



Te Aro Whakamua  
**BUILDING FUTURES**

The Final Report on the Review of  
Training Opportunities and Youth Training

May 2002

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## FOREWORD

Foundation education and training programmes change lives for the better.

I recall the comment of a person who came through a Training Opportunities Programme, went on to Polytechnic, and is now enjoying a very successful career. Her name is Marion. This is what she had to say about that initial Training Opportunities course:

**“It gave me my confidence back. I had been unemployed for a long time and was totally lost. If you get lost you think you can’t do anything.”**

In August 2001 Government initiated a review of the Training Opportunities and Youth Training programmes. These programmes represent Government’s major investment in lifting the foundation skills of those who have not acquired those skills at school. They represent an investment in the future of individuals like Marion.

Raising the levels of foundation skills across the population is an area of key importance to our future economic and social development, and as such is one of the goals of the Tertiary Education Strategy. It is therefore crucial that the contribution of the programmes is maximised, and that that contribution is clearly embedded within the ongoing tertiary education reforms.

A Ministerial review team was appointed comprising Sally Munro (chair), Tina Ratana, Liz Tanielu, Ngapo Wehi, Geoff Woolford, and representatives from the Department of Labour, the Ministry of Education, Skill New Zealand and the Ministry of Social Development. The Review Team addressed the issues raised by the Tertiary Education Advisory Commission in its initial reports to the Government.

A discussion document, *Te Aro Whakamua: Building Futures – A review of Training Opportunities and Youth Training* was released in December 2001. Submissions were invited on the future objectives of these programmes, how well they were working and how improvements could be made to increase their responsiveness and effectiveness. A wide variety of submissions were received from stakeholders both orally at public consultation meetings and in writing.

I would like to thank all of those who took the time to make submissions and meet with the review team. Your views and ideas were crucial to shaping both the views of the review team and those of Government.

The general flavour of the feedback was that these programmes continue to have a vital role to play. However, Government should build on the achievements of the last decade and take steps to significantly enhance the contribution of these programmes. This direction underlies Government's decisions that are outlined in this document.

The overarching objective of these decisions is that the programmes play an even more effective part in building a highly skilled workforce and a community that continues to adapt and learn. This is essential to the future economic and social well-being of this country.

Finally I would like to thank the review team for undertaking this review. They have carried out their task in a timely and considered manner. Government's acceptance of their views is testimony to the quality of their work, and in particular to the open and inclusive way in which they engaged with stakeholders within the foundation education and training sector. Aside from the Government decisions arising out of the Review – decisions which are summarised below – the process of the Review has generated immense good-will and a sense of partnership. It is in the spirit of partnership and on the basis of the foundation provided by that partnership, that the Government is now announcing the decisions arising from the Review.



**Hon Steve Maharey**

Minister of Social Services and Employment  
Associate Minister of Education (*Tertiary Education*)

## GOVERNMENT DECISIONS ARISING FROM THE REVIEW

The review team has made a number of recommendations aimed at sharpening the future focus of Training Opportunities and Youth Training so as to best meet the needs of learners who have low qualifications and are experiencing difficulties finding employment, as well as the needs of local employers and labour markets, and the skill requirements of a modern economy. The key directions on which these recommendations are based are:

- programme delivery should be flexible, to meet the changing needs of learners and the labour market;
- programmes should be better integrated within the range of educational opportunities and employment assistance, with the efforts of agencies well co-ordinated;
- programme outcomes should be re-specified to better focus on programme participants moving into a regular pattern of employment and/or further education; and

The Government endorses the review team's directions and intends to move as quickly as possible to implement the changes necessary to achieve this sharper focus, better integration, and improved measurement of outcomes. The key Government decisions and the steps that will be taken to implement them are outlined below.

### Future Focus

The Government has accepted the view of the review team that there continues to be a need for quality learning programmes that assist learners to acquire the foundation skills they need to sustain themselves in employment, to continue to learn over the course of their lives, and to participate in society to the fullest extent. This view was also widely supported by those consulted in the course of the review.

To best meet this need, it has been decided that the future focus of the programmes should be on learners acquiring a critical bundle of foundation skills, which will enable them to move effectively into sustainable employment and/or higher levels of tertiary education.

The focus and delivery of the programmes should continue to be responsive to the needs and aspirations of Māori learners.

The focus on foundation skills and sustainable employment echoes other Government strategies, including the *Tertiary Education Strategy 2002-07* and the *Employment Strategy*<sup>1</sup>.

<sup>1</sup> Copies of the Tertiary Education Strategy are available from the Ministry of Education, PO Box 1666 Wellington, or can be downloaded from [www.minedu.govt.nz](http://www.minedu.govt.nz) under 'Tertiary Education Reforms'. Copies of the Employment Strategy are available from the Department of Labour, PO Box 3705 Wellington.

## Foundation Skills

Foundation skills are generally thought of as those skills that form the base on which higher level generic, vocational and technical skills are built, and include key literacy and numeracy skills. The notion of foundation skills is integral to the future focus and delivery of the programmes, and most submissions supported a more explicit emphasis on the acquisition of these skills. However, many people commented that there should be a clearer definition of what is meant by foundation skills, in order to be assured that learning remains a relevant and effective basis for employment or further learning.

Accordingly, while the greater focus on ensuring learners achieve foundation skills on the programmes will be introduced immediately, the Ministry of Education and the Tertiary Education Commission<sup>2</sup> will work in consultation with sector experts and other agencies on:

- further clarifying what foundation skills are;
- developing measures of their achievement;
- mapping foundation skills to the qualifications framework;
- identifying the extent to which foundation skills incorporate job specific skills; and
- recommending any further modifications that may be required to the eligibility criteria.

This will enable a much clearer articulation of the basic skills and competencies required for specific contexts within national certificates.

This increased focus on foundation skills builds on the growing awareness of the past few years of the need to lift adult literacy levels, and to develop strategies and tools that can be used in whatever teaching and learning environments providers offer.

As part of the *Tertiary Education Strategy 2002-07*, Government is explicitly signalling that raising foundation skills is a key priority for enabling more New Zealanders to participate in our society and economy. The Government recognises the important role of Training Opportunities and Youth Training providers in ensuring this strategy is achieved.

## Eligibility

The Government has accepted the review team view that eligibility for the programmes should be more clearly related to a lack of foundation skills and difficulty finding and sustaining employment. This is consistent with the widespread view that the eligibility criteria should be more flexible to better meet the needs of learners, but should clearly prioritise those who are most disadvantaged.

Youth with no or low qualifications, and Ministry of Social Development clients with no or low qualifications who have been registered as job seekers for six months or more will continue to be eligible for the programmes.

In addition, Ministry of Social Development clients who have low or no qualifications who are assessed as being at risk of long term unemployment, and those who have

<sup>2</sup> From 1 July 2002, Skill New Zealand and parts of the Ministry of Education will come together to form the Tertiary Education Commission

higher qualifications but are assessed as lacking foundation skills will be eligible.

It is important, however, that assessment procedures and appropriate systems and support are in place before these revised eligibility criteria are adopted. Therefore, the Ministry of Social Development and Skill New Zealand/Tertiary Education Commission will develop a plan for implementing the recommendations of the review team for revised eligibility criteria, the systems to support those criteria, and develop of interim guidelines for the assessment of foundation skills.

In order that those most in need of assistance continue to access the programme, without being crowded out by those with lesser needs, these agencies will also establish a process for reporting on, and if necessary managing, the numbers entering the programmes with higher qualifications and through the 'at risk' categories.

Training Opportunities is currently an important form of provision for English for speakers of other languages (ESOL). As this may not be the most appropriate type of assistance for refugees who have higher qualifications, the Ministry of Education, in consultation with other government agencies will consider how assistance can best be provided for refugees who do not need wider foundation skills assistance in the development of the Adult English for Speakers of Other Languages (ESOL) Strategy. However, refugees with higher qualifications will continue to access ESOL through Training Opportunities until alternative provision is available.

## Delivery

The Government intends that improved collaboration at all levels should be a key characteristic of Training Opportunities and Youth Training in the future.

Collaboration and alignment of effort in meeting learner needs will be expected between the government agencies involved in Training Opportunities and Youth Training (including the Ministry of Social Development, the Tertiary Education Commission, Career Services and the Department of Corrections). Training Opportunities and Youth Training providers will need to be well-connected with other tertiary education providers and employers, to ensure learners can progress onto work and further education and build on the learning gained in the programmes. Youth Training providers and schools will also be encouraged to improve their links to provide smoother transitions for young learners into the programmes.

Another key aspect of improving programme delivery is providing enhanced post-placement support for learners, and developing options for encouraging continued learning whilst in employment. Skill New Zealand has introduced post-placement support pilots with a number of providers in 2002, and future initiatives will build on the results of these initial pilots.

To reflect the varying needs and foundation skill levels of learners, and to allow learners to access specialist support services as appropriate, Government has agreed that the annual contracts/profiles agreed between Skill New Zealand/the Tertiary Education Commission and providers should continue to be flexible in duration and price.

Government is requesting agencies to give high priority to implementing the review recommendations for improving the delivery in Training Opportunities and Youth Training. Further work on how to raise the profile of the Training Opportunities and Youth Training programmes will also be undertaken.

## Outcomes

In recognition of an increased focus on the importance of foundation skills for New Zealand's economic and social development, the Government has agreed that learners will be encouraged to acquire a coherent set of foundation skills, including literacy and numeracy, through an emphasis on gaining credits towards nationally recognised qualifications.

In order to provide better information by which to assess the effectiveness of the programmes in their own right, and in comparison to other government interventions designed to improve educational and employment outcomes for those who are unemployed or who have no or low qualifications, enhanced outcome measures will be developed that have a longer term focus.

As an initial step, agencies will develop options for implementing improved measures of educational and sustainable employment outcomes, including options for better aligning the performance measurement systems and incentives facing the Ministry of Social Development and Skill New Zealand/the Tertiary Education Commission. In the short term it is agreed that the current measures of employment and further education outcomes should be retained.

## Administration and Funding

The future administration and funding of these programmes will reflect the decisions that there is a continuing need for Training Opportunities and Youth Training, and that the programmes should be better integrated within the wider tertiary education and employment assistance systems.

Accordingly, the separate funding for Training Opportunities and Youth Training programmes will continue, with dedicated financial provision within Vote Work and Income and Vote Education respectively.

Administration and learning support will be maintained at the regional and local level to assist the continuing development of these programmes.

As a result of feedback in the consultation process, in the future the Tertiary Education Commission will release information on an annual basis about the bands of prices it pays for different types of training and learners and differences between regions.

To ensure these programmes meet local community and labour market needs, the Tertiary Education Commission will also be required, in planning and determining future priorities, to consult with key stakeholders (including the Ministry of Social Development, Industry New Zealand, Department of Corrections, iwi, employers, schools and students), and take account of changes in the makeup of the population and of labour market conditions. The Tertiary Education Commission and the Ministry of Social Development will also be required to consult in determining regional plans and priorities, to ensure that training purchased by each agency is complementary.

## EXECUTIVE SUMMARY

This review has been carried out in the context of government initiatives aimed at the development of a more inclusive, knowledge-based economy and society. It is clear that a key area in pursuing this goal is the development of a highly skilled workforce. In particular, there is growing recognition that raising skill levels of people with low qualifications should be a priority.

In light of this focus, and after extensive discussion, consultation, and consideration of relevant research and information, the team considers that:

*'There is a continuing need for quality learning programmes that assist learners with low qualifications who face significant barriers to employment to acquire the foundation skills they need to sustain themselves in employment, to continue to learn over the course of their lives, and to participate in society to the fullest extent'.*

### Sharpen the focus to meet future needs

The delivery and administration of the Training Opportunities and Youth Training programmes has evolved significantly over the last ten years, with the programmes becoming increasingly successful in achieving employment and education outcomes for learners. The needs that these programmes were established to meet still exist. The programmes should, however, be better positioned to meet changing needs. At a time when there are raised expectations about the skills required for employment and participation in society, the review team considers it is time to take a major step forward by sharpening the future focus of these programmes.

These programmes should focus more sharply on the acquisition of a **critical bundle of foundation skills** and on the achievement of **sustainable employment**. Better operational understanding and practice needs to be developed around these twin objectives.

**Foundation skills** should be more of a defining feature of the programme, both in relation to eligibility and to achievement on the programme. Whilst many educational programmes at lower levels on the National Qualifications Framework clearly assist foundation skill acquisition, the concept of foundation skills needs greater operational clarity.

The Tertiary Education Commission (TEC) should give priority to better mapping the acquisition of such skills through national qualifications in a similar way to the current work on mapping the acquisition of literacy and numeracy skills. Basic levels of literacy and numeracy acquired in the appropriate functional context may be a central ingredient. For other areas of skill acquisition, such as the ability to work with others and communication skills, there is a need to be more precise about the skills sought in different contexts. The review team looks to a future in which foundation skills will be clearly articulated in learning plans and qualification documents, to internationally recognised standards.

The notion of **sustainable employment** is the other concept that is central to the proposed future objectives for this programme. It reinforces the vision that longer-term employment outcomes are desired and therefore priority should be placed on the acquisition of foundation skills to achieve that end. A number of proposals in the report reinforce the emphasis on achieving sustainable employment: improved post-placement support; facilitating work and further learning combinations, and working with the Ministry of Social Development (MSD) to develop better measures of sustainable employment.

A greater focus on foundation skills and sustainable employment does not necessitate radical change. It is crucial that any change builds on the existing strengths of these programmes. Sharpening the focus of the programmes will result in a better ability to meet expected future social and economic needs, particularly those of Māori and Pacific communities. This includes nurturing local economic development initiatives by providing some of the skills that are central to their success.

## Greater clarity about who should be eligible

There should be greater clarity about who should benefit from these programmes. The programmes provide the opportunity for those who face significant barriers to employment to obtain the skills that are needed in the modern workplace, and to withstand rapid changes in the level and nature of skills required in the labour market.

The current approach to defining eligibility, through listing eligible groups, results in some unevenness in who gains entry to these programmes. In an ideal world it would be best to individually assess foundation skills and employability and determine access on that basis. However, for efficiency reasons, the proxies of low or no qualifications and long-term unemployment are currently used. In addition to these proxies, some assessment discretion exists at present, particularly for MSD staff. The review team recommends that the proxies of low or no qualifications and long-term unemployment be retained, as they provide clear identification of a core target group. The team also recommends that the process for exercising discretion about eligibility be clarified and applied more consistently. The exercise of such discretion should in future be based on assessments that consider both foundation skills and employability and thus allow scope for early intervention.

## Balancing the dual focus on education and employment outcomes

The dual focus on educational and employment outcomes should continue, but requires careful management and balancing. The outcomes that providers are required to achieve should take account of the needs of their particular group of learners and of the local labour market.

The team supports the initiative to integrate these programmes more closely within the tertiary education system. The programmes need to be recognised by all stakeholders as a critical part of a learner's process for continuing learning over the course of their life. The team recognises that foundation skills can be obtained in a variety of contexts. Once attained, it is critical that there is a clear pathway for a learner to continue to build on the foundation skills they have acquired.

All stakeholders should be clearly motivated by what is important to most of the participants in the programmes - achieving greater independence, and obtaining the skills to gain a satisfying job and/or to move into further education and training.

## Enhancements to the delivery of the programmes

Delivery of the programmes could be improved through enhancing, in a variety of ways, the type and level of support provided to learners through these programmes.

The team supports initiatives to **enhance access** to the programmes. These include initiatives to better keep contact with at risk young people and to help them into Youth Training, and to enhance the referral processes from MSD.

A **learner focus** is central to the proposals for improving these programmes. One of the key features of the programmes is that they seek to provide a learning context that is relevant to the learner. Diversity of provision is crucial to successfully meeting diverse learning needs.

There is a tension between the variety of learner needs and providers being able to respond adequately to those needs. The prime focus of the programmes should be on the learner - what motivates them, how they best learn, when they can learn and on linking these factors as far as possible to learners' employment aspirations. The extent to which providers can adapt to individual learner needs, within the constraints of available resources, is crucial to the success of the programmes.

A key to ensuring the learner gains entry to the right programme at the right time, and progresses through the best pathway is the **close co-operation and support from all the key stakeholders**, including the TEC, MSD, iwi organisations, and providers including schools, private training establishments (PTEs), polytechnics, and Industry Training Organisations (ITOs). In particular, the co-operation and co-ordination of MSD and TEC staff at the national, regional and local levels will be required for the programmes to achieve their objectives.

A systems-wide view is needed, with the interface between education and employment assistance carefully managed. **Alignment of objectives and effort** between the education and employment sectors is crucial if the best possible outcomes are to be achieved. There is a need for strong information flows between the sectors about local needs, the processes for making referrals, and feedback on progress.

One of the key issues faced by the review team has been the tension between quality and quantity: whether, within limited resources, it is better to provide greater depth of support to fewer learners or to seek to maintain at least the same number of participants as at present. The team proposes that eligibility focus on those who lack foundation skills and who are at risk of long-term unemployment and also suggests that over time, the definition of 'low or no qualification' could be eased to allow more people to benefit from the programmes. However, the team also proposes a variety of measures to enhance the quality of the support for existing learners. These include **enhanced post-placement support, continuing to increase the flexibility in learning arrangements to better meet the needs of learners, initiatives to allow learning and employment to continue concurrently, and closer working relationships between the key agencies involved.**

The review team considers that on balance, initial priority should be given to enhancing the results achieved by learners, even though this may mean that fewer people participate annually. In the longer term, as resources allow, it would be desirable to broaden eligibility while maintaining quality. The team considers that enhanced support for the existing number of participants will result in greater benefits.

### **Flexible, responsive administration**

Finally, from a Government perspective there is some inevitable tension between the need for consistency and stability and the desire for flexibility and responsiveness in funding to meet changing needs. There is a need for an administrative system that can manage these tensions effectively and fairly. In moving to a system of profile negotiations with the establishment of the TEC, any changes to the funding model and administrative system need to be able to embrace variations in the needs of participants and local labour markets, and to also effectively link funding to outcome achievement.

## SUMMARY OF RECOMMENDATIONS

### Section 2: Future objectives

#### Future vision

- 1 There is a need for quality learning programmes that assist learners with low qualifications who face significant barriers in the labour market to acquire the foundation skills they need to sustain themselves in employment, to continue to learn over the course of their lives, and to participate in society to the fullest extent.

#### Future objectives

- 2 The future objectives of the programme, as identified in the vision, should be:
  - The acquisition of foundation skills which provide a basis for:
    - ongoing education, and/or
    - sustainable employment.

#### Key principles to inform future delivery

- 3 Programmes should:
  - be learner-centred and focused.
  - support a variety of accessible pathways to work and further learning.
  - support diversity of provision.
  - ensure ready access to the foundation education and training that will assist learners to improve their employability.
  - provide high quality education and training.
  - be focused on the results achieved by the learner.
  - be responsive to the changing needs of the labour market, communities, Māori, Pacific peoples, economy and society.
  - be supported by sustained, integrated and cohesive support services in order to achieve the best possible outcomes.
  - be effective and efficient in the achievement of their objectives.
  - Build upon the strengths of the current programmes.

### Foundation Skills

- 4 The review team considers that the focus of the programmes should be on learners acquiring a critical bundle of foundation skills, which will enable them to move effectively into higher levels of tertiary education and sustainable employment.
- 5 In the longer-term the review team supports proposed work on better mapping of the acquisition of foundation skills within the national qualification framework. This will allow for the more explicit assessment of whether a person has acquired a particular level and set of foundation skills.

## Section 3: Eligibility

- 6 Eligibility for the programmes should prioritise those learners who, due to their lack of foundation skills, face significant barriers to further education and sustaining themselves over time through employment.
- 7 Operationally, this principle should be effected through the following groups having eligibility to the programmes:
  - youth (aged under 18) who have left school with no or low qualifications;
  - long-term job seekers (registered with MSD for six months or more) who have no or low qualifications;
  - job seekers and other beneficiaries who have low or no qualifications, and who are assessed by MSD as being at risk of long-term unemployment<sup>3</sup>;
  - long-term job seekers who have more than two School Certificate passes or 40 credits or more<sup>4</sup> who have not yet achieved basic literacy and numeracy requirements (based on TEC guidelines); or who have been assessed by MSD or providers as lacking foundation skills (based on TEC guidelines, and subject to the agreement of TEC and MSD);
  - young people under 18 years with 40 credits or more who have not achieved basic literacy and numeracy requirements or who have been assessed by MSD or providers as lacking foundation skills (based on TEC guidelines, and subject to the agreement of TEC); and
  - 18 and 19 year olds who have left school within the last 6 months and have low or no qualifications.
- 8 Initially, low qualifications should be defined as fewer than 3 School Certificate passes or fewer than 40 credits. However, the effect of this level should be closely monitored by the TEC as the National Certificate of Educational Achievement (NCEA) is introduced in schools, to ensure continued access for all those who face significant barriers to entering employment or further education due to their lack of foundation skills.

<sup>3</sup> MSD case managers currently use a set of Ministerially approved guidelines (Ministerial Eligibility Criteria) and an individual risk assessment to determine eligibility to other employment assistance. The groups currently eligible for TO would all be assessed as at risk under the guidelines, although those with higher qualifications would not necessarily be eligible.

<sup>4</sup> This is based on NZQA advice as to the credit equivalence with 3 School Certificate subjects. However, as it is uncertain how many credits will be achieved under the new system (NCEA), TEC will monitor the credits of those seeking entry into Youth Training, and adjust the credit limit if it is not reflecting 'low qualifications'.

- 9 The numbers entering the programme with higher qualifications and through the 'at risk' categories should be monitored by MSD and TEC, and both agencies should be satisfied that this is not displacing long-term job seekers with low qualifications, at a local or national level. TEC, in consultation with MSD, should develop a process that could be used to manage the numbers of people entering the programme under these discretionary categories if necessary. Information on the categories under which Training Opportunities participants are entering the programme should be included in the agencies' reports to Ministers. Any such limit on numbers should be agreed by MSD and TEC as part of the annual Memorandum of Understanding, and would depend on prevailing labour market conditions.
- 10 Consideration should be given to systems and operational implications of the revised eligibility criteria. Until such time as guidelines, information systems, monitoring processes and trained staff are in place, current eligibility criteria and recruitment procedures should remain in place.
- 11 The impact of the revised eligibility criteria should be evaluated within two years of implementation.
- 12 The Adult English for Speakers of Other Languages (ESOL) Strategy should consider how assistance best be provided for refugees who do not need wider foundation skills assistance. Until such time as all refugees are able to readily access appropriate provision they should continue to access ESOL through Training Opportunities.
- 13 If the education and training leaving age is raised, the upper age limit for Youth Training should be increased accordingly. In this event, the interface with the benefit system should be considered.

## Section 4: Delivery

- 14 Improvements to delivery should focus on how to improve incentives for collaboration and learner-focused provision, and ensure the current strengths of delivery continue and good practice is promulgated throughout the Training Opportunities and Youth Training sector.

### Areas for improved collaboration

- 15 There should be closer links at both national and regional levels between the major government agencies involved, including MSD and TEC, and Training Opportunities and Youth Training providers to ensure greater alignment in meeting learner needs. This closer collaboration should be fostered by:
  - improving information on Training Opportunities and Youth Training courses available to assist MSD case managers in assessing the needs of learners and to refer learners to the right employment assistance service at the right time;
  - better alignment of career and learning plans and job seeker agreements, to ensure consistency between organisations in goals and support provided to learners, while retaining individual characteristics of each specific plan/agreement;
  - better alignment of the outcomes to be achieved for Training Opportunities and Youth Training learners by agencies (particularly MSD and TEC) and of the processes for assessing the needs of job seekers and learners; and

- working collaboratively at the local level and providing more co-ordinated, timely and relevant assistance in moving Training Opportunities and Youth Training graduates into sustainable employment and further education.
- 16 There should be closer links between schools and Youth Training providers, particularly in sharing information about courses and tracking students at risk of dropping out of school.

**Areas where new incentives, recognition and/or resourcing may need to be introduced to change behaviour and ensure better outcomes**

- 17 Post-placement support should be improved, including providing specific resources for advice and mentoring for learners once they have left the programmes. These mentoring and relationship based post-placement support services could be augmented by:
- more flexible transition into employment, by encouraging continued learning whilst in employment (for example, to enable a learner to complete their qualification part time);
  - enhanced 'pathway' support from providers for learners entering level 3 courses with other tertiary providers, or in helping learners to access bridging courses at levels 3 or 4; and
  - investigating the piloting of an incentive payment for the learner (delivered through the provider) at the end of the post-placement support period (e.g. 6, 9 or 12 months) if the learner achieves a sustainable employment outcome or a further education outcome.
- 18 TEC should broker pathways and collaborative arrangements between different parts of the tertiary system to assist learners to progress. For example, between Training Opportunities and Youth Training providers and providers of EFTS-funded courses and industry training.
- 19 Outcome agreements between TEC and providers should reflect the varying needs and foundation skill levels of learners, and to allow for learners to access specialist support services<sup>5</sup> as appropriate. Contracts could therefore vary by length of time required to achieve outcomes and price paid.
- 20 Work should be undertaken to determine how the profile of Training Opportunities and Youth Training might be raised, and information about outcomes and success stories be promulgated further.
- 21 There is a need to build on the strengths of the current programmes, and endorse their continued practice. These strengths include good practice and innovation, a diverse range of courses and learning settings to meet the wide range of learner needs, holistic and supportive learning environments and courses that are closely-linked to the labour market.

<sup>5</sup> Specialist support services are provided to address issues in a learner's life that impact on their learning outcomes but are not solely educationally-related, for example: counselling, health care (including safe sex advice), drug and alcohol counselling, mental health services, housing services, childcare, special learning disabilities and budgeting advice.

## Section 5: Measuring programme performance

- 22 A balance of employment and educational outcomes should be retained for Training Opportunities and Youth Training.

### Destinational outcomes

- 23 The current outcome measure of further education should be retained. In order to provide a richer picture, however, more specific information should be obtained about the level and type of post-Training Opportunities/Youth Training learning undertaken.
- 24 With regard to employment outcomes, the focus should be on better measuring longer-term employment results.
- 25 The measurement of employment outcomes be amended so that:
- the monitoring of sustainable employment be achieved through the matching of MSD and TEC data on the degree to which Training Opportunities learners have subsequently moved off a benefit;
  - improved measures of sustainable employment are developed by MSD and Department of Labour with a view to eventually introducing these measures for Training Opportunities and Youth Training (but maintaining the 2 month measure in the meantime), and
  - clearer recognition be given to MSD and its case managers for the successful employment and educational outcomes achieved by Training Opportunities and Youth Training job seekers and beneficiaries referred by them.
- 26 There should be better alignment of the incentives facing both MSD and TEC for achieving employment and education outcomes.

### Qualification outcomes

- 27 The average credit achievement outcome should be based upon a measure of learners' total average credit achievement on Training Opportunities and Youth Training rather than yearly snapshots.
- 28 Learners should be encouraged to acquire a coherent set of foundation skills whilst on Training Opportunities/Youth Training, including literacy and numeracy if they lack these skills, and the emphasis should be on gaining credits towards nationally recognised qualifications such as National Certificates (for example the NCEA).

### Intermediate/personal development outcomes

- 29 In addition to educational and employment outcomes, TEC should recognise the intermediate outcomes or life skills obtained by Training Opportunities and Youth Training learners at the regional level during profile negotiations.
- 30 That flexibility in the length of time required to achieve outcomes for some learners is provided for in the profile negotiations with providers.

## Section 6: Administration

- 31 Administration and learning support should be maintained at the regional and local level to assist the continuing development of these programmes.
- 32 Dedicated financial provision should continue to be made for these programmes, to ensure a continuing focus on the needs of this group of learners; funding for Training Opportunities should remain within Vote Work and Income and for Youth Training in Vote Education.
- 33 For Training Opportunities and Youth Training, the introduction of the charters and profiles negotiations processes should build upon existing ongoing regional planning, operational and monitoring processes and enhance the linkages with employers, schools, government agencies, and learners at the regional level.
- 34 The co-ordination of existing regional planning processes should be enhanced, including consultation with key regional stakeholders (e.g. TEC, MSD, Industry New Zealand, Iwi etc) and taking account of changes in the makeup of the population and of labour market conditions, to determine priorities for the allocation of expenditure (both at the national and regional level).
- 35 TEC should play a role in assisting the development of providers of Training Opportunities and Youth Training by leading debate and discussion about best practice for the provision of learning for this group of learners.
- 36 Compliance costs on providers should be monitored on an ongoing basis by TEC with a view to minimising these costs where practical.
- 37 To ensure greater transparency of pricing, TEC should release information on an annual basis about the bands of prices it pays for different types of training, and differences between regions.
- 38 The split of the Training Opportunities and Youth Training programmes should continue as long as it does not unreasonably restrict flexibility in achieving sensible learning solutions at the local level.
- 39 Training/employment assistance provided through MSD's contracted services budget<sup>6</sup> should continue to concentrate on shorter term skill development to meet specific employment opportunities in the local labour market.
- 40 Communication between MSD and TEC and others during the setting of regional priorities should include consideration of the interface and any potential overlap between the MSD programmes and Training Opportunities and Youth Training programmes.

<sup>6</sup> This funding was unconstrained from the Training Opportunities allocation in 1998.

## SECTION ONE

# INTRODUCTION

This report presents the review team's conclusions, and includes recommendations to Government on the future direction of the programmes. This paper is the culmination of work that the review team has carried out since August last year. The first phase of the review involved an evaluation of international research, New Zealand research and statistical data, initial consultation with a range of stakeholders, and the preparation of an issues paper. The issues paper led to the development of future options and the release of a consultation document, *Te Aro Whakamua - Building Futures: A review of Training Opportunities and Youth Training*. The consultation document was widely circulated, and people's views were collected through a written submission process and a number of consultation meetings around the country.

The report is structured in six sections. Section one includes the introduction and broader context. The second section considers the future objectives of the programmes, the vision and principles, and includes discussion on the key concepts of foundation skills and sustainable employment. The third section deals with eligibility, who should be accessing the programmes and how. The fourth section discusses ways in which programme delivery can be improved. Section five deals with how the programmes' performance should be measured, whilst the sixth section considers issues relating to the administration of the programmes.

## THE EVOLUTION OF THE PROGRAMMES

The predecessor of the Training Opportunities and Youth Training programmes was the ACCESS programme. It was principally targeted towards those who were disadvantaged in the labour market, and for whom traditional training methods were unsuitable or unavailable. There was open entry to the programme, with the level of funding for each trainee related to the level of disadvantage they faced. MACCESS (Māori ACCESS) ran alongside the general programmes and was separately administered by Māori authorities (MACCESS Authorities). It focused specifically on Māori, and was largely delivered through Māori providers.

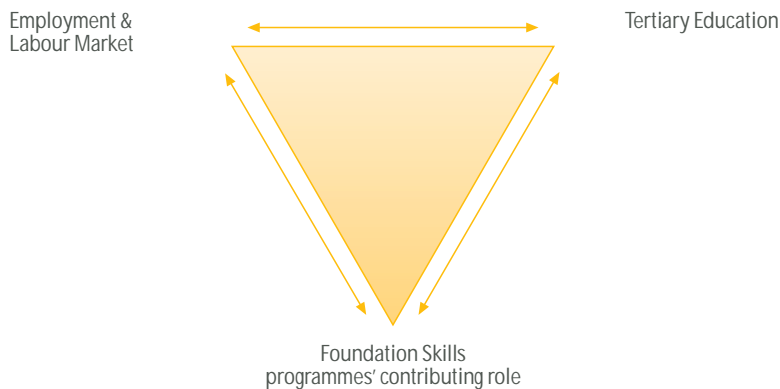
The Training Opportunities Programme (TOP) developed out of ACCESS at the start of 1993, and MACCESS was subsumed into TOP later that year. Though TOP retained some of the features of ACCESS, it was targeted more specifically at school leavers and long-term job seekers with low or no qualifications. It aimed to assist them to gain recognised qualifications (or credit towards them), and to move into further education and training, or employment.

## The broader context

The delivery and administration of the Training Opportunities and Youth Training programmes has evolved significantly over the last ten years. The review team considers that the need these programmes were established to meet still exists. However the team believes the programmes could be better positioned to meet changing needs. In particular, at a time when there are raised expectations about the skills required for employment and participation in society, the team considers it is time to take a major step forward by sharpening the future focus of these programmes.

An increased focus on the importance of skilled people for New Zealand's future prosperity is a major theme of government strategy. The review team believes that Training Opportunities and Youth Training programmes can play a more significant role in equipping people with the foundation skills they need to contribute to the future development of New Zealand's economy and society.

**Figure One: Position of foundation skills programmes in relation to key government sectors**



**These programmes could be better positioned to meet changing needs.**

Until 1998, TOP was funded through Vote Education and was administered by Skill New Zealand (formally known as Education and Training Support Agency). On 1 July 1998, the programme was divided into two separate programmes: Youth Training and Training Opportunities. At this time, \$24million was allocated from Training Opportunities to DWI (now MSD) for work related training and other assistance initiatives. Training Opportunities is administered by Skill New Zealand under contract to the MSD (formerly DWI) and funded through Vote Work and Income. Youth Training is administered by Skill New Zealand, but funded through Vote Education. Eligibility for the programmes is divided by age: Youth Training caters to 16 and 17 year olds (and 15 year olds with school exemptions), Training Opportunities is for those aged 18 and over.

In considering the future focus and direction of the programmes, there are some key challenges to take into account. Those challenges include:

### Changes in the labour market

A number of pressures are producing a faster rate of change in the skills required in the workplace. These have included technological change, globalisation and changes in the way the workplace is organised. Each of these changes have increased the pressure for those in the workplace to have the ability to learn and adapt to the changing work environment.

The labour force is becoming increasingly diverse with the following major trends evident - female labour force participation is rising, Māori and Pacific populations are forming an increasing part of the workforce, migrants are a growing part of our workforce, and the workforce is ageing. It is vital that strategies are put in place that effectively address the learning needs and skill requirements of the changing New Zealand population.

### Changes in education

A number of tertiary education reforms are under way which aim to integrate all parts of tertiary education from foundation skills to post-graduate research, and to ensure the tertiary system is more connected to the needs of New Zealand's economy and society. A Tertiary Education Commission is being established and a Tertiary Education Strategy is being developed to ensure a more coordinated tertiary sector. The Strategy will set out the goals and objectives for the tertiary system between 2002-07.

A draft Strategy was prepared for public consultation in December 2001, which includes 'Raising Foundation Skills', as one of the six high level strategies. Training Opportunities and Youth Training was identified as a key component of this strategy and the review team endorses this direction.

There is growing concern about the numbers of young people leaving schools with no qualifications, the rising number of young people enrolling in the 'at risk' category at correspondence school and the rising number of suspensions. In response to this, there are currently a number of initiatives underway that are designed to improve the responsiveness of secondary school education to meet a diverse range of learning needs. There is still, however, some way to go if schools are to address the educational needs of all young New Zealanders. The review team believes that there will be an ongoing need for interventions such as Youth Training for those who have become alienated from school-based learning.

Strategies are needed to better meet New Zealanders' learning needs, and to meet technological and workplace change.

A tertiary education strategy has been developed to ensure a more coordinated tertiary sector.

'Raising Foundation Skills' is one of the high-level strategies.

## Changes in social development and employment assistance policy

Employment assistance initiatives are focusing more closely on the needs of individuals and local labour markets and are emphasising the achievement of the longer-term objective of sustainable employment. The review team considers that Training Opportunities and Youth Training, with their unique position as programmes focused on both education and employment, can play a key role in improving the foundation skills required for sustainable employment.

Such changes are an integral part of the wider emphasis on social development and on providing improved pathways that assist people to develop their skills and to participate fully in society.

## Māori development and the Treaty of Waitangi

As significant participants in the programmes, the needs and aspirations of Māori are of critical importance in considering the context of Training Opportunities and Youth Training. The Treaty of Waitangi relationship between Māori as tāngata whenua and the Crown underpins New Zealand's development. Māori also make up the largest minority of our total population, and the numbers of Māori are growing.

Ensuring that all Māori gain the foundation skills required for sustainable employment and lifelong learning must be a key strategy in achieving Māori economic and social development. Such a focus provides an opportunity for closer alignment between Training Opportunities and Youth Training and iwi economic development strategies. This will ensure that the skills needed for local iwi enterprises and community initiatives are considered as part of the regional planning process for Training Opportunities and Youth Training.

The review team has also identified other important principles for the programmes, which have emerged as key issues in related consultation on the draft Tertiary Education Strategy, through the Hui Taumata Mātauranga process, and Te Puni Kōkiri's audit of Training Opportunities and Youth Training. These developments include ensuring that Māori continue to access and achieve in the programmes, as these are critical pathways for Māori, and that Māori providers, who offer holistic learning environments with Māori knowledge concepts embedded in foundation skills' delivery, continue to form a key strand of provision.

**Employment assistance initiatives are focusing on the longer-term objective of sustainable employment.**

**These programmes offer critical pathways for Māori.**

**Māori providers are a key strand of provision.**

## SECTION TWO

# FUTURE OBJECTIVES OF THE PROGRAMMES

“Ki te wātea te hinengāro me te kaha o te rere o te wairua, ka taea ngā mea katoa”

Nā, Maharaia Winiata.

*“When the mind is free and the spirit is coursing, all things are possible.”<sup>7</sup>*

### The proposed future vision

Taking into account the future context within which the programmes will operate, the team developed a proposed vision for these programmes. This vision is as follows:

**There is a continuing need for quality learning programmes that assist learners with low qualifications who face significant barriers to employment to acquire the foundation skills they need to sustain themselves in employment, to continue to learn over the course of their lives, and to participate in society to the fullest extent.**

This proposed vision was included in the review team’s consultation document for feedback. Positive responses were received about this vision. The team remains of the view that the above vision provides a clear statement of the key purposes of Training Opportunities and Youth Training.

In considering the future objectives of the programme, there are two key concepts identified in the vision; foundation skills and sustainable employment.

Much of this report involves an exploration of how these objectives can best be achieved through the Training Opportunities and Youth Training programmes. In order to understand the operational implications of adopting such objectives it is important that the concepts are well understood. The vision provides a framework for considering:

- who should access the programmes;
- what participants are expected to achieve during their time on those programmes; and
- how the overall performance of the programmes should be assessed.

Two key concepts –  
foundation skills and  
sustainable employment.

<sup>7</sup> English translation provided by Ngapo Wehi

## Foundation skills

The review team believes that the prime function of Training Opportunities and Youth Training programmes should be to provide foundation skills to learners who have not attained these within the compulsory school system, as these skills form the base upon which people can build higher level generic, vocational and technical skills. Clearly, the greatest investment in foundation skills acquisition must continue to be in the compulsory education system, and ongoing work on improving retention and achievement before learners leave school is of critical importance.

There are key issues around the concept of foundation skills that are crucial to the way in which the programmes are set up and operate. How do we know when a person lacks such skills, and when do we know those skills are present? Such definition is important for access to and delivery of the programmes as well as definition of the outcomes to be achieved.

### What are foundation skills?

Academic and educational definitions of foundation skills generally consider that 'learning how to learn' is the essential element of foundation skills, and there are a number of skills and attributes that, when combined, equip learners with the tools they need to enter employment or tertiary study. A number of different terms are used to describe these foundation skills, but they generally cover the same ground. One of the key elements is literacy, which can encompass a wide range of academic basics, including reading, writing, language, and computation (numeracy). There are a number of related interpersonal skill areas including communication, adaptability, self-confidence, resilience, and group effectiveness.

Learning foundation skills within a relevant context is an important aspect of Training Opportunities and Youth Training programmes, which the review team wishes to retain. Examples include work-based, cultural, and arts contexts. Involvement in the community and the incorporation of the whānau in the learning process can also contribute to an effective learning environment. The main advantage of this approach is that learners gain foundation skills in an environment that interests them, in which they are comfortable and which best suits their learning needs.

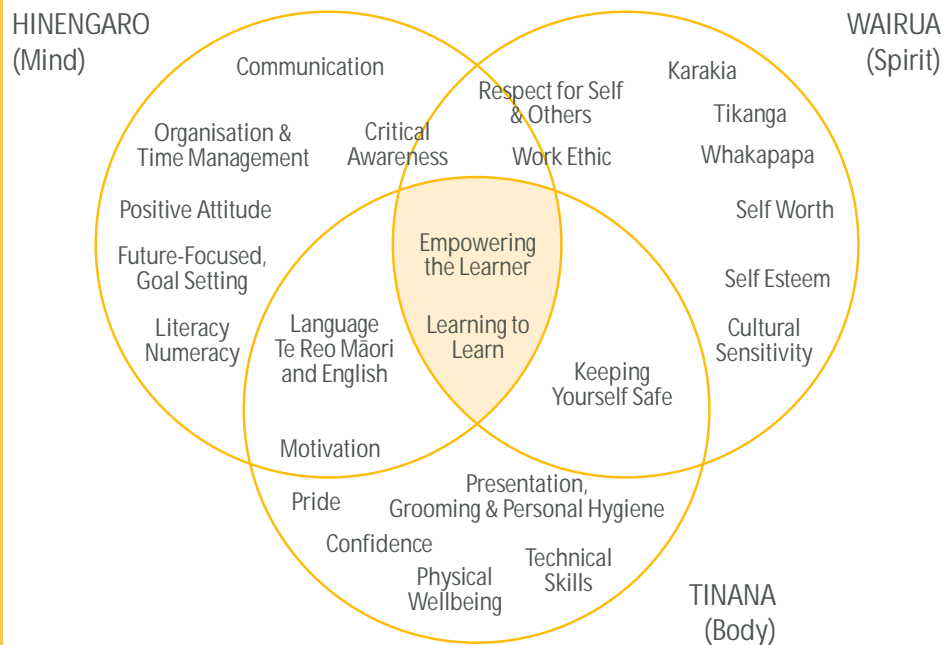
Figure two below illustrates one way to conceptualise foundation skills, which is a Māori model of teaching and learning. It reflects the Māori concept of ensuring the wellbeing of the person in all aspects - hinengaro (mind), wairua (spirit) and tinana (body) - with simplicity and harmony. This trinity is important to Māori understanding of the whole person, as it reflects that the sub-conscious supplements the conscious.

In this model, different foundation skills are identified in the three aspects of a person (this is just one way of allocating the skills across the mind, body and spirit), and this represents a critical bundle of foundation skills. This critical bundle identifies that it is a collection of skills across all aspects of a person that are essential to their ability to continue to learn, sustain themselves in employment and participate to the fullest extent in society. For each learner, community and ethnic group, the way of presenting the critical foundation skills needed for independence and success will be different. This model is just one way of illustrating foundation skills, and illustrates only some of the factors that can be included.

**The prime function of these programmes is to provide foundation skills to those who have not attained them.**

**One of the key elements is literacy, as is learning in a relevant context.**

Figure Two: A Māori model of the critical bundle of foundation skills



## What foundation skills should be acquired?

Currently work is being carried out on developing an Adult Literacy Framework, which will more explicitly identify the types and levels of competency that individuals need in different employment contexts. The review team endorses the work that has been started by the Ministry of Education and Skill New Zealand on developing adult literacy capability in New Zealand. The review team would also support extending this work to look at and define the broader aspects of foundation skills, and how they can be applied in different employment contexts.

It is envisaged that these developments will enhance the programmes' ability to give a more detailed picture of what learners achieve. The review team recommends that learning at level 1 and 2 be structured to ensure that the learner acquires the foundation skills required for a particular vocational context. In general this would mean that a learner would be encouraged to aspire to completing a level 2 national (or local) certificate, which provides entry level generic and vocational skills which will help the learner move toward sustainable employment in the industry of their choice. Some level 3 courses may also be included in the learning programme to assist learners develop higher level skills and move into further learning.

## Sustainable employment

Sustainable employment is the second key concept within the proposed future vision of the programmes. This includes the notion that, as a consequence of acquiring a set of foundation skills, a job seeker will have more employment opportunities available to them. Sustainability includes the notion of an ability to maintain oneself independently socially and economically. It also includes the idea of developing the ability to learn new skills and to adapt to change.

In relation to these programmes it means we are interested in the longer-term pattern of employment that provides people with the opportunity to maintain themselves independently.

Learning should be structured to ensure that the learner acquires the foundation skills required for a particular vocational context, and for further learning.

Having gained foundation skills, job-seekers have more employment opportunities available to them.

## KEY PRINCIPLES

Following the development of a vision for these programmes, and consideration of the implications of the concepts of foundation skills and sustainable employment, the review team developed some key principles. These were then used to assess the proposals developed during the course of the review. They have been widely consulted on, and generally those who responded considered that they are sound.

**Principles underlying the future development of such programmes should include:**

**Being learner centred and focused.**

There is a need for a flexible approach in the teaching methods, styles and strategies that meet the diverse needs of the learners. There is a need to take full account of the broad social, economic, and cultural needs of learners, of the crucial need to build self-esteem and confidence, and to employ approaches that take full account of what motivates learners.

**Supporting a variety of accessible pathways to work and further learning**

Clear pathways should be available to learners before, during and after they have completed these programmes. These pathways should be based on the assessment of the training needs and the capabilities, goals and aspirations of learners.

**Supporting diversity of provision.**

Consistent with the variety of learner needs and teaching/training styles required, there is value in providing a range of structures, courses and opportunities to best meet the needs of individual learners.

**Ensuring ready access to the foundation education and training that will assist learners improve their employability.**

Barriers should be minimised that may detrimentally affect the access to the courses/programmes that will best meet learner needs in achieving sustainable employment.

**Providing high quality education and training.**

These programmes should provide the best learning and training opportunities. Best practice and innovation should be actively supported in the delivery of

programmes. Programmes should be credible to learners, other education providers, and to employers.

**Focussing on the results achieved by the learner.**

There is a need to focus on the results achieved by the learner rather than on the number and type of programmes delivered. These results should reflect the variety of learner needs, both in terms of destination and learning.

**Responding to the changing needs of the labour market, communities, Māori, Pacific peoples, economy and society.**

These programmes should support the provision of the key skill requirements for obtaining sustainable employment and for building strong communities. Achieving this will require strong partnerships between providers, employers, communities, Māori and Pacific peoples.

**Be supported by sustained, integrated and cohesive support services in order to achieve the best possible outcomes.**

Effective linkages, relationships and networks need to be developed and maintained between providers, employers, schools, Māori, Pacific peoples, communities, and the government agencies involved, in order to ensure learners receive the support they need to succeed in the programmes.

**Be seen as effective and efficient in the achievement of their objectives.**

These programmes need to show they represent a good return on the public investment in them. They need to be seen as credible to the public at large.

**Build upon the strengths of the current programmes.**

Any changes need to build upon the achievements of the current programmes and the structures that support them in a dynamic fashion. These strengths include the supportive learning environment, the tailored learning, the ability to involve whanau/family, the recognition of different learning styles, the commitment and skills of the tutors, and the ability of learners to try work out in a safe environment.

## Section 2: Recommendations

### Future vision

- 1 There is a need for quality learning programmes that assist learners with low qualifications who face significant barriers in the labour market to acquire the foundation skills they need to sustain themselves in employment, to continue to learn over the course of their lives, and to participate in society to the fullest extent.

### Future objectives

- 2 The future objectives of the programme, as identified in the vision, should be:
  - The acquisition of foundation skills which provide a basis for:
    - ongoing education, and/or
    - sustainable employment.

### Key principles to inform future delivery

- 3 Programmes should:
  - be learner-centred and focused.
  - support a variety of accessible pathways to work and further learning.
  - support diversity of provision.
  - ensure ready access to the foundation education and training that will assist learners to improve their employability.
  - provide high quality education and training.
  - be focused on the results achieved by the learner.
  - be responsive to the changing needs of the labour market, communities, Māori, Pacific peoples, economy and society.
  - be supported by sustained, integrated and cohesive support services in order to achieve the best possible outcomes.
  - be effective and efficient in the achievement of their objectives.
  - Build upon the strengths of the current programmes.

### Foundation Skills

- 4 The review team considers that the focus of the programmes should be on learners acquiring a critical bundle of foundation skills, which will enable them to move effectively into higher levels of tertiary education and sustainable employment.
- 5 In the longer-term the review team supports proposed work on better mapping of the acquisition of foundation skills within the national qualification framework. This will allow for the more explicit assessment of whether a person has acquired a particular level and set of foundation skills.

## SECTION THREE

### ELIGIBILITY

In principle, the review team supports the TEAC goal of raising foundation skills across the population. Increasing the funding available to these programmes would contribute to this goal and allow more people to participate, although the amount of additional resource required could be significant. However, the review team considers that Training Opportunities and Youth Training learners have characteristics and needs that distinguish them from other tertiary learners. These learners have frequently not achieved within the compulsory education sector and have been unable to make successful transitions into work, or, due to their lack of foundation skills, are unable to sustain employment over time.

From a wider government perspective, it is also important that those who are reliant on state income support receive appropriate and timely assistance so as to be able to move to independence.

Within a context of limited resources for fully funded foundation education, the vision of the review team will best be achieved if the programmes clearly prioritise those who, through their lack of foundation skills, are unable to sustain themselves through employment or move into further education or training.

#### How well are the current eligibility criteria working?

Under the current eligibility criteria specific population groups with low qualifications and who are deemed to be at a disadvantage in the labour market may access the programmes (for Training Opportunities these are various client groups of MSD; for Youth Training, school leavers and/or MSD youth clients<sup>8</sup> - see Appendix B for details). These eligibility criteria reflect a pragmatic approach to targeting limited resources while ensuring that specific groups are able to access assistance. Demographic and social characteristics (for example sole parenthood and past prison sentences) are used as proxies for labour market disadvantage.

There has been little debate about eligibility in recent years, suggesting that the current criteria are generally providing access to those who need it. However, there is

**Priority should be given in these programmes to those who cannot sustain themselves through employment or move onto further education or training.**

<sup>8</sup> Currently, about 50% of TO learners have been registered as unemployed for 6 months or more and have no or low qualifications. Refugees are able to access the programmes regardless of their qualifications, as are some people with disabilities referred by Workbridge. Long-term job seekers with no tertiary qualifications are also able to access the programme after an assessment by MSD. Certain other groups are able to access the programme without being long-term unemployed. These include people who have been on the Domestic Purposes Benefit or Widows Benefit for one year or more (subject to a percentage quota) and some ex-prisoners.

some evidence that, as the unemployment rate has dropped, some providers are finding it more difficult to recruit learners. A continuing rise in numbers of long-term unemployed (the majority of whom have very low qualifications) also suggests that not all those who might benefit are accessing the programmes.

The current criteria also result in some 'unevenness' of access. For example a person with a disability may be less likely to access the programme if they do not have access to Workbridge, and a person who has been unemployed for five months may miss out on a programme that would benefit them. Using qualifications as a proxy for foundation skills can also result in uneven access to the programme. For example:

- some people with marginally higher qualifications (e.g. three School Certificate passes) may be lacking key skills and competencies, particularly literacy and numeracy;
- others may have acquired qualifications some time in the past and find that they no longer have currency, or they have lost the skills through a time lapse since using them, especially when they have had prolonged periods out of the labour force, or when there has been significant technological change;
- some people may not have formal qualifications, but have successful employment histories and attained a high level of skills through work and life experience.

In *Building Futures*, the review team canvassed opinion around three future options for eligibility: retaining the status quo; targeting more tightly to those who are long-term unemployed and who have low qualifications; and allowing more room for assessment of those at risk of unemployment. Those who commented on this aspect of the programme all agreed on the desirability of eligibility criteria that were more flexible and individually responsive.

## How do we know who is at risk of unemployment through a lack of foundation skills?

The review team considers that those who are likely to find it difficult to sustain employment due to a lack of foundation skills should have timely access to assistance. Ideally, eligibility would be determined through individual assessment of both the skill levels and risk of unemployment of each individual. However, it is currently difficult to both measure foundation skills and to predict long-term unemployment. The team is also concerned that those who need assistance should have ready access to the programmes, and that unnecessary bureaucratic procedures should not be barriers to participation. Efficiency arguments therefore suggest that it is reasonable to use proxies to identify at least a core group for eligibility.

At present low qualifications are the best proxy we have for lack of foundation skills. Evidence indicates that unemployment and low qualifications are inter-linked. A higher percentage of job seekers have low or no qualifications when compared with the New Zealand population. The distinction becomes further pronounced for long-term job seekers. It appears, therefore, that level of qualifications has a significant impact on employability. Evidence also suggests that young school leavers without qualifications are vulnerable to unemployment, insecure employment and low wages.

The practice of registering as job seekers those who are seeking government assistance to find a job also provides us with a tool to identify those who have been unemployed for prolonged periods and who may therefore be relatively less likely to obtain sustainable employment.

Proxies are useful in identifying a core group for eligibility.

Therefore, the review team recommends that the key target group for assistance should be those who have been unemployed for significant periods of time and who have no or low qualifications, and school leavers with no and low qualifications. In particular, those who lack the skills needed to learn in other settings (including tertiary education and work-based training) should have access to appropriate assistance.

### How many people are in this core group?

At 30 November 2001, 184,270 people were registered job seekers. Of those, 120,759 or 66 percent had been on the register for six months or more. Nearly 70 percent of long-term job seekers (83,800 people) have fewer than three school certificate subjects and are in this core group for access to Training Opportunities. Of this group, 43% are Māori and 11% are Pacific peoples. About half of those currently on Training Opportunities have entered the programme through this eligibility criterion.

There would not be any change to the core group eligible for Youth Training. Ministry of Education statistics show that approximately 9,600 students leave school each year with no qualifications. It is difficult to establish the precise number of young people with low qualifications who are unemployed and not studying. As 16 and 17 year-olds are not eligible for unemployment benefits they do not necessarily register as job seekers with MSD. However, the number of registered 15 to 19 year-olds job seekers (24,150 in the year to 2 March 2001) is consistent with Household Labour Force Survey estimates for the same period (24,900). Seventy percent of the nearly 19,000 15 to 19 year-olds registered as job seekers at 30 November 2001 had low or no qualifications.

### Are there other people who should be able to access the programmes?

Beyond the core target group, there are some people for whom a lack of skills is or will be a barrier to further education and sustainable employment. This includes both those who have achieved some qualifications but lack the required foundation skills, and those who are likely to find it very difficult to obtain work but have not, at a particular point in time, been unemployed for a prolonged spell.

It is important to note that Training Opportunities and Youth Training are not the only programmes that deliver foundation skills. There are also MSD courses, bridging courses at polytechnics and PTEs, Industry Training, and community education - which includes classes run through schools and English for speakers of other languages (ESOL) home tutors. What this section is concerned with is determining who should have access to Training Opportunities and Youth Training.

### Is there a better way of identifying if an individual lacks foundation skills?

Many Training Opportunities and Youth Training stakeholders have argued that the maximum qualification level for entry is too low, consequently denying assistance to many who would benefit.

The introduction of the National Certificate of Educational Achievement (NCEA), while providing young people with greater opportunities to gain recognition for a range of skills and competencies, may also create greater unevenness of access, as all credits achieved will have to be taken into account. This may mean that an increasing number

**The key target group for assistance is those who have been unemployed for significant periods of time and who have no or low qualifications, and school leavers with no and low qualifications.**

**There should be no change to the core group eligible for Youth Training.**

of young people obtain a higher number of credits while still lacking key foundation skills. There is considerable concern among those involved in the programmes that the adoption of less than 40 credits<sup>9</sup> as an equivalence to less than three School Certificate subjects will result in many more school leavers being ineligible for the programmes, given the high credit values of some level one unit standards.

On the other hand the review team is concerned that opening up the eligibility criteria could have the effect of 'crowding out' those who have the highest needs, if providers are able to select trainees who are most likely to achieve successful outcomes. It can also be argued that those who have achieved some success within other parts of the education system have a range of alternative education options available to them.

On balance therefore, the team considers that, as a general rule, the current qualification requirement of less than 40 credits should continue to be used as the proxy for the attainment of foundation skills.

However, the team also recommends that the impact of the NCEA on the eligibility of those seeking to enter the programme be closely monitored on an ongoing basis. In the event that 40 credits results in a significant shift in the size and nature of the eligible population it should be adjusted accordingly.

In view of the discussion above, the review team also recommends that there should be some limited discretion around the qualification criteria in situations where an individual is assessed as lacking foundation skills although they have slightly higher qualifications.

For job-seekers and beneficiaries who have been unable to find work for a significant period and who are assessed as being likely to benefit from foundation education (for example they lack basic literacy or numeracy skills, or are unable to apply their qualifications due to disability), providers and MSD or their agents should exercise this discretion in consultation with MSD and TEC. For youth, providers, in consultation with TEC, should be able to exercise discretion as to the extent to which particular credits represent substantial learning towards foundation skills, particularly literacy and numeracy.

To further ensure that the emphasis continues to be on those who lack foundation skills, TEC should develop assessment guidelines for use by providers, MSD or their agents. There are international examples of assessment screening being used to determine who should receive foundation or basic skills training. The review team recommends that the practicality of adapting these tools for use in New Zealand be considered as a matter of priority.

Until such time as effective foundation skill assessment tools are developed, the review team would not expect large numbers of people to be entering the programme under this discretion. However, the team recommends that the numbers of people with higher qualifications accessing the programme should be closely monitored. If necessary, TEC, in consultation with MSD, should institute an upper limit on the numbers of such people enrolled at one time.

**The current qualification requirement of less than 40 credits should continue to be used as the proxy for the attainment of foundation skills.**

**However there should be discretion around qualifications criteria in certain situations.**

<sup>9</sup> Skill New Zealand, based on NZQA advice, will be using less than 40 credits as equivalent to less than 3 School Certificate subjects in 2003. However, as it is uncertain how many credits will be achieved under the new system, TEC will monitor the credits of those seeking entry into Youth Training, and adjust the credit limit if it is not reflecting 'low qualifications'.

## Should some people have more immediate access to assistance rather than having to demonstrate disadvantage through a period of unemployment?

Under the current eligibility criteria, a sustained period of unemployment is generally required as evidence that an individual is disadvantaged through a lack of foundation skills. In addition, certain groups are presumed to face additional disadvantage and are able to access the programme without being registered as unemployed for six months (for example ex-prisoners and Domestic Purposes Beneficiaries).

For some people, a lack of foundation skills will be an on-going barrier to finding and sustaining work, or continuing their education. This disadvantage is often exacerbated by prolonged periods out of work, lack of English language, and/or domestic responsibilities. It can be argued that it is more efficient in the long-term to assist people to address this disadvantage early, rather than enforcing periods of unemployment as a rationing tool.

All stakeholders agree that it would be desirable to allow earlier access to those job seekers who are clearly disadvantaged through a lack of foundation skills. In addition, MSD staff currently make assessments of those job seekers who are regarded as being at risk of long-term unemployment. These job seekers are able to access other employment assistance normally targeted at the long-term unemployed. Allowing MSD case managers to refer job seekers with no or low qualifications and who are 'at risk' of long-term unemployment to Training Opportunities would therefore be consistent with other employment policy.

On the other hand, given the high percentage of those registering as job-seekers who have low or no qualifications, removing the requirement to be long-term unemployed could dramatically increase the pool of eligible job seekers<sup>10</sup>. This could again have the effect of crowding out the most disadvantaged, particularly in times of high unemployment.

The review team considers that the benefits of early intervention outweigh the risks of crowding out disadvantaged job seekers. An individual risk assessment is also more equitable and consistent than the current proxies based on benefit type and demographic characteristics. Aligning Training Opportunities and Youth Training eligibility with the existing assessment procedures of MSD will help align Training Opportunities with other forms of employment assistance available through the Ministry. This should broaden the range of assistance available to each client and better identify clients likely to benefit from Training Opportunities in the long-term.

Therefore, it is recommended that all MSD clients who have low or no qualifications and who are assessed as being at risk of long-term unemployment should be eligible for the programmes.

These changes would bring in a wider group, but still include current specific groups who are eligible for Training Opportunities. The risks of displacing long-term job seekers with low qualifications should again be managed through on-going monitoring of the numbers entering the programme. Both TEC and MSD should be satisfied that these clients are not displacing the core target group, and numbers

<sup>10</sup> Of the 184,000 registered unemployed at 30 November 2001, 63,500 people had been registered for less than 6 months. Of these, nearly 35,000 or 55% had low or no qualifications. However, not all of these people would necessarily be assessed as at risk of long term unemployment, neither would they all choose to undertake foundation education.

**It can be argued that it is more efficient in the long-term to assist people early, rather than enforcing periods of unemployment.**

**All MSD clients who have low or no qualifications and are at risk of long-term unemployment should be eligible for the programmes.**

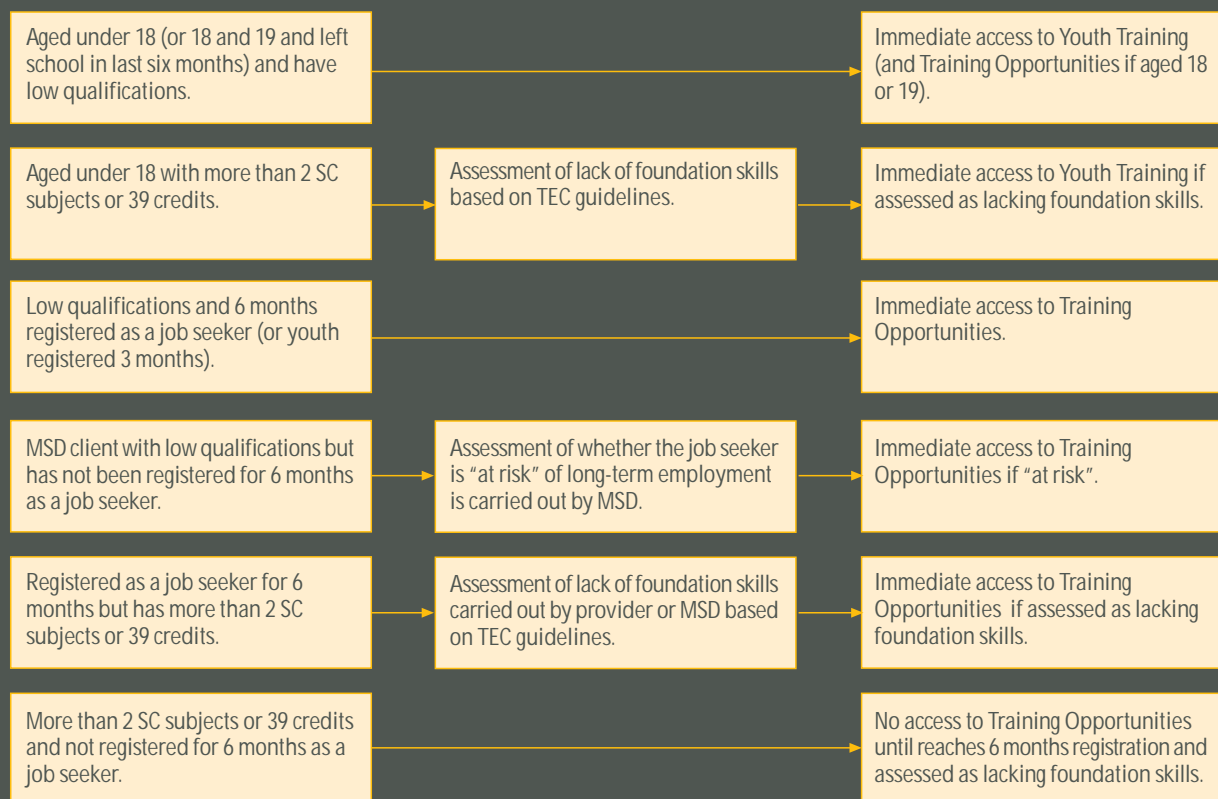
**Eligibility for Training Opportunities should be determined as part of a wider assessment of education/training and employment options.**

entering through the 'at risk' category should be included in regular reports to the Minister. TEC, in consultation with MSD, should develop a process that can be used to control numbers of people being enrolled under this eligibility category, if necessary.

For job seekers, the development of a Job Seeker Agreement provides an opportunity to assess eligibility for Training Opportunities and Youth Training and for the job seeker and their case manager to consider whether this is the best way of improving their employment prospects. Other beneficiary groups are also able to access case management and employment assistance. The Social Security (Working Towards Employment) Amendment Bill 2001, which is currently before Parliament, provides for individualised case management, assessment and a planning process for all Domestic Purposes and Widows beneficiaries. After full implementation, all these beneficiaries will have a "Working Towards Employment" plan, which identifies ways in which each person will move towards independence through employment.

The review team also recommends that people with disabilities who want to participate in Training Opportunities and Youth Training should register with MSD (or a delegated agent of MSD if appropriate). Eligibility for Training Opportunities would therefore be determined as part of a wider assessment of education/training and supported employment options.

**Figure 3: Proposed Eligibility for Training Opportunities and Youth Training - A Summary**



## How does this differ from the current situation?

MSD case managers currently have the discretion to refer long-term job seekers who have more than 2 school certificate passes, but do not have any tertiary qualifications. As there does not appear to be any compelling reason to waive the overall qualification criteria for specific population groups, the review team also recommends that the discretion should apply equally to all clients of MSD. Under the current criteria, refugees can access the programme regardless of their qualifications, as can those referred by Workbridge if they have been assessed as being unable to apply their qualifications.

Under the recommended criteria, people with higher qualifications would be able to access the programmes after an assessment that they were no longer able to use their qualifications due to a disability or lack of English, using agreed guidelines. MSD could undertake these assessments or delegate as appropriate. In general, however the review team does not consider that these foundation level courses are the most appropriate form of assistance for those who have achieved tertiary qualifications.

The review team is concerned that affordable ESOL assistance, in an appropriate learning context should be available to all refugees. This should be considered within the context of the development of the Adult ESOL Strategy. In the interim, the team recommends that refugees should continue to access ESOL through Training Opportunities.

A move from eligibility linked to specific population groups, to eligibility linked to an MSD assessment of individual risk could also result in some shifting of participation. The groups currently eligible for Training Opportunities are all considered by MSD to be at risk of long-term unemployment and would therefore retain eligibility (as long as they have low qualifications). However, the current control of numbers for Domestic Purposes Beneficiaries (an upper limit of 17 percent currently applies) may instead be applied to all those in the 'at risk' group, in the event that long-term job seekers become 'crowded out' of the programme.

It is worth noting, however, that all MSD clients are able to register as job seekers (even if they are not immediately available for work) and would be able to enrol on the programme after six months registration or when any numbers control was lifted.

Overall, the number of people eligible for the programme would increase with the addition of job seekers registered for less than six months who are assessed by MSD as at risk of long-term unemployment and likely to benefit from the programme.

## Section 3: Recommendations

- 6 Eligibility for the programmes should prioritise those learners who, due to their lack of foundation skills, face significant barriers to further education and sustaining themselves over time through employment.
- 7 Operationally, this principle should be effected through the following groups having eligibility to the programmes:
  - youth (aged under 18) who have left school with no or low qualifications;
  - long-term job seekers (registered with MSD for six months or more) who have no or low qualifications;
  - job seekers and other beneficiaries who have low or no qualifications, and who are assessed by MSD as being at risk of long-term unemployment<sup>11</sup>;

- long-term job seekers who have more than two School Certificate passes or 40 credits or more<sup>12</sup> who have not yet achieved basic literacy and numeracy requirements (based on TEC guidelines); or who have been assessed by MSD or providers as lacking foundation skills (based on TEC guidelines, and subject to the agreement of TEC and MSD);
  - young people under 18 years with 40 credits or more who have not achieved basic literacy and numeracy requirements or who have been assessed by MSD or providers as lacking foundation skills (based on TEC guidelines, and subject to the agreement of TEC); and
  - 18 and 19 year olds who have left school within the last 6 months and have low or no qualifications.
- 8 Initially, low qualifications should be defined as fewer than 3 School Certificate passes or fewer than 40 credits. However, the effect of this level should be closely monitored by the TEC as the National Certificate of Educational Achievement (NCEA) is introduced in schools, to ensure continued access for all those who face significant barriers to entering employment or further education due to their lack of foundation skills.
  - 9 The numbers entering the programme with higher qualifications and through the 'at risk' categories should be monitored by MSD and TEC, and both agencies should be satisfied that this is not displacing long-term job seekers with low qualifications, at a local or national level. TEC, in consultation with MSD, should develop a process that could be used to manage the numbers of people entering the programme under these discretionary categories if necessary. Information on the categories under which Training Opportunities participants are entering the programme should be included in the agencies' reports to Ministers. Any such limit on numbers should be agreed by MSD and TEC as part of the annual Memorandum of Understanding, and would depend on prevailing labour market conditions.
  - 10 Consideration should be given to systems and operational implications of the revised eligibility criteria. Until such time as guidelines, information systems, monitoring processes and trained staff are in place, current eligibility criteria and recruitment procedures should remain in place.
  - 11 The impact of the revised eligibility criteria should be evaluated within two years of implementation.
  - 12 The Adult English for Speakers of Other Languages (ESOL) Strategy should consider how assistance best be provided for refugees who do not need wider foundation skills assistance. Until such time as all refugees are able to readily access appropriate provision they should continue to access ESOL through Training Opportunities.
  - 13 If the education and training leaving age is raised, the upper age limit for Youth Training should be increased accordingly. In this event, the interface with the benefit system should be considered.

<sup>11</sup> MSD case managers currently use a set of Ministerially approved guidelines (Ministerial Eligibility Criteria) and an individual risk assessment to determine eligibility to other employment assistance. The groups currently eligible for TO would all be assessed as at risk under the guidelines, although those with higher qualifications would not necessarily be eligible.

<sup>12</sup> This is based on NZQA advice as to the credit equivalence with 3 School Certificate subjects. However, as it is uncertain how many credits will be achieved under the new system (NCEA), TEC will monitor the credits of those seeking entry into Youth Training, and adjust the credit limit if it is not reflecting 'low qualifications'.

## SECTION FOUR

# DIRECTIONS FOR THE FUTURE DELIVERY OF THE PROGRAMMES

The review team has considered how to improve incentives for collaboration and learner-focused provision, and ensure that good practice is promulgated throughout the Training Opportunities and Youth Training sector.

A number of the key principles proposed for the programmes have significant implications for their delivery. These include: that programmes be learner-centred and focused; be supported by a variety of accessible pathways and diversity of provision; provide high quality education and training; be responsive to the changing needs of the labour market, communities, Māori, Pacific peoples, economy and society; and be supported by sustained, integrated and cohesive support services.

The current delivery can be summarised as generally satisfactory, with many examples of good practice and innovation. There is a diverse range of courses and learning settings to meet the wide range of learner needs, holistic and supportive learning environments that the target groups are choosing to learn within, and courses that are closely-linked to the labour market.

There is, however, scope to further enhance programme delivery. Consultation feedback indicated the key areas for improvement are:

- improving pathways into the programme for school leavers and MSD-registered job seekers;
- greater collaboration and alignment between agencies (e.g. MSD, Skill New Zealand, NZQA and other quality assurance bodies, Ministry of Education), and between agencies, providers and schools;
- more emphasis on the development of career and learning plans for all learners, with greater alignment between key agencies' plans;
- improved recognition and resourcing of post-placement support in order to support the transition into sustainable employment or further learning (e.g. in higher level qualifications at a polytechnic, wānanga, PTE, ITO, university, or college of education);
- raising the profile of the programmes, and
- improved recognition and resourcing of specialist support services.

Feedback from consultation with Māori indicates that the key principles for the future delivery of the programmes for Māori should include ensuring that Māori continue to access and achieve in the programmes, as these are critical pathways for Māori, and that Māori providers, who offer holistic learning environments with Māori knowledge concepts embedded in foundation skills' delivery, continue to form a key strand of provision. The recommendations of the review team endorse this feedback.

**Current programmes offer a diverse range of courses and learning settings, holistic and supportive learning environments, and courses closely linked to the labour market.**

**Current strengths can be enhanced through increased learner support and better collaboration between agencies.**

## Improving collaboration

Greater collaboration can be achieved with minimal resourcing by sharing good practice and facilitating greater understanding about what different agencies and providers can offer. The establishment of the TEC provides an opportunity to focus on good practice and collaboration. This will be particularly important in two key areas - enhancing the relationships between providers, TEC and MSD, and enhancing the relationships between providers and schools.

## Relationships between MSD, TEC and providers

MSD has a critical role to play in the success of Training Opportunities and Youth Training and in achieving the vision for the programmes. From the provider and TEC's perspective, MSD is an important source of referrals to the programmes. MSD has strong links to local and regional employer networks and a range of tools to support job seekers into employment. There is a growing focus on lifting job seekers' overall capabilities and skills to enable them to sustain employment and become independent.

MSD is government's key social development agency and is responsible for assisting people to move to independence. The Ministry has considerable resources and a wide range of programmes and tools available to assist them to achieve these objectives. From MSD's perspective, Training Opportunities represents the single largest employment assistance intervention within their toolkit (in terms of total funding and size and scope of training programmes available). Case managers have an ongoing relationship with Training Opportunities learners and have a detailed agreement with each job seeker about how they will move towards gaining sustainable employment.

However, to strengthen pathways onto the programmes, MSD case managers require better information on the programmes on offer in their region and a greater understanding of the contribution Training Opportunities and Youth Training can make to achieving sustainable employment. These could be immediately achieved by closer relationships between MSD and providers in each region. It is also essential that MSD staff consider that the programmes are relevant and appropriate to the needs of their clients and the local labour market. The review team found examples of strong MSD relationships with providers and Skill New Zealand in some regions and poor relationships in others. The review team considers this situation can be improved.

There is also a need for better ongoing, systematic communication at both the national and regional levels. This is required not just for planning purposes, but also to provide MSD staff with an up-to-date view of when to recommend a programme to clients, and how to support them before, during and after the period of their participation. This requires the regular updating of guidelines and training material to assist MSD case managers.

As part of ensuring a partnership approach to supporting the learner, the review team proposes greater alignment between the content of MSD's Job Seeker Agreement, any career counselling plans that are developed, and the provider-developed "Individual Learning Plan".

This approach has been trialled in Greymouth and has improved outcomes. The review team believes that some level of learning and employment plan and career guidance should be available to all learners. Early identification of the learning aspirations of and barriers facing each learner, and a tailored, coherent plan to raise their education and skill levels, are both critical steps to improving outcomes for learners.

**MSD managers need better information about programmes in their region and a better understanding of the contribution these programmes can make to achieving sustainable employment.**

**There is a need for improved inter-agency communication at regional and national level.**

The review team would like to retain the current flexible approach to planning to allow each stakeholder to retain their focus, but also encourage greater sharing of information, the identification of common goals and objectives, and the development of closer relationships to ensure each organisation is supporting the learner.

To smooth the transition from Training Opportunities and Youth Training into employment, greater use could be made of MSD's employment assistance tools and networks. The review team proposes providers and MSD work together at the local level to assist Training Opportunities and Youth Training graduates into sustainable employment, and broker flexible employment and learning packages with employers, where appropriate.

## Relationships between providers and schools

As identified in the review team's Issues Paper, the statistics indicate that the transition onto Youth Training for young people urgently needs addressing. The cumulative effect of almost 10,000 school leavers exiting the compulsory system each year, with low or no qualifications, suggests that there is a large pool of at-risk youth under the age of 18 years, who are likely to be lacking foundation skills and who could be accessing Youth Training.

The critical factor in the success or failure of school leavers moving into Youth Training, is maintaining contact with them. This is particularly important for those young people at risk of leaving school early and disconnecting from the learning system. As eligibility for the unemployment benefit is restricted to people 18 years and over, there is little incentive for youth to register with MSD. Nor do schools have responsibility for follow-up with school leavers, which makes it difficult for any government agency to make contact. Hence, it is very important that young people receive quality advice about post-school learning opportunities while still engaged in the compulsory education system.

Providers need to develop close working partnerships with local secondary schools and schools need to view Youth Training providers as partners in addressing the learning needs of youth at risk. The review team has learned of several instances of good relationships between schools and Youth Training providers, whereby the providers have shared information about their courses with schools. A Whangarei pilot between Skill New Zealand, Career Services and local schools has shown that strong, collaborative relationships between providers and key school staff are vital for tracking at-risk students. The review team would like such good practice to become more widespread.

It is also important that providers create flexible options for learners to access Youth Training. For example, at-risk youth may not be receptive to a formal learning environment upon 'dropping out' of school, and may need a gradual introduction to Youth Training before they are expected to study towards a qualification. Many providers offer creative, challenging and fun learning environments to gain the interest of the learner, such as performing kapa haka or engaging in outdoor recreation. The young person may also need to be in employment to generate an income (whether to sustain themselves once they have left home, or contribute to the family), which could conflict with Youth Training course hours. If learners have part-time employment, they should be encouraged to enrol on the course, and attend during more flexible hours.<sup>13</sup>

<sup>13</sup> The review team recognises the need for learners to attend a minimum number of hours a week to make significant progress in attaining foundation skills, however, also recognises that some learners may need to balance part-time employment with part time study and recommends flexibility to allow for this situation.

**Providers and MSD should work together to help graduates into ongoing learning and employment options.**

**Schools need to view Youth Training providers as partners in addressing learning needs of youth at-risk.**

**Providers should create flexible options for learners to access Youth Training.**

To address the problem of the transition between school and further education, a number of national and local initiatives across New Zealand have been developed. These initiatives include the Secondary Tertiary Alignment Resource (STAR), the Gateway programme, the development of the National Student Index, the 'Destinations and Tracking Pilot', and the Whangarei pilot. At this stage, there are few completed evaluations of these pilots. As findings become available the review team would like 'lessons learnt' from the pilots to be distributed to relevant stakeholders and used to inform future delivery.

## New incentives to improve delivery

Beyond improving relationships, the review team has identified a number of initiatives - several of which are already occurring in the Training Opportunities and Youth Training sector - that could be introduced or refined to improve delivery. These focus on improving pathways out of the programme and ensuring learners' needs are met while on the programmes. Some of the proposed initiatives can be achieved within existing arrangements, and others are likely to require additional resourcing.

## Enhanced post-placement support

Many learners, particularly youth, are able to make learning progress and prepare for work through the supportive relationship which they build up with tutors. The progression to work or to a more formal education environment is often therefore a major transition. Providers are frequently called upon to maintain contact with learners for a period of time after the transition. The degree of on-going support required by learners varies tremendously, and providers need to alter their approach to suit each learner's circumstances.

This post-placement support is an important aspect of moving learners into sustainable employment and/or further education in higher qualifications. Many providers regard post-placement support as a key part of their role but one for which they are not specifically funded.<sup>14</sup> A greater depth of support could be provided for more learners if providers were resourced to do this. MSD can also have an important role in supporting the transition into work through their post-placement support initiatives and work assistance. In addition to resourcing post-placement support provided through Training Opportunities and Youth Training providers and/or MSD, TEC could pilot an incentive payment to the learner (delivered through the provider) at the end of the post-placement support period (e.g. 6, 9 or 12 months) if the learner achieves a sustainable employment outcome or a further education outcome.

The review team supports the upgrading of post-placement support services, alongside other strategies to ensure sustainable employment and/or success in further learning. These strategies could include enhancing the ability for learners to continue studying while in employment. Industry training is a well-established form of tertiary education, and many employers offer their staff on-going training in order to continue to lift their capability and performance. However, few Training Opportunities and Youth Training learners move immediately into industry training opportunities and learners often obtain a job before completing the qualification they were studying towards on the programme.

**Better post-placement support will assist learners to move into sustainable employment and/or further education.**

<sup>14</sup> Since 1999 when Skill New Zealand received the findings of research it had commissioned into longer-term outcomes, it has increased the focus on post-placement support. Skill New Zealand is currently piloting more formal contracting of post-placement support with a number of Training Opportunities and Youth Training providers to ascertain the most effective way of ensuring long-term outcomes for learners.

One good practice example is the partnership between the National Trade Academy and the Equine Industry Training Organisation. This arrangement enables Youth Training and Training Opportunities learners who have gained level two credits towards a national certificate and then gain employment in the industry, to access ongoing Industry Training towards level 4 National Certificates in Agriculture or Equine while they work. Last year, five Youth Training graduates moved onto Modern Apprenticeships in that industry.

Alternative arrangements may be necessary to support Training Opportunities and Youth Training learners to complete their qualifications while working and then move these new employees into industry training. This could mean a combination of part-time employment and part-time study, or a short-term release from full-time employment to complete the training. The benefits of this proposal for learners include a smoother transition into work, particularly for those who have not before participated in the labour market (e.g. youth or long-term job seekers), by gradually introducing them to full-time employment, and an income.

This would also benefit the employer by ensuring the employee has a nationally-recognised qualification (and hence a solid set of foundation skills), while also acquiring the industry-specific knowledge and skills available on-job. TEC may need to negotiate more flexible funding arrangements with providers for these learners to reflect their part-time study.

The review team is keen to see employers supporting their employees through ongoing learning, as part of in-house training, industry training or through Training Opportunities and Youth Training. TEC and MSD would facilitate and support this initiative through close relationships within industries and with providers.

Providers also have a key role to play in supporting learners who choose to undertake further study and gain higher qualifications, by assisting them to access the appropriate pathways and mentoring learners as they become familiar with larger institutions and the challenges of tertiary study. The review team has identified a particular difficulty in making the transition from Training Opportunities and Youth Training courses largely concentrated around levels 1 and 2 on the National Qualification Framework (NQF), to level 3 and 4 courses at Tertiary Education Institutions or on Modern Apprenticeships. Often learners will need to undertake a bridging course before beginning a higher level qualification. Whatever the route, quality and timely advice can assist learners with this transition.

The incorporation of Skill New Zealand and the Tertiary Resourcing division of the Ministry of Education into the TEC provides greater scope to encourage collaboration and broker pathways between different parts of the tertiary system. The review team recommends that TEC undertake a brokering role between Training Opportunities and Youth Training providers and providers of EFTS-funded courses and industry training as part of charters and profiles negotiations.

**Learners may also need support to complete their qualifications while working and then move onto industry training.**

**Quality and timely advice can assist learners to move onto further study in other tertiary institutions.**

**The formation of the TEC provides greater scope to encourage collaboration and broker pathways between different parts of the tertiary system.**

## Effective Collaboration

A good working relationship between Training Opportunities and Youth Training providers and, for example, a local polytechnic, can ensure the Training Opportunities/Youth Training course incorporates skills that are required to access higher qualifications, the learners' unit standards are recognised, and appropriate support is provided to the learner. The review team identified a number of collaborative arrangements, for example:

- Manukau Institute of Technology (MIT) and a number of PTEs in the Manukau-Counties region, have a partnership arrangement for Youth Training graduates to access a one-year, fee-free 'Youth Training Pathway' course at MIT, which further prepares them for higher level study. PTE staff encourage and prepare their students to move onto MIT and frequently maintain contact with learners once they are at the polytechnic. In 2001, 86 percent of learners on the MIT bridging course moved into further education or employment.
- Over a number of years, Bowerman School of Design has established networks with other institutions, particularly Massey University, offering individualised career plans and supporting learners enrolling at the university, and providing post-placement support. A notable success story is Rebecca Taylor, a New Zealand fashion designer working in the United States who began her training at a Bowerman School of Design Training Opportunities course.
- Dunedin Craft Centre and Otago Polytechnic have a close working relationship that enables the Training Opportunities' course content to reflect the skill requirements of the higher level qualification in ceramics, craft design and fine arts. The two providers frequently interact, with the Dunedin Craft Centre adapting its course to meet the polytechnic's needs, and the Polytechnic providing advice and information to prospective students.
- People Potential developed a Training Opportunities Boat Building course to assist learners to move to higher level boat building qualification offered at Northland Polytechnic. The tutors at both providers work very closely together, to support learners and facilitate enrolment processes, and there have been a number of positive outcomes with long-term job seekers moving into the rapidly expanding local boat building industry. People Potential also have a highly successful partnership with the New Zealand Police Training College, to prepare job seekers for the rigorous pre-entry examination for the police.

## Specialist Support Services

Many of the groups eligible for Training Opportunities and Youth Training programmes have multiple barriers to the successful acquisition of foundation skills. These include problems with health, drug and alcohol addictions, criminal offending, housing, finances and relationships. For the programmes to meet the needs of learners, appropriate specialist support services must be accessible and resourced.

Many providers ensure that learners can access assistance by referring learners to counselling or other services and through their holistic approaches to learning and involving the whānau and wider community. However, emphasis on ensuring that learners can access specialist support services varies by provider, due to constraints on resourcing, expertise and access to relevant agencies. For some learners, addressing these barriers to learning may be required before they can study unit standards and move towards a recognised outcome. Where this is the case, the assessment of the learner at the beginning of the programme should identify these needs, factor them into the individual learning plan, and the provider should be granted flexibility around the outcomes they are required to achieve, and the time taken to achieve those outcomes.

The way learning is delivered is a particularly important concept for Pacific peoples. Feedback to date suggests that Pacific learners achieve best in an holistic and culturally- responsive environment, that encourages self confidence and fosters success.

One example of this type of provision is BEST Training, an Auckland Pacific provider of Training Opportunities and Youth Training and EFTS funded courses from levels 1 to 4 on the NQF. BEST Training is focused on student success, and achieves excellent employment and education outcomes for learners by focusing on delivery and support services. Over 70 percent of both students and staff are Pacific peoples. Many are drawn from industry backgrounds and all hold a teaching qualification (school or adult education). Tutors are encouraged to utilise innovative styles of facilitation and delivery, supported with training and new resources. A full-time staff member, who is trained in social work and 'at risk' intervention, is employed to provide support to students.

The review team supports the recent improvements to Skill New Zealand's contract negotiations to allow such flexibility. Since 2001, providers are able to negotiate with Skill New Zealand for contacts based on the number of weeks rather than the number of learners. Learners are able to start the course at any time during the course of the year, as opposed to starting and finishing at set dates. The specialist support services that a learner may need will vary. In some instances, providers may choose to employ a specialist professional to work on-site, others may send learners to services off-site, or may contract a variety of services as appropriate. Whatever the appropriate avenue, the responsibility for ensuring the learner has access to specialist support should remain with providers.

**As many who are eligible for the programmes face multiple barriers to learning, appropriate specialist support services must be accessible and resourced.**

**Providers should be granted flexibility around the outcomes they are required to achieved, and the time taken to achieve those outcomes.**

## Raising the profile of the programmes

During the course of the review, the review team has identified that the public profile of Training Opportunities and Youth Training amongst employers, schools, other tertiary providers, communities, families and government agencies varies from very good to poor. Where the image of the programmes and learners is poor, this has a significant effect on referrals onto courses and on outcomes achieved by learners. Employers may be reluctant to take on Training Opportunities and Youth Training graduates, and tertiary institutions may not recognise the learning achieved on the courses.

The review team recommends that TEC undertake work on how the profile of Training Opportunities and Youth Training might be raised. Information about outcomes and success stories could be promulgated further by TEC.

## Quality assurance processes

The review team further supports moves to enhance the quality assurance and monitoring processes of these programmes. Skill New Zealand and the NZQA have a number of mechanisms to consistently monitor the quality of these programmes. Ongoing work is proceeding within NZQA to further improve audit, moderation and monitoring processes. Similarly, Skill New Zealand is continually enhancing its regional processes for monitoring provider quality and responding to potential problems. The relationship between these two organisations is also being improved through increased information sharing and discussion.

## Section 4: Recommendations

14 Improvements to delivery should focus on how to improve incentives for collaboration and learner-focused provision, and ensure the current strengths of delivery continue and good practice is promulgated throughout the Training Opportunities and Youth Training sector.

### Areas for improved collaboration

15 There should be closer links at both national and regional levels between the major government agencies involved, including MSD and TEC, and Training Opportunities and Youth Training providers to ensure greater alignment in meeting learner needs. This closer collaboration should be fostered by:

- improving information on Training Opportunities and Youth Training courses available to assist MSD case managers in assessing the needs of learners and to refer learners to the right employment assistance service at the right time;
- better alignment of career and learning plans and job seeker agreements, to ensure consistency between organisations in goals and support provided to learners, while retaining individual characteristics of each specific plan/agreement;
- better alignment of the outcomes to be achieved for Training Opportunities and Youth Training learners by agencies (particularly MSD and TEC) and of the processes for assessing the needs of job seekers and learners; and

The profile of Training Opportunities and Youth Training should be raised.

There should be on-going moves to enhance quality assurance and monitoring processes.

- working collaboratively at the local level and providing more co-ordinated, timely and relevant assistance in moving Training Opportunities and Youth Training graduates into sustainable employment and further education.
- 16 There should be closer links between schools and Youth Training providers, particularly in sharing information about courses and tracking students at risk of dropping out of school.

**Areas where new incentives, recognition and/or resourcing may need to be introduced to change behaviour and ensure better outcomes**

- 17 Post-placement support should be improved, including providing specific resources for advice and mentoring for learners once they have left the programmes. These mentoring and relationship based post-placement support services could be augmented by:
- more flexible transition into employment, by encouraging continued learning whilst in employment (for example, to enable a learner to complete their qualification part time);
  - enhanced 'pathway' support from providers for learners entering level 3 courses with other tertiary providers, or in helping learners to access bridging courses at levels 3 or 4; and
  - investigating the piloting of an incentive payment for the learner (delivered through the provider) at the end of the post-placement support period (e.g. 6, 9 or 12 months) if the learner achieves a sustainable employment outcome or a further education outcome.
- 18 TEC should broker pathways and collaborative arrangements between different parts of the tertiary system to assist learners to progress. For example, between Training Opportunities and Youth Training providers and providers of EFTS-funded courses and industry training.
- 19 Outcome agreements between TEC and providers should reflect the varying needs and foundation skill levels of learners, and to allow for learners to access specialist support services<sup>5</sup> as appropriate. Contracts could therefore vary by length of time required to achieve outcomes and price paid.
- 20 Work should be undertaken to determine how the profile of Training Opportunities and Youth Training might be raised, and information about outcomes and success stories be promulgated further.
- 21 There is a need to build on the strengths of the current programmes, and endorse their continued practice. These strengths include good practice and innovation, a diverse range of courses and learning settings to meet the wide range of learner needs, holistic and supportive learning environments and courses that are closely-linked to the labour market.

<sup>5</sup> Specialist support services are provided to address issues in a learner's life that impact on their learning outcomes but are not solely educationally-related, for example: counselling, health care (including safe sex advice), drug and alcohol counselling, mental health services, housing services, childcare, special learning disabilities and budgeting advice.

SECTION  
FIVEMEASURING PROGRAMME  
PERFORMANCE

Dual focus on employment and educational outcomes is a strength.

Dual outcomes focus should be retained, but the measures could be modified in order to provide a clearer picture of achievement.

Learners' outcomes are not well aligned with those required for government agencies such as MSD.

Current 'two month' employment and education outcome measures do not provide adequate evidence that learners are effectively moving toward independence.

This section discusses incentives for the key stakeholders to achieve the policy objectives specified by government. There is a need to balance comprehensive long-term effectiveness measures with the need for simplicity and low cost measures that do not create high administrative overheads. This section considers practical measures that influence operational agencies to achieve government objectives on a day-to-day basis.

One of the strengths of the current programmes is the dual focus on employment and educational outcomes. This accountability has meant that on the whole providers have consistently delivered on the targets set for them by the government and Skill New Zealand. It is the review team's view, therefore, that this dual outcomes focus should be retained.

There are some concerns, however, with the way that the outcomes are currently specified. The current measures go some way in reflecting the aims outlined in the vision statement:

*the acquisition by the learner of the foundation skills that allow them to sustain themselves in employment, to continue to learn over the course of their life and participate in society to the fullest extent;*

However, these measures could be modified in order to provide a clearer picture of achievement.

### Destinational outcomes

The review team believes that government agencies' relationships with learners should be aligned by their common interest in learners' overall development. Although there are some examples of good practice around the country, where stakeholders have collaborated in the interest of learners, at present, learners' outcomes are not well aligned with those required for government agencies such as MSD.

The review team also considers that the current 'two month' employment and education outcome measures do not provide adequate evidence that learners are effectively moving toward independence. There is no indication that the employment they have gained is sustainable, or of the nature of the further learning they are undertaking.

A way to address these issues would be to adopt common outcome measures that have a longer term focus.

The review team proposes that, with respect to educational outcomes, MSD should recognise further education outcomes as well as the employment outcomes achieved

by their client group. Further education outcomes could also be enhanced by measuring indicators such as the level and type of study the learner will undertake. This information would be gathered simply to have a clearer picture of the post-Training Opportunities/Youth Training educational activity of learners, and would not be used to restrict the further education pathways that learners could embark upon. Such a proposal would require TEC, MSD and other agencies involved with Training Opportunities and Youth Training learners to share information in a more organised way, and have a more formal common commitment to the wider social development of learners. In addition, clear recognition should be given to MSD case managers when their clients achieve a positive outcome.

With regard to better measuring employment outcomes, the most robust measure currently in use is the 'stable employment outcome', which entails a job seeker having moved into employment of 15 hours a week or more and remained off the register for 91 days. This measure is under evaluation, and changes may be made to better reflect stable/sustainable employment. There are two main issues with the existing measure. First it is questionable whether three months is a sufficient length of time to indicate whether a person can sustain himself or herself in employment. Secondly, such a measure may not adequately capture people who work irregular hours or have short term employment but could be considered to have an established pattern of work. It will take time to resolve such issues in a practical way.

The review team supports the work being carried out to refine the MSD measure of stable employment, but recommends that in the meantime the two month employment measure should be retained for Training Opportunities and Youth Training. The current measure provides some indication of learners' employment experiences once they have left the programme and encourages providers to stay in contact with learners once they have completed the programme.

In addition to the two month measure, it is recommended that MSD and TEC periodically match their data on the degree to which Training Opportunities learners have subsequently moved off a benefit. This would give the government a better idea of whether learners are moving towards sustainable employment and independence. Such information would only be available on learners in contact with MSD but would be a considerable improvement on the current information on outcomes.

## Qualification outcomes

The review team believes that the current qualification outcome measure<sup>14</sup> does not adequately convey a sense of average achievement by Training Opportunities and Youth Training learners or whether learners have gained any foundation skills. Some other ways to gain a better picture of what learners are achieving could include:

- measuring credit achievement in a different way;
- encouraging learners to study literacy and numeracy if they lack these skills, and
- measuring the acquisition of complete qualifications.

Currently, Skill New Zealand measures credit achievement according to the average number of credits achieved across all learners in a 12 month period. This measure does not take into account whether the learner has left early, or if they started a course late in the year. A more accurate reflection of educational achievement would be to measure how many credits each learner achieved during the total time they were on the course, rather than just for the year. This change is unlikely to be administratively

<sup>14</sup> A national target for the average amount of credits achieved by each learner

**Common outcome measures with a longer term focus are a way to address these issues.**

**Further education outcomes should be recognised as well as employment outcomes.**

**The two-month employment measure should be retained in the interim, but common measures of sustainable employment should be adopted in the medium term.**

**Better measures of qualification outcomes should be adopted.**

**Learners should be encouraged to work towards gaining qualifications such as National Certificates.**

**Students lacking literacy and numeracy skills should be encouraged to gain relevant credits.**

**Current outcomes are very difficult to reach for some learners.**

**Intermediate and personal development outcomes should be recognised.**

**A flexible approach should be adopted to time taken for learners to achieve outcomes.**

costly, as only the information collecting procedures already in place would need to be adjusted.

The review team believes that in order to be clearer about the skills acquired on Training Opportunities and Youth Training, learners should be encouraged to work towards gaining qualifications such as National Certificates (for example the NCEA). Clearly, such an aspiration needs to be proposed at the right point in a learner's progress as it may seem beyond many learners when they begin the programmes. In addition, learners who lack literacy and numeracy should be encouraged to undertake core credits. Increasing the focus on the types of qualifications that learners achieve will more explicitly align the qualifications measure with the focus on foundation skills.

In the short term, the level one core numeracy and literacy component of the new NCEA qualifications (16 credits) could be used by Training Opportunities and Youth Training providers, as they already have to be NZQA accredited and offer credits. Other qualifications, such as many of the level one and two National Certificates should also be encouraged. These implicitly include literacy and numeracy skill acquisition.

## **Intermediate and personal development outcomes**

For some learners the current outcomes are exceedingly difficult to reach, and providers have expressed their concern to the review team that the personal development learners gain on their courses is not recognised.

In addition to the destinational and qualifications outcomes, the review team proposes that, in recognition of the different paces at which learners progress, TEC should recognise the intermediate outcomes obtained by Training Opportunities and Youth Training learners during profile negotiations. On the basis of this information, regional TEC offices should adopt a flexible approach to the time it takes for learners to achieve outcomes on Training Opportunities and Youth Training courses. This is consistent with Te Puni Kōkiri's findings in their audit of Training Opportunities and Youth Training.

The review team supports the current employability pilot project that is being sponsored by Skill New Zealand. This pilot involves the development of a computer-based assessment tool that can assist in providing a more standard measure of the progress made by a learner during the Training Opportunities/Youth Training programme from a personal development perspective. This may provide a more robust basis for recognising the personal development achievements as steps towards the qualification and destinational outcomes, and the flexibility required around the time it takes learners to achieve these outcomes.

The recognition of personal development achievement would mean providers would be under less pressure to only take on learners who will easily produce educational and employment results. There would, however, be administrative cost for providers and TEC in developing and reporting on a personal development activity list.

## Section 5: Recommendations

- 22 A balance of employment and educational outcomes should be retained for Training Opportunities and Youth Training.

### Destinational outcomes

- 23 The current outcome measure of further education should be retained. In order to provide a richer picture, however, more specific information should be obtained about the level and type of post-Training Opportunities/Youth Training learning undertaken.
- 24 With regard to employment outcomes, the focus should be on better measuring longer-term employment results.
- 25 The measurement of employment outcomes be amended so that:
- the monitoring of sustainable employment be achieved through the matching of MSD and TEC data on the degree to which Training Opportunities learners have subsequently moved off a benefit;
  - improved measures of sustainable employment are developed by MSD and Department of Labour with a view to eventually introducing these measures for Training Opportunities and Youth Training (but maintaining the 2 month measure in the meantime), and
  - clearer recognition be given to MSD and its case managers for the successful employment and educational outcomes achieved by Training Opportunities and Youth Training job seekers and beneficiaries referred by them.
- 26 There should be better alignment of the incentives facing both MSD and TEC for achieving employment and education outcomes.

### Qualification outcomes

- 27 The average credit achievement outcome should be based upon a measure of learners' total average credit achievement on Training Opportunities and Youth Training rather than yearly snapshots.
- 28 Learners should be encouraged to acquire a coherent set of foundation skills whilst on Training Opportunities/Youth Training, including literacy and numeracy if they lack these skills, and the emphasis should be on gaining credits towards nationally recognised qualifications such as National Certificates (for example the NCEA).

### Intermediate/personal development outcomes

- 29 In addition to educational and employment outcomes, TEC should recognise the intermediate outcomes or life skills obtained by Training Opportunities and Youth Training learners at the regional level during profile negotiations.
- 30 That flexibility in the length of time required to achieve outcomes for some learners is provided for in the profile negotiations with providers.

SECTION  
SIXADMINISTRATION OF TRAINING  
OPPORTUNITIES AND YOUTH  
TRAINING PROGRAMMES**Strengths of current administrative arrangements**

The review team believes that a number of the key features of the current administration and funding system for Training Opportunities and Youth Training have merit, and should be retained. These include:

- regionally-based planning involving key stakeholders;
- resourcing of programmes through dedicated funds which support specified groups of learners annually, and
- negotiation with providers on a regional basis, leading to contracts that reflect variations in learner and labour market needs.

**What level and type of administration is required?**

There is a need to determine the broad administrative support needs for Training Opportunities and Youth Training whilst the TEC is being established and on an ongoing basis. There are advantages in maintaining the comparatively high level of provider and learner support, particularly at a regional and local level, which is a feature of present administration. This provides:

- the resource base to facilitate co-ordination with the relevant agencies to reduce the broader barriers to learning and to employment faced by learners;
- scope for the annual setting and review of priorities within dedicated funds as conditions change;
- an infrastructure to support and monitor provision through a diverse range of providers, many of whom are comparatively small in size, and
- an opportunity for greater responsiveness by allowing the development of practical local solutions to emerging local issues.

It will be important for the new TEC to encourage good practice on a national basis. It can also play a crucial role supporting innovation at local level. The review team encourages TEC to build the capability of providers around foundation skills, as signalled in the Tertiary Education Strategy. This is consistent with the findings of Te Puni Kōkiri's audit of Training Opportunities and Youth Training.

**Concerns with administrative transparency and transaction costs**

The major concerns expressed by provider groups with the current administration are lack of transparency and high transaction costs involved in running these programmes compared with programmes that are EFTS-funded.

There are advantages in maintaining a high level of provider and learner support at regional and local level.

Administration costs have reduced in recent years. (Skill New Zealand's total operating costs have reduced from \$25 million to \$18 million during the 1990's, whilst grants administered have increased by approximately \$50 million) In addition, significant administrative changes have been made by Skill New Zealand over the last two years to give providers more flexibility to meet changing circumstances and to reduce administrative compliance requirements. The introduction of longer-term contracts based on past performance rather than competitive tendering has also reduced administrative costs. Part of the administration costs arise, however, from the need for intensive management support in this area.

Furthermore, the recent use of information on the comparative performance of providers will assist negotiation processes at local level and continue the focus on improved results. The use of such data will also ensure greater transparency in the profile negotiation process and reduce the emphasis on negotiating the price to be paid per student.

There is a need, however, to continue to reduce compliance costs, and to maintain a climate where innovation and excellence are fully supported. Greater integration of tertiary education systems will assist that process. Whilst the introduction of charters and profiles processes should assist the streamlining of administration, it will not remove the requirement for negotiating a number of the essential elements of the contracts/profiles.

The key issue in relation to price is to continually monitor what outcomes the programmes are achieving and ensure value for money is achieved. In proposing initiatives for improving the delivery of the programmes, the review team notes that an evaluation of the appropriate prices for providing additional services will be required. A number of providers, however, noted that there is limited transparency of pricing arrangements. The review team suggests that TEC release the range of prices it pays for courses, on a regional basis.

The review team considers that the existing funding and pricing system has merit and that there is a good case for continuing with differentiated price levels according to the differing cost of providing programmes, and the differing level of need for groups of learners. This system also accommodates regional variation and needs and different cost structures by type of course.

The review team also recognises that, should additional initiatives be implemented as part of improving delivery, such as greater levels of post-placement support, greater levels of funding for providers will be necessary. If there is no overall increase in funding, however, a reduction in the number of students supported by the programme will be necessary.

## **How can any risks arising from greater integration be minimised?**

A key risk of integrating these programmes within the tertiary education system is that integration leads to greater sameness in the delivery of such programmes. Diversity of provision to meet the needs of this group of learners is one of the key themes in this report.

A way of maintaining a continued focus on the needs of this group of learners is to maintain separate programme identity and to ensure that dedicated financial provision is made through Parliamentary appropriation. This creates a system of specific accountabilities for the results achieved with this expenditure. To ensure that the focus remains on both employment and education, and to enhance the integration

**The key issue in relation to price is to continually monitor outcomes achieved and ensure value for money.**

**There is a good case for continuing with differentiated price levels.**

**Separate programme identity and dedicated funding creates accountability for results achieved.**

**There is also a regional requirement for planning, monitoring and negotiation about what is to be achieved.**

with other employment assistance, the review team recommends that the funding for Training Opportunities remain within Vote Work and Income. For Youth Training, the funding should remain in Vote Education.

The continuance of dedicated funds is desirable for the foreseeable future. This will reduce the risk of 'capture' of this expenditure by learners with less extensive learning needs during a period of extensive change. One consequence of maintaining a capped fund is the continuing need to make choices about the priority needs in a particular region in the light of changes in the makeup of the local population and of changing labour market needs. This suggests a regional requirement for integrated planning and monitoring, negotiation about what is to be achieved and, if necessary, adjustment to the expected achievements at the local level.

### **Should the split between Training Opportunities and Youth Training continue?**

The separation of the programmes in 1998 has provided a better focus on the needs of young learners, who may have different development needs. The separate purchasing arrangements for Youth Training have improved access to training for young people and enhanced the focus on those with the greatest needs, including under sixteen year old school leavers.

Skill New Zealand has been criticised about the need to maintain separate programmes for young and older learners in all situations, especially in relation to Māori, Pacific and rural learners. Although Skill New Zealand initially encouraged separate provision of programmes in the period immediately after the programmes were split, in more recent times it has endorsed some providers running mixed age programmes. The younger and older learners continue to be funded separately.

The prime concern of the review team is that the particular focus on youth is maintained, and that the split in programmes does not unreasonably restrict flexibility in achieving sensible learning solutions at the local level. The existence of the two programmes should not inhibit the spread of good practice for learners of all ages and levels of learning. Where combined classes would benefit learners, providers should be able to bring youth and adult learners together. The review team notes that a particular benefit of the explicit separation of Youth Training funding is clear signalling of the Government's priority of ensuring that this group has access to training.

### **The place of MSD training programmes for this group of learners**

In 1998, \$24 million of the Training Opportunities fund was unconstrained for the Department of Work and Income (now MSD) to contract work-related training and other employment assistance initiatives. The MSD programmes play a complementary role to Training Opportunities and Youth Training. Training Opportunities and Youth Training focus on providing in-depth and sustained support for acquiring foundation skills. MSD training programmes provide opportunities for the more job-ready to concentrate on specific skills to meet current employment opportunities.

The review team notes, however, that there is some perception of competition and duplication between MSD training courses and Training Opportunities and Youth Training courses. This potential overlap should be addressed during the setting of regional priorities. Provided there is effective regional planning and co-ordination, the complementarity of the programmes is useful and should be continued.

**The focus on youth should be retained but not restrict flexibility at the local level.**

**The complementarity of MSD Training and Training Opportunities / Youth Training should be continued.**

## Section 6: Recommendations

- 31 Administration and learning support should be maintained at the regional and local level to assist the continuing development of these programmes.
- 32 Dedicated financial provision should continue to be made for these programmes, to ensure a continuing focus on the needs of this group of learners; funding for Training Opportunities should remain within Vote Work and Income and for Youth Training in Vote Education.
- 33 For Training Opportunities and Youth Training, the introduction of the charters and profiles negotiations processes should build upon existing ongoing regional planning, operational and monitoring processes and enhance the linkages with employers, schools, government agencies, and learners at the regional level.
- 34 The co-ordination of existing regional planning processes should be enhanced, including consultation with key regional stakeholders (e.g. TEC, MSD, Industry New Zealand, Iwi etc) and taking account of changes in the makeup of the population and of labour market conditions, to determine priorities for the allocation of expenditure (both at the national and regional level).
- 35 TEC should play a role in assisting the development of providers of Training Opportunities and Youth Training by leading debate and discussion about best practice for the provision of learning for this group of learners.
- 36 Compliance costs on providers should be monitored on an ongoing basis by TEC with a view to minimising these costs where practical.
- 37 To ensure greater transparency of pricing, TEC should release information on an annual basis about the bands of prices it pays for different types of training, and differences between regions.
- 38 The split of the Training Opportunities and Youth Training programmes should continue as long as it does not unreasonably restrict flexibility in achieving sensible learning solutions at the local level.
- 39 Training/employment assistance provided through MSD's contracted services budget<sup>17</sup> should continue to concentrate on shorter term skill development to meet specific employment opportunities in the local labour market.
- 40 Communication between MSD and TEC and others during the setting of regional priorities should include consideration of the interface and any potential overlap between the MSD programmes and Training Opportunities and Youth Training programmes.

<sup>17</sup> This funding was unconstrained from the Training Opportunities allocation in 1998.

SECTION  
SEVENCONCLUSION – WHERE  
TO FROM HERE?

It is clear that these programmes have historically made a significant contribution to lifting skill levels and supporting social cohesion in times of rapidly changing labour markets. The ability of Training Opportunities and Youth Training to adapt to changing demands and expectations from government and employers, while meeting the needs of learners, shows their potential to meet further challenges set by New Zealand's goal to become a knowledge society.

This combination of an emphasis on employment and education outcomes for learners, and the ability to adapt, position Training Opportunities and Youth Training as a critical element of Government's strategies for education, sustainable employment and social development.

**Hence, the review team recommends this potential be enhanced through a strategic shift in the vision, principles and objectives that provide the framework and direction for Training Opportunities and Youth Training, while building on the existing strengths of the programmes.**

### Summary of proposed changes

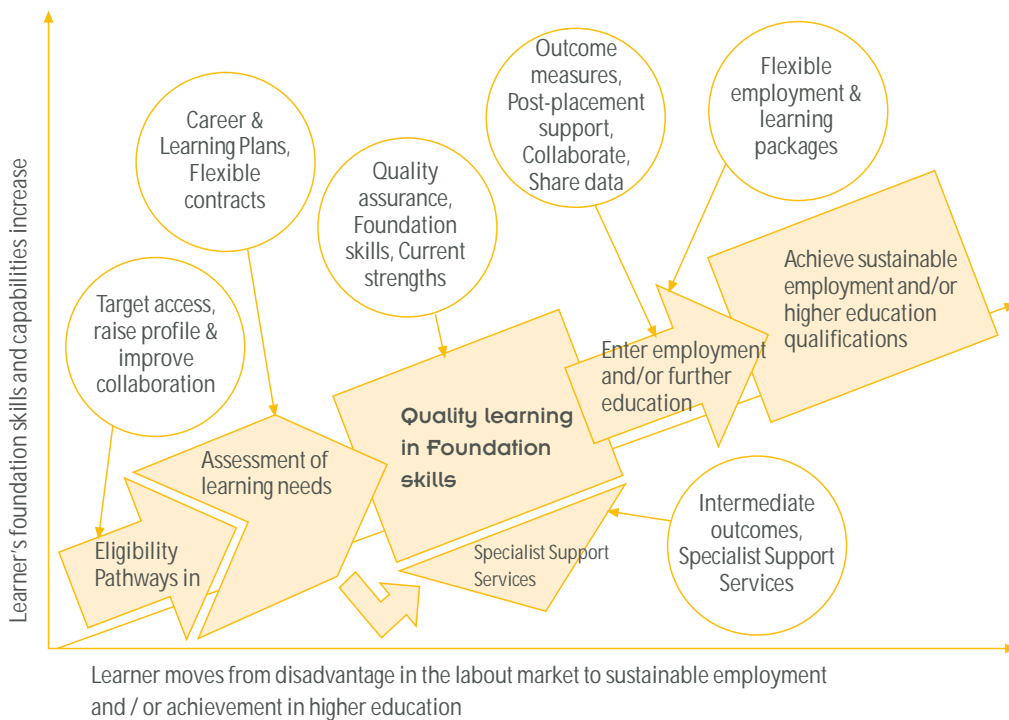
The key to this strategic shift is achieving a much stronger operational focus on foundation skills that will lead to further education and sustainable employment. Foundation skills will need to be clearly articulated in learning plans, as well as in qualifications. Pathways from foundation learning to further study and work need to be made clearer and better supported.

Improvements in delivery, measuring programme performance, eligibility to participate, and administrative arrangements are proposed. These recognise the major role Training Opportunities and Youth Training programmes have within our foundation education sector and in the tools we have available to assist people to achieve sustainable employment.

In general, these proposals emphasise the need to provide greater depth of learning, support and experience for learners - if the desired long-term outcomes are to be achieved. The review team also acknowledges the considerable numbers of people with low qualifications who face significant barriers to employment, and the potential of Training Opportunities and Youth Training to make a real difference to their education and labour market opportunities. For this reason, the review team has proposed a greater assessment-driven approach to determining eligibility. In the longer term, as resources allow, the review team believes it would be desirable to broaden access while maintaining quality.

The changes proposed in this report will better position these programmes for the challenges faced over the next decade. They represent an integrated package of changes that will improve the contribution and performance of these programmes over that time.

These changes are summarised in the diagram below, which maps the proposals against the different points in the learning process for Training Opportunities and Youth Training programmes.<sup>18</sup>



<sup>18</sup> This diagram suggests the learning process is a very linear model, which is not the case for most learners. It also does not accurately represent the foundation skills learning (identified in the large rectangular box) because there are several contexts these skills are delivered in, and a broad range of courses and opportunities for acquiring these skills on offer.

## Next steps

Should Government agree to the review team's recommendations, a detailed implementation and transition plan needs to be drawn up quickly by officials. This should outline the sequencing of implementation, as some of the proposed changes can be implemented relatively quickly whilst other changes will take some time to work through. Those measures that need to be introduced over a longer period are those that require major changes to the existing information systems, particularly of MSD, the new TEC, and providers.

Changes to the performance management systems of major government agencies will need to be synchronised, and these shifts in culture and organisational behaviour must be implemented before altering the eligibility criteria. This is to ensure that improved incentives are in place for government agency staff, before changes are introduced that require them to assess who is eligible to access these programmes.

Proposals for mapping the contexts in which foundation skills' acquisition takes place are central to the longer-term enhancement of these programmes. However, while this work is progressing, many of the other proposals for improving delivery will significantly enhance the results obtained through these programmes.

The review team recognises that the major changes which are currently occurring in the tertiary education system, with the establishment of the TEC and introduction of charters and profiles, have implications for the Training Opportunities and Youth Training sector. It will be critical that changes to the programmes in light of this review are clearly communicated to providers and other stakeholders at the earliest possible opportunity in order to enable providers to plan for 2003, and allow agencies to begin dialogues about future relationships and processes.

