



NZ SKILLS STRATEGY

# New Zealand Skills Strategy

**ACTION PLAN 2008**



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The New Zealand World Skills team is selected after the biennial WSNZ National Finals to represent New Zealand at the World Skills International competition.

For further information about this year's competition see: [www.worldskills.org.nz](http://www.worldskills.org.nz)



[newzealand.govt.nz](http://newzealand.govt.nz)

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**ACTION PLAN 2008**



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## Foreword from Skill New Zealand Tripartite members

New Zealand's economic transformation and our future skill needs rely on businesses, unions, workers and government working closely together to implement a unified New Zealand Skills Strategy.

The Skill New Zealand Tripartite Forum brings together government Ministers and officials, Business New Zealand, the New Zealand Council of Trade Unions, and the Industry Training Federation to work in partnership to implement the Skills Strategy.

### Government

Last year, as part of the Government's Economic Transformation Agenda, we highlighted the need for New Zealand to increase its skill base in order to maintain its international reputation and enhance its global competitiveness. As a nation, we need more innovative ways of tackling the challenges of ongoing skills shortages and productivity levels that are not rising quickly enough.

As announced in January 2008, we are committed to a partnership approach to increase workforce skills. The release of the New Zealand Skills Strategy Action Plan for 2008 is a key part of that commitment. We expect further work and more initiatives to be undertaken in the coming years, as we build on this Action Plan.



**Pete Hodgson**  
(co-chair Skill NZ)  
Minister for  
Tertiary Education



**Maryan Street**  
(co-chair Skill NZ)  
Associate Minister for  
Tertiary Education



**Jim Anderton**  
Associate Minister for  
Tertiary Education



**Trevor Mallard**  
Minister of Labour



**Ruth Dyson**  
Minister for Social  
Development and  
Employment



**Phil O'Reilly**  
Chief Executive  
Business New Zealand

### **Business New Zealand**

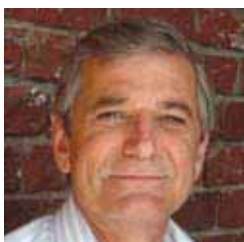
Innovation, productivity and economic growth all depend on sufficient skill levels among working New Zealanders. Business New Zealand supports the Skills Strategy's aim of delivering a unified approach to ensure New Zealand individuals and organisations are able to develop and use the skills needed in highly productive, high-value workplaces.



**Carol Beaumont**  
Secretary  
New Zealand Council  
of Trade Unions

### **New Zealand Council of Trade Unions**

In our rapidly changing world, having a highly skilled workforce is a necessity. Our future will depend upon giving people the opportunity to develop their skills and abilities to the maximum; not just as a strategy for competing in a global economy but as an effective way to tackle family poverty, increase social mobility and improve the quality and security of work.



**John Meeuwssen**  
Chair  
Industry Training  
Federation

### **Industry Training Federation**

Through this strategy we are recognising the importance of linking workplace based learning to the other factors that contribute to economic development. Industry training is about integrating learning with improvements in the way workplaces operate and ensuring training complements new and innovative processes.

## Introduction

The New Zealand Skills Strategy aims to build a shared understanding of the challenges New Zealand faces in meeting the demands of a growing economy, so that we can reach a consensus about the priorities for action, and develop solutions that will result in real progress through a shared commitment to implement agreed actions.

A discussion paper released in April 2008 described the key challenges facing New Zealand in ensuring that the skills of the available workforce will support future increases in economic growth through improvements in productivity. It outlined factors that contribute to labour productivity, including the way equipment and technology is made available to workers and how work is organised within firms.

It also suggested that the ability of our managers and industry leaders to find and use the resources available to them – including the skills of their workers – is critical. This is why the Skills Strategy places an emphasis on the development of management and leadership capability within organisations and seeks to support workers to better influence skills development within their workplaces.

The Skill New Zealand Tripartite Forum's interest in those skills most needed to drive economic growth means that the Skills Strategy is concerned with the development of all levels of skills, including literacy, language and numeracy skills, trade skills, technical skills, and degree-level qualifications, as well as specific management and leadership skills. It also acknowledges the value of skills informally acquired in work through experience and learning from others, and the need to ensure that skills acquired both formally and informally are actually used and valued in workplaces.

Most importantly, as 80 percent of people working now will still be in the workforce in 2020, it is vital to improve the skills of the current workforce and the value of the work they do.

Skills needs change over time, so it is important that we place an emphasis on creating a system that supports a good match between the skills of workers and the skills needed in workplaces. The Strategy therefore aims to improve current processes to ensure industry's emerging needs are taken into account in developing courses and qualifications offered through the tertiary education and training system. It also places an emphasis on opportunities for people to up-skill or re-skill as these needs change.

As noted in the discussion paper, there is already significant work being done to meet skills challenges. This work is being led by regions, industries, employer organisations, unions, businesses, education and training providers, and government and non-government organisations. It is important that this work is well connected and integrated to minimise duplication and lack of clarity.

The first phase of the Skills Strategy is therefore focused on better co-ordination, based on an understanding that the significant improvements in the development and use of skills needed to drive labour productivity and economic growth are going to require co-ordinated action and commitment across New Zealand government, organisations and individuals.

## Consultation: Summary

### Overview

The Skills Strategy discussion paper was generally welcomed in terms of both concept and content. The unified development of the Strategy was very well received, and seen as critical to its success.

### Consultation mechanisms

The government, social partners (the Council of Trade Unions and Business New Zealand), and the Industry Training Federation solicited input into the Skills Strategy discussion paper in a consultation process that ran from 29 April – 6 June 2008. Communication mechanisms included online forums, a blog, public meetings, a DVD to facilitate 'do-it-yourself' consultations, and electronic and written submission forms.

### Submissions

A range of submissions were received that represented a cross section of interests from businesses, unions and workers, tertiary education organisations, local authorities, and non-government organisations, as well as individuals. Organisations and Individuals had clearly put a lot of thought into how best to implement the Strategy, and the input received will continue to be useful in formulating new actions.

### Public meetings

The independently facilitated public meetings, held in 23 locations across New Zealand, were attended by approximately 600 members of the public. Representatives from Business New Zealand, the Council of Trade Unions, the Industry Training Federation and government agencies were also at these meetings.

The independent facilitators reported that the public meetings generated perspectives and insights that were of real value for taking the Skills Strategy forward. People were engaged and genuine, provided high quality input, and took on ownership of actions. Interactions were generally positive and constructive in tone.

### Further discussions

The Skills Strategy Programme Office has also met with a range of interest groups, including Union representatives, Institutes of Technology and Polytechnics New Zealand, Pacific businesses and Pacific community representatives, Māori businesses, educators, the Tertiary Education Commission's Learners Advisory Committee, Hui Taumata Trust members, and the Small Business Advisory Group. Particular issues that were raised during these meetings will be useful in formulating new actions.

### General feedback on Strategy goals and priorities

There was general agreement to the proposed goals and the priorities, but it was felt by many that some of the priorities should be broadened.

There was a significant response that there were other distinct groups, in addition to young people in the workforce, that required tailored actions and responses. These groups include people returning to the workforce, migrants, people with disabilities, older people, Pacific Peoples and Māori. For example, there is an opportunity to look at ways to develop the skills required to maximise the benefits for Māori from the significant opportunities emerging through Treaty of Waitangi settlements and the expanding capital asset base of Māori. The Skill New Zealand Tripartite Forum has responded to this widely-felt concern to include as a goal: 'Make the most of the available workforce by supporting everyone to work, through skills development and supportive workplace practices.'

## Feedback on the four areas of work that were proposed in the discussion paper

### Increasing the literacy, language and numeracy skills of the workforce

- There was a strong feeling that this area needed to include 'soft skills' such as communication skills, teamwork, interpersonal skills, critical thinking and problem-solving skills.
- Many people said that digital literacy should be included in this priority.
- We received many views on literacy, language and numeracy training. The Programme Office is feeding these ideas into the implementation of the literacy, language and numeracy priority actions within the Strategy.

### Building the capability of firms to support managers and workers to better develop and use skills

- It was suggested that the word 'organisations' be used rather than 'firms' so that government and non-government organisations could be included in this priority. Further, governance capability as well as management capability was seen to be important.
- An ongoing theme was the problem of engaging with small and medium enterprises and micro businesses, as well as providing incentives for staff training to these organisations, and ensuring access to training for owner/operators.
- There was perceived to be a severe skills deficit at the level of front-line managers and supervisors, who tend not to have any leadership or management training prior to taking on these roles.

### Enhancing the relationship between the supply of skills, and the demand for them, including a focus on measuring skill acquisition and retention

- Many people thought there was a need for independent careers advice at school level and beyond to support lifelong career progression.
- Measurement issues that were often identified in the consultation process were the difficulties in recognising migrant qualifications and the need for a way to measure 'soft' skills.
- There was a strongly felt need for awareness-raising amongst both employers and employees regarding the benefits of developing and using skills.

### Increasing the skills of young people in work

- There was agreement that young people in work are a priority group, with acknowledgement that there are other groups that also require specific interventions.
- People saw the need to develop strong links between schools and industry/employers so that young people are aware of the opportunities available to them.
- The connection to the recent consultation on the Schools Plus programme of work was often noted as the importance of addressing the skills of young people entering the workforce was discussed.



### Feedback on Strategy actions

In general, there is support for the actions that contribute to the priorities and goals of the Skills Strategy. The particular issues about implementation of the actions will be followed up with the relevant groups as necessary.

There are also a number of new areas that we would want to explore in 2008, including looking at issues for small and medium enterprises accessing industry related training and relevant subsidies, management training for frontline managers and supervisors, and developing a communications and implementation strategy for the Skills Strategy Action Plan.

For a comprehensive list of ideas and actions proposed in the consultation process, and summaries of the public meetings please see the Skills Strategy website, [www.skillsstrategy.govt.nz](http://www.skillsstrategy.govt.nz)

### Ongoing engagement and communication

The Skills Strategy Programme Office and partners are grateful for, and awed by, the incredible input into the Strategy from organisations and individuals across New Zealand. We would like to continue to build on our relationships with you, and draw on your extensive knowledge and networks as we consider future action plans. We will begin our engagement on this from August 2008.

We acknowledge the need to expand our communication networks, find efficient ways of engaging with small businesses and those groups whose interests we may not have had the opportunity to discuss in detail as yet. We will continue to work on this.

## The New Zealand Skills Strategy: Purpose and Goals

### Our Purpose

The Skills Strategy takes a unified approach to ensure New Zealand individuals and organisations are able to develop and use the skills needed in the workplaces of the future.

Our purpose reflects the view that the successful implementation of the Skills Strategy will integrate what happens in the workplace with the formal education and training system. This reflects important differences between this strategy and previous skills development work undertaken in New Zealand.

We are one of the few countries focusing on how we need to develop and use skills in the workplace, and we believe that this provides a competitive edge to New Zealand in comparison with those strategies being developed by other countries.

### Our Goals

- |               |  |
|---------------|--|
| <b>Goal 1</b> | Improve the use and retention of skills to transform work and workplaces   |
| <b>Goal 2</b> | Increase employer and worker awareness of their skills needs   |
| <b>Goal 3</b> | Influence the supply of skills through a more responsive education and training system   |
| <b>Goal 4</b> | Develop a unified approach to defining, valuing and measuring skills   |
| <b>Goal 5</b> | Make the most of the available workforce by supporting everyone to work, through skills development and supportive workplace practices |



### **Goal 1: Improve the use and retention of skills to transform work and workplaces**

New Zealand has been making an increased investment in our education and tertiary system to increase the number of skilled people entering the workforce. Yet, surprisingly, overall productivity has not grown at the rate expected with our increasingly qualified labour force. The explanation may in part be that employers are not fully using the skills of their workers.

Workers will be able to make a greater contribution to their workplaces if they have a strong understanding of the work that they do, and the ability and confidence to solve problems and innovate. A supportive workplace culture also encourages increased development and use of workers' skills to transform work and workplaces.

Retention issues are a key factor contributing to skills shortages. We therefore need to consider ways to retain skilled workers by making workplaces more attractive and ensure our overall workplace culture helps retain skilled people in New Zealand.

### **Goal 2: Increase employer and worker awareness of their skills needs**

Employers need to know what skills can help their firms improve productivity, and workers need to be able to voice their ongoing skill needs and take responsibility for their ongoing skills development.

The tertiary education reforms are designed to ensure that public investment in education and training best meets the needs of industries, employers and students. This work will ultimately only lead to improved investment if industries, businesses and individuals are able to better understand and articulate their skills needs.

We therefore need to identify ways to support industries and firms to take greater ownership of their present, and likely future skills needs and develop a better understanding of barriers to workplace learning. Developing more participative workplaces and learning networks is also seen as vital in raising worker awareness of their skills needs. We need to develop a process that will enable better information about their needs to be used to inform the delivery of tertiary education and training. It will also be important that workers have access to the right information to allow them to make career choices and negotiate opportunities for skills development.

### **Goal 3: Influence the supply of skills through a more responsive education and training system**

As we work towards our goal of increasing employer and worker awareness of their skills needs, it will be important that the tertiary sector responds to changes in demand by delivering education and training products to meet these changing needs.

The tertiary education reforms and the Tertiary Education Strategy 2007-12 have put in place the key priorities and processes for the tertiary education system to respond to the needs of businesses. In particular, the Tertiary Education Strategy includes as one of the five specific areas for improved achievement 'building relevant skills and competencies for productivity and innovation'. It notes that the need to rapidly adapt to a tight labour market means that increasing the achievement of advanced trade, technical and professional qualifications is a priority outcome.

The Skills Strategy will build on the tertiary reforms, and will develop processes and systems to ensure a better match between supply and demand into the future. Furthermore, it will strengthen the role of Industry Training Organisations (ITOs) as the interface between industries and tertiary education, ensuring that industries' skill requirements drive the provision of education and training for industries.

#### **Goal 4: Develop a unified approach to defining, valuing and measuring skills**

How we define, value and measure skills will be critical to evaluating improvements in skill acquisition, use and retention, and changes in productivity through the focus of the Skills Strategy.

We know skills can be difficult to measure. Often the relationship between increased skill levels and better performance in the workplace is unclear. Still, it is generally accepted that there is value for employers who invest in training and further skill development for their employees. This includes specific technical skills, as well as 'soft' skills, such as communication and presentation skills.

Skills have generally been measured and analysed through information about education attainment (including qualifications), people's occupations and length of employment. Not surprisingly, evidence suggests that workers with higher qualifications are more likely to earn more than those with lower qualifications and less experience. This may not, however, tell the whole story; for example, some people may have an inherent and natural ability to achieve success, and thereby earn more in employment.

A broader approach to defining, measuring and valuing skills will be necessary in order to recognise individuals' employability, labour market mobility, and experience.

#### **Goal 5: Make the most of the available workforce by supporting everyone to work, through skills development and supportive workplace practices**

The Skills Strategy recognises that there is a need to develop the skills and further improve the provision of services to various groups in the labour market.

A key theme from the public consultation was that the Skills Strategy would be enhanced if the specific needs of all groups of the workforce were recognised. Specific mention was made of disabled people, older workers, migrants, people returning to the workforce, Māori and Pacific workers.

In light of this consultation feedback, this goal has been added to the Skills Strategy. This will ensure that the skill needs of these particular groups can be considered across the Action Plan, and will encourage further engagement with those groups and individuals who have an interest in developing and using the skills of these groups in the workplace. This goal will also inform and guide the development of further specific actions for these groups in subsequent years.

## Action Plan 2008

### Areas for action in 2008

#### Improve management and leadership capability in organisations to better develop and use skills

- Action 1** Partner firms with tertiary organisations and others to enhance management and leadership skills
- Action 2** Streamline government firm capability programmes and improve their links with the private sector

#### Increase the literacy, language and numeracy skills of the workforce

- Action 3** Increase literacy, language and numeracy learning opportunities, and the quality and relevance of those learning opportunities
- Action 4** Raise workforce and employer awareness of the benefits of literacy, language and numeracy skills

#### Create a better match between workers' skills and industry and regional needs

- Action 5** Develop skills plans for priority industries and regions
- Action 6** Improve access to careers and labour market information and advice for adults in the workforce
- Action 7** Undertake a targeted review of the qualifications system, focusing on diploma and certificate levels
- Action 8** Develop easily accessible information about skills that meets the needs of individuals, employers, industries and regions

#### Support young people currently in the workforce to increase their skills and engage in relevant training

- Action 9** Provide advice and support for employers and tertiary/training providers on how they can best support young people currently in work
- Action 10** Improve the provision of information, access to careers advice, and life-long learning advice for young people currently in the workforce and their families

These actions across four areas are a starting point for 2008. These have been identified from the work being done by the social partners, the Industry Training Federation and government agencies, and confirmed and added to by the consultation process. They will lay the necessary foundations for more comprehensive responses to be developed over the coming years. In particular, the Literacy, Language and Numeracy work programme is focused on building over five years the demand for and supply of literacy, language and numeracy learning opportunities, as well as the capability of providers.

The public consultation confirmed that a lot of work is going on at the regional level and within some sectors to address skills issues, tailored to meet needs, challenges and strengths of regions and sectors/industries. Examples include: the Canterbury Labour Market Strategy, a skills analysis of the needs of the Oil and Gas Sector, skills issues in the information, communication and technology (ICT) industry, and the work of the Food and Beverage Taskforce.

Further, working with Te Puni Kōkiri and Māori stakeholders, in 2008 we will develop a Māori Skills Action Plan within the framework of the Skills Strategy. In formulating the plan, we will investigate ways to enable a greater proportion of Māori to participate in high value work, leverage Māori entrepreneurship, ensure meaningful skill development and enhancement opportunities, and progress the desire of Māori and agencies to be involved in shaping a more responsive system for Māori and other stakeholders.

Other skills-related programmes and initiatives that the government is progressing, such as the Schools Plus programme of work, the government's Economic Transformation work (including emerging work on Areas of Focus), and the refresh of the Digital Strategy 2.0 will be recognised and aligned with many of these actions.

## Improve management and leadership capability in organisations to better develop and use skills

Managing diverse sets of skills to achieve positive outcomes in the workplace is an increasingly complex challenge. Managers and management systems must become more sophisticated if firms wish to grow and sustain improvements in their performance. Firms must maximise returns from their productive assets, especially the talents of their people, in order to succeed in today's globally competitive marketplace.

Enhancing the ability of managers to better use, develop, and retain the skills of their employees is one of today's business imperatives. Initially, the focus will be on building the management and leadership capability in firms, including small businesses.

Many valuable employee skills are developed through work-related or work-based activities. Skills are developed on the job in 'learning-by-doing' situations and carry over from investments made by earlier employers. Skills get refined through formal employer-funded or government-funded training programmes and are further developed through knowledge transfers amongst workers. When individuals develop new skills in the context of their work, retention rates improve and the new skills are available for achieving the firm's goals.

Skills development, skills use, and skills retention all matter. Improvement in each at the firm level is largely a function of firm culture, which is to a great extent set by top management. The government and its private sector partners are seeking to develop and encourage the provision of management development programmes that support firm-led and firm-focused outcomes.



Overall firm performance often improves when a high percentage of work-related learning activities are connected to the core business purpose and fit directly to key business strategies. New Zealand's economic transformation agenda is increasingly driven by the desire to have more firms engage in international markets, so management development programmes must also seek to support this aspiration.

However, New Zealand employers often do not fully appreciate the value of work-based learning to their organisations. A challenge for the Skills Strategy initiatives will be to get firms to appreciate the value of increased worker skills, and to help workers to see the benefits of work-related training for their own future development and employability.

Research suggests that the government's existing work to improve labour productivity has been generally well received by firms that are looking to make changes to the workplace, but that making these changes has been more difficult than anticipated. Furthermore, some organisations might need more direct support to make changes that will improve their workplace productivity. It is therefore important that firms are provided with the most appropriate assistance relevant to their needs to build their capability. Partnerships at the local/regional level, or around sectors and clusters of industry, with tertiary education organisations, will ensure tailored support mechanisms can be implemented.

Indeed, there are a number of current initiatives taking place in regions and sectors that can be strategically linked to this priority area. For example, building on the industry skills leadership activities of Industry Training Organisations, strengthening links between tertiary education organisations and the business community, as well as better using and developing information, communication and technology skills in the workplace, and enhancing management capability. Trusted partners can work closely with firms to better articulate their demand for management development services and related resources.



We will also need to understand what is required to help workplace leaders, managers, employees and employee representatives, including the Council of Trade Unions' Learning Representatives, increase the quality of demand for skills. This will likely lead to building more effective ways to influence the supply of skills, gaining more effective use of labour market information by firms, and developing a better understanding of the role of training in how skills are developed and used – one of the core roles of ITOs as set out in the Industry Training Act.

Ultimately, significant increases in New Zealand's productivity rate will only be achieved if workplaces understand and implement best practice approaches to:

- leading and managing staff
- creating productive workplace cultures
- networking and collaborating for transfer of knowledge
- encouraging innovation and the use of technology
- developing people and skills
- organising work to better measure performance.

## ACTION 1

### Partner firms with tertiary organisations and others to enhance management and leadership skills

#### Why this is important

Management and leadership capability plays a key role in enabling firms to organise work and introduce practices that optimise skill use and productivity. The perceived availability of management skills in New Zealand is lower than Australia, United Kingdom and many OECD countries, and while many managers have skills and abilities they often do not or cannot apply them effectively. Research also suggests that the demand for management development training is very low in New Zealand. Barriers to uptake vary, but are likely to include low awareness of training and development options; poor supply, timing or location of development options; or insufficient relevance of development opportunities to a firm's operations.

The action focuses on addressing the gaps between the supply of and demand for management capability initiatives. It seeks to enable firms to access development opportunities in a form and manner which suits them and which adds value to their operations and net return. By strengthening management capability through firm-focused engagement activities, we will establish a sound base upon which other firm capability building initiatives can build.

The private and public sectors will work in partnership, through these projects, to build models that will improve and increase the stock of managerial capability in New Zealand so more firms can innovate, grow, and ultimately compete in international markets.

#### Specific Tasks

We propose the establishment of several experimental partnerships of firms and training providers to explore practical and innovative approaches to developing relevant firm-focused management capability initiatives. This would include, but not be limited to, mentoring, training, strengthening governance arrangements and improving worker engagement tools.

The goal is to build management development approaches that are more diagnostic in their orientation, which determine specific management capability deficiencies, and then supply solutions become more firm relevant. It will be important to engage existing providers who are experienced in management development and leverage their resources towards more efficient and effective outcomes.

The partnerships will focus on sector-specific groups of firms in various regions of New Zealand. Providers of management development services will be invited to match their talents and programmes to meet priority needs as identified by businesses and through the diagnostic process. A priority within the partnerships is to involve tertiary institutions with the appropriate skills and resources to develop stronger and more strategic relations with business leaders, owners and their organisations.

Approved partnerships would meet specified criteria (e.g. ability of providers to deliver to firm requirements; firm suitability; potential to apply lessons from pilot to other sectors/regions; suitable and appropriate leadership; and potential economic impact). Some initial partnerships that are being developed include:

- Manufacturing sector – Manukau
- Service sector – Nelson
- Building and Construction sector
- Information, communication and technology (ICT) – Digital
- Tourism focus – Queenstown



It is expected that each partnership will have a leader or facilitator (e.g. from Employers & Manufacturers Associations, Economic Development Agencies, Industry Training Organisations, Chambers of Commerce) who:

- has earned the confidence and trust of the firms involved
- understands the needs of participating firms
- understands the management development market
- can facilitate/broker appropriate firm-provider arrangements.

A close relationship with the relevant Industry Training Organisation, and with relevant tertiary or training providers, will be critical in making these partnerships work effectively.

The Ministry of Economic Development and Department of Labour (joint lead) will work with New Zealand Trade and Enterprise, Tertiary Education Commission, Foundation for Research Science and Technology, other relevant government agencies, the Industry Training Federation, social partners and the tertiary sector to manage the process, determine evaluation requirements, ensure availability of required resources, monitor partnerships and ensure ongoing accountability.

## ACTION 2

### Streamline the government's firm capability programmes and improve their links with private sector initiatives

#### Why this is important

Government supports firm capability and investment development through a number of structures and processes: for example:

- tertiary education through the Tertiary Education Commission
- firm training supported by New Zealand Trade and Enterprise
- sector-specific initiatives (e.g. Food and Beverage, Manufacturing Action Group)
- issue-based initiatives (Growth and Innovation Advisory Board, Workplace Productivity, quality participation)
- industry research funding through the Foundation for Research, Science and Technology.

Many of these initiatives have arisen in response to specific issues, and may not necessarily link logically with each other or to the private business training and advice market. The large number of initiatives may make it difficult for businesses to understand or access programmes. As a result, some interventions may not be as effective as they could be.

### Specific tasks

We will review the current set of government firm capability development interventions. Initially, we will focus on reviewing management capability development interventions, taking into account existing reviews of government support in this space. Management capability has been identified as a key issue, particularly in small and medium businesses, and the narrower focus will allow the review to both complement and inform the partnerships being developed in Action 1. We will collect detailed information from a user perspective on each intervention to identify overlaps and potential gaps. We will also review and analyse selected interventions in the private sector.

The review will provide useful information to businesses on the assistance that is available to them. The review will also provide a basis for advice to Government for better alignment of government interventions and how they link to private sector initiatives.

Once the review of management capability interventions is completed we will decide whether and how to proceed with a stocktake of wider firm capability interventions.

This review will be jointly led by the Ministry of Economic Development and Department of Labour, with the Tertiary Education Commission, New Zealand Trade and Enterprise, Foundation for Research Science and Technology, other relevant government agencies and Skill New Zealand partners (Business New Zealand, the Council of Trade Unions and the Industry Training Federation).

### Increase the literacy, language and numeracy skills of the workforce

New Zealand's low levels of literacy, language and numeracy have been identified as contributors to our relatively low productivity. Low literacy and numeracy levels can affect employees' level of engagement in the workplace and limit their resilience to change and potential for advancement in the labour market. Improving literacy and numeracy skills in the workforce will increase the number of New Zealanders who are able to participate more effectively in the economy. This in turn will support the ongoing transformation of workplaces into ones which have high levels of productivity, provide higher value work for their employees, and ultimately contribute to improved social and economic outcomes for all New Zealanders.

Literacy includes reading, writing, speaking and listening and the communication, critical thinking and problem solving skills for participating in the workforce, including English for work for speakers of other languages.

Numeracy is the bridge between mathematics and real life, including financial literacy. It includes the knowledge and skills that adults need to apply mathematics to everyday family, work and community tasks.

Raising literacy and numeracy skills in New Zealand is identified as a priority in the Tertiary Education Strategy 2007-12. The more detailed action plan for Literacy, Language and Numeracy in New Zealand is available from the Tertiary Education Commission website: [www.tec.govt.nz](http://www.tec.govt.nz).

In Budget 2008 the Government announced a major new investment to increase the literacy, language and numeracy skills of the workforce amounting to \$168 million over the next four years. This is in addition to the existing range of programmes that support literacy and numeracy in the workplace.

The Literacy, Language and Numeracy action plan is focused on building, over five years, the demand for and supply of literacy, language and numeracy learning opportunities, as well as the capability of providers. The aim is to build a system that is responsive to changing demands in the workplace and in the wider community. This will be achieved by promoting a range of approaches to delivery that ensure both value and quality in provision, while growing firms' and individuals' understanding of the impact of these skills and of their learning options.

The Tertiary Education Commission will be the lead agency in the development and implementation of this work. Other key groups that will be involved include: employers, unions, Industry Training Organisations, tertiary providers – Institutes of Technology and Polytechnics, Private Training Establishments, other tertiary education providers, wānanga – and a number of other government agencies including the Department of Labour (who will lead work on building employer and worker demand), the Ministry of Education, Te Puni Kōkiri, Ministry of Pacific Island Affairs, ACC, Ministry of Social Development, and other agencies.

The table below summarises the work that will take place on building demand, supply and capability. These areas of work reflect existing work that is being undertaken by Business New Zealand, the Council of Trade Unions, the Industry Training Federation, Government and other key organisations.

New funding (millions of dollars)	2008/09	2009/10	2010/11	2011/12
Increasing awareness of employers and employees	2.150	1.630	1.630	1.630
Increased learning opportunities	15.500	24.500	34.000	40.000
Ensuring learning opportunities are high quality	11.253	11.253	10.998	6.998
Research, monitoring and evaluation	0.000	1.000	1.500	1.500
<b>Total funding</b>	<b>28.903</b>	<b>38.383</b>	<b>48.128</b>	<b>50.128</b>

## ACTION 3

### **Increase literacy, language and numeracy learning opportunities, and the quality and relevance of those learning opportunities**

This action aims to increase the number of workers who have the literacy and numeracy skills required in the workforce. It also contributes to ensuring that workers have sufficient literacy and numeracy skills so they can attain higher level skills. It will create a supply of literacy, language and numeracy provision that is responsive to the needs of employers and workers and is of high quality.

#### **Why this is important**

Research confirms that improving workforce literacy, language and numeracy skills works best if the learning is 'embedded' into a context that is relevant to the learner, e.g. existing workplace training. The Literacy, Language and Numeracy action plan proposes a significant increase in the amount of deliberate literacy and numeracy teaching and assessment that is embedded into vocational training. This priority area will develop and increase the supply of learning opportunities available to workplaces, as well as tertiary institutions and communities.

Some young people need further assistance with literacy, language and numeracy after leaving school to improve their chances in the workforce. The actions outlined in actions 9 and 10 to increase the skills of young people will also have an impact in improving outcomes for young people in the workforce. International research shows that embedded literacy, language and numeracy works particularly well for young people. A key action will therefore be to investigate ways to increase learning opportunities for this group.

Any increase in the supply of literacy, language and numeracy learning opportunities needs to be accompanied by an increase in investment in building the capability of tutors and providers and ensuring that there is robust infrastructure to support quality provision.

#### **Specific tasks**

A particular area of focus in this work will be the further development and eventual expansion of the Industry Training Embedded Literacy and Numeracy Projects. This action area will result in an expansion of the number of participating Industry Training Organisations over the next three years and an increase in the number of industry trainees (including Modern Apprentices) who will strengthen their literacy and numeracy skills as they complete their qualifications.

Increased funding for the Workplace Literacy Fund provides for a rapid and significant increase in the scale of this form of learning. This fund assists employers and workplace providers to establish workplace literacy projects where employees can access literacy, language and numeracy tuition at work. Projects of this kind have been found to have broad positive impacts on workplaces: improving communication, health and safety, employees' ability to complete workplace documentation and engage in further learning, reduced workplace errors and absenteeism, and improved staff retention and quality.

Consideration will also be given to how the amount of literacy, language and numeracy embedded in Youth Training and Training Opportunities can be enhanced.

There will also be an increase in the amount of literacy and numeracy that is explicitly taught in certificate level provision in tertiary education organisations. This approach builds on the existing infrastructure of quality assured provision and will ensure that the literacy, language and numeracy taught is relevant to the area of study.

Capability building will focus on ensuring that provision of literacy and numeracy in all contexts is high quality and results in transferable skills for learners. This includes a focus on increasing the qualifications of educators and their access to sustained professional development, developing teaching and learning resources and tools, and providing advice to employers, educators and providers.

**ACTION 4****Raise workforce and employer awareness of the benefits of literacy, language and numeracy skills**

This work will include a range of initiatives targeting employers, employees and industries and regions with high numbers of workers with low literacy, language and numeracy skills.

**Why this is important**

In addition to significant benefits outside the workplace, there is increasingly strong evidence that over time workers can translate literacy, language and numeracy skill gains into higher value – and higher paid – work. More skilled workers are also better able to adapt to changing environments, allowing firms to update working practices and products more rapidly. Low literacy, language and numeracy skills contribute to error, wastage and re-work, and to poor health and safety outcomes and high staff turnover in the workplace. These factors in turn contribute to New Zealand's relatively low productivity. Business and union groups regard addressing this challenge as a priority.

However, demand for work-based literacy, language and numeracy from employers and employees is currently relatively low. These approaches to raising awareness and stimulating demand have been successfully implemented internationally and can be adapted for use in New Zealand.

**Specific tasks**

Initiatives within this key action area include:

- the establishment of an employer network to champion work-based literacy, language and numeracy programmes
- strengthening the Council of Trade Unions' Learning Representatives Project's work with employees
- strengthening the industry skills leadership role of Industry Training Organisations in the area of literacy, language and numeracy within their industries
- a publicity campaign targeting the workforce.

Support will be provided to regions and industries with concentrations of employees with low literacy, language and numeracy levels to tackle this challenge.

The Department of Labour will be the lead agency in the development and implementation of this key action area. Other key groups that will need to be involved include: employers, employees, regional and industry bodies, government agencies that work with industries or with firms at the regional level, Industry Training Organisations, and tertiary providers.

The mechanisms for delivery include network establishment and support, marketing, and the distribution of information through government agencies and other stakeholders who engage with firms.

The work programme for the completion of these specific tasks includes:

- Employer Champions Network – ongoing from 2008
- Learning Representatives – ongoing (already established)
- Working with priority industries and regions – ongoing from 2008
- Publicity campaigning – ongoing from 2009.

Finally, monitoring of progress and success indicators will be important for learning about the implementation of these specific tasks.

A monitoring framework is being developed with other agencies by the Department of Labour. The framework will establish monitoring mechanisms that will measure the progress and impact of the package of proposed interventions. Success indicators will be developed by the end of 2008.

## Create a better match between workers' skills and industry and regional needs

A stronger relationship between supply and demand is a key focus of the new tertiary education system. The success of the Tertiary Education Strategy relies on action from all involved. As stated in the Tertiary Education Strategy, students need to make informed decisions about what to study, tertiary education organisations must focus on providing excellent and relevant education, while stakeholders (industry, firms etc) need to provide good information about the skills and knowledge they need from the tertiary education system. In addition, Industry Training Organisations (ITOs) have a unique role at the interface between their industries and the tertiary education sector, to ensure that industries' skills requirements drive the provision of education and training for industries

The new system for tertiary education will promote a much stronger focus on quality and relevance of education. It will ensure that tertiary education organisations identify, plan for, and meet the needs of students, employers, employees, industry, Māori, community groups, and other stakeholders.

We need to be more effective in ensuring that workplace leaders and managers can influence the supply of skills, so that we move to a more demand-led system. We need systems within workplaces which build learning into work, allow workers to think about their own professional development and communicate with managers about this, as encouraged via the Council of Trade Unions' Learning Representatives Project. The tertiary system must deliver skills that meet the needs of individuals, workplace leaders, managers and industries, and be responsive to the need of industry and other stakeholders. The tertiary education reforms and the actions that the government has taken in collaboration with social partners is a good start to changing the culture and establishing a stronger relationship between the supply and demand for skills.



We need to strengthen the role of ITOs, collectively and individually, to ensure that the current and future skill needs of industries are met, there is a better match between investment in skill development and industries' needs, and a better linkage of education and training to the outcomes required by industry.

The actions in this area therefore build on and support existing processes such as the Regional Facilitation Process undertaken by tertiary organisations. Furthermore, they recognise the importance of having good information on skills needs at both the national and regional level, the importance of information sharing and high-quality careers advice in the workplace. They also share the understanding that further research is required to provide better and more accurate information to businesses, tertiary providers and others. Creating a greater understanding of how well we are doing in regards to skills, is a key component to pushing the debate beyond just skills development to greater use of skills.

## ACTION 5

### Develop skills plans for priority industries and regions

#### Why this is important

Economic growth is ultimately delivered through the success of industries and the success of regions. While some of the general skills challenges apply across much of the economy, different industries and regions obviously face different challenges and opportunities. It is vital that the particular needs of regions and industries are supported through the Skills Strategy and that these needs are based on a long-term view.

It is also important to align skills plans for specific sectors with the government's work on Economic Transformation. This will support complementary work, share knowledge gained across initiatives, and encourage of clear communication of our aims. Such skills plans would also consider how young workers and other groups, — particularly industries — can be included and their specific training needs met.

Industry Training Organisations have statutory responsibility under the Industry Training Act to develop strategic training plans for their industries, and the Tertiary Education Strategy has identified the role that ITOs will play in influencing investment decisions by Government, industry and tertiary providers. There is a need to strengthen that role by better linking ITOs' industry skills leadership activities with government processes for investment, and co-ordinating the work of other agencies and organisations with the work of ITOs.

The Manufacturing Action Group has already agreed to use the framework of the Skills Strategy in pursuing skills initiatives in the manufacturing sector, and to ensure that work going forward is aligned with the Skills Strategy. Work on refreshing the Digital Strategy and Information, Communication and Technology (ICT) skills issues will also be relevant and potentially could also use the framework of the Skills Strategy. It is also possible that industry specific skills plans can be developed for some of those sectors that align with the current work on "Areas of Focus" which is taking place.

#### Specific Tasks

We want to support industries and their ITOs to better plan for their future skills needs, including a better understanding of recruitment and retention issues, and connecting them to existing initiatives e.g. firm capability, management capability, advanced skills, as well as other sector groups such as the Manufacturing Action Group, and the Food and Beverage Taskforce.

A first step is to undertake a stock-take of current initiatives across departments and sector organisations. We would aim to make the best use of skills related information, and connect initiatives that government agencies and sector organisations are currently working together on with, for example, New Zealand Trade and Enterprise, Business New Zealand, the Council of Trade Unions, the Industry Training Federation, and the Economic Development Association of New Zealand.

The Tertiary Education Commission and other government agencies will work with the Industry Training Federation and ITOs to ensure that the industry skills leadership role for ITOs set out in the Industry Training Act and confirmed in the Tertiary Education Strategy is able to be given full effect in the next round of Investment Plans.

## ACTION 6

**Improve access to careers and labour market information and advice for adults in the workforce, including enabling pathways within and between industries, by promoting Career Services as the 'go-to place'**

### Why this is important

Putting increased effort into career development of people in employment helps both people and businesses to realise their full potential and enables them to manage change more effectively. Careers advice and good labour market information and advice are central to this process.

Evidence suggests a lack of effective career development support for the majority of the employed workforce, with employers generally focusing on what they identify as 'talent' groups (managers, future leaders and people with scarce skills – groups in high demand in the labour market) and government generally focusing on unemployed, low-skilled and disadvantaged groups. As a result, most people fall in the gap and are not catered for either by employer-based or government provision.

A consistent point raised during the consultation on the Skills Strategy was the need for good careers advice across all age groups in workplaces.



### Specific Tasks

Career Services are undertaking work to increase awareness of current government provision of career and labour market information relevant to adults in the workforce. This will involve expanding and enhancing the range of information (including labour market information) and tools targeted at adults in the workplace on the Career Services website and within their wrap-around suite of services. It will also include enhancing job vacancy links, updating salary and wage information, and updating the courses and qualifications information.

They will investigate the best way of providing personal career management support to people in targeted industries and/or workplaces to build on this approach.

Career Services, in partnership with others, will be the lead agency to take forward work in this area as it has an evolving and sophisticated service delivery infrastructure, (including web-based, phone-based and in-person services), is widely recognised as the 'go-to place' and has a track record of providing relevant, independent, accessible and user-friendly career information, advice and support.

**ACTION 7****Undertake a targeted review of the qualifications system, focusing on diploma and certificate levels****Why this is important**

A person's qualifications give important information to employers about the nature and level of their skills. They are a signal in the labour market that helps to quickly link employers with the right person for the job. The effectiveness of this signal depends on how precisely the qualifications describe what skills can be expected by the employer, and what skills the job seeker understands they have gained through study.

In some cases, it is difficult for employers to know exactly what skills are represented by qualifications. This may lead to inefficiencies – e.g. a person not being employed although able to perform the job; being employed in a position that is beyond their skills; or being employed in a position where their skills are not fully used.

Individuals themselves need to have a very good understanding of what their qualifications represent in terms of their set of skills so that they can make this clear to employers and be confident that their qualifications will meet employers' expectations.

Further, in order to achieve the adaptive workforce we need to be competitive, and to ensure lifelong learning, the system of qualifications should allow both individuals and tertiary providers to identify skills so as to gain entry into the appropriate level of study that builds on prior qualifications or courses. Qualifications should also provide a map to further learning opportunities.

Skill development is currently recognised through a variety of processes in New Zealand — both formal and informal — and there are a number of different qualifications recognition processes. We think it is important to review these processes as there may be a more effective way to align with current or future industry needs and the needs of individuals through improving the understanding of the skills that qualifications represent. One way to gain greater clarity about qualifications is to have industry employers involved in the design of qualifications; in particular ensuring employer input into qualifications designed by individual tertiary education providers.

This review will focus initially on diploma and certificate levels. Firstly, because the significant number of certificates and diplomas means that this is the area where there is most likely to be lack of clarity about the connections between qualifications and skills. Secondly, as the bulk of industry qualifications are certificates and diplomas, this gives us an opportunity to examine the current qualification design processes in terms of the extent to which it allows input from industry.

We recognise, as mentioned during the consultation process, that there could be similar issues at higher levels of qualifications, but for the reasons explained above there will be a strong focus initially at the certificate and diploma level.

### Specific Tasks

The first phase of the review will be completed by October 2008:

- Terms of Reference will be agreed which are based on a clear articulation of the scope of a review; and
- Underlying principles will be identified that link to the following outcomes:
  - Related qualifications are connected;
  - Standards and qualifications are used flexibly;
  - Current and future industry needs are met.

These will inform the second phase of the Review which will:

- Investigate the effectiveness of current qualification design processes; and
- Assess our current situation with regard to clarity and number of qualifications and compare it to international qualifications systems.

The Ministry of Education and the New Zealand Qualifications Authority will jointly lead this work, with active participation of the Tertiary Education Commission, Department of Labour, Business New Zealand, the Industry Training Federation, Industry Training Organisations, the Institutes of Technology and Polytechnics of New Zealand and the Institutes of Technology and Polytechnics Quality, and individual Institutes of Technology and Polytechnics. We will ensure that there is an appropriate process to consult with business representatives, and that the Skill New Zealand Tripartite Forum will consider and agree the Terms of Reference.

## ACTION 8

### Develop easily accessible information about skills that meets the needs of individuals, employers, industries and regions

#### Why this is important

The effectiveness of the Skills Strategy will ultimately rely on creating a much higher level of awareness about the nature of skills in New Zealand and the things that can be done to better use and develop the skills of our workforce. This will mean that all people interested in skills development will need access to timely, accurate and relevant information to support them in making decisions on developing skills for both current and future needs.

While currently various organisations have a lot of information relating to education, skills, and labour market issues this has not been able to be easily accessed. In addition, there has not been much publicly available information on future growth areas along with other key indicators of changes in skills levels. Combining our knowledge will help support improved decision-making regarding New Zealand's skill development needs.

The Department of Labour brings together key information for decision makers in the form of an integrated skills database which pools existing labour market information sources as well as several new areas such as occupational forecasts. The aim of the integrated skills database is to obtain current and future labour market information that improves our understanding of the supply of labour (by workers), the demand for labour (by employers), and how well we are able to match workers to suitable jobs. In addition to information on skills shortages brought together by the Department of Labour, we intend to supplement this with other information and insights from those working closely on the development and use of skills.

An example of collaboration using the integrated skills database is the work currently taking place between the Institution of Professional Engineers New Zealand (IPENZ), the Association of Consulting Engineers New Zealand (ACENZ) and the Department of Labour. IPENZ is promoting the development of a national technical skills action plan to help determine how to encourage, support and retain people working in technical fields. IPENZ's skills action plan depends on utilising accurate and timely skills information. This contribution from the Department of Labour will be a leading example of working collaboratively to enhance labour market information data specific to the technology and engineering related professions.

### Specific Tasks

- further develop an integrated database of skills-related information
- test and expand the current database to include information from other government agencies and stakeholders to provide a comprehensive picture of skills issues with the Department of Labour as the lead organisation
- undertake collaborative approaches to workforce development utilising the integrated skills database, for example, by building on the work that is taking place between the IPENZ, the ACENZ and the Department of Labour

This work will be led by the Department of Labour, working with relevant government agencies, and the Skill New Zealand Forum.

## Support young people currently in the workforce to increase their skills and engage in relevant training

The Skills Strategy is designed to raise the skill levels of the working-aged population and improve the use of those skills in order to increase labour productivity, enable sustainable economic development and support a higher economic standard of living for all New Zealanders. Amongst others, young people currently in work are a key group of people that we need to take into account in the Skills Strategy.

Many of the actions and other proposed work in the Skills Strategy will impact on young people in work – for example, the actions on increasing the literacy, language and numeracy skills of the workforce, and the development of industry-specific skills action plans.

Still, there are reasons why we should take specific action to increase the skills of young New Zealanders that are currently in the workforce.

The government is now undertaking a large work programme called *Schools Plus* that sets a goal for all young people to be in education, training or structured learning, relevant to their needs and abilities, until the age of 18. This is to enable all young people to reach their potential and ensure that New Zealand has the skilled workers it needs in the future. But the Skills Strategy is concerned about young people already in work. The actions outlined in this priority area therefore focus on young people in paid employment.

The Skills Strategy also relates closely to the vision of the Mayors' Taskforce for Jobs; 'that all young people under 25 years be in paid work, in training or education, or in productive activities in our communities', and the priority goal shared with the government that 'all 15-19 year olds will be engaged in appropriate education, training, work, or other options which will lead to long-term economic independence and well-being.'

Furthermore, the Skills Strategy is related to a priority outcome identified in the Tertiary Education Strategy 2007-12 to 'increasing educational success for young New Zealanders – more achieving qualifications at level four and above by age 25'. Ultimately, we want all young people to be equipped with skills for lifelong learning that will enable them to fulfill their potential, participate in a global knowledge society, and lead the lives they themselves choose.

The focus of the actions in this priority area concern:

- employers and tertiary/training providers: provide better support and advice to employers and others (including tertiary/training providers) on how they can best support young people currently in the workforce
- young people: improve the provision of information, access to careers advice, life-long learning advice for young people currently in the workforce.



## ACTION 9

### **Provide advice and support for employers and tertiary/training providers on how they can best support young people currently in work**

#### **Why this is important**

There are many young people currently in employment that may not have the opportunity to engage in tertiary education and training. This could be because of the nature of some work, e.g. part-time or casual, as well as the movement of young people between jobs. Employers might also be unaware of available support for assisting young people in the workforce, or the kind of support that might be available in their industries.

Our aim is for all young people in work, and their employers and those who provide training for young people, to be aware of the benefits of tertiary education and training. This is to ensure that these young people have access and opportunities to engage through a range of mechanisms, supported by government, employers and tertiary providers.

#### **Specific Tasks**

By the middle of July 2008 we captured a range of information so that we had a full picture of young people in work in order to provide a basis for further action and informing other Skill Strategy priorities.

The first step was to use existing data to build knowledge of young people in the workforce, in particular an understanding of the main employers by industry, and transition trends for young people in employment. The Department of Labour is leading this work with the production of 12 regional youth labour market reports (Annual In Depth Regional reports), with the support from the Mayors Taskforce for Jobs, Tertiary Education Commission, Ministry of Education, Ministry of Social Development, Ministry of Youth Development and Ministry of Economic Development.

The Tertiary Education Commission will examine the current incentives and policy settings for tertiary education and training for young people in employment, in particular the Industry Training system, to ensure there are no systemic barriers to greater levels of engagement of young people. This work will take place over the second half of 2008 to inform future investment rounds.

We will do further work to develop plain language information for both employers and young people in work, about the productivity and work progression benefits of tertiary education and training, in particular where there are significant numbers of young people employed but not engaged in tertiary education or training.

We envisage the information gained through examining existing data will assist key agencies to target appropriate industries, and work with tertiary education organisations to ensure better alignment with the training needs of young people in the workforce.

The final step will be to develop a range of resources with Skill New Zealand partners to further promote the benefits of training. We propose that the Tertiary Education Commission leads this work with the support from Business New Zealand, the Council of Trade Unions, the Industry Training Federation, the Department of Labour and Career Services. There are also likely to be some connections between this work and with how the needs of young workers are reflected in the development of industry specific skills action plans, and language and numeracy skills of the workforce.

## ACTION 10

### **Improve the provision of information, access to careers advice, and life-long learning advice for young people currently in the workforce and their families**

#### **Why this is important**

Young workers currently in the workforce who are able to clearly identify a pathway for themselves and who are explicitly aware of the outcomes of their personal decision-making are likely to be better motivated and self-directed workers. These people are more likely to enter the labour force sooner, repay outstanding student loans more speedily, and progress on to become skilled and confident workers.

User research commissioned by Career Services found that:

- key gaps in information identified by recent tertiary students looking back over their career pathway include the breadth of job options related to a subject/course and the realities (pros and cons) of courses and occupations
- parents' degree of involvement in career decision-making with their child was dependent on their child's drive and pro-activity
- the views expressed (overtly or inadvertently) by parents heavily influence their children's decision-making options.

Our aim under this action is to ensure that young people in the workforce and their families can access high-quality information, and careers and learning advice that enables them to obtain the education and training they require to fulfill their potential and succeed in the world of work.

This action would also align with the Schools Plus work where a priority is to improve the provision of information and access to careers advice for young people until they reach the age of 18.

### Specific Tasks

Career Services, which has an evolving and sophisticated service delivery infrastructure, including web-based, phone-based and in-person services, will lead work to progress this action.

Career Services would focus on:

- providing targeted information on the Career Services website for:
  - school leavers
  - young people in the workforce
  - parents, family and whānau
- promote increased uptake and awareness of recently enhanced web-based career information, learning advice and resources
- promote and expand recently piloted services aimed at young people and their parents (including texting, phone guidance and outbound calling).

In addition, targeted sections towards Māori and Pacific People will be developed on the Career Services website during 2008/09, as well as progression information for people in the workplace (including Recognition of Prior Learning).

Further work might be undertaken by Career Services on exploring approaches to providing more customised support for young people in the workplace and/or targeted industries, including investigating models for individual career accounts, and life long learning advice.



## Areas for exploration in 2008

There is a range of research that is being undertaken as part of the Skills Strategy Action Plan, which will inform proposed actions in the 2009 Action Plan. This includes work that was signalled in the Discussion Paper, including how we can make the most of the trans-Tasman labour market.

### Research into the trans-Tasman labour market

We need to consider the factors that influence the movement of workers between Australia and New Zealand, and develop actions aimed at making the most of the trans-Tasman labour market.

Some of the questions that will need to be answered are:

- how effective are New Zealand businesses at accessing and retaining workers in the joint Australia/ New Zealand labour market?
- what are the dynamics of the joint labour market, and how does this differ from the New Zealand labour market?
- how do we ensure that tertiary education spending delivers the maximum economic benefit to New Zealand?

The Department of Labour is leading this work to learn more about the dynamic of the trans-Tasman labour market and about possible levers to influence it. The work will focus on three areas:

- skills shortages in different sectors: to what extent are they global, trans-Tasman or a local/regional phenomenon? What does that mean for how they can be addressed?
- a comparison of pay and work conditions in important sectors, and how these interact with migration patterns
- how labour market and other factors explain the motivation of people moving to and from Australia, and what that implies for the focus of New Zealand's skills initiatives and investment.

This work during 2008 will highlight sectors and industry areas that merit particular attention and will inform future initiatives to strengthen New Zealand's skills attraction and retention.

### Exploring issues related to small and medium enterprises accessing industry related training and relevant subsidies

A specific piece of work will be undertaken to better facilitate access to industry related training by small businesses, including work on addressing the potential barriers to engagement and ensuring that the existing range of training options is well understood and utilised. The Tertiary Education Commission will jointly lead this work with the Industry Training Federation, the Institutes of Technology and Polytechnics New Zealand, Business New Zealand, the Council of Trade Unions, and relevant government agencies.

### Development of management and leadership skills of frontline managers and supervisors

Initially this work will focus on a stock-take analysis of the amount and level of training that is directed towards management and leadership training for frontline managers and supervisors. We will work with relevant Tertiary Education Organisations, and government agencies in undertaking this stock-take.

### **Develop a communications and engagement strategy for the implementation of the Skills Strategy Action Plan**

The Programme Office will examine and strengthen communication networks and develop an engagement plan for the Skills Strategy. This work will consider the best channels for engaging with small businesses, and take into account the best way to disseminate easily accessible information about skills that meets the needs of individuals, employers, industries, and regions.

### **Getting the information we need to understand skills needs and use in New Zealand**

With increasing international competition, it is more important than ever to understand the skills issues facing employers. Only then can we work with companies to help them address their skills and recruitment needs, thereby enabling the New Zealand economy to remain competitive within the global market.

We need to improve and enhance our understanding of the issues employers face in terms of recruitment, skills gaps and training.

The development of a National Employer Skills Survey would gather and analyse data on these issues. It would become the most comprehensive survey of its kind involving employers of different sizes across different sectors and localities in New Zealand.

It would be produced in collaboration with a wide range of partners at both national and regional level and will establish itself as an essential comprehensive tool for organisations with a role in helping to meet the skills needs of learners and employers.

The survey would be reported at national and regional level and the rich source of data that lies behind the results would be made available by website dissemination to encourage a range of organisations to make full use of this resource.

Furthermore, as part of better understanding the skills issues facing employers, we would want to examine local skills co-ordination to see how employers and employees are accessing relevant and good quality training at the local level.

### **Evaluation**

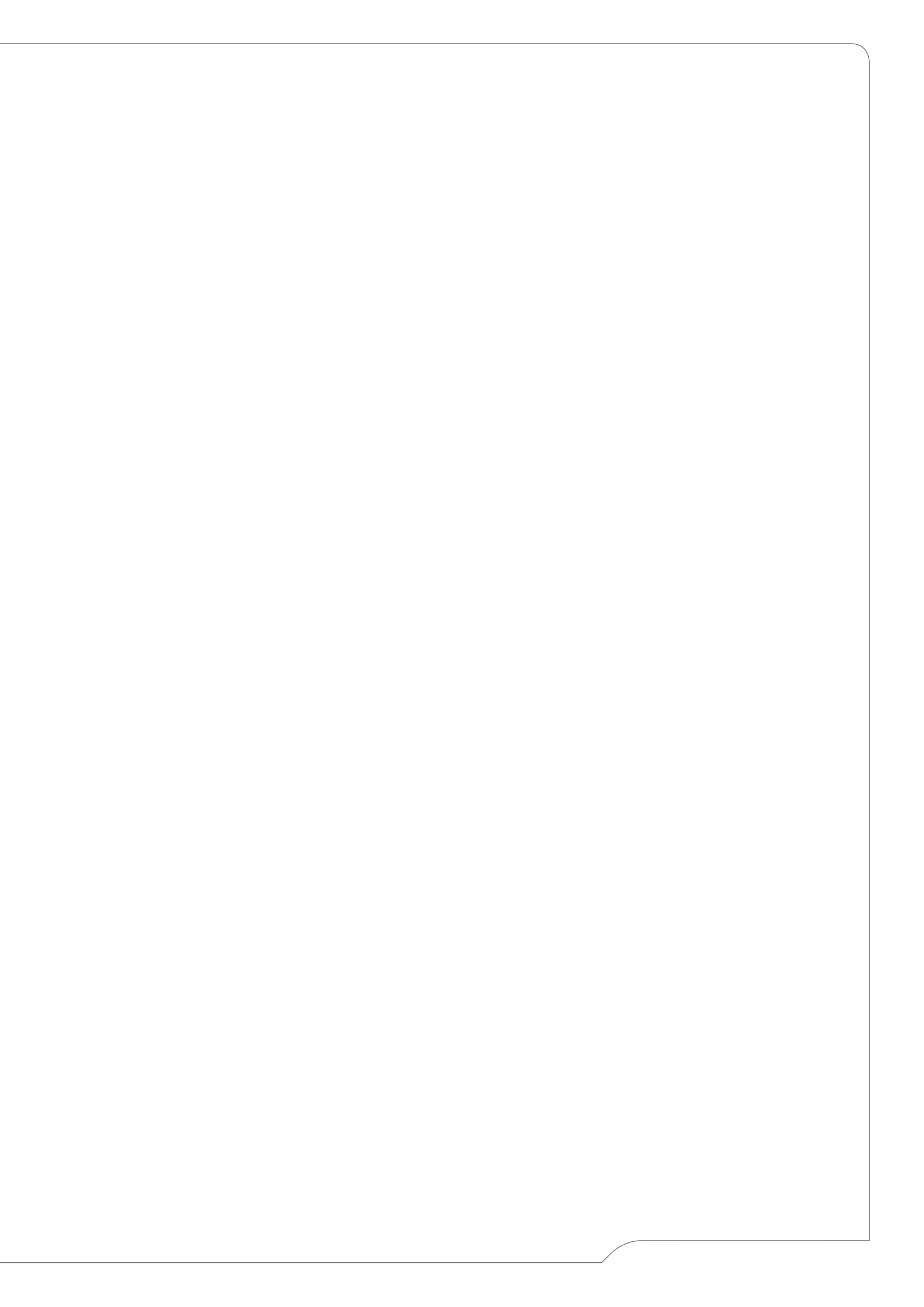
We propose that a formative evaluation of the Skills Strategy Action Plan will take place so that we have a clear understanding of the level of behavioural change as a result of the implementation of the Actions. The review of actions being implemented in 2008 will support the development of further work going forward and future iterations of the Skills Strategy.

### **Be part of the process**

We look forward to continuing our engagement with you as we implement the 2008 Skills Strategy Action Plan. If you have any questions or would like to comment, please write to us at:

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