STRATEGIC PLAN

2019–2022

Te Pae Tawhiti

Service IQ

Contents

1. Executive Summary

ServiceIQ is in its seventh year of operation, 2013–2019, with well-defined systems and processes, modern digital infrastructure and trusted relationships with both industry and government partners. ServiceIQ undertook an extensive review of its overall business purpose, direction, systems and processes in December 2018, which provided the organisation with its direction of travel for the next four years, commencing from early 2019 through to 2022.

ServiceIQ is scheduled to have an External Evaluation and Review (EER) in March 2020 and is aiming for a Category 1 or 2 rating. ServiceIQ is also scheduled to make an application to TEC for a further full five-year period of recognition as an ITO, effective from 1 January 2021. This would normally have been for the period 2021-2025. However, this will change due to the Government's Review of Vocational Education and Training (RoVE), which sets the formation of Workforce Development Councils (WDCs). Legislation is likely to be enacted on 1 April 2020, with the aim of completing the establishment of WDCs by June 2021. However, ITOs will continue to support workplace training up until the end of 2022, allowing time for NZIST and other Providers to build their capability in the arrangement of workplace training.

ServiceIQ has a key focus on workforce development across its 10 industry sectors. Driving this are strong internal partnerships between ServiceIQ's Industry Engagement Team, the Strategy and Government Relations Team, the Talent Supply and Transitions Team, and the Products, Quality and Marketing Team. The work of these teams is informed by strong industry engagement, and supported by ServiceIQ's Workforce Development Plan, 15 Regional Roadmaps and 10 Industry Skills Strategies that collectively map the talent supply and demand needs of the Service Sector across New Zealand. ServiceIQ's Workforce Development activity provides a lens through which ServiceIQ engages with industry and its government partners, and it also underpins strategy and operational business planning.

Research by Infometrics confirmed forecast employment growth in the sectors covered by ServiceIQ over the five years from 2019 to 2024. Overall, the service sector is predicted to grow by 10 per cent. The highest forecast employment growth – 22 per cent – is in the Quick Service Restaurant (QSR) sector. The Accommodation sector is forecast to grow at 17 per cent, with the Cafés, Bars and Restaurants sector and Travel sector both forecast to grow at 15 per cent. The Museums sector has forecast growth of 14 per cent, the Tourism sector 13 per cent and Catering 12 per cent respectively. The Aviation sector will grow at 10 per cent, the Retail and Retail Supply Chain sector is forecast to grow 6 per cent, with Clubs at 4 per cent growth in employment.

Further independent research by BERL signalled a service sector-wide labour force issue. The research showed that not only would there be significant growth, but also sizeable skills gaps that the service sector will need to face. Labour force gaps identified present challenges at a national and regional level, with current data showing around 275,000 people are needed in the service sectors between 2019 and 2024. Getting them trained and skilled is vital, and ServiceIQ is ideally placed to ensure this talent pipeline is connected to jobs. New job openings amount to 68,625; replacement job openings of 207,637, resulting in total job openings of 276,262. This represents 26 per cent of job openings in New Zealand.

Recent industry consultation by ServiceIQ resulted in a clear message from employers that workplace talent supply is a key issue faced by them and one they felt ServiceIQ should assist with as part of our service to industry. Currently there is no one single department, agency or organisation with overall responsibility for coordinating the supply-side or 'talent pipeline' from across a range of collection points into the service sector. Current collection points include organisations such as Providers (ITPs/PTEs/Wananga), Schools (Gateway), MSD, Corrections, Workbridge and Iwi. ServiceIQ believes that

better coordination of the talent pipeline will result in a higher skilled and qualified workforce and contribute to New Zealand's economic success.

The service sector will retain a broad focus on credentialed training from Levels 2–7 on the NZQ Framework, with a move already in evidence to Level 3 as the new entry point for the Retail sector. Currently, Levels 2 and 3 account for nearly 55 per cent of all job roles in the service sector. Management and leadership training at Levels 4 and 5 is seen as high priority for productivity gain also and is listed as one of the six Workforce Development Plan priority areas.

A need for short, 'bite-size' credentialed and non-credentialed training packages has been established and may be of use to the 88 per cent of service sector businesses that employ less than 10 staff. As a response to market demand for shorter courses, ServiceIQ has introduced three Limited Credit Programmes (20–23 credits each) – Hospitality Savvy, Retail Savvy and Visitor Savvy – which each provide a qualification pathway and entry point into full Level 3 industry qualifications.

Māori and Pasifika participation in industry training and parity of educational achievement, as well as the provision of Literacy, Language and Numeracy support, remain a business priority and focus areas for ServiceIQ.

2. Overview

ServiceIQ is the recognised industry training organisation (ITO) for ten service industry sectors: Aviation; Travel; Tourism; Museums; Accommodation; Cafés, Bars and Restaurants; Catering; Clubs; Quick Service Restaurants; Retail and Retail Supply Chain.

ITOs are formally recognised under the Industry Training and Apprenticeships Act 1992. They have two main roles. One is to develop and maintain skill standards for job roles in specified industries; standards that can be registered by the New Zealand Qualifications Authority (NZQA) and used in the assessment of trainee skills in the workplace.

ITOs also develop and maintain arrangements for the delivery of the workplace-based training that enables trainees to achieve the relevant skill standards. ServiceIQ is primarily funded by the Tertiary Education Commission (TEC), and is required to achieve defined outcomes, in line with NZQA and TEC's current funding policies, guidelines and legislation.

The sectors and industries that ServiceIQ supports contribute significantly to the wealth and wellbeing of New Zealanders. The industries covered constitute 28.6 per cent of the New Zealand Workforce, over 700,000 employees, and collectively provide a wide range of services to both international and domestic visitors and customers to enhance their New Zealand experience.

By helping produce a service sector workforce with nationally recognised and industry relevant qualifications who contribute to greater productivity and profitability, ServiceIQ will help further increase our sectors' contribution to the national economy. In 2018 the Service Sector contribution to GDP was $49 billion (20.2%). Continued success and growth for the service sector relies heavily on the people working in those service industries having the right attitude, skills and knowledge, which is why ServiceIQ has reset its organisational purpose to **'help our customers succeed by growing their talent'.**

In this plan timeframe, ServiceIQ will explore how it can better support employers by coordinating the talent supply pipeline from a range of collection points, while maintaining a focus on workplace talent development through its core activity of arranging and quality assuring workplace-based industry training. ServiceIQ will continue to develop its digital infrastructure and business models to enable easier engagement with employers and trainees, while improving organisational agility and efficiency.

ServiceIQ has a strong commitment to supporting the needs of Māori and Pasifika in terms of participation and educational achievement in workplace-based industry training, and those trainees whose learning and career prospects would benefit from literacy, language and numeracy support. In December 2018 the decision was made to introduce the Te Pae Tawhiti* Māori Cultural Framework across ServiceIQ so that ServiceIQ can be more culturally current in terms of its approaches to Māori. Māori currently represent 10 per cent of the service sector workforce.

A five-step phased approach will embed the Māori Cultural Framework, from an organisational needs analysis as to how Te Ao Māori will become part of the ServiceIQ Way. Consideration will be given to the appointment of a Kaumatua or Kaitakawaenga. Next stages will be the roll-out of a cultural competency programme for all staff, and a review to see where changes can be made to internal resources, functions and processes.

ServiceIQ is strengthening its controls environment to ensure ongoing regulatory compliance with its government partners, while continuing to build strong linkages between management and governance processes and tracking progression against key organisational goals – operational and financial.

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*   Te Pae Tawhiti means the distant horizon and symbolises ServiceIQ's journey towards a new future.

2.1 Vision, Mission, Purpose, Values, Key Pillars and Strategic Goals

Our Vision

A world class service industry through qualified people.

Our Mission

We believe industry training is essential to improving productivity and profitability in the service industry; growing workplace talent contributes to a stronger New Zealand economy. We will act with conviction, supporting our employer, learner and Government stakeholders by:

▶ setting relevant standards, and the quality assurance of those standards

▶ facilitating the training supply and demand needs of the service industry

▶ advocating on behalf of the industry for skills leadership and workforce development and

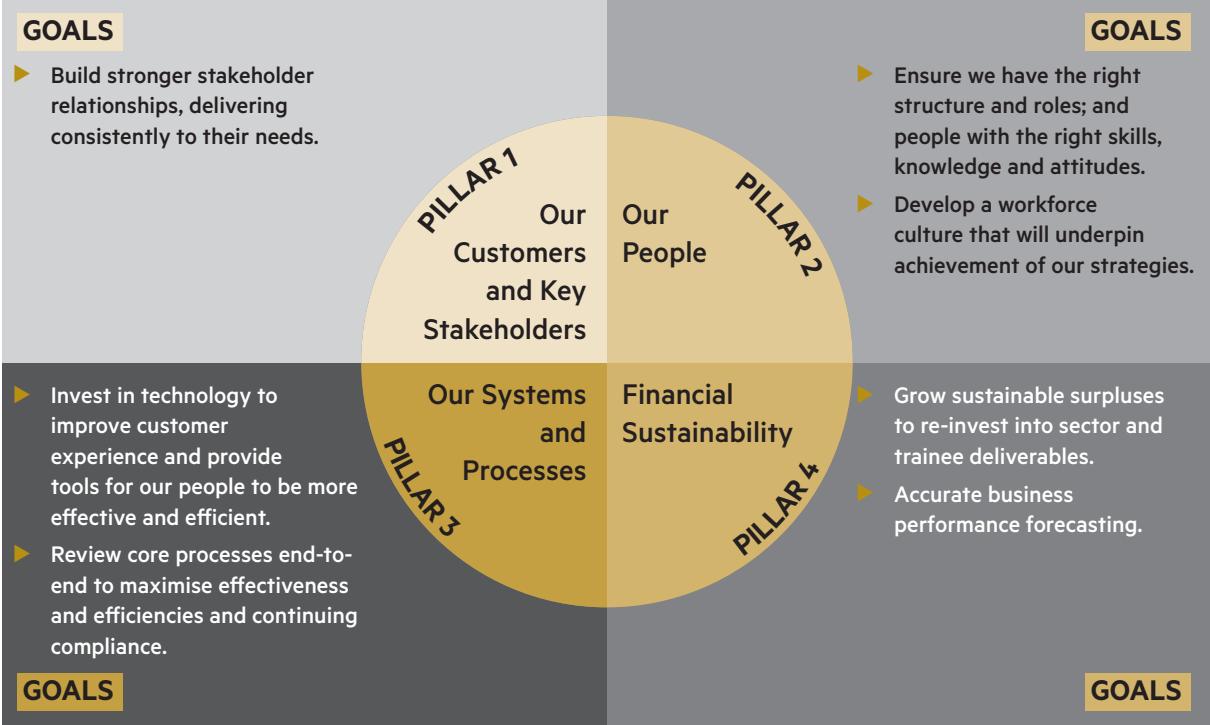▶ providing national and regional perspectives, leadership and policy setting across the sector.

Our Purpose

Helping our customers succeed by growing their talent.

Our Values

▶ **Care** – treat people as people

▶ **Connect** – be connected

▶ **Celebrate** – recognise and celebrate

▶ **Lead** – act above the line and have the courage to be open

Our Key Pillars and Strategic Goals

GOALS

▶ Build stronger stakeholder relationships, delivering consistently to their needs.

PILLAR 1 — Our Customers and Key Stakeholders

GOALS

▶ Ensure we have the right structure and roles; and people with the right skills, knowledge and attitudes.

▶ Develop a workforce culture that will underpin achievement of our strategies.

PILLAR 2 — Our People

▶ Invest in technology to improve customer experience and provide tools for our people to be more effective and efficient.

▶ Review core processes end-to-end to maximise effectiveness and efficiencies and continuing compliance.

PILLAR 3 — Our Systems and Processes

GOALS

PILLAR 4 — Financial Sustainability

▶ Grow sustainable surpluses to re-invest into sector and trainee deliverables.

▶ Accurate business performance forecasting.

GOALS

2.2 Organisational Objectives

1. ServiceIQ will conduct robust workforce planning through comprehensive consultation to define training and skill demand levels and labour force supply solutions to address current and future skills supply and demand needs across each of our industries/sectors, nationally and regionally.

2. Through our skills leadership and workforce planning, we will develop employer and employee focused industry standards, qualifications and training programmes aligned to current and evolving industry need.

3. We will take a leadership role with our industries and employers to explore how we can better influence and coordinate the talent supply pipeline to meet industry demand.

4. We will develop a robust and professional approach to key account management to optimise relationships and outcomes between ServiceIQ, employers and our government partners.

5. We will work closely with employers to advise on the optimum method for training to be delivered and we will quality assure the delivery of that training.

6. We will enable our industries to realise productivity and profitability improvements brought about by engagement in workplace-based training.

7. Our people will be responsive to industry needs by developing training solutions that align to the size, nature and structure of the business in which training will be undertaken.

8. We will work to ensure that Industry goals and Government stakeholder priorities are best aligned.

9. We will ensure robust business tools and infrastructure exists and will invest in resources to support our people, our employers and trainees, in the pursuit of further education and career enhancement.

10. We will aspire to be a preferred employer through the provision of an engaging workplace, living our values and a culture of professionalism, and through having the right structure, roles and people who have the right attitude, skills and knowledge.

11. We will invest in our staff development so that ServiceIQ stays at the forefront of vocational education and training and we will seek innovative ways to evolve and serve emerging markets.

12. We will be innovative in the arranging of training, keeping up with industry, educational, technological and political trends.

13. We will be cognisant of the needs of Māori and Pasifika and other communities within the service sector and we will work in partnership with employers, trainees, Iwi, Māori and Pasifika organisations to achieve the related outcomes and priorities in the Government's Tertiary Education Strategy.

14. We will provide practical support to those trainees whose learning, qualification completion and career prospects would benefit from literacy, language and numeracy interventions.

15. We will maintain a sustainable business model and grow our market potential, including ancillary revenue, to ensure longevity for the organisation, its staff and the industries we serve, and where possible we will re-invest any surpluses into sector and trainee deliverables.

16. The key strategies that underpin our strategic and business goals will ensure we consistently deliver excellent customer service and quality products to our trainee and employer customers.

3. The Strategic Plan

3.1 Purpose of the Strategic Plan

The Strategic Plan is produced to:

▶ describe the market and best use of resources

▶ define the business need and process for annual business plan development

▶ identify a strategy (or strategies) with knowledge of associated benefits

▶ seek approval to proceed with the proposed plan to meet stated Organisational Goals

▶ act as an historical reference to measure progress against.

3.2 Intended Audience

▶ ServiceIQ Board

▶ ServiceIQ Staff

▶ Industry Advisory Groups

▶ Government Partners and other Key Stakeholders

4. Market Analysis

4.2 Current Market

Market Demographics

The Service Sector is one of the most significant industries in the New Zealand economy. Industries covered by the service sector contributed the following to the New Zealand economy:

- ▶ In 2018 the service sector accounted for 28.6% of the New Zealand workforce, over 700,000 employees, and contributed $49 billion of national GDP; 20.2% of total GDP.
- ▶ There are almost 620,000 Full-Time Equivalents (FTEs) or 27.4 per cent of the total New Zealand FTE workforce employed by the service sectors. These FTEs equate to 713,154 filled jobs.
- ▶ 56,895 businesses (that employ at least one staff member) operate in this sector, or 21 per cent of New Zealand total businesses.

TABLE 1:

**FTE STAFF EMPLOYED IN THE SERVICE SECTORS BY SECTOR, WITH GDP PER FTE IN 2010 PRICES**

Sector	FTE #	GDP $m (in 2010 prices)	GDP per FTE $
Clubs	3,802	183	48,051
Accommodation	30,417	1,294	42,553
Cafés, Bars, Restaurants	77,236	3,434	44,463
Quick Service Restaurants	22,117	913	41,277
Catering	17,264	1,056	61,173
Travel	9,079	441	48,608
Museums	2,856	233	81,506
Retail and Retail Supply Chain	371,742	33,602	90,390
Aviation	20,175	2,654	131,551
Tourism*	182,301	12,031	65,997

NB: with the Tourism figures above there is some overlap between the tourism sector and the other sectors, such as accommodation and restaurants.

The Changing Workforce

The New Zealand population is changing at a rapid pace in its ethnic diversity and age profile. The nature of work and people's expectations of work are also changing. Some of the demographic changes have been significant. The number of New Zealanders identifying as Asian has almost doubled between 2001 and 2013 (a 98 per cent increase), and the number of people identifying as Pasifika has increased by 28 per cent.

CHART 1: ETHNIC COMPOSITION CHANGES FROM 2001 TO 2013 (last available census data)
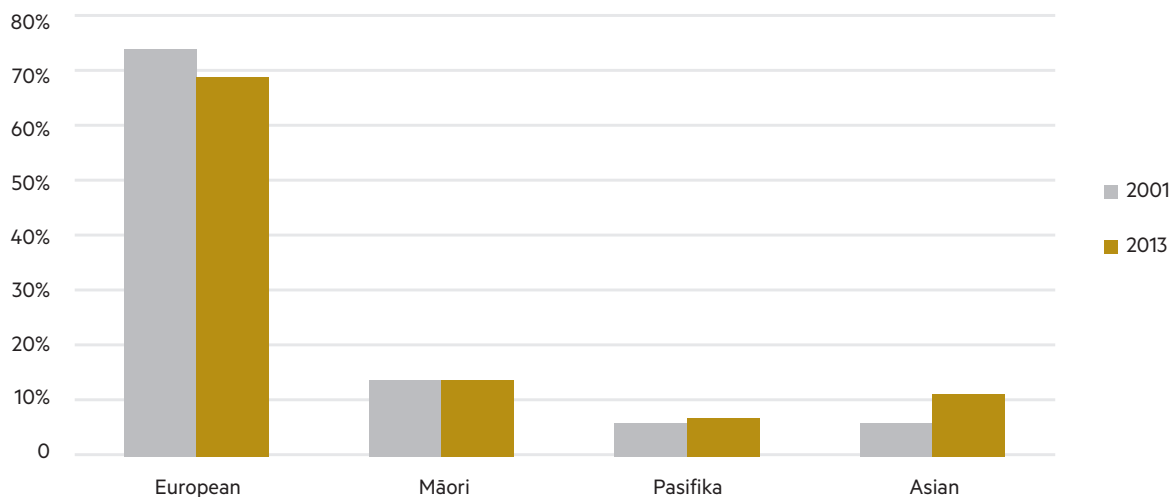
(Source: Statistics NZ census data)

The age profile of New Zealanders is also changing significantly. In general, the population of New Zealanders is aging, with fewer young people and more older people.

The service sector has the following characteristics:

▶ 54 per cent of people in the service sector have no post school qualifications, compared to 43 per cent of all New Zealanders.

▶ 57 per cent of workers in the service sector are working in jobs where the optimal qualification levels are Level 3 or below on the New Zealand Qualifications Framework, compared to 38 per cent of all New Zealand workers.

▶ Of those employed in the service sector, 23 per cent are aged between 15–24 years old, compared to 14 per cent of all New Zealanders in that age group.

▶ Research shows that service sector workers are more likely than average to experience challenges relating to their levels of literacy, language and numeracy.[1]

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1   https://www.educationcounts.govt.nz/__data/assets/pdf_file/0007/173572/Skills-at-Work.pdf

Sector Operating Environment

Service sector businesses make up 21.4% of all businesses in New Zealand employing one or more staff. Of the 56,895 businesses in the Service Sector:

▶ Approximately 5,634 businesses operated in the sectors represented by Aviation, Tourism, Travel and Museums in 2018;

▶ Approximately 16,109 businesses operated in the sectors represented by Accommodation, Cafés, Bars and Restaurants, Quick Service Restaurants, Catering and Clubs; and

▶ Approximately 35,152 businesses operated in the sectors represented by Retail and Retail Supply Chain.

Most people employed in the service sector in 2018 worked in small businesses. This means that of the approximately 56,895 businesses in the sectors represented by ServiceIQ, the majority, 32,729 (57.5%), employ one to five people.

TABLE 2: BUSINESSES EMPLOYING ONE OR MORE STAFF IN SERVICE SECTORS

Businesses employing one or more staff in service sectors	Number	Percentage
1–5 staff	32,729	57.6%
6–19 staff	18,616	32.6%
20–49 staff	3,934	6.9%
50 or more staff	1,616	2.9%

NB: For the purposes of this data, businesses employing zero staff have not been counted in the statistics.[1]

The majority (76.2%) of businesses in the service sector were in the North Island. Auckland had the greatest proportion with 39 per cent of all businesses in the service sector. Wellington accounted for 9.6 per cent, Canterbury 13 per cent, Waikato 8.6 per cent, Bay of Plenty 6% and Otago 5.3 per cent.

Business size data confirms a need for ServiceIQ to cater to the differing sizes of business, not excluding the training needs of people employed in small businesses, and those who are owner-operators or self-employed, albeit this is a more difficult and expensive market to reach.

The training needs and skill requirements of people employed in small businesses often differ markedly from those employed in large businesses.

ServiceIQ provides people interested in entering the service sector with an indication of the size of the sector they may be working for, the roles and career pathways, and the number of potential employers.

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1   A significant number of enterprises are recorded as having zero employment. Enterprises in the zero-employee count size category may have: working owners who don't draw a wage from their business; labour provided by other businesses or contractors; business activity that requires no labour (e.g. holding company).

Service Sector Employment

In 2018, 618,179 FTEs were employed in the sectors covered by ServiceIQ. Together, businesses in ServiceIQ's gazetted coverage areas employ approximately 27% of all FTEs in New Zealand.

Across ServiceIQ's key industry groupings in 2018:

▶ Approximately 95,601 FTEs were employed in the Aviation, Tourism, Travel and Museums sectors.

▶ Approximately 150,836 FTEs were employed in the Accommodation, Cafés, Bars and Restaurants, Quick Service Restaurants, Food Services, and Clubs sectors.

▶ Approximately 371,742 FTEs were employed in the Retail and Retail Supply Chain sectors.

TABLE 3: NUMBER OF FTE STAFF BY SECTOR GROUPINGS

Sector	Number of FTE staff	Percentage
Aviation, Tourism, Travel and Museums	95,601	16%
Accommodation, Cafés, Bars and Restaurants, Quick Service Restaurants, Catering and Clubs	150,836	24%
Retail and Retail Supply Chain	371,742	60%
Total	**618,179**	**100%**

4.2 ServiceIQ Industry Trainees and Apprentices

Demographics for industry trainees and apprentices

ServiceIQ data sources on trainees provide information on industry trainees in 2018 (up to 31 December 2018), during which time there were 18,876 active industry trainees and apprentices.

TABLE 4: INDUSTRY TRAINEES AND APPRENTICES WITH SERVICEIQ (AS AT 31 DEC 2018)

Industry Sectors	Number of Apprentices	Number of Trainees	Total
Aviation, Tourism, Travel and Museums	225	3,639	3,864
Accommodation; Cafés, Bars and Restaurants; Quick Service Restaurants, Catering and Clubs	662	8,284	8,946
Retail and Retail Supply Chain	1	6,041	6,042
ServiceIQ (other)	0	24	24
Total	**888**	**17,988**	**18,876**

TABLE 5: ETHNIC COMPOSITION OF SERVICEIQ TRAINEES AND APPRENTICES (AS AT 31 DEC 2018)

Trainee Ethnicity	Number	Percentage
Asian	1,605	9%
European	10,250	54%
Māori	2,231	12%
Other	3,232	17%
Pasifika	1,558	8%
Total	**18,876**	**100%**

TABLE 6: AGE RANGE OF SERVICEIQ TRAINEES AND APPRENTICES (AS AT 31 DEC 2018)

Age Group	Female	Male	Unspecified	Grand Total	Percentage
15–19	2,748	1,935	1	**4,684**	25%
20–29	4,520	3,254	8	**7,782**	41%
30–39	1,794	1,215	4	**3,013**	16%
40+	2,387	1,009	1	**3,397**	18%
Total	**11,449**	**7,413**	**14**	**18,876**	**100%**
Percentage	61%	39%	0.1%		

TABLE 7: LEVEL BREAKDOWN OF SERVICEIQ TRAINEES AND APPRENTICES (AS AT 31 DEC 2018)

Levels	Apprentice	Trainee	Total
1–2	0	3,267	3,267
3–4	888	14,035	14,923
5+	0	686	686
Total	**888**	**17,988**	**18,876**

4.3 Changing Political and Tertiary Landscape – RoVE Summary

The outcome of the Government's Review of Vocational Education (RoVE) was announced by the Minister of Education on 1 August 2019. The key aspects are summarised below:

1. **Create Workforce Development Councils (WDCs):** Around four to seven industry-governed bodies, to give industry greater leadership across vocational education.

2. **Establish Regional Skills Leadership Groups (RSLGs):** RSLGs would provide advice about the skills needs of their regions to the Tertiary Education Commission, WDCs, and local vocational education providers.

3. **Establish Te Taumata Aronui:** A group to help ensure that the Reform of Vocational Education reflects the Government's commitment to Māori-Crown partnerships.

4. **Create a New Zealand Institute of Skills and Technology (the Institute):** A unified, sustainable, public network of regionally accessible vocational education, bringing together the existing 16 institutes of technology and polytechnics (ITPs).

5. **Shift the role of supporting on-the-job learning from industry training organisations (ITOs) to providers:**
   The Institute and other providers would support on-the-job training like apprenticeships and traineeships as well as providing education and training in off-the-job settings, to achieve seamless integration between the settings and to be well-connected with the needs of industry.

6. **Establish Centres of Vocational Excellence (CoVEs):** CoVEs will bring together the Institute, other providers, WDCs, industry experts, and leading researchers to grow excellent vocational education provision and share high-quality curriculum and programme design across the system.

7. **Unify the vocational education funding system:** A unified funding system will apply to all provider-based and work-integrated education at certificate and diploma qualification Levels 3 to 7 (excluding degree study) and all industry training.

Workforce Development Councils (WDCs)

These will absorb several key functions of existing ITOs, excluding the arranging training function, which will transfer to NZIST and other providers. The key functions of WDCs are listed below:

1. **Skills Leadership:** Identify future industry skills needs, and advocate for those needs to be met through their work with industry, schools, providers, regions and government.

2. **Employer Brokerage:** Provide employers with brokerage and advisory services within the range of activities approved by TEC as related to their leadership role (but not to deliver qualifications or credentials).

3. **Investment Advice:** Direct TEC on the skill mix required for each industry, within a fixed funding envelope set by TEC. TEC will give direct effect to that advice. WDCs will also provide advice on TEC's overall purchase. As this approach matures it is possible that WDCs could directly purchase vocational education on behalf of employers.

4. **Standard Setting:** Set skills standards and develop qualifications, and endorse programmes developed by providers, including developing training packages where appropriate. These changes will ensure that industry requirements are consistently applied throughout vocational education. This role includes the ability to set a core curriculum or training packages that lead to a qualification.

5. **Assessment:** Moderate assessments and set capstone assessments as required, to ensure that learners have met the required standard when they are awarded a qualification. In some cases, WDCs will work with occupational regulators who have a statutory authority to conduct capstone assessments.

Tertiary Education Strategy 2020–2025

The Tertiary Education Strategy (TES) (not released by MoE at the time of writing this plan) describes the Government's strategic direction for tertiary education over the next five to ten years.

The TES is the Government's strategy document which helps to steer the tertiary education system and support tertiary education organisations – including ITOs – to achieve the outcomes that individuals, business and the wider community need to grow and prosper. Under Section 159P(a) of the Education Act 1989, a tertiary education organisation's proposed investment plan must describe how it will give effect to the Government's current and medium-term priorities as set out in the TES.

The TES is driven from the perspective of New Zealand's future knowledge and skill needs, with an emphasis on making the tertiary education system more outwardly facing – with links to industry, community and the global economy.

As national industry organisations, ITOs are well placed to comment on the demand side for skills and qualifications, as well as on the importance of links between tertiary education providers, business and industry. Equally, as organisations active on the supply side, ITOs can speak from that base of knowledge and experience of matching skills training to employer needs.

The TES gives the highest priority to ensuring that the skills people develop through tertiary education are well matched to labour market needs.

TEC Investment Planning (for 2020–2021 Investment Plans)

In parallel to the writing of this Strategic Plan 2019–2022, ServiceIQ completed its TEC Investment Plan for 2020–2021, and submitted it to TEC on 12 July 2019. The TEC brought forward its investment planning timeline for 2019, with an opportunity to resubmit plans by 20 August 2019. TEC aims to notify ITOs of decisions by 31 October 2019.

TEC Plan Guidance (for 2020–2021 Investment Plans)

Parity for Māori and Pasifika

TEC continue to put a strong focus on parity and have set a target that, by 2022, will achieve patterns of participation and achievement for Māori and Pasifika on par with other learners. And, over time, these patterns will also deliver parity of post-study outcomes, and that while challenging, TEC believe this goal is achievable. TEC has commented that the moral, social, and economic arguments for its focus on parity are compelling – and that TEC must have a system that delivers good outcomes for all New Zealanders. TEC advise it will work with TEOs (includes ITOs) to understand what changes will be most effective and how they can ensure they are made.

5. ServiceIQ Key Functions

5.1 Workforce Development – Skills Leadership

Workforce Development – Definition and Scope

Workforce Development is the identification, development and realisation of a coordinated plan of action to address industry need for the supply and demand of labour and skills, for now and the future. At a system level, this can be achieved by:

▶ forecasting, both nationally and regionally, the supply and demand of labour and skills by industry, sector and sub-sector, in the short to medium term (3–5 years) and long-term (5–10 years);

▶ validating the forecasting with industry representative groups both nationally and regionally, by industry, sector and sub-sector;

▶ optimising the links between the supply of capable people, ready and available to work, and employment opportunities i.e. harnessing the talent supply pipeline;

▶ raising awareness of occupations and training opportunities as viable pathways to a successful and rewarding career; and

▶ engaging across industry, tertiary, government and community sectors to give effect to a joined-up and cohesive vocational education and training system.

Workforce Development – Planning for Supply and Demand of Skills

ServiceIQ conducts robust workforce planning to ensure its products and services remain relevant to industry. Workforce Development activity includes, but is not limited to, the following analysis, engagement and actions:

1. Skills supply-demand 3–5 years, by industry, sector and sub-sector – national and regional.

2. Impacts of changing population demographics and regional migration on skills supply.

3. Impacts of changing technology on skills supply and demand.

4. Impacts of declining and growth industries – national, regional, international.

5. Impacts of Government's immigration, fiscal and social policy settings on the labour market.

6. Regional impacts of affordable worker accommodation and efficient transportation systems.

7. Regional impacts and opportunities for talent supply pipeline connectivity, including from Schools, Providers, MSD, Workbridge, Corrections, Iwi organisations etc.

8. Regional impacts and opportunities for employment and training growth.

9. Learnings from international research and international best practice.

Workforce Development – Sector Engagement

ServiceIQ's overall approach to national and regional workforce planning and engagement is twofold and involves:

1. Engaging with national-enterprise level employers, small to medium enterprises, industry associations, tertiary providers, secondary schools, local and regional authorities, chambers of commerce, economic development agencies, unions, Government agencies including the Ministry of Business, Innovation and Employment, Business New Zealand, Careers Services, Regional and Community Groups, Iwi, Māori and Pasifika organisations – all as part of the wider vocational education and training community.

2. Exploring opportunities for and capability of, existing, new and emerging industries, including small-to-medium enterprises, to engage with vocational education and training with view to increasing market penetration of credentialed and/or non-credentialed learning. And, facilitating the necessary partnerships and linkages noted in 1 above, to give effect to the realisation of those opportunities.

Workforce Development – Key Components and Outputs

To capture industry voice and future skills needs, ServiceIQ has a proven workforce development model for industry consultation with the following key parts:

1. Industry endorsed sector-specific industry skills strategies for each of ServiceIQ's sectors.
2. An industry endorsed national workforce development plan with six workforce priorities.
3. Topic-based workforce development advisory groups for each workforce priority.
4. Sector-based industry advisory groups to validate workforce priorities, advise on industry skills, and provide strategic advice to the ServiceIQ Board.
5. Regional roadmaps co-developed with industry and regional groups and aligned to MBIE regions.
6. Regional profiles using Infometric's economic profiling tool.
7. Talent Supply and Transitions team focusing on school-to-work transitions into the service sector.
8. Workforce Priorities team focusing on Māori, Pasifika, Young People, and People with Disabilities parity of educational achievement and support for trainees with Literacy, Language or Numeracy needs.

Workforce Development – Workforce Priorities

In parallel to ServiceIQ's Key Pillars and Strategic Goals mentioned earlier, is an equally important set of industry-facing workforce development priorities. Each of the six priorities was developed with and endorsed by industry, and provides a reference for where ServiceIQ needs to focus its resources. The six workforce priorities, captured below, each have their own actions that are woven through ServiceIQ's annual Business Planning. A separate but connected workstream, managed in the Strategy and Government Relations team (in partnership with other ServiceIQ teams), ensures that progress is made in relation to each of the following workforce priorities.

1. **Attract and retain people with the right attitude and aptitude**
2. **Increase the number of able school leavers transitioning into the sector**
3. **Increase access to and engagement with training**
4. **Develop and maintain high quality qualifications and programmes that meet industry needs**
5. **Increase productivity by developing core skills**
6. **Improve business and management capability**

5.2 Qualifications Development

Qualifications

ServiceIQ has Qualification Developer responsibility for 60 New Zealand Certificates and Diplomas, two transitioning New Zealand Diplomas, and 17 transitioning National Certificates and Diplomas. ServiceIQ has commenced the full review of the Hospitality, Retail, and Tourism and Travel suites of qualifications as part of their five-year review cycle. The review of the Retail and Sales qualifications, Catering qualifications and Tour Guiding qualification is complete, and ServiceIQ continues to work on other qualification reviews.

The ITO works with industry and employers to develop and maintain nationally recognised qualifications that meet the needs of employers and trainees and are valued by these groups. Depending on the outcome of the consultation process, the offerings may include a mixture of Gateway, apprenticeships or training programmes.

ServiceIQ has recently become the Qualification Developer for a New Zealand Diploma in Commercial Sky Diving, working collaboratively with the New Zealand Sky Diving School, a Category 1 Provider and the only provider in New Zealand able to offer this qualification. ServiceIQ is also working with Rocket Lab to develop an Aerospace Engineering strand within an Aeronautical Engineering qualification, with a view to creating an apprenticeship model for their workforce.

Unit Standards

ServiceIQ has Standard Setting Body responsibility for approximately 1,500 unit standards across all sectors. It works with industry and employers to develop nationally recognised standards that meet the needs of employers and trainees and are valued by them.

Although standards are generally on a five-year review cycle, the actual frequency of any reviews or revisions is driven by market relevant factors such as the level and type of industry change, legislative requirements, and moderation feedback.

Consistency Reviews

The ServiceIQ Qualifications Manager will continue to represent ServiceIQ as the qualification developer at all relevant NZQA Consistency Reviews, and is responsible for:

▶ determining, in conjunction with relevant stakeholders, the core evidence requirements for demonstrating consistency for the qualification; the information is included in the listing details of the qualification,

▶ clarifying the evidence requirements for assuring national consistency arrangements in the qualification when requested by programme owners and other stakeholders, and

▶ acting as a subject matter expert advising the consistency reviewer on the qualification outcomes.

5.3 Product Development

Online Learning and Assessment

In addition to its print offering, ServiceIQ continues to develop online learning and assessment on its Assessment Management System (AMS). Some full programmes are available, as are several limited credit programmes and resources for schools. When combined with better data tracking in the user portals, employers will have ready access to the progress of their staff. It will also give ServiceIQ improved oversight of completion data.

User Experience

ServiceIQ will continue to improve the user experience of its online offering. This involves close collaboration across ServiceIQ teams and aims for a seamless process for trainees and employers, from sign-up through to graduation. The goal is to limit the roadblocks to achievement and improve completion outcomes.

ServiceIQ will develop more online resources for commercial sale. There is a large library of blended e-learning products currently being purchased by schools and training providers.

New authoring tools in place by mid-2019 will enable the enhancement of the interactive elements of these learning resources. This will respond to customer feedback and improve the learning experience and the ability to better track learner progress.

5.4 Arranging Training and Trainee Support

Arranging Training

ServiceIQ works closely with employers to advise on and arrange the optimum method for training to be delivered in the workplace relative to the nature, size and needs of the business. ServiceIQ offers several business models, as summarised below.

Industry Engagement Models

ServiceIQ has different engagement models for small, medium and large customers, including: Large Customer Engagement; Zero Fee – Qual Link Model; Zero Fee – Workplace Assessor Model; Assessment Service Fee Model; Monthly Service Fee Model; Apprentice Programme Fee Model; Casual Training – Resource, Assessment and/or Certificate Fee Model; Charitable Organisations Zero-Fee Model; Short Courses Fee Model; International Business Fee Model; and an Off-Job Delivery Model.

Large Customer Engagement

A significant number of ServiceIQ trainees are linked to 'large customer engagement', which is training arrangements with an organisation or business that has 250+ employees; and where 25 or more trainees will be signed into training on an ongoing monthly basis or a minimum of 250+ trainees per calendar year. These customers engage with ServiceIQ through a Memorandum of Understanding (MOU), which details the commitments from both parties.

Memorandum of Understanding

ServiceIQ introduced a new Memorandum of Understanding agreement with key employers in 2019. The MoU is a partnership between ServiceIQ and employers for the arranging of appropriate training, support and development for trainees/team members to become skilled and qualified in their chosen career paths and to add value to the business/organisation.

The MoU emphasises that for an effective partnership, there needs to be strategic and cultural alignment between both parties; and, to be successful, this will include alignment on specific strategic initiatives. The MoU includes KPIs to measure performance and promotes open and honest communications, regular feedback and a workstream for continuous improvement.

Arranging Trainee Support

The MoU states that ServiceIQ will provide a Training Advisor/s who will assist the organisation with ongoing training support and advice – including assessment services, at both the recognised Head or Support Office and in-store on an agreed cycle and method. The MoU further states that ServiceIQ will assist the organisation to provide trainee pastoral care and support; support for Māori and Pasifika (specialist learning support); assistance with Literacy, Numeracy and Language skills and/or support for those for whom English is not their first language. Trainee pastoral care support is also arranged with organisations and employers where there may not be a formal MoU in place.

5.5 Quality Assurance

ServiceIQ will continue to quality assure all qualifications and unit standards for which it is the standard setting body or has consent to assess. The quality assurance processes are carried out to ensure that the robustness and integrity of assessment is maintained.

The National Moderator has overall responsibility to ensure that all schools and providers with consent to assess, and workplaces engaged in assessment, meet the relevant consent and moderation requirements (CMRs) and our governing bodies' rules.

This is achieved by carrying out regular moderation activities, which include: pre-moderating assessment material prior to its use, post moderating completed assessments, carrying out annual Qual Link reviews and participating in NZQA consistency reviews from the graduate outcome perspective.

Post moderation activities are in line with the five-year moderation plan ensuring coverage across the high number of unit standards and focusing on high risk and high use unit standards.

ServiceIQ reviewed its nine CMRs down to two in 2018, providing better clarity around requirements for assessment. ServiceIQ intends to review its approach to granting letters of support for consent to assess applications during 2019.

5.6 Talent Supply and Transitions

In response to the identified need for skills across the service sector over the next five years, ServiceIQ has created a new business unit, Talent Supply and Transitions. The TST team is focused on the development and coordination of national and regional talent supply and transition pipelines to meet industry demand by sector, sub-sector and key employers.

Coordination of the talent supply pipeline will initially focus on school to work transitions, utilising the very popular Tertiary Education funded 'Supported Gateway' programme that provides secondary school students at Years 12 and 13 the opportunity to participate in 10 week (school-term) workplace-based training, as part of the attainment of 20 Level 3 unit standard credits towards their National Certificate of Educational Achievement (NCEA). Gateway programmes are customised to reflect the needs of individual workplaces, with each programme offering a certificate upon completion.

In addition to the Gateway programmes, ServiceIQ also runs a Māori Cultural Tourism Camp programme. Each camp involves around 30 secondary school students from different schools spending a one-week immersion programme on a marae, where they learn the core elements of Māori Cultural Tourism as it exists in New Zealand now and the significant importance this plays as part of New Zealand's world-leading tourism offering to international visitors. The Māori Cultural Tourism programme results in the attainment of 22 Level 3 unit-standard credits towards the student's NCEA. This successful programme has grown from two camps per year to eight camps; held at Waiheke Island, Waitomo, Kāpiti Island and Whakarewarewa.

The second phase of development for the Talent Supply and Transitions team will be to explore coordination of the wider talent supply pipeline involving graduates, students and job-seekers into employment via collaborative ventures with industry, funded or supported by Iwi and key government agencies.

5.7 Māori and Pasifika and Literacy, Language and Numeracy

Māori and Pasifika

ServiceIQ is committed to supporting the needs of Māori and Pasifika in terms of raising participation and parity of educational achievement in workplace-based vocational education and training. The key focus areas in order of priority are:

1. Working with industry and trainees,
2. building ServiceIQ internal capacity and capability, and
3. engaging with Iwi, Māori and Pasifika organisations

ServiceIQ Māori Cultural Framework

In December 2018 the ServiceIQ Board approved the introduction of a Māori Cultural Framework across ServiceIQ so that the organisation can be more culturally competent and current in terms of its approaches to Māori, who represent around 10 per cent of the service sector workforce. A five-step phased approach will embed the Māori Cultural Framework:

1. Organisational needs analysis by survey
2. Action how best Te Ao Māori can become part of the ServiceIQ way
3. Consideration to the appointment of a Kaumatua or Kaitakawaenga
4. Roll-out of a cultural competency programme for all staff
5. Review to see where changes should be made to internal resources, functions and processes.

Literacy, Language and Numeracy

ServiceIQ is committed to implementing practical interventions and enduring systems, processes and procedures that support the identified needs of those trainees who would benefit from literacy, language and numeracy support; particularly where it will have a positive impact on a trainee's learning, qualification completion, work and career prospects.

ServiceIQ is working in partnership with a range of employers to embed literacy approaches in the workplace to support building trainees and workplace capability in this area.

5.8 ICT Systems

To manage the organisation and optimise outcomes for trainees/employers, information is critical. To limit data entry, improve the capture of information in real time, and provide better data, analytics and improved reporting, ServiceIQ has adopted a digital-first approach. This means where paper can be eliminated, and interfaces can be established, this approach will likely be given priority, subject to industry relevance and commercial viability.

Through adopting a Cloud-first approach to all software and system purchases, ServiceIQ will look to limit the amount of hardware required and the number of systems through best-of-breed / best overall fit for any area.

The key themes to the digital infrastructure design are to:

▶ Bring enrolment and progression data into real time

▶ Improve the ability for trainees, employers and other stakeholders to transact with ServiceIQ digitally improving the overall experience

▶ Make information available to the organisation, trainees and stakeholders to improve trainee outcomes and business management

▶ Use analytics to target resources where needed to best effect.

ServiceIQ has adopted the Cloud-based Microsoft Dynamics 365 CRM as its core source of customer information tracking. The core CRM has been developed using Microsoft compliant practices to allow future vendor upgrades, with external integrations being managed through Microsoft Azure services allowing linkages to all external stakeholders.

ICT is a significant enabler for operational activity and efficiency and when implementing process improvement. The concentration on ICT will be on enabling good process to be accessed and managed. ICT improvement or change will, in most cases, be preceded by process review and definition of an improvement, which may or may not involve the introduction of a new software application or hardware.

5.9 Compliance

Business Compliance – Industry Engagement Team

ServiceIQ operates under several legislative and contractual compliance regimes. Some of the main ones are:

Section 5 (1) of the Act, which requires ServiceIQ to demonstrate that it has, and is likely to maintain, systems and processes to enable it to comply with the prescribed quality assurance requirements, and the capability, knowledge and experience to enable it to comply with the prescribed assurance requirements.

Section 11 B1 (a) ii Obligations of industry training organisations – An industry training organisation must carry out one or both of the following core activities (i) developing and maintaining skill standards to be listed on the Directory of Assessment Standards (DAS) and used in the assessment of trainees (ii) developing and maintaining arrangements for the delivery of industry training that will enable trainees to achieve relevant skill standards; and (c) comply with any prescribed quality assurance requirements that apply to the activities carried out by the organisation; and in carrying out the activity described in subsection (1) (a) (ii), an industry training organisation must have regard to the needs of Māori and other population groups identified in the tertiary education strategy issued under section 159AA of the Education Act 1989.

Key Employer Memorandums of Understanding

One of the industry-facing mechanisms and processes that ServiceIQ has in place to set clear expectations and monitor adherence to Government rules, regulations and compliance requirements for the arranging, assessing and quality assuring of training, is key employer Memorandums of Understanding (MoUs). The MoUs have specific regard to NZQA-TEC rules-regulations for arranging training, including NZQA programme approval rules and requirements, trainee pastoral care and support, Māori and Pasifika pastoral care and support, Literacy, Language and Numeracy support, and quality assurance and moderation requirements.

Legislative Compliance – Finance and Business Assurance Team

The FandBA team manages ServiceIQ's Legislative Compliance programme and requirements as well as ensuring the quality of legal contracts and the currency of the contracts register. Differing tensions can in some cases place risk on areas of the business if compliance is not considered holistically. An example of this may be a commercial activity that is compliant itself but may be at odds with industry training legislation or may put the organisation's charitable status at risk. Overall control and review will be important in managing compliance and risk in a complex business.

ISO 9001:2015

The principles of ISO 9001:2015 are closely aligned to the requirements of our organisation and are proven to be a valuable framework for managing compliance, risk, self-assessment and continuous improvement. ServiceIQ obtained ISO9001:2015 accreditation in Auckland, Wellington and Christchurch in 2017. ISO 9001:2015 is based on eight management principles (Lloyd's Register Quality Assurance Ltd), including: Customer Focus; Leadership; Involvement of People; Process Approach; System Approach to Management; Continual Improvement; Factual Approach to Decision-Making; Mutually Beneficial Supplier Relationships.

Quality Management System

An internal Quality Management System has been developed to ensure the organisation reviews its activity against policy and procedure and identifies opportunities for improvement.

Accountability

The CEO and executive management team are ultimately accountable and responsible for the management of risk and compliance. To this end, ServiceIQ maintains a risk matrix and legislative compliance checklist to manage risk and compliance against. This is reported to the Audit and Risk Committee and Board at regular intervals.

5.10 People and Facilities

5.10.1 People

In March 2019, ServiceIQ recorded 131 staff (120 full-time and 11 part-time). Budgeted staff for the end of 2019 is 141 staff (130 full-time and 11 part-time).

ServiceIQ will look to further strengthen its performance appraisal and professional development process in 2019 and onwards. Numerous HR policy and procedures have been established during the period of the previous Strategic Plan.

ServiceIQ regularly participates in an internal staff engagement online survey titled Ask Your Team, to ensure the needs of staff are heard and acted upon.

5.10.2 Facilities

ServiceIQ leases offices in Auckland (Greenlane) Wellington (CBD) and Christchurch (CBD). Office requirements are reviewed on a regular basis. Regional staff operate from home offices in locations from Dunedin to Auckland.

Service IQ

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SMARTER BUSINESSES