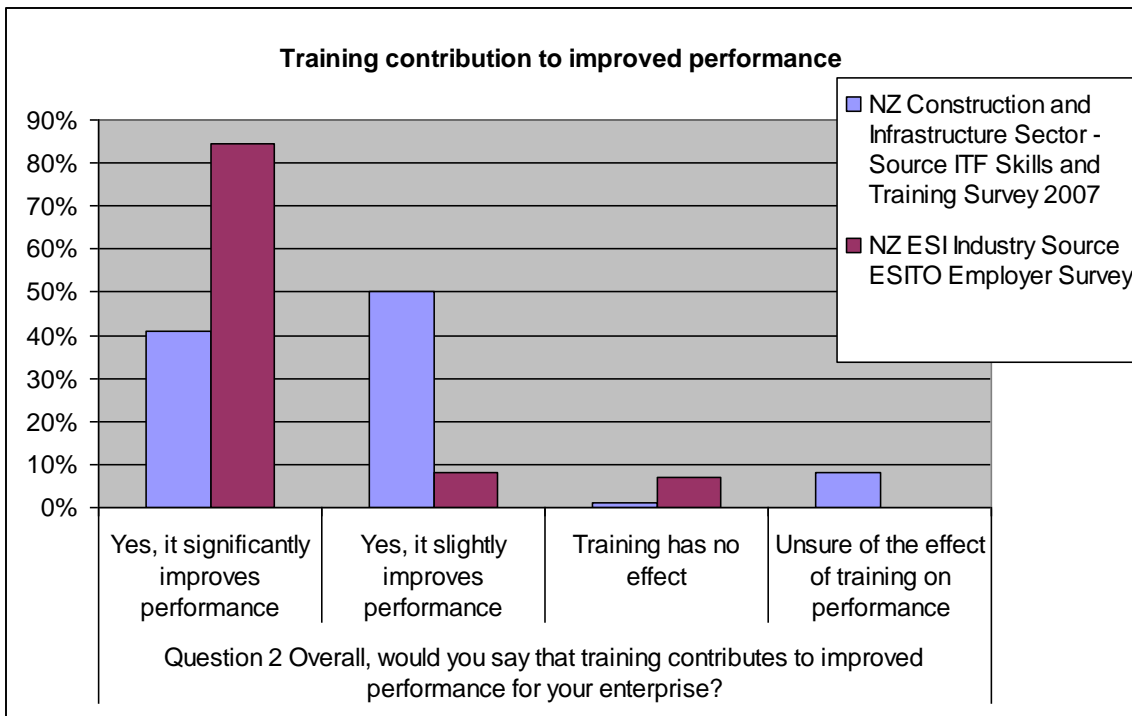
- > Are there issues accessing training in your sector or region?
- > What are they?
- > Is there a need to look at increasing on-job training and assessment packages?
- > What part can different methods of training delivery play in addressing regional access to training?
- > What do these statistics tell you that we haven't discussed?

ESI investment in training



Source ESITO Employer Survey

The average spend across all sectors in Infrastructure and Construction is 2%¹, the average spend in ESI is 2.5%²



¹ Source Industry Training Federation Skills and Training Survey 2007

² Source ESITO Employer Survey

Top three reasons for ESI organisation to increase or maintain training for employees in the next 12 months

1. = Desire to improve efficiency
= Customer or client specifications/requirements
2. Skills shortage
3. Technological changes

Source ESITO Employer Survey

Top three reasons for ALL NZ organisation to increase or maintain training for employees in the next 12 months

1. Skills shortage
2. Desire to improve efficiency
3. Availability of relevant courses

Source Industry Training Federation Skills and Training Report 2007

3. What makes up the ESI workforce?

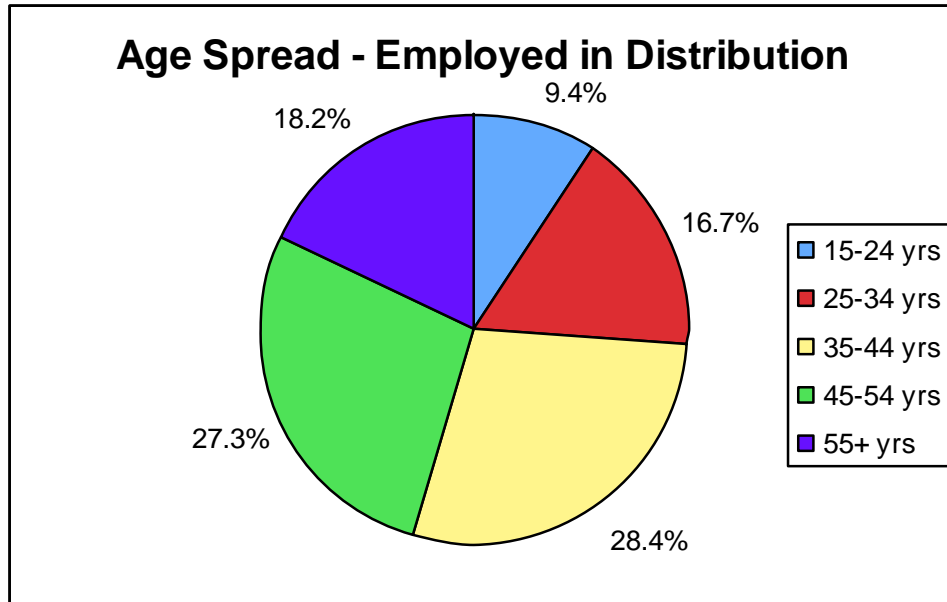
The median age for employees of the ESI is 42 – 44 years in all areas except the Retail Sector (36 years). *Source NZ Census 2006*

Employee age	Trainee Age
15 – 24 years (10%)	15 - 24 years (26%)
25 – 34 (20%)	25 – 34 years (25%)
35 - 44 (29%)	35 – 44 years (24%)
45 – 54 (25%)	45 – 54 years (19%)
55+ (16%)	55+ years (6%)

- > The average age of an ESITO trainee is 35³.
- > ESITO forecasts that the attrition rates due to retirement demand will have an impact in all areas of the ESI⁴.
- > Transmission, Distribution and Generation all show that around 20% of employees are 55+, with close to 50% of total employees 45+.
- > The profile of a trainee has changed in the past two years.
- > Since the development of higher level technician qualifications 11% of total trainees are on National Qualifications Framework (NQF) Level 5 or above training Programmes.
- > The traditional concept of a 17 – 25 year old apprentice has changed and trainees can be older and make up a small proportion of our total trainee numbers.
- > This age profile indicates that our Industry could be confronted with generational issues with regards to training. A lot of the knowledge skills and experience still sits in older heads, but our forecast report tells us that the retirement demand will have its greatest impact in the “professional” area as opposed to the “trades”, which indicates that the skills gap in trades could be shrinking.

³ Source ESITO Trainee data.

⁴ Source Report – “Electricity supply sector workforce numbers forecast for period 2010 – 2020”.



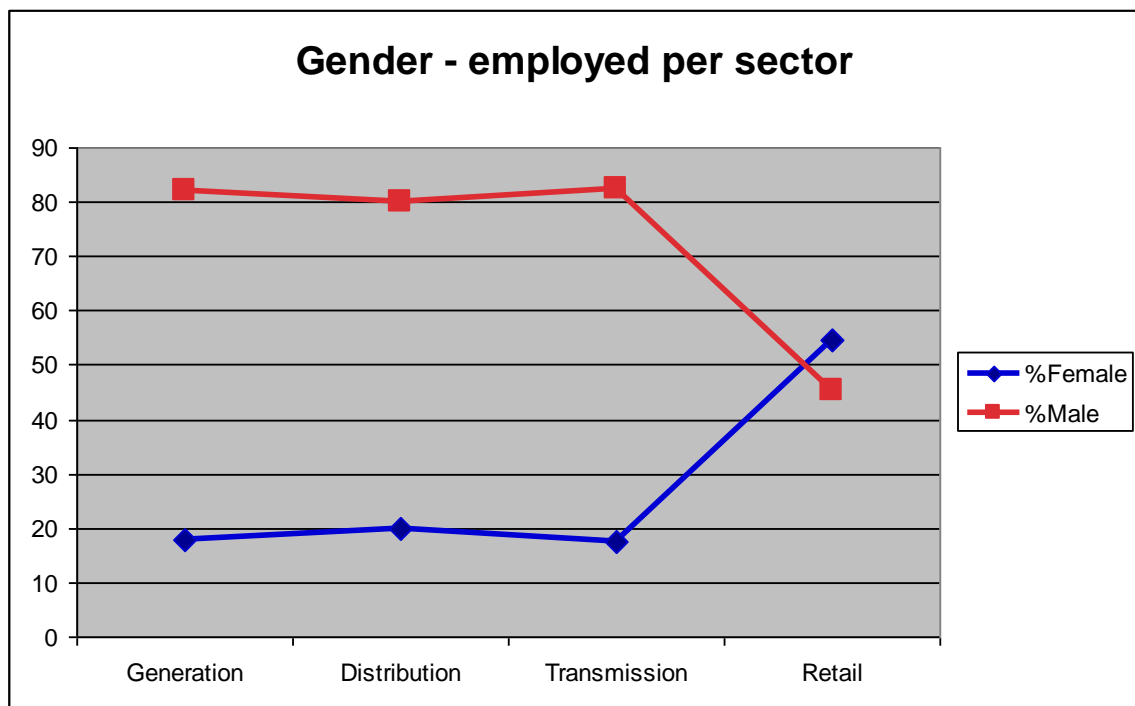
Consultation Discussion

- > Are these statistics reflective of your sector?
- > Do you consider that “age” and retirement demand will have a detrimental impact on your organisation in the next 10 years?
- > Does the increase in higher level training indicate that you are upskilling your experienced tradesman to technician and professional levels?
- > Are there generational issues from a training perspective within your organisation? What are they?
- > Are there issues regarding age and profile of supervisors in your sector? What are they?

Gender

We know that the Retail Sector has a higher proportion of females and Trainees in this area predominantly focused on business administration training. However, traditional trades remain the bastion of males in our industry.

- The proportion of males and females in each of the ESI sectors is relatively consistent, 80:20 ratio however in the Retail Sector it is 55:45. *Source NZ Census 2006.*
- ESITO reports that only 6% of trainees are female of which only 2% are in traditional trade qualifications. *Source ESITO completions analysis.*
- ESITO's investment agreement with the TEC requires an increase in participation levels for females from the current 6% to 10% by 2010



Consultation Discussion

- > Are these statistics reflective of your sector?
- > Does your organisation have any current initiatives in place to drive increased participation in training or recruitment of females? If so what does this look like?
- > Should ESITO look at targeted initiatives for female trainees in the ESI or specifically the Retail Sector?
- > What do these statistics tell you that we haven't discussed?

Ethnicity

- > Across all sectors of the ESI, Europeans ethnic groups were the largest (70%). Maori (11%) and Pacific Peoples (3%) were the smaller minorities. *Source NZ Census 2006 – note New Zealander ethnicity could include Maori or Pacific Peoples.*
- > These statistics are reflective of representation for New Zealand.
- > ESITO trainee numbers show Maori and Pacific Peoples at (16%) and (5%) respectively, of registered trainees. *Source ESITO Trainee data*
- > ESITO's investment agreement with the TEC requires an increase in participation levels for under-represented groups from the current level of 16% to 20% for Maori and the current level of 5% to 9% for Pacific Peoples by 2010

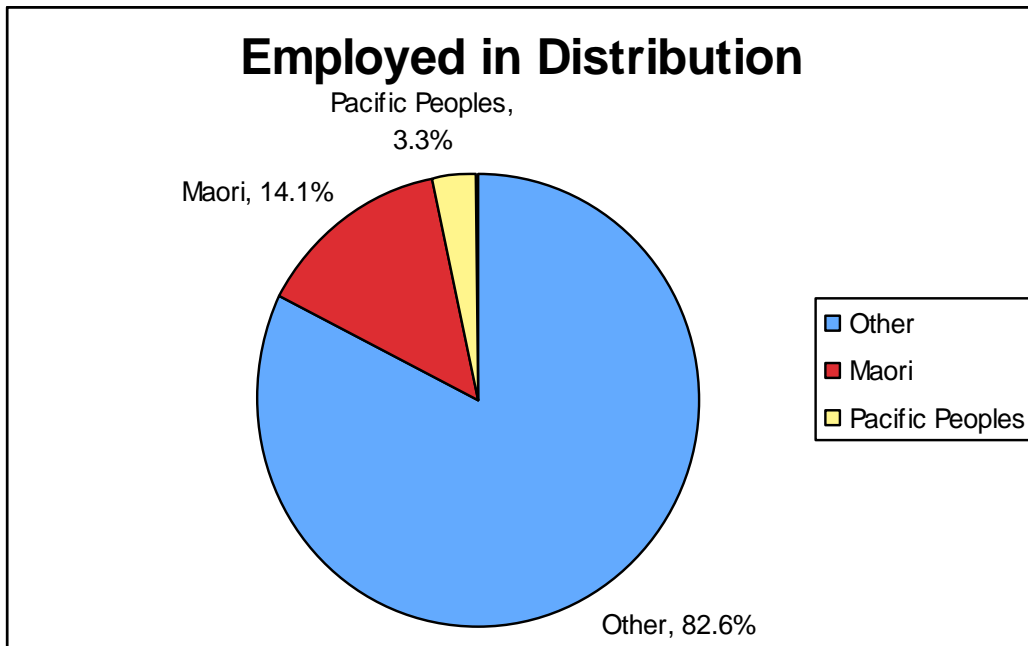
	Total Trainees (includes Apprentice)	Trainees enrolled on ESI quals	Trainees enrolled on Telco quals	Trainees enrolled on other quals e.g. Business Admin	% against total demographic in ESI (Census 2006)	% trainees against total industry employees in census	Completion rates for 2008 against total number of trainees ⁵
Maori	14% (291)	11% (221)	2% (41)	1% (29)	36% of 819 total	4%	12%
Pacific Peoples	5% (107)	2% (45)	2% (48)	1% (14)	47% of 227	2%	9%
Female ⁶	6% (135)	1% (28)	1% (14)	4% (93)	7% of 1842 total	2%	16%
All other males	75% (1517)	48% (976)	17% (349)	10% (192)	41% 3612	23%	13.5%
Apprentice							38%
TOTALS	100%(2050)	62% (1270)	22% (452)	16% (328)	6500	31%	18%

⁵ ESI average for all trainees 18%, ITO average of 35%

⁶ Female trainees were counted only once e.g. Maori female are represented in the female category only and do not appear in the Maori statistics.

The average completion rate for ESI trainees is 18%, Maori and Pacific Peoples are 12% and 9% respectively⁷.

- > ESITO’s investment agreement with the TEC requires an increase in overall completion rates from 2007 – 2010, with a target of 35%.
- > The Industry has low awareness of ESITO’s leadership projects⁸.



ESITO is required to increase participation levels for Maori and Pacific Peoples, as part of their investment plan with the TEC. These levels are higher than the current level of participation for all employees. ESITO has to increase its completion rates for ALL trainees and we know that our Maori and Pacific Peoples trainees are below the average. Pacific Peoples are most prominent in the Retail sector, which could be contact centre specific, and extremely low in the Generation sector.

⁷ Source ESITO completions analysis

⁸ Source ESITO Customer satisfaction survey

Consultation Discussion

1. *Are these statistics reflective of your sector?*
2. *Does your organisation have initiatives in place to increase participation for Maori and Pacific Peoples into training or employment? If so what do these look like?*
3. *Does your organisation have specific support programmes for these demographics? If so what do these look like?*
4. *Should ESITO look at dedicated support structures specific to this demographic to increase completions?*

Skilled Migrant Research

The percentage of workers who are migrants is consistent across sectors (17 – 24%), and the majority has been in NZ for over 10 years⁹.

- 42% Philippines
- 29% South Africa
- 17% UK

Key reasons for leaving

- *Money/wages*
- *Job satisfaction*
- *Lack of professional growth*
- *Turmoil within the Industry*
- *Their partners needs not being attended to*

⁹ SKILLED MIGRANT RESEARCH October - November 2008 By Gary Nichols and Associates

Possible initiatives based upon research recommendations¹⁰

- > *Recruitment*
- > *Workplace induction*
- > *Qualification registration/recognition*
- > *Wage rates*
- > *Migrant staff turnover*
- > *Discrimination*
- > *Ongoing support*

Consultation Discussion

Skilled migrants make up on average 17 – 25% of the workforce and they face many issues in terms of successful integration into NZ organisation. The Workforce Forecast is indicating New Zealand will be required to not only retain skilled migrants but successfully attract more to other roles.

- > *What strategies are in place in your organisation to attract skilled migrants?*
- > *What organisation induction processes are in place, and how effective are they?*
- > *What issues is your organisation facing in terms of retaining skilled migrants?*
- > *Is exit information available for your organisation on why skilled migrants have left your organisation?*
- > *How do you align your staff working together when they come from completely different cultures?*

¹⁰ SKILLED MIGRANT RESEARCH October - November 2008 By Gary Nichols and Associates

Consultation Next Steps

When the consultation has been completed the outputs will be added to the data and 'needs statements' created. This will form the Strategic Training Plan and will be structured by sector

ESITO will use the Strategic Training Plans to inform its investment negotiations with the TEC, with an outcome of meeting Industry's needs. Given the areas that we have covered today, what would be your top three priorities?

The next step is that ESITO will send out the Strategic Training Plan for each sector, which will include your priorities, for your feedback and endorsement.

If you felt that someone else in your organisation could better answer these questions please have them go to our webpage and follow the link to our online survey. This can be found on the consultation page at www.esito.org.nz