

# Skills Policy in New Zealand

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# It's all very similar but ....

Vest is not a vest

- Flip flops
- Sweets
- Lorries
- 'Fush' and chips
- Tobys
- Rumble strips



## And the English translation

- V-neck sleeveless sweater
- Jandals – Japanese sandals
- Lollies
- Trucks
- Fish and Chips
- Stop-cock
- Sleeping policeman

# What do you know about NZ

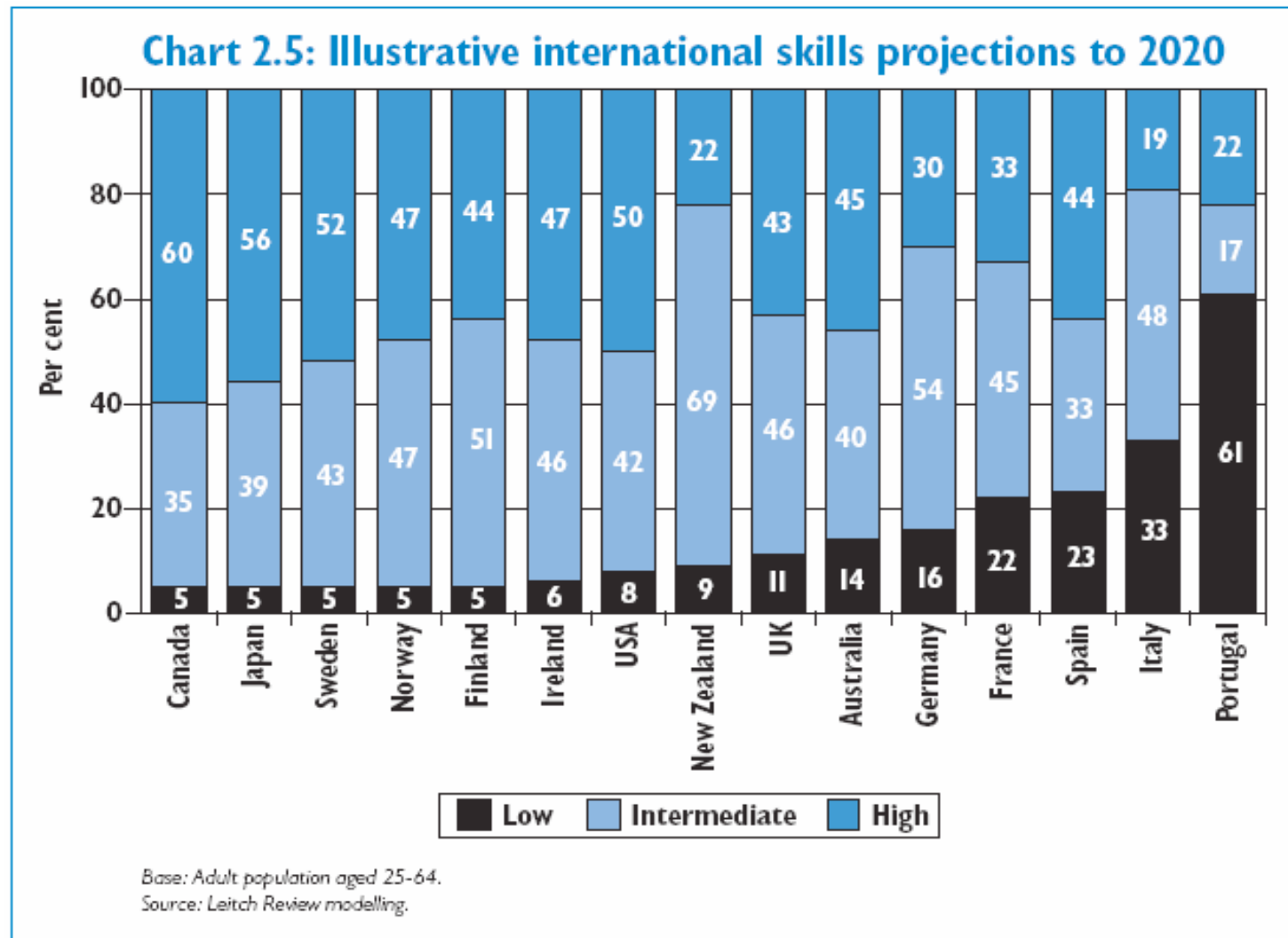
- 1 Name of Capital City ?
- 2 And as the most southerly capital city on the planet, what is it's latitude ?
- 3 And similar places in the northern hemisphere ?
- 4 Biggest export sector ?
- 5 Children spend more time on science, maths in NZ or England ?
- 6 Population ?
- 7 Number of sheep per population ?
- 8 To become a New Zealand citizen, you must swear an oath of loyalty to who ?
- 9 Currently New Zealand generates about 10% of its electricity geothermal from volcanic heat. How much of the country's electricity is generated from water flowing through hydroelectric dams ?
- 10 Top three countries that NZ imports from ?
- 11 And exports to ?
- 12 NZ has the first free trade agreement ever with which country ?
- 13 Who said that when New Zealanders go to Australia, they raise the intellectual level of both countries ?
- 14 And when did NZ give women the vote ?

## And the answers .....

- 1 Wellington
- 2 41 degrees below
- 3 Istanbul, Barcelona and Chicago
- 4 Meat and Dairy and Wool
- 5 New Zealand – and less time learning foreign languages, arts, etc. NZ students get more pressure from their teachers to achieve good results than OECD average and are happier
- 6 4.3m
- 7 39m sheep so about 9:1, reduced from 20:1 but as most are on south island – it is about 20:1 and over 9m beef and dairy cattle
- 8 The Queen
- 9 55% from water flowing through hydroelectric dams. Plan is that by 2025, 90% of energy will come from renewable sources
- 10 Australia, China, US and 18% of exports is Tourism (9% of GDP and 10% of jobs)
- 11 Australia, US, Japan (UK no 5)
- 12 China
- 13 Robert Muldoon, Prime Minister of NZ
- 14 1893 – one quarter of a century before England. Also legalised prostitution. Introduced civil union and freedom of information act long before UK

# We share the same problem .....

How we get from where we are to where we want to go



## But what makes New Zealand different ....

- Loss of labour to Australia – but net immigration of about 15,000 per year
- 120,000 people in workforce are temporary migrants
- 69% of all New Zealanders over 15 are in some form of work
- New Zealanders work some of the longest hours in the developed world
- All this means:

**Most of the available people are in work, country is drawing strongly on the international labour market, and even in recession, unemployment is one of the lowest in the world.**

**And 25% of employers see inability to get labour and skills they need as main barrier to future growth**



Population of  
New Zealand  
= 4.3 million

## Wide range of tertiary providers:

- **Eight** Universities
- **Twenty** Polytechnics & Institutes of Technology
- **Three** Wānanga
- More than **800** registered Private Training Establishments
- **39 Industry Training Organisations that :**
  - Set standards and qualifications
  - Arrange for the delivery of workplace learning
  - Provide industry leadership by identifying skills
  - Strategic planning for skills and training
  - Promote learning that meets industry needs





## And the ethnic population .....

### **Maori population make up 14% and increasing**

- Younger which means more % in education
- Unemployment rates over two times that of non-Maori
- Fewer Maori youth are in tertiary education and achieving level 3 or degrees, or in post-grad study or taking courses relevant to knowledge economy
- % higher number in prison, poorer health, social welfare issues etc
- Noticeable increase in the share of Maori in higher-skilled occupations – public sector

### **Pacific Island People make up 6.9%**

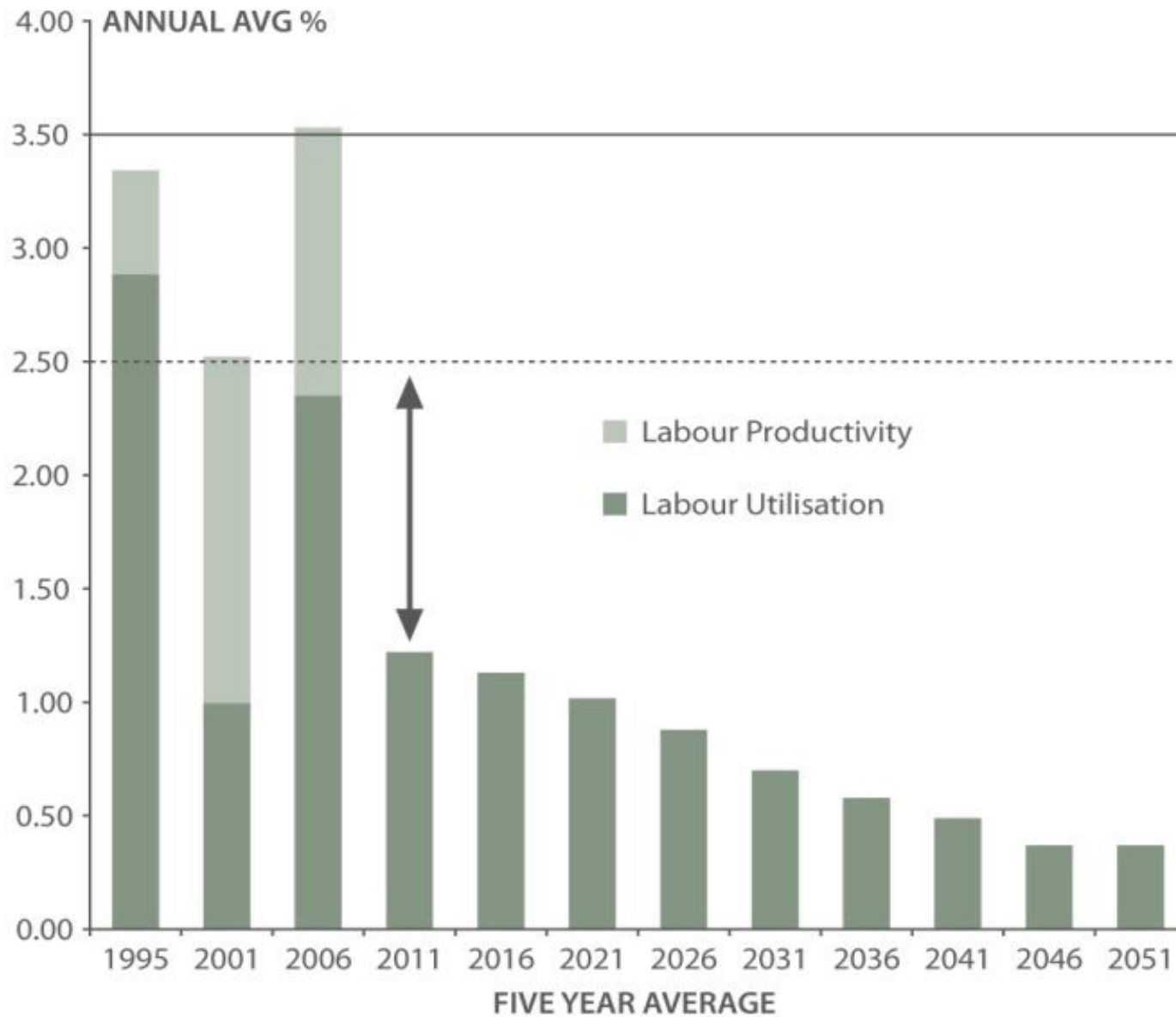
- 59% are New Zealand born
- They are young, diverse with median age 21 compared to age 36 in rest of population
- They are growing fast – almost twice that of Maori
- 67% live in Auckland – biggest Pacific Island city in world !



## And the big problem for NZ – labour productivity

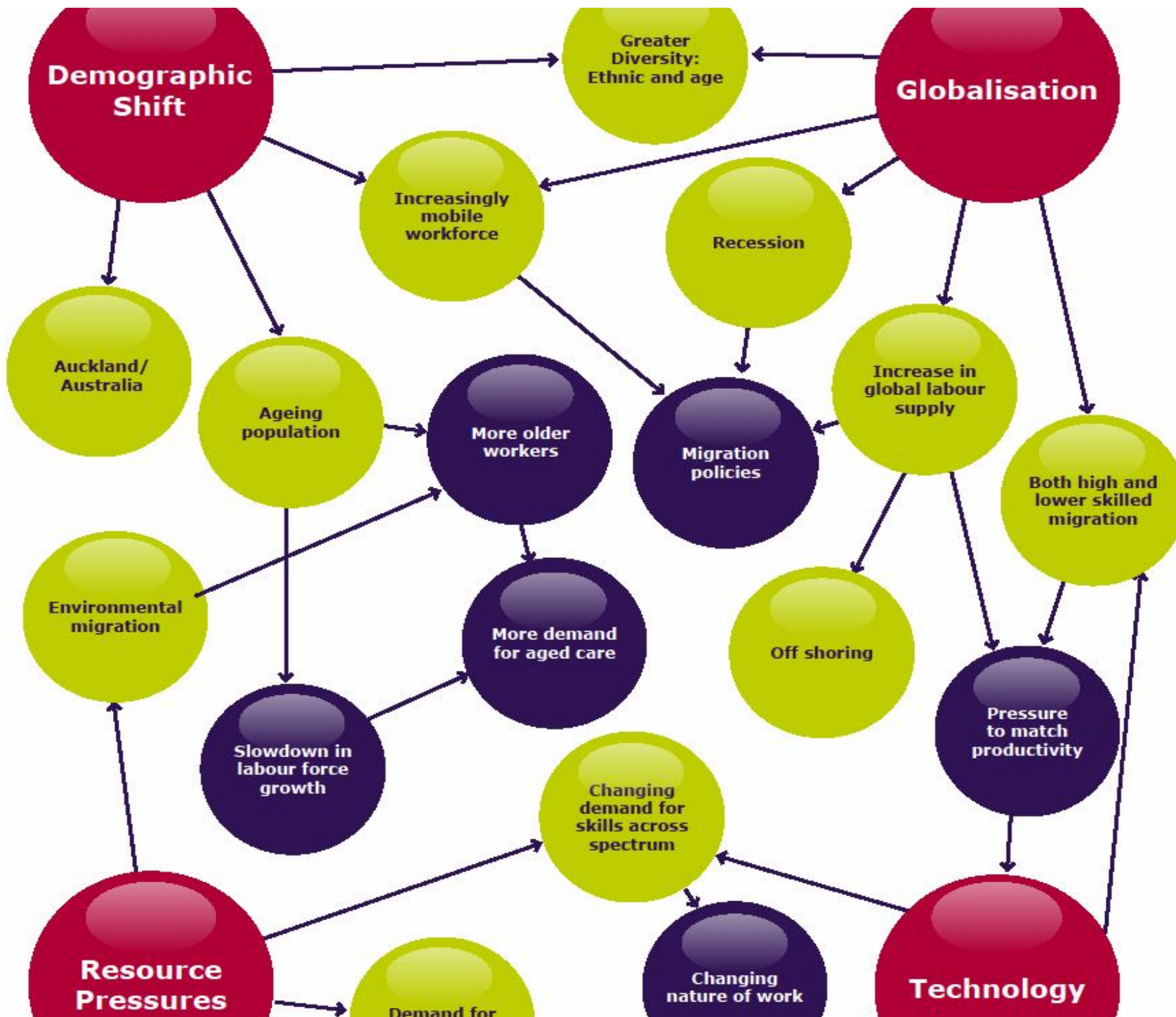
- Much of NZ's recent economic success has depended on a growing labour force.
- NZ has experienced a consistent gap in labour productivity since 1970s when compared internationally.
- NZ's GDP per hour worked has declined from an already low base falling by 13.1% to 56.1% of that of US.
- In 2006 an hour worked in NZ produced 27% less output than an hour worked in Australia.
- Much of the recent strong growth in GDP has been due to the addition of more people into employment rather than labour productivity.
- Increased employment growth has had many economic and social benefits but labour force growth cannot be relied up to sustain long-run growth.
- Future economic growth will increasingly need to be derived from increases in labour productivity

# Pressures to raise labour productivity



# Shaping of NZ's labour market

- In the next 15 years the labour market in NZ will be shaped by a range of forces for change. These will include :
  - big shifts in population size and composition
  - Tectonic shifts in economic power and large scale movement of work and workers internationally
  - Fundamental changes in the nature of work because of new technology and innovation that will drive new skills requirements
  - Profound environmental and resource pressures that will affect the types of jobs and ways of working



# The education and training challenges

- **Literacy and Numeracy** - 40% of adult New Zealanders have levels of skill below those required to function effectively. For Maori and Pacific Island people it increases to 70%
- Availability of **management skills** in NZ is lower than Australia and UK and many other OECD countries
- Managers response to offer **training and development** is highly variable
- Tertiary education needs greater incentives to respond to stakeholders – **‘matching supply and demand’** and the role of research in universities
- Only half of those enrolling in tertiary education **complete their qualifications**
- Long tail of **educational underachievement**:
  - 11% leave school with few or no formal qualifications
  - Low skilled – remains a priority in current economic downturn.
- Importance of **upskilling the existing workforce** (80% of 2020 workforce already in work)
- Better decision-making about **tertiary study**

## So in 2008 NZ tripartite announced a skills strategy

- *Why a Skills Strategy?*
  - A fresh approach to improving productivity
  - Understanding the core role that skills plays in driving productivity
  - Focus on the development, use and retention of skills in the workplace
  - Responding to skills shortages and the need to make work more attractive
  - Linking workplace learning with the factors that drive economic growth
  - A unified approach to develop and use the skills needs in highly productive and high-value workplaces

# NZ Skills strategy 2008

- The Skills Strategy is based on the view that there are three main ways to address skill shortages:
- **Increase the level, quality and adaptability of New Zealanders' skills**, including those already in work and those seeking employment. This can be achieved through increasing labour force participation, enhancing the relevance and timeliness of education and training supply, and upgrading the skills of the existing workforce
- **Increase the supply of skilled labour through immigration.** The use of temporary work permits and the emphasis on skilled migrants are examples of using global labour supply to help address some of New Zealand's skills needs
- **Improve the use of skills in the workplace.** This could e.g. include creating attractive workplaces that recruit and retain skilled workers. It can also include raising the level of productivity of the workforce through training, technology, and workplace reorganisation.



# NZ Skills strategy four goals for the first year

- **Goal 1**
  - The effective use and retention of skills to transform work and workplaces
- **Goal 2**
  - Increase in the quality of demand from employers and workers
- **Goal 3**
  - Influence the supply of skills and create a more responsive education and training system
- **Goal 4**
  - A unified approach to defining, valuing and measuring skills

# Priorities to deliver goals

- Improve Literacy, language and numeracy
- Enhancing management capability using public/private partnerships
- Streamline government initiatives in this area and improve links with private sector
- Measurement of skill acquisition and retention
- Develop industry specific skills
- Improve access to labour market information
- Undertake a review of qualifications system
- Research to understand trans-Tasman labour market
- Create a shared language on skills
- Advise and support employers on how they can best support yp
- Improve information, access and advice for young people in workforce, and their parents

## In summary

- New Zealand has many of the challenges facing UK – NEETs, skill shortages, demographics, technological changes etc
- But it is a small island, a long way away from most places, with a small population, a liberal culture, a mobile workforce and a growing ethnic population that brings its own challenges
- It's approach to skills acquisition and development is therefore both the same and different – its not Singapore, Ireland, Finland or Korea or indeed UK

No 8 wire!



