

Industry Training in the Gas Sector

21 October 2011

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MCM - EXITO



EXITO's role

Our role is to:

- set skill standards
- make arrangements for training
- provide skills leadership



Drilling



Energy & Chemical Plant



Extractive



Gas



Petrochemical



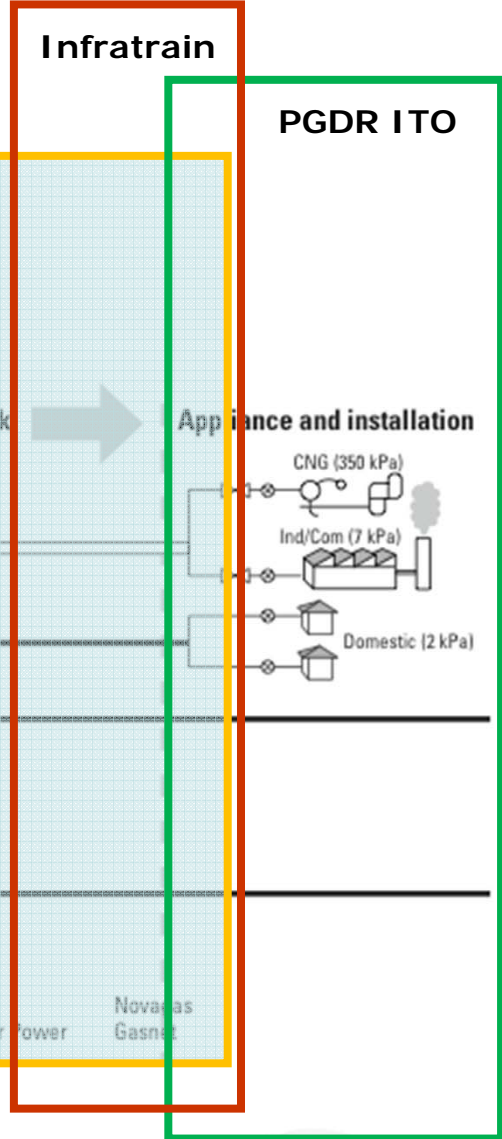
Protective Coatings



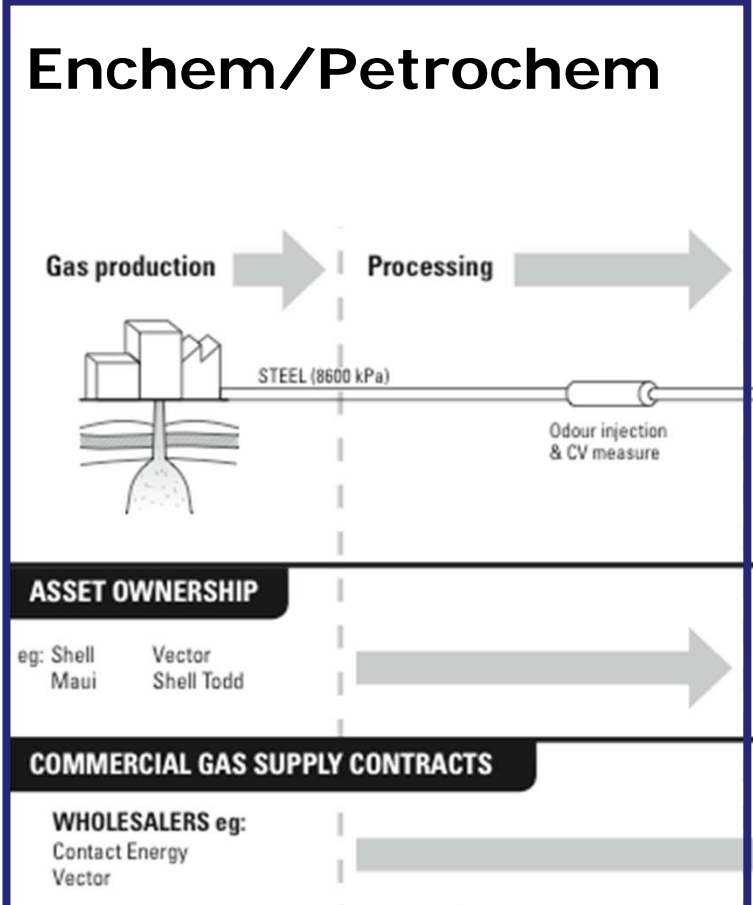
Resource Recovery



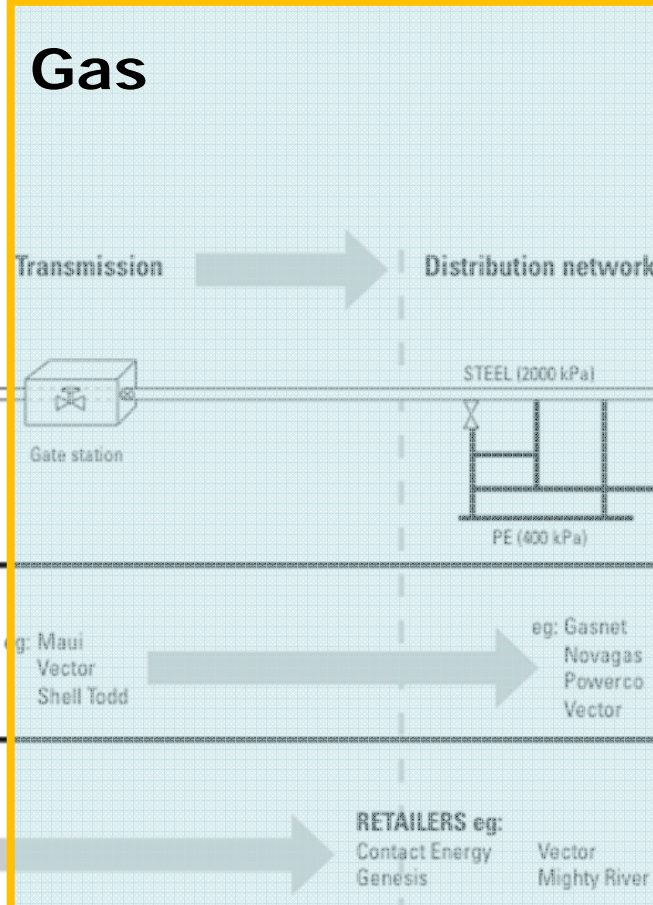
ITO coverage



Enchem/Petrochem

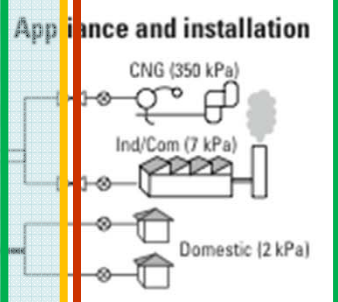


Gas

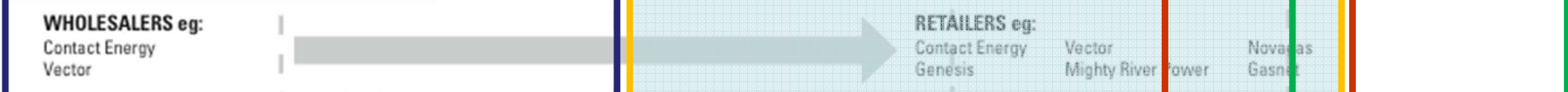


Infratrain

PGDR ITO



COMMERCIAL GAS SUPPLY CONTRACTS



Source: GANZ



Industry Profile: D270000

	Gas Industry	NZ Workforce
Workforce	681 (cf 1200)	1.985m
% male	70%	52%
% female	30%	47%
Median age	39	40
15-24	9%	16%
25-34	25%	19%
35-44	28%	24%
45-54	25%	22%
55+	13%	18%
% overseas born	29%	24%



National Qualifications

- Unit standards
- NQF level
- Credit value
- Duration
- Version

Level 10	
Level 9	University Qualifications
Level 8	
Level 7	Bachelors Degrees/Graduate Diplomas
Level 6	National Diplomas
Level 5	National Certificates/National Diplomas
Level 4	
Level 3	
Level 2	National Certificates
Level 1	

EXITO national qualifications range from Level 2 up to Level 6

Source: www.kiwiquals.govt.nz

COMPULSORY: The following standards are required			
UNIT	UNIT TITLE	LEVEL	CREDITS
497	Demonstrate knowledge of workplace health and safety requirements	1	3
3271	Suppress fire with hand extinguishers and fixed hose reels	2	1
6400	Manage first aid in emergency situations	3	2
6401	Provide first aid	2	1



Gas Industry Consultation

- Strategic Advisory Group - GSAG
- Industry Advisory Groups - IAGs
- Industry Surveys
- Future - wider stakeholder consultation



Products & Services

Qualification coverage:

- Gas Industry
- Gas Network Construction
- Gas Network Operations
- Gas Transmission Operations
- Gas Marketing, Business and Administration

- 13 National Certificates L2 – L4
- Certificates of Competency (CoCs) framework



Gas Industry

Level	NQF	Title
L2	1020	National Certificate in Gas Industry (Gas Distribution)

CoC	Replaces	Job Title	+ units
Networks General	CoC 5a	Network Assistant	
Construction Pipelaying	CoC 3a & 3b2	Network Pipe Layer	Yes
Networks General	CoC 5a & 6a	Network Assistant	
Leakage Survey	CoC 8a and 8b		Yes
CP Survey	CoC 12	CP Surveyor	Yes
Odorant Survey	CoC 11	Odorant Surveyor	Yes
Mark out and location survey	CoC 3a	Locator	Yes



Gas Network Construction

Level	NQF	Title
L3	1022	National Certificate in Network Construction (Service Laying)
L4	1566	National Certificate in Network Construction (Mains Laying)

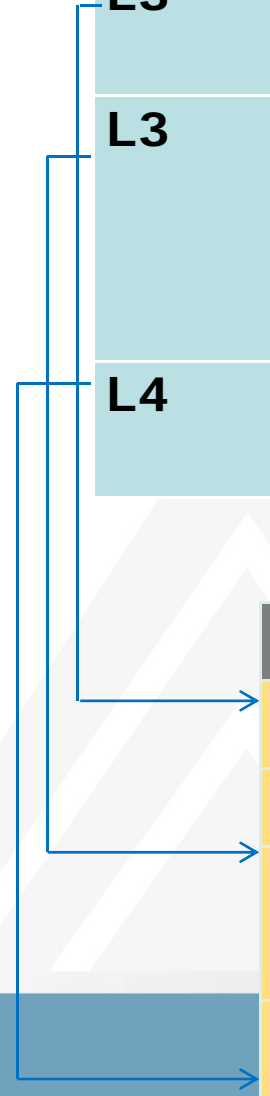
CoC	Replaces	Job Title	+ units
Construction Service Laying	CoC 3c	Network Service Layer	
Construction of Mains and Services	CoC 3c	Network Mains and Service Layer	



Gas Network Operations

Level	NQF	Title
L3	0400	National Certificate in Gas Network Operations (Leakage Control)
L3	1328	National Certificate in Gas Network Operations** with optional strands in: <ul style="list-style-type: none"> •Operations and Maintenance** •Field Auditing
L4	0401	National Certificate in Gas Network Operations (Gas Pressure Control)

CoC	Replaces	Job Title	+ units
Leakage Response	CoC 5b & 8c	Network Leakage Fitter	
**Network Operations	CoC 2a, 2b, 5b	Network Fitter	
**Networks Standard Pressure Control	CoC 2a, 2b, 6b	Network Regulator Fitter	
Networks Advanced Pressure Control	CoC 6c	Network Regulator Technician	



Gas Transmission Operations

Level	NQF	Title
L2	1574	National Certificate in Gas Transmission Operations
L3	1575	National Certificate in Gas Transmission Operations (pipeline)
L3	1576	National Certificate in Gas Transmission Operations (Mechanical)
L3	1578	National Certificate in Gas Transmission Operations (Instrumentation & Electrical)
L4	1577	National Certificate in Gas Transmission Operations (Mechanical)
L4	1579	National Certificate in Gas Transmission Operations (Instrumentation & Electrical)



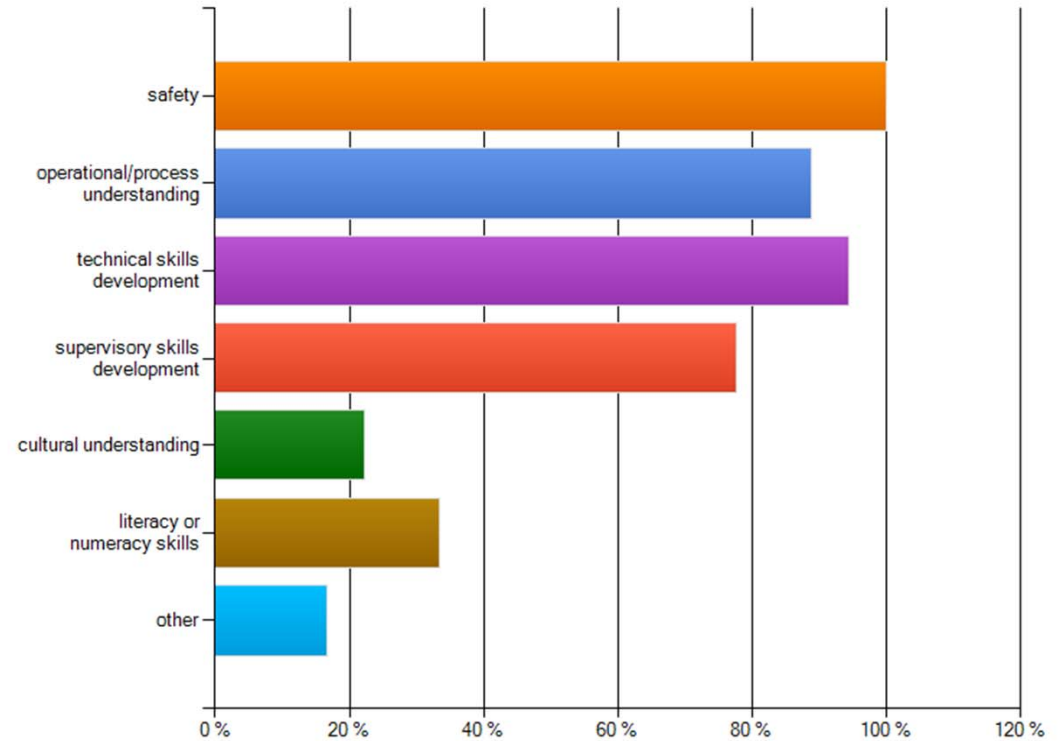
Gas Marketing, Business and Administration

Level	NQF	Title
L3	1510	National Certificate in Gas Marketing, Business and Administration (Customer Support) with strands in: <ul style="list-style-type: none">• Gas Appliances• Gas Connections• Gas Delivery and Measurement Systems• Gas Emergency Response



Reasons for training

- Safety/Ops
- Productivity
- Skills shortage



Political Drivers

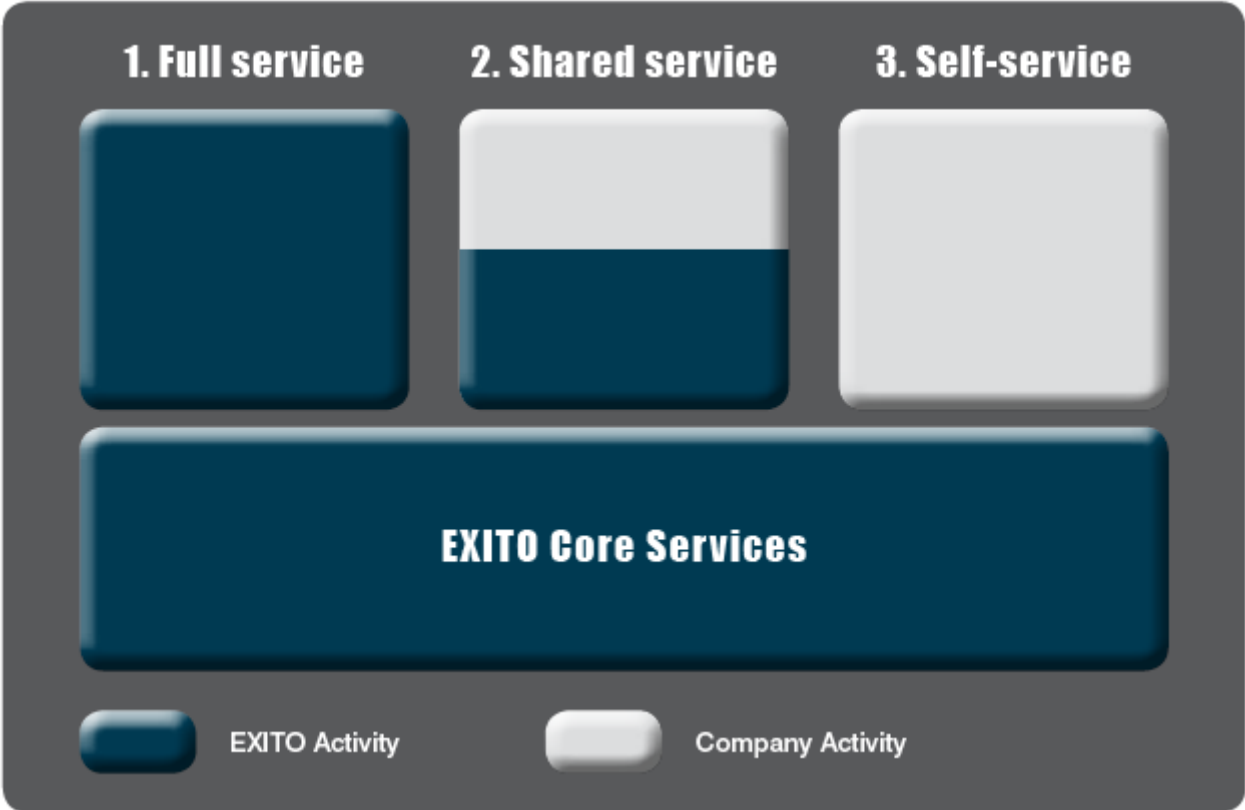
Skills shortages are now the biggest issue facing business and are likely to remain one of the big issues for the foreseeable future.

Business NZ

NZ needs to focus on productivity



New Service Model



Background to New EXITO Service Models

- Research shows our industry want us to be more engaged with them
- Non-completion of qualifications is an issue for EXITO and for the sector
- Government funding for industry training almost trebled last decade
2011 funding = \$144 million (\$55 million diverted to Universities for 2011)
- In NZ 2008-2009, over half (53%) of trainees enrolled in training agreements achieved zero credits
- 44,000 trainees achieved zero credits across both 2008 and 2009 years
- Huge leakage of government funds
(spend on core services not counted as 'outcomes', although reflect in outcomes)
- Model has shifted to one in which OUTCOMES count more
- 2008-2010 14% increase in credit achieved across all ITOs
- 2009 - 14 credits per gas trainee – EXITO average 12.0 credits per trainee
2010 - 20 credits per gas trainee – EXITO average 12.7 credits per trainee



Achieving Qual Completions

- Achievement now (that durations are counted) needs to be around 40 credits per year
- *Average* credit achievement is no longer the measure
- Credit achieved 2009 = 15% of credit enrolled for (38th out of 38 ITOs)
Across all ITOs = 50% average
- EXITO qual completions 2009 = 24% (28th out of 38 ITOs)
Across all ITOs = 41% average
- 1997-2010 an average of 58% gas enrolments resulted in completions
- Services provided to 141 companies for gas qualifications over same period
- Our sectors need more and/or different support to help trainees complete and complete within duration
- Companies will become responsible, in partnership with EXITO, for ensuring achievement of qualifications within a contracted timeframe.



Changes to Rules and Monitoring

- TEC can now monitor credit and qualification achievement on a daily basis
- Will check on durations and previously achieved units – for which funding will not be received
- All trainees signed into a qualification have to have a detailed training plan and a plan to complete within duration as much as possible
- New funding cap of 70 credits per trainee per year
- EXITO received an 8% reduction in its funding for 2011. Given our relatively low levels of credit and qualification completion, this was a strong signal of support given to our *Investment Plan for 2011*
- EXITO has gone through the re-recognition process in January and been given a one year re-recognition – a signal that 2011 performance is critical
- Investment Planning for 2012 is underway now



What does the EXITO funding provide?

A Brief Summation:

1. A framework of, and services for creating and maintaining, sector-relevant qualifications.
2. Support for on-job training and assessment.
3. Support for purchasing of appropriate off-job training and assessment that also support qualification achievement.



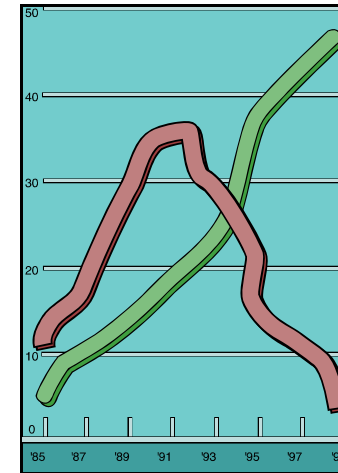
These services assist industry and individual companies in:

- Attracting and retaining staff
- Upskilling of staff
- Rewarding staff with recognised whole qualifications
- Relativity and a common language of competency for industry
- Administrative infrastructure for the above
- Valued providers/assessors towards the above
- Infrastructure of quals/units for pre-employment courses

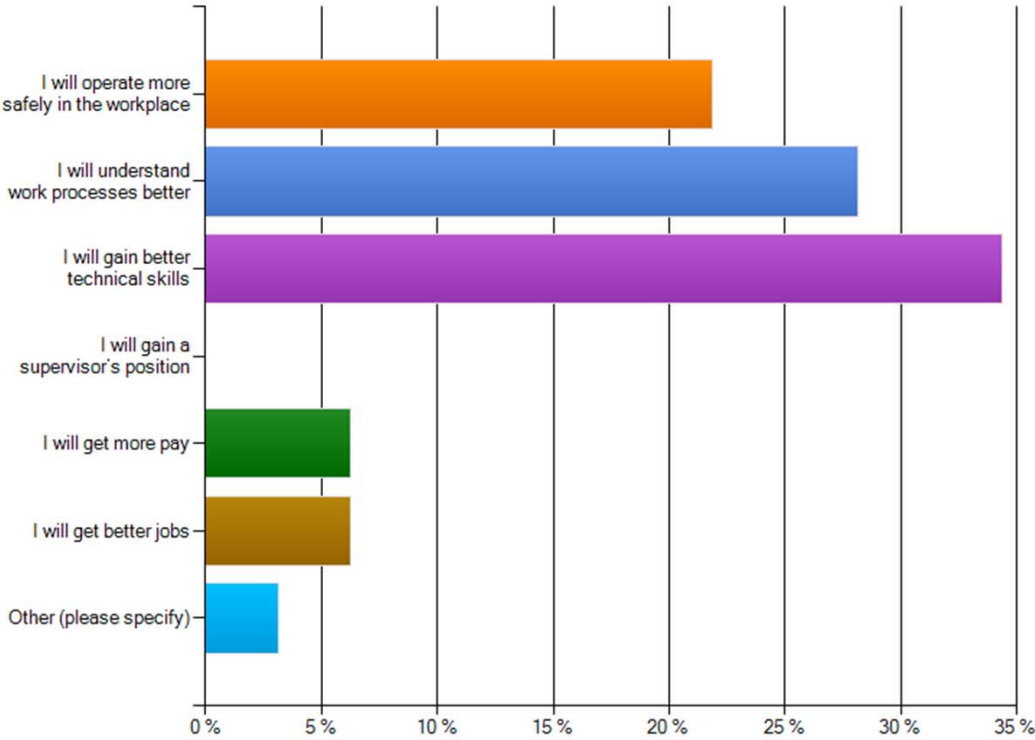


Current Stats – Aug 2011

- 268 trainees currently signed into training agreements towards gas qualifications (308 in April: -13%)
- 71 are in overduration (26%) (42% in April)
- 40 companies
- 18 different quals
- 11 Modern Apprentices



Benefits – as identified by operators



What is Effective Skills Utilisation?

Confident, motivated and relevantly skilled **individuals** who are aware of the skills they possess and know how to best use them in the workplace

working in

Workplaces that provide meaningful and appropriate encouragement, opportunity and support for employees to use their skills effectively.

Skills for Scotland – Scotland's Skills Strategy – Making Better Use of Skills, Scottish Government (2010)



Why is Professionalism Worthwhile?

- Ask anyone who pursued a qualification and earned one!
- Common competence frameworks for industry
- Confidence in training supply and qualifications
- Provides a framework that allows for pre-employment preparation
- Companies and individuals benefit from an 'investing in people'
- Skills transferability
- Mechanisms and measures that provide companies with tools to manage development, performance and progression



Identifying the value-add from training


Interviews with 26 Quarry Managers and Staff

- 10-25% lift in productivity
- Benefit cost ratios for specific training of up to 24:1 for operations (included supervision and replacement staff costs)
- Benefit cost ratios for HSE training was harder to quantify, but...
- Health and Safety training has made a significant difference to staff behaviour and appears to be showing improvements for ACC statistical data for entitlement costs
- Managers surveyed re National Diploma training cited 4th highest training gains in area of regulatory health and safety, including health and safety management systems, investigation and reporting
- Training resulted in strong linkages to the 7 drivers for productivity proposed by the NZ Dept of Labour

*Identifying and Reporting the Value-Added from Training (Extractives Sector),
J. Neild and G Mavromatis (2009)*



Current challenges

- Limited Training Provision  Investigating options
 - New training materials
 - Additional providers
 - E-learning
 - More assessors
- Lack of time  New Service Model



Steps to Training

- SLA
- TNA
- TP /TA
- T & A
- ROL



Questions?

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