

Brief

to
the incoming

Minister of
Education



Skill New Zealand
Pūkenga Aotearoa

August 2002

Our Mission

SKILLS DEVELOPMENT FOR WORK

Skill New Zealand will:

- support a national skills development strategy which makes a significant contribution to improving New Zealand's prosperity and well being.
- contribute to the creation of a society where all New Zealanders can access nationally recognised workplace education and training opportunities.
- influence businesses to increase their investment in training.

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Introduction

This briefing material focuses on Skill New Zealand's core business in the context of Government's wider strategic goals.

The Industry Training strategy provides a framework for industry partners and Government to invest in skills development for the workforce. It supports the achievement of national economic goals and enables social inclusion. Industry Training is about to become part of the wider Tertiary Education System and a substantial work programme is underway to give effect to this major reform. Industry Training is projected to continue to grow substantially over the next five years. A discussion of developments, issues and opportunities for Industry Training is provided in Section One.

An inter-agency approach to meeting the challenges of a new Youth Transitions strategy is in the early stages of development. It is clear that a range of education pathways, mentoring and other supporting initiatives will be integral to Government's response. Some of the key components are already available in the design of Modern Apprenticeships, Gateway and Youth Training. Skill New Zealand has advocated for some time a more coherent and strategic approach to issues around young people's engagement in education, training and work. Some ideas for making progress on this strategy are canvassed in Section Two.

Youth Training and Training Opportunities provide successful outcomes-focused learning for many thousands of people who are disadvantaged educationally and in the labour market. A major review of these programmes was completed in May 2002 and development work is underway in line with its recommendations. This includes the strengthening of a focus on foundation skills and new measures to ensure that the people who get access are the ones who will benefit the most. 'Learning to learn' education will be combined with skills for sustainable employment. This will require new investments in provider and tutor capability – for example in literacy delivery – and in 'wrap-around' services for the client. Joint strategies and a substantial commitment of resources will be needed from the Tertiary Education Commission and the Ministry of Social Development to implement these changes. An overview is provided in Section Three.

Finally, a short section about the work of Skill New Zealand – *Pūkenga Aotearoa* indicates its particular nature and context. For example, the dynamic and innovative character of the sector is noted, and the fact that Māori are choosing to engage in all streams of vocational education and training, in record numbers.

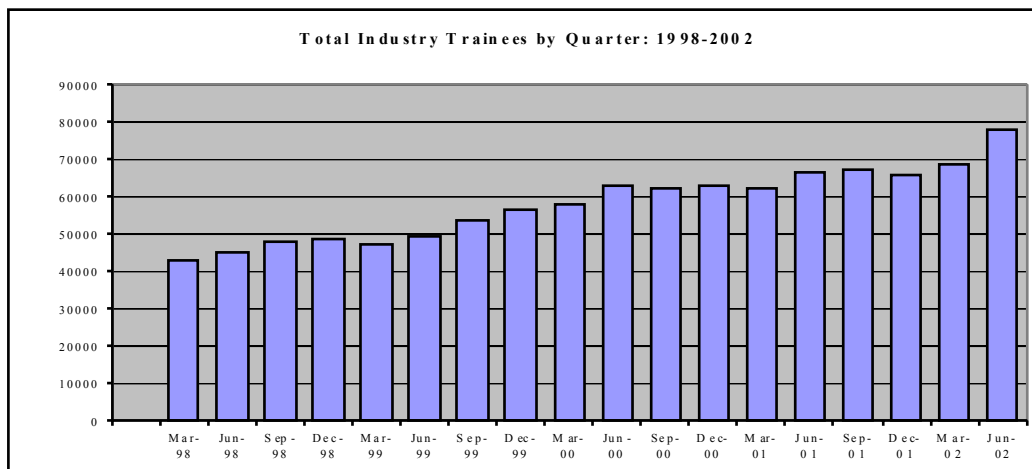
The staff of Skill New Zealand are 'knowledge workers' who manage relationships of many kinds in order to deliver the outcomes that Government wants. An increasingly complex environment demands that the staff also work with personnel in other agencies to deliver on 'whole of Government' outcomes. The Tertiary Education reforms will provide more opportunities to leverage off the investments in knowledge and relationships that have been made.

Section One

Industry Training, 2002-2007

1. Industry Training represents an important strategic partnership between Government, industry, firms and employees. The Industry Training strategy (underpinned by the Industry Training Act 1992) offers a framework for Government and industry to make an ongoing investment in skills development. For employees, it provides a means to develop skills and gain NQF qualifications while in employment. The roles of ITOs are to set standards and design qualifications for their industry, and to facilitate training arrangements for trainees in employment. ITOs and firms work closely to anticipate and address particular skill needs within industries.
2. Although Industry trainee numbers do vary from quarter to quarter, the overall trend is one of significant growth. The figures for the latest quarter show a large increase in participation. As at 31 March 2002, there were 68,581 active trainees. This figure had risen by 14% to 78,240 by 30 June 2002. Growth over the past year has also been significant, with an 18% increase in the number of trainees from 30 June 2001 (66,390) to 30 June 2002.

Table 1.1. Total Industry Trainee Numbers by Quarter: 1998-2002



3. As Table 1.1 illustrates, the growth in the number of Industry trainees since 1998 has been characterised by cycles of growth in successive quarters followed by subsequent quarters of slow or negative growth. Although this 'plateau' effect is not unusual, it was exaggerated in the September and December quarter figures for 2001 by higher than average numbers of trainees exiting Industry Training.¹

¹ The increase in trainee exits during these quarters can partly be explained by a review of ITO practices and procedures for auditing the currency of trainees. This review called on all ITOs to ensure they operated systems that accurately recorded 'active' trainees. Without this review of procedure and resulting rationalisation of stocks, the increase in trainee numbers in June 2002 quarter may have appeared less dramatic.

4. This planned and sustained growth is attributable to:
 - increased funding by Government and industry;
 - the relevance and demonstrable value of industry-driven training and national qualifications; and
 - widespread stakeholder support of the Industry Training strategy.
5. Industry Training is jointly funded by the Government - through the Industry Training Fund (ITF) - and by industry through financial and in-kind (time and resources) contributions. Funding for Industry Training, from both Government and industry, has grown steadily since 1999.

Table 1.2. Government and Industry Cash Contribution to Industry Training, 1999 – 2001

Year	1999	2000	2001
ITF Subsidy Allocation	\$63.1m	\$65.9m	\$71.2m
Industry Cash Contribution	\$26.9m	\$27.9m	\$30.3m
Total	\$90.0m	\$93.8m	\$101.5m

6. During the 2001/2002 financial year, the ITF baseline increased by \$8 million to \$78.725 million. The 2002 Budget decisions further lifted Government investment in Industry Training. The ITF will be increased by \$14 million over the next four years, increasing the baseline to \$88.72 million in 2002/03 and to \$90.72 million in 2003/04 and out years.
7. The maturity of the Industry Training strategy is reflected in the wide recognition from all stakeholders in the value of work based training linked to the NQF, and the diversity of highly credible work based training arrangements. The success of Modern Apprenticeships has built on this and given renewed impetus to ITOs and to Industry Training generally. The acceptance of Modern Apprenticeships is apparent in terms of increased participation, but also in the development of Modern Apprenticeships as a new brand with wide support.
8. Industry Training growth has largely been due to the increased funding by Government, accompanied by increased financial and in-kind support from industry. The Government has made a commitment to develop Industry Training as a cornerstone of tertiary education in New Zealand. The Industry Training sector is well placed to offer sustained growth in line with Skill New Zealand's strategic goal of 150,000 industry trainees by 2005.

Achievements in Industry Training

9. Industry Training numbers were at record levels last year, with 66,225 trainees participating at 31 December 2001. The figures for 2002 have continued to

climb, with 78,240 participating as at 30 June 2002. Levels of achievement were also impressive in 2001, with 9,498 national Certificates completed – representing a 52% increase on 2000's achievements. Of the National Certificates achieved in 2001, 80% were completed at level 3 or level 4 on the NQF.

Table 1.3. Level of National Certificate Completion 2000 – 2001

<i>Year</i>	<i>Level 1 and 2</i>	<i>Level 3</i>	<i>Level 4</i>
2000	23%	20%	57%
2001	20%	28%	52%

10. The Industry Training strategy is also improving access to training and qualifications achievement for those most disadvantaged in terms of educational qualifications. In 2001, 30% of all participants (whose previous qualifications were known) had no previous qualifications. As many as 42% of participating Māori trainees had no previous qualifications, and similarly, 42% of Pacific peoples had no previous qualifications.
11. The Industry Training strategy has been effective at increasing the participation of Māori, Pacific peoples and women.
 - Māori now represent 17% of all trainees, compared to 11% in June 1996;
 - Pacific peoples now represent 6% of all trainees, compared with 2% in June 1996; and
 - Women now make up 23% of all trainees, compared with 13% in June 1996.
12. While Māori and Pacific peoples are well represented in Industry Training, compared to their numbers in the total workforce, women continue to be under-represented. Women are currently 23% of all industry trainees but they are 47% of the labour force.² Part of the explanation for this is that the Education and Health sectors, accounting for 15% of the employed workforce,³ are not covered by ITOs. Females are 77% of employees in these two sectors. However, there are clearly many women in sectors that are covered by ITOs who could benefit from Industry Training but are not yet involved.
13. Skill New Zealand is working with ITOs to address this issue through the creation of demographic profiles of each ITO's industry coverage. Once these are established, ITOs will be required to address significant variations between the demographics of their coverage and actual participation in Industry Training. This is signalled in the Funding Agreement for 2003 and will be picked up subsequently in ITOs' profiles.
14. Modern Apprenticeships continues to grow, with 3,254 Modern Apprentices in training as at 30 June 2002. This represents a 23% increase since the quarter

² Household Labour Force Survey, June 2002.

³ NZ Census 2001.

ended 31 March 2002. There are expected to be 5,000 Modern Apprenticeships by June 2003 and 6,000 by the end of 2003. The Modern Apprenticeships initiative has boosted significantly the number of young people participating in Industry Training.

15. A new opportunity to extend Industry Training is seen in the rising demand for ‘top-up’ training for employees who have already achieved a National Certificate. At present, these employees cannot be entered into the funding system by ITOs but arguably, continued upskilling is a fundamental requirement for the national economy. ITOs would be very keen to put together new training packages for these qualified trainees if they were able to attract financial support from the Industry Training Fund. This will need to be considered during the coming months, alongside other priority areas for growth.
16. Undoubtedly, there is a huge unmet demand for literacy assistance among employees, particularly among Māori and people of Pacific descent. Skill New Zealand is currently piloting new approaches for the delivery of workplace literacy. As of June 2002, there was a total of 22 enterprises involved in 19 Workplace Literacy projects. Six ITOs and 13 employers manage the projects. Findings from the *Interim Evaluation of the Workplace Literacy Fund* indicate that the Workplace Literacy projects are successful. Both employees and employers reported an improvement in overall communication skills, and team leaders said that team communications and work quality improved. Many participants are achieving credits linked to the National Qualifications Framework. The evaluation concluded that workplace literacy can make an important contribution to Government’s goals in adult literacy and foundation skills.

Sector Strategy for Managing Future Growth

17. The Industry Training strategy has been very successful at building up a training culture within New Zealand. To maintain stakeholder support and ensure future growth in Industry Training is sustained, growth must be managed in a way that reinforces the direction and commitment already signalled by Government. The following factors must be considered:
 - Some tension exists between the training needs of enterprises and the training needs of the workforce generally. The Industry Training strategy relies on the labour market relevance of training and enterprise needs to drive training demand, whereas Government must take into account the wider education and training needs of the nation. This inherent tension may limit the amount of financial and in-kind support employers are willing to offer for foundation skills such as literacy. This may require some additional funding mechanisms to be developed.
 - Increased training volumes must be linked to a sector strategy which ensures that quality does not suffer. Poor quality training would offer poor returns on investment for employees, employers and Government alike, and would have a negative impact on the credibility of the Industry Training strategy. By offering ITOs access to support tools (e.g. mentoring systems, best practice workshops and guides) to manage some flow on effects of increased

growth, Government can enhance quality while maintaining industry ownership of the sector.

- A large increase in trainee numbers will require ITOs to work with many more small and medium-sized enterprises. In addition, some ITOs will need to move into new geographical areas and into gaps or niches not yet identified. The dynamics of the labour market will lead to changing employment patterns and workforce relationships. This will continue to challenge the ITOs and Government to find new ways and means of delivering Industry Training.
- The Government may want to encourage employees increasingly to drive demand for Industry Training. Amendments to the Industry Training Act will establish greater employee representation in the governance of ITOs. Increased participation and understanding of the Industry Training strategy by employees will foster increased demand. Further measures could be considered.

Initiatives in the Industry Training Review

18. In March 2001, the Government released a comprehensive discussion document entitled *Skills for a Knowledge Economy: A Review of Industry Training in New Zealand*. The general tenor of stakeholder submissions indicated a need to maintain and build on what has already been achieved. The Government made a number of decisions following the review, aimed at creating a more cohesive and responsive Industry Training system, and at increasing the participation of New Zealanders in Industry Training. The following are some of the initiatives that have stemmed from the review decisions (note that others have been picked up in the tertiary reform legislation):
 - **ITF funding for training above Level 4** on the NQF has been implemented on a trial basis, and will be evaluated in 2003 for a report back to Cabinet in April 2003. (Note that currently, only 3% of the funding is supporting training at Level 5 but this is expected to increase as ITOs design new qualifications.)
 - Following a Cabinet mandate to **encourage joint ventures and mergers** between ITOs, a fund has been set up to support ITO initiatives. The fund will be made available in 2002/03.
 - A **Small Business** Project is underway – identifying barriers and opportunities for small and medium sized enterprises to get involved in Industry Training.
 - A project to **analyse gaps in ITO coverage** and facilitate ‘remedial’ action will get underway in 2002/03. The aim of this initiative is to create comprehensive coverage of industries within the Industry Training system. This also links with the opportunities provided by the Tertiary Education Strategy to apply some new thinking to the coverage of emerging, new and existing sectors.

- More investment work is required from the NZQA and ITOs to review generic unit standards (e.g. in literacy skills) and to give them a workplace focus so that they are more attractive for ITOs and employers to use. While ITOs are able to lead this process, they cannot fund it from training subsidies. A special fund for the **development of generic qualifications for the workplace** is probably required to get this project under way.

Initiatives in the Tertiary Education Reform Bill

19. The Tertiary Education Reform Bill aims to increase the operating scope for ITOs within their particular sector. Under the proposed legislation, **ITOs will be required to assume a leadership role**. Specifically, they will be expected to identify current and future skill requirements as well as **develop strategic plans** for their sector and promote training to meet the needs of employers and employees.
20. The Tertiary Education Reform Bill also requires provision for the **collective representation of employees in the governance of an ITO**. Skill New Zealand and the New Zealand Council of Trade Unions are currently working on a project ('Upskilling Union Input in Industry Training') designed to increase the understanding of the Industry Training system among employee representatives, with the goal of ensuring greater employee representation in the governance and operation of ITOs.
21. The Industry Training Act 1992 will be amended to provide that, on a voluntary balloted agreement of a majority of employers in an industry or sub-industry, the **ITO may impose a levy on firms** within that industry. Any levy arrived at through this process will be used to fund Industry Training leadership and qualifications design, but will not be used for purchasing training.
22. Following the passage of the legislation, employers will be able to apply to be serviced by an ITO other than the one that formally has coverage. This is intended to make ITOs more responsive to firms' needs. Formal criteria will need to be developed.
23. **Charters and Profiles** are being designed as mechanisms for the Tertiary Education Commission to steer the tertiary sector toward the goals set out in the Tertiary Education Strategy from 2004. A small number of ITOs are participating in the Charters and Profiles pilot in 2002/03.
24. **New criteria for the recognition of ITOs** will be developed and implemented once the TER Bill has been passed. A significant number of ITOs will come up for re-recognition in 2003.

Integrated Funding Framework

25. The Industry Training Fund (ITF) will move progressively into the new Integrated Funding Framework as it is developed. There is an expectation that the ITF will be increased annually to meet additional demand as more employees are brought into the Industry Training system. This does not mean

that the fund will be open-ended or that all additional demand will necessarily be met. Industry may have to take a larger share of the costs of training in some cases, to meet rising demand.

26. A new performance element will be introduced into funding for ITOs, alongside new performance requirements for tertiary providers.
27. STM rates for ITOs will be reviewed alongside other elements of tertiary funding in the proposed cost category review. There are issues around STM rate relativities between ITOs and relativities between STM rates and particular EFTS funding categories that deliver the same or similar qualifications via tertiary institutions. A scoping exercise for the review will commence shortly.

Capability Development and the ITO Sector

28. Capability development for business purposes is the prime responsibility of the ITO itself. However, the Tertiary Education Commission will be making significant investments in ITO sector capability in line with Strategy One of the TES.
29. The new strategic leadership role conferred on ITOs by the legislation will involve major investments in capability, with and by the sector. This will be supported by the Charters and Profiles processes, as well as by specific development projects led by staff of the Tertiary Education Commission. Crucial linkages exist with other agencies leading sector development strategies – particularly Industry New Zealand and FRST. These development activities will provide new opportunities for alliances, partnerships and collaborative ventures with key stakeholders.
30. The proposed new requirement for the collective representation of employees in the governance of ITOs has led to a capability development project with a major stakeholder, the NZCTU, in 2002/03.
31. All the initiatives arising from the Industry Training Review involve capability building in the ITO sector. For example, the extension of ITOs' coverage into new industry areas is subject to ongoing investments in capability. There are also strategies under development to encourage broader participation and achievement in Industry Training of under-represented groups such as women, Māori, Pacific peoples and the disabled. (Note the links particularly to TES Strategy Three: Raise Foundation Skills so that all people can participate in our knowledge society and Strategy Four: Develop the Generic and Specialist Skills New Zealanders need.)
32. A New Technology Project has been initiated in 2002 to foster the development of collaborative and responsive technology in the ITO sector, in order to support the Government's aims of extending the reach of Industry Training to new industries, groups and geographical areas.
33. A joint working party comprising Skill New Zealand, NZQA, the Industry Training Federation and APNZ has been working on a major investment project to raise the quality of ITO assessment and moderation systems. A set of

principles has been agreed and published and examples of best practice assessment and moderation have been identified. These examples will be published in a booklet later this year.

Strategies for Growth to 2007

34. The Industry Training strategy to date has been very successful in upskilling the New Zealand workforce. Much remains to be done if the target of 250,000 employees in Industry Training by 2007 is to be achieved. Quality and access considerations must form an integral part of any growth strategies. As described above, a large work programme is already underway, including initiatives taken as a result of the Industry Training Review and the Tertiary Education Reform Bill. The interim goal of 150,000 industry trainees by 2005 is within reach if the opportunities provided are successfully met.
35. The Tertiary Education Strategy provides an economic transformation framework that will provide new perspectives and opportunities for capability development and delivery in the ITO sector, together with stakeholders and the tertiary system as a whole. This should assist the achievement of the 2007 goal for Industry Training.
36. At some stage, further modifications to the Industry Training policy framework may need to be considered. In particular, Government and industry's funding priorities for Industry Training will shift over time. These will have to be broadly 'negotiated' shifts because of the strategic partnership involved in the funding and delivery of Industry Training. Different, but complementary, funding approaches may also be required, as in the current examples of Modern Apprenticeships and Workplace Literacy. Nevertheless, the basic policy framework is demonstrably sound and the sector is delivering the results currently expected of it by Government.

Section Two

Youth Transitions: An Education and Training Leaving Age Strategy

1. International practice and experience suggests that in addition to a healthy economy, the common features of effective transition systems for young people are:
 - well organised pathways connecting initial education with work and further study;
 - widespread opportunities to combine workplace experience with education;
 - tightly-knit safety nets for those at risk;
 - good information and guidance; and
 - effective institutions and processes.⁴
2. The following discussion focuses on building models around these common features, with particular emphasis on:
 - i. developing of a range of structured education and training pathways with a menu of options to meet the needs of those young people not currently achieving in the mainstream school sector; and
 - ii. achieving more coherence in the current youth transition system to ensure that young people at risk do not simply “fall through the cracks” in the system.
3. Implementing the proposed Education and Training Leaving Age Strategy would involve building on the existing transitional measures for youth aged 15-19 in New Zealand, and making these measures work together as a “system”. This could involve:
 - expanding Gateway to all decile 1-5 state high schools by 2006/07. This would give Gateway opportunities for some 12,000 senior secondary school students;
 - establishing broad-based qualifications linked to the NCEA giving students an introduction to a range of similar industries. For instance, National Certificates could be developed in Introduction to the Service Industry, Introduction to Land-Based Industries, Introduction to Construction Industries;
 - purchasing post training support services for all Youth Trainees by 2006/07. This would mean some 13,000 youth trainees will receive some post training support per year;

⁴ OECD, *From Initial Education to Working Life. Making Transitions Work*, Paris, 2000.

- expanding Modern Apprenticeships to 7,500 by June 2006. This will include some 4,500 young people aged 15-18 as Modern Apprentices; and
 - expanding Māori and Pacific people's involvement in industry training and Modern Apprenticeships.
4. This represents a spread of interventions suitable for different achievement levels. The interventions will provide support and training for some 17,000-18,000 young people per year. In addition, an expanded Gateway programme and the development of introductory industry qualifications linked to the NCEA will increase school retention rates and are likely to have a positive impact on rates of enrolments in polytechnics.

Strengthening Training Pathways

5. There is a significant group of young New Zealanders whose needs are currently not met through the mainstream school sector. Ministry of Education data indicate that despite the growing population of 15-19 year olds, retention rates to Year 12 in schools have dropped over the last 10 years to around 82% in 2001, or 6% under that of leading OECD countries. While many young people progress to employment or tertiary education, a substantial proportion of young people are not gaining significant qualifications in senior secondary school and many are not developing the foundation and learning skills that they will need in adult life.
6. 19% of all school leavers in 2000 had no qualifications or less than 12 credits at Level 1 on the National Qualifications Framework. The figures for Māori and Pacific peoples are even more pronounced (35% of all Māori school leavers, and 26% of all Pacific school leavers). School leavers with no qualifications are also likely to lack the critical foundation skills that the recently completed Review of Training Opportunities and Youth Training identified as crucial to achieving sustainable employment and ongoing education. That is, these young people may face severe problems in making a successful transition to employment and adult life.
7. In recent years, education policy has recognised the need for alternative education approaches to accommodate those young people who are not achieving at school, and a number of initiatives have been developed. Skill New Zealand's programmes, in particular, situate learning in a relevant context for those young people who learn better in a practical environment. Skill New Zealand data show that Youth Training is effective in providing some remedial education as well as assisting young people to move into employment and/or further training. Similarly, Gateway gives young people an opportunity to build on their skills with a vocational perspective. The interim evaluation of Gateway has found a consistently positive response to the Gateway initiative from pilot schools, participating students and employers.
8. However, more needs to be done to accommodate the projected population growth of 15-19 year olds in the next five years. Ministry of Education data indicate that school enrolments of 15-19 year olds are projected to expand until 2007. This means that New Zealand will face the same challenges as many other

OECD countries: the educational needs of a larger and more diverse student cohort will need to be addressed. International experience points to the need to develop alternative learning environments, such as apprenticeship and traineeship programmes. However, the OECD's *Thematic Review of the Transition from Initial Education to Working Life* (2000) indicates that in many countries schools are considered a workable and cost-effective environment in which to offer vocational education and training pathways.⁵

9. Australian experiences of declining school retention rates and the rising awareness of the need to offer a range of diverse flexible pathways have led to a range of school-based initiatives at the federal and state level. For instance:
 - the national uptake of Vocational Education and Training (VET) in Schools programmes has grown considerably since 1994;
 - the state government in Queensland has made a commitment to expand options for VET in schools, including school-based apprenticeships and traineeships, and has made moves to raise VET courses to full certificate status to attract more Year 11 and 12 students;
 - the Victorian government has piloted and is expanding the Victorian Certificate of Applied Learning to ensure that young people are provided with a complementary range of skills, including literacy and numeracy, work-related skills, industry-specific skills and personal development.

Gateway

10. Gateway has been a highly successful schools-based initiative in New Zealand. It has provided structured workplace learning opportunities for a wide range of senior secondary school students in decile 1 – 5 schools. Ministry of Education statistics indicate that students at lower decile schools are less likely to make a successful transition from school to work or further education, and include a disproportionate number of Māori and Pacific students.
11. During 2001, over 1,000 students participated in Gateway and achieved over 6,000 credits towards national qualifications. 60% of these students were male, and 40% female. 47% of the students self-identified as European/Pakeha, 34% as Māori and 16% as Pacific peoples. Outcomes for students participating in 2001 show Gateway has provided opportunities for students to gain full-time employment on completion of their placement, smoothing the transition from school to work: 249 students have now entered employment, and 56 of those are in Modern Apprenticeships or Industry Training agreements. The majority of students taking part in 2001 have progressed onto further education and training, many of them choosing to return to school to complete qualifications.
12. The interim evaluation report found a considerable level of support by employers for Gateway. There appears to be significant employer goodwill towards schools and their students. While some employers view Gateway as a means of sourcing future employees, others appear genuinely concerned to provide workplace learning opportunities as a way of helping young people or

⁵ OECD, *From Initial Education to Working Life. Making Transitions Work*, Paris, 2000.

contributing to their community. There is a considerable level of interest in Gateway from other schools, and the expansion currently being implemented is likely to be over-subscribed.

13. Skill New Zealand has developed expertise regarding the implementation of successful school-based workplace learning programmes during the pilot phase of Gateway, and is able to disseminate good practice via its regional networks and through the forthcoming publication *From School to Work – Structured Workplace Learning for Senior Students*.
14. An expansion of Gateway to all decile 1 – 5 schools would give opportunities to some 12,000 senior secondary students a year. However, consideration will need to be given to the following issues:
 - further expansion of Gateway will need to be a gradual process, enabling participating schools to consolidate their relationship with local enterprise before more schools are brought into the programme;
 - decile 1 – 5 schools are not spread evenly throughout New Zealand, which could result in concentration of Gateway in some parts of the country (e.g. Northland, South Auckland);
 - the resulting concentration could overwhelm local employers and provision could be limited by the availability of quality workplace learning placements;
 - decile 6 – 10 schools may feel unfairly excluded (particularly decile 6) unless there are other companion initiatives in schools.

Broad-based Introductory Vocational Qualifications in Schools

15. Skill New Zealand’s proven track-record of work with communities, industry and other government agencies means we are well placed to provide and lead the development of expanded and relevant school-based pathway options for more young people. OECD research indicates that broad vocational pathways prepare young people better for changing labour markets. Government is in a good position to build on the strengths of existing initiatives, such as Gateway and Industry Training, to establish school-based industry qualifications which would give students a broad-based introduction to industry areas.
16. Introductory Vocational Qualifications would tie a broad range of unit standards into coherent bundles of skills preparing young people not only for further education and training, but also for entry into a number of industries. These qualifications would link in with and build on the potential of the NCEA, and would offer young people an opportunity to “try out” a range of similar industries at an introductory level through a combination of classroom and workplace learning. It is envisaged that the qualifications would have some common unit standards that would allow cross-crediting between qualifications if students wished to “mix-and-match” between qualifications and try out an even broader range of industry groups. Some of these unit standards may also be credited to further training in specific industry areas. These broad-based qualifications would have stair-casing potential, and students could use them as

springboards to Industry Training, Modern Apprenticeships or polytechnic programmes.

17. A driver of senior school reform across the world is the need to better connect schools with societies and economies. That is, to ensure the relevance of school-based learning, we need to build partnerships between business, schools and communities. Developing Level 2 certificates in broad industry areas would not only encourage Industry Training Organisations (ITOs) to work together, but it would also encourage inter-school collaboration and school-ITO partnerships. Introductory vocational qualifications in schools would benefit industry by creating awareness and raising the profile of industry among young people. They would benefit schools by encouraging responsiveness of school curricula to industry needs, and thereby encouraging retention rates. They would benefit communities and society by helping to build an economy characterised by high skills, innovation and growth.
18. Skill New Zealand works closely with ITOs, and many are now in a position to work together and to work with schools to develop Level 1 or 2 certificates in broad industry areas. Examples might be: National Certificates in the Introduction to Land-Based Industries (which could include Agriculture, Forestry, Horticulture), Introduction to the Service Industry (which could include Hospitality, Retail), Introduction to Construction Industries (which could include Plumbing, Building, Joinery), Introduction to Metal Industries (which could include Engineering, Automotive).
19. Pilot qualifications could be developed and trialled in the first instance. A number of ITOs have indicated that they would be interested in such a venture. A pilot would indicate the desirable levels of government support and professional development for teachers and businesses. A pilot initiative would also offer the opportunity to trial a range of different learning models with a varying mix of provider-based, school-based and workplace learning, or varying partnership models, from individual school-to-business models, or school clusters-to-business models.

Youth Training

20. The recently completed Review of Training Opportunities and Youth Training indicated the need to build on the strengths of current programmes, and endorse their continuation. Work can be done on determining how to raise the profile of Youth Training, and to better promulgate the success stories and information about positive outcomes.
21. The Review also highlighted the importance of on-going support once trainees have completed their placements. Post-placement support has been trialled by Skill New Zealand in a number of areas, and has proven effective. But post-placement support can be strengthened across the board: specific resources must be provided for advice and mentoring for learners once they have left the programme. Individual Training Plans would be developed which would span Youth Training and the next learning or employment opportunity. After trainees leave their programme, training providers would be responsible for ongoing mentoring and support for a flexible period up to the length of the original

placement (on average, 22 weeks). Skill New Zealand estimates that by 2006/07 development work with Youth Training providers could provide post-placement support for some 13,000 Youth Trainees every year.

22. There is also potential to build closer links between Youth Training providers and schools, particularly in sharing information about courses and tracking students at risk of leaving school early and falling through the cracks in the system.

Māori and Pacific Participation

23. Māori and Pacific school leavers are much less likely to enrol in and are less well prepared academically for tertiary education than other students. They are also disproportionately represented at the lower levels of tertiary education. Ministry of Education statistics from 1999, indicate that:
 - 28% of Māori and 33% of Pacific school leavers went on to a tertiary institution immediately after leaving school compared with 45 percent for all school leavers;
 - only 10% of all Māori and 13% of Pacific school leavers enrolled in a university compared with 25% for all school leavers; and
 - an additional 18% of Māori and 9% of Pacific enrolled in transition programs run by Skill New Zealand compared with 6% for all school leavers.⁶
24. The learning and transition needs of many Māori and Pacific students will be met by those programmes which centre around lower decile schools. Gateway, for instance, has a high proportion of Māori and Pacific students. However, more needs to be done to understand and address the particular learning needs of Māori and Pacific school leavers. The steps in the transition from school-based programmes to further learning could be made more accessible and relevant for young Māori and Pacific peoples. Skill New Zealand is currently developing strategies to increase the participation of under-represented groups in Modern Apprenticeships, including Māori, Pacific, people with disabilities and women.
25. Māori and Pacific students are projected to comprise over a third of all secondary students in 20 years time.⁷ Māori and Pacific communities are key stakeholders in education and in economic development. If an Education and Training Leaving Age Strategy is to be implemented effectively, work is needed into *why* young Māori and Pacific people's participation and achievement in our education system is lower than other groups, and what barriers need to be removed in order to address these disparities.

⁶ Maureen McLaughlin, Ministry of Education, "Fulbright Lecture", Victoria University of Wellington, July 2002.

⁷ Statistics New Zealand, *School Leavers with No Qualifications*, Wellington, 2001.

Modern Apprenticeships

26. Modern Apprenticeships are a high quality workplace learning pathway for young people aged 16 to 21 years. Modern Apprenticeships involve a training agreement between an employer and an employee for training that leads to a national qualification at levels 3 and 4 on the National Qualifications Framework.
27. Modern Apprenticeships has proved extremely popular among employers and young people, and numbers have rapidly grown since 2000. As at 30 June 2002, there were 3,254 Modern Apprentices in 27 industries. Around 60% were aged between 15 and 18 years. Skill New Zealand expects to achieve 7,500 Modern Apprenticeships by June 2006, and if the participation rates of 15-18 year olds continue at current rates, this will include some 4,500 15-18 year olds. However, as stair-casing opportunities from school-based programmes, such as Gateway and potentially Introductory Industry Qualifications, become more readily available and are increasingly accessed, Skill New Zealand would expect even more 15-19 year olds to opt for Modern Apprenticeships.
28. As the profile of Modern Apprenticeships is raised through the media, schools, and community and employer networks, demand is set to increase. This means Skill New Zealand must continue to work closely with ITOs to pave the way for the introduction of Modern Apprenticeships in new and emerging industries. Skill New Zealand is currently working with the Plumbing ITO, and expects to see Modern Apprenticeships in that industry by the end of the year. ITOs have demonstrated that they are ready to work together in cross-industry areas, illustrated by the introduction of Office Administration Modern Apprenticeships earlier this year. Skill New Zealand is well placed to explore with ITOs the possibility of other such joint ventures. Non-traditional industries are also being explored, such as Performing Arts.
29. Certain groups are currently under-represented in Modern Apprenticeships, including women, Pacific peoples and people with disabilities. Women comprise 5% of Modern Apprenticeships, and Pacific peoples are under-represented, comprising only 2% of all Modern Apprenticeships. Māori make up 16% of Modern Apprenticeships, but are concentrated in only three core industries: around 70% of Māori Modern Apprenticeships are in engineering, building and construction, and forestry.
30. Some industries and cross-industry areas, such as Hospitality, Tourism and Business Administration may have the potential to increase participation for under-represented groups. Skill New Zealand is currently working on participation strategies that not only involve a wider group of emerging industries, but that also seek to understand and address traditional gender segmentation in existing industries. These strategies will be reported in November this year. Concurrently, Skill New Zealand is developing a framework for the evaluation of Modern Apprenticeships, scheduled for 2003/04.

Building Coherence in the System

31. To build an inclusive or coherent transition system for young people, a whole of government approach is required to seek to keep the numbers who are not engaged in education, training or employment as low as possible, and to ensure that the small numbers who do fall through the cracks are closely monitored and rapidly re-engaged in education and training. The previous section concerned the first part of the equation: developing flexible pathways and learning options to keep young people engaged in education and training. The current section concerns the second part of the equation: how do we ensure that those young people who disengage from education and training are re-engaged? Safety-nets to catch young people as they fall out of the education system comprise three main strands:
 - clear responsibilities for young people through schools, providers and government agencies;
 - shared information and tracking of young people as they move between education and employment options; and
 - accessible and relevant careers advice, guidance and mentoring.
32. While aspects of each of these strands exist currently in New Zealand, each must be improved and woven together more tightly if our safety nets are to be made more effective. Currently, we have only patchy information about the destinations of young people who leave school early. We don't know exactly how many people are outside education and training, and government agencies and education providers don't have a clear sense of who is responsible for re-engaging young people who fall out of the system. Our provision of careers advice and guidance is also inconsistent, as the National Administrative Guidelines leave schools to determine what careers advice and guidance is appropriate for students.
33. These are obstacles which have been faced by almost all OECD countries, and their experiences provide a number of different models that could be emulated or adapted for the New Zealand context.

A One-Stop-Shop

34. In the United Kingdom, the Connexions Service has been established, which combines careers advice with individualised guidance and support for all 13-19 year olds, with special emphasis on young people who are excluded from mainstream education. A similar model has been adopted for youth most at risk in Ireland (YOUTHREACH Ireland), whereby government and voluntary agencies provide merged services ranging from careers guidance, foundation education, personal and social development, links to alternative and industry based training and education programmes, counselling and information services and possibly income support and childcare services.
35. These one-stop-shop models combine all aspects of safety nets by merging education, welfare and labour market policies. The pilot Connexions service in the UK has proven effective in many areas, and the initiative is now being expanded across the UK. However, services like these are expensive to establish, and in New Zealand would necessitate a considerable financial

commitment from Government in the first instance. Such a service would change the current architecture of our youth transition system dramatically.

Regional Coordination of Youth Services

36. Scandinavian countries have found it most effective to coordinate guidance and support services for young people on a local level, working to national standards. For instance, in Sweden local authorities are obliged to take responsibility for all young people up to the age of 18, including those who have left school. A personal plan is drawn up for each young person not in full-time education or full-time work, which contains elements of counselling, education and work and is reviewed with the young people every 10 weeks. During that time, possibilities of transition into regular education or permanent work must be examined. Each young person is monitored and tracked by the local authority to avoid any “falling through the cracks”.⁸
37. Elements of this approach have been piloted in New Zealand. The “Moving on Up” initiative has proven effective in Northland, whereby Skill New Zealand contracted Careers Service Rapuara to develop a service that worked with young school leavers at risk of not achieving a successful transition. During the first two weeks, groups of learners work through developing a personal needs profile, guest speakers, investigating and trialling training and employment opportunities, and completing an individual career pathway plan. For the following weeks (up to four), Careers Service would provide mentoring and support to the individual learners to help ensure the successful transition into another positive destination (employment, training or return to school).
38. These approaches have worked well in New Zealand in rural communities, where local knowledge is invaluable in locating and working with individuals at risk. However, such a service would have to overcome many obstacles in areas more densely-populated, not least of which would be tracking young people as they moved between regions. Services like these can achieve remarkable results, but they are highly resource intensive, and would be expensive to establish and maintain nation-wide.

Managed Individual Pathways

39. Managed Individual Pathways have been introduced in Victoria, Australia. Under this initiative, young people are provided with individual pathway plans relating to their education and career aspirations. The Victorian Government has committed \$16.5 million annually for the initiative through schools, TAFE institutes and Adult Community Education providers.
40. Implementing such an initiative in New Zealand would involve building on and strengthening existing structures and expertise in schools and providers. It would entail a certain degree of professional development among careers advisers and mentors. Accountability structures would need to be developed to ensure that the responsibility for managing such pathways was unambiguous, information about best-practice, programmes, courses and options was shared,

⁸ Denmark follows a similar model, but takes a “carrot and stick” approach to encouraging its young people to use the service: if young people refuse the assistance of the youth guidance service, they are reported to the local municipality and their eligibility for income support is affected.

and to ensure the initiative maintained a strong outcomes-focus. Managed Pathways should not be considered a safety net, but an element which should be combined with provide a balanced service to young people.

Overlapping Support Network

41. Another international approach to ensuring successful youth transitions has been to focus on the quality of education achieved by schools. In Queensland, for instance, there is a new focus on raising the standard of schools to provide a guarantee of outcomes for all students. In Western Australia, a similar approach has been adopted, and the state government has implemented performance standards and has undertaken to work with the 100 lowest achieving schools to boost their performance and outcomes of their students.
42. Skill New Zealand's experience with training providers is that destination outcomes reporting keeps providers focused on the needs of trainees and accountable for their progression into employment or further education and training. While credit achievement is important for the recognition of learning, it is not in itself a guarantee of progression for the trainee.
43. One way to build coherence and responsibility into the existing transition system in New Zealand without radically changing the transition architecture would be to make each institution responsible for the next destination of their students. That is, schools would be responsible in the first instance to ensure that their students achieved a positive outcome from their initial education, ie. moved into employment or further education and training. If students did not achieve a positive outcome, or if they were in danger of disengaging from the education and training system, it would be the responsibility of the school to ensure that individuals were mentored and provided with individualised careers advice and guidance, and referred to government agencies for services such as income support or social welfare.
44. This responsibility for individuals would be shifted on as the individual progressed to the next stage in their education and training pathway – for instance, responsibility could shift between school to Ministry of Social Development to training provider to Modern Apprenticeship Coordinator, with each having overall responsibility for ensuring the individual left their service for a positive destination..
45. Some overlapping responsibility would be desirable to provide some ongoing support for individuals as they move into their new learning environment or employment. This is a learner-centric approach that would encourage greater cooperation and partnerships between schools, training providers, tertiary education providers and employers. Closer links between schools, providers and government agencies were recognised as vital by the Review of Training Opportunities and Youth Training, particularly in sharing information about courses and tracking students at risk.
46. Aspects of international models could be incorporated into this system. For instance, a Managed Individual Pathway could be developed while students were at school, and further developed and adapted throughout each stage of their pathway.

47. Building an overlapping support network would involve:

- Performance measures and administrative targets for schools, providers and government agencies;
- professional development of teachers, educators and careers advisors in guidance and mentoring;
- effective tracking of young people's destinations by schools and other providers;
- information sharing protocols between schools, government agencies and providers;
- a clear outcomes-focus for all institutions in the transition system;
- incentives on schools and providers; and
- income support incentives on young people.⁹

⁹ In the UK, an Education Maintenance Allowance for 16-19 year olds is currently available in many areas, and it will be expanded nationally in September 2004 to all Year 11-14 students. Eligibility for the allowance is determined on the basis of household income, and on the condition that the young person participates in full-time education and training.

Section Three

Training Opportunities and Youth Training

1. Training Opportunities (TO) and Youth Training (YT) programmes are significant government interventions aimed at providing training to those disadvantaged in the labour market to enable them to gain recognised qualifications and move into further education or employment. The programmes have a strong focus on outcomes for learners.
2. The programmes offer a diverse range of learning in different settings to meet the wide range of learner needs, along with holistic and supportive learning environments, and training that is closely linked to the labour market.
3. **Participants** In 2001, there were approximately 21,600 TO learners, and 12,500 YT learners. Large numbers of participants had no qualifications (69% for TO, 79% for YT) and had never been in full time employment (50% and 85% respectively). A considerable proportion of learners are Māori (43% and 46%), Pacific peoples (11% and 10%), and women (53% and 43%).
4. **Outcomes** In 2001, 63% of TO learners moved on to further training or employment within 2 months of leaving the programme (50% into employment, 13% into further training). For YT, 68% of participants moved on to further training or employment (44% employment, and 24% further training). In 2001 each individual participating in TO achieved an average of 22 credits on the National Qualifications Framework. For YT, each individual achieved an average of 20 credits on the National Qualifications Framework.
5. **Budgets** Training Opportunities and Youth Training have capped budgets that vary little, if at all, from year to year. For the 2002/03 year, the budget for Training Opportunities is \$97 million (through Vote: Work and Income) and for Youth Training \$69 million (through Vote: Education). The programmes are purchased at regional level by Skill New Zealand. For Training Opportunities, purchasing is planned in consultation with the Ministry of Social Development's Regional Commissioners.

Training Opportunities and Youth Training Review 2001/02

6. In August 2001, a Ministerial review team was appointed to undertake a 'first principles' review of the programmes. The team comprised experts from the tertiary education and training sector and officials from key agencies. The broad objectives of the review were to establish the appropriate future objectives for the programmes, and their contribution to meeting the educational and employment needs of those people with significant histories of unemployment and/or no or low qualifications.
7. The review involved an evaluation of New Zealand and international research, initial consultation with a range of stakeholders, the preparation of an issues

paper, and the release of a public consultation document, *Te Aro Whakamua – Building Futures: A review of Training Opportunities and Youth Training*. Feedback was received from providers and learners, provider associations, employers, local and central government organisations, and Māori and Pacific peoples' organisations through this process.

8. Important contexts for this review are the Government's tertiary education reforms and Employment Strategy. TO/YT programmes also link closely to the Youth Development Strategy and Government's economic and social development strategies, including Māori, industry and regional development initiatives.
9. The review team found that there is a distinct and important place for programmes that provide intensive skills development and support for disadvantaged learners. The review concluded that the programmes should be more sharply focused 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, in particular, the existing outcome measures need to be refined to capture a longer term focus. The focus of the programmes can also be sharpened to ensure that those who will benefit most gain access, and that they attain foundation skills (including literacy and numeracy) in a relevant, appropriate and supported learning environment.
10. The key recommendations of the review team can be summarised as follows:
 - 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
 - there should be a continuing emphasis on the evaluation of results.
11. **Government decisions** consequent upon the review recommendations are aimed at sharpening the objectives of the programmes and clarifying who should be eligible, and enhancing programme delivery and performance measurement.
12. The significant changes required to achieve this sharper focus, better integration, and improved measurement of outcomes are summarised in the table below:

Section Three: Training Opportunities and Youth Training

	Current	Change
Programme objectives	<p>Aims to assist people with low qualifications and/or who are unemployed to gain recognised qualifications and move into further education and employment.</p> <p>Objectives not sufficiently explicit.</p>	<p>Programmes delivering foundation skills required for sustainable employment and lifelong learning.</p>
Eligibility	<p>Specified groups, unemployed for six months or deemed to be disadvantaged in the labour market and generally with low qualifications.</p> <p>Some unevenness of access.</p>	<p>Learners are those who are most disadvantaged in the labour market. Eligibility for people outside of the core group (unemployed six months and with no or low qualifications) is determined by an individual assessment of lack of foundation skills and risk of long term unemployment.</p>
Programme delivery	<p>Increasing flexibility of delivery aimed at improving the focus on learner needs.</p> <p>Scope for improvements in responsiveness to learner needs.</p>	<p>Programme delivery focused on:</p> <ul style="list-style-type: none"> ● Improved pathways on to programmes; ● greater collaboration and alignment of agencies' efforts; ● greater alignment of development plans for learners; ● improved learner support while on programmes and in the transition to employment and further learning; and ● flexible employment and learning packages.
Outcome measures	<p>Dual employment and education outcomes measured by two month snapshot of employment and further education outcomes of participants.</p> <p>Lack of focus on longer term outcomes.</p> <p>Average credit achievement per annum measured.</p>	<p>Increased emphasis on sustainable employment and foundation education outcomes.</p> <p>Enhance current outcome measures by improving alignment between TOYT programmes and MSD employment outcomes.</p> <p>Measures include average credit achievement per learner while on programme.</p>
Funding and administration	<p>Regionally based planning.</p> <p>Dedicated funds, with specific provision for youth.</p> <p>Negotiation with providers on regional basis leading to contracts reflecting variations in learner and labour market needs.</p> <p>Concerns about lack of transparency and high transaction costs.</p>	<p>Integrated regional planning processes of key agencies, which improves responsiveness to local needs.</p> <p>Retention of dedicated funds with specific provision for youth.</p> <p>Longer term and flexible contracts based on past performance and learner needs.</p> <p>Pricing ranges are transparent.</p>

Report backs required

13. Many of the required changes are of an operational nature and officials are due to report back to the Associate Minister of Education (Tertiary Education) by the end of July 2002 with detailed implementation plans.
14. In addition, substantial policy development work is required around:
 - options for better measuring educational and sustainable employment outcomes, including options for better aligning the performance measurement systems of MSD and Skill New Zealand/Tertiary Education Commission [Cabinet report back February 2003];
 - the further definition of foundation skills, developing measures of their achievement, mapping foundation skills to the NQF, identifying the extent to which foundation skills incorporate job specific skills and recommending any further modifications to the eligibility criteria for entry to the programmes. [Cabinet report back July 2003]
15. A further ministerial report back is required by February 2003 on improving aspects of delivery, including:
 - steps for improving collaboration and alignment of efforts between the major government agencies involved in TO/YT (including MSD, Tertiary Education Commission, Careers Service, Department of Corrections);
 - improving links between schools and Youth Training providers;
 - enhancing pathways on to further education and employment, and developing the post-placement support of learners, including options for encouraging continued learning whilst in employment; and
 - raising the profile of Training Opportunities and Youth Training.
16. Skill New Zealand/Tertiary Education Commission was also directed to consult with key stakeholders (including the MSD, Industry New Zealand, Department of Corrections, Iwi, employers, schools and students) in planning and determining future [regional] priorities, and to take account of changes in the make-up of the population and of labour market conditions.
17. MSD and Skill New Zealand/Tertiary Education Commission were directed to consult with each other in determining their regional plans and priorities, to ensure that the training purchased by each agency is complementary. (MSD directly purchases short-term training and job specific training outside the Training Opportunities programme.)

Tertiary Education Strategy and STEP

18. There are clear and strong links between this work programme for Training Opportunities and Youth Training and *Strategy Three: Raise Foundation Skills so that all people can participate in our knowledge society*. A STEP priority for the coming year for TO/YT providers is capability building in foundation skills, supported by Skill New Zealand's ongoing literacy capability building strategy which has seen major investments taking place over the past two years. Agencies will be focused on the development of a shared definition of and achievement measures for foundation skills across the system.
19. The development of Charters and Profiles will provide new opportunities to improve pathways for graduates of Youth Training and Training Opportunities to continue in tertiary education and training and build up their qualifications. The current disjunction between pre-employment vocational education and training at levels 1-2 and levels 3 and above on the NQF was of particular concern to the TO/YT Review team. Charters and Profiles will provide a means of creating more linkages between TO/YT provision and both polytechnic and PTE programmes at higher levels.
20. Since Training Opportunities and Youth Training provide access to culturally appropriate tertiary education for large numbers of Māori and Pacific peoples, the work programme arising from the review will also make a significant contribution to *Strategy Two: Contribute to the achievement of Māori development aspirations* and *Strategy Five: Educate for Pacific peoples' inclusion and development*.

Section Four

About Skill New Zealand - *Pūkenga Aotearoa*

The Tertiary Education Commission inherits the results of over ten years intensive development of vocational education and training by Skill New Zealand, its providers and stakeholders. A large and diverse range of education and training provision - linked to the National Qualifications Framework (NQF) - is supplied by hundreds of providers, 40 Industry Training Organisations (ITOs) and well over 20,000 employers and workplaces. At any one time, there are:

- 78,000 employees in Industry Training (arranged by ITOs at NQF Levels 1-5);
- 3,254 Modern Apprentices (learning at NQF Levels 3-4);
- 5,200 young people in Youth Training (learning at NQF Levels 1-2);
- 700 young people in Skill Enhancement (learning at NQF Levels 3-4);
- 1,000 school students in Gateway (learning at Levels 1-2); and
- 7,800 adults in Training Opportunities (learning at Levels 1-3)

These initiatives make a significant contribution to the raising of skill levels in the workforce and prepare school leavers to start their adult lives with a new sense of achievement and direction. They empower learners at all stages of their lives to enhance their employment prospects and income potential.

Key features of this vocational learning are:

- its dynamic and innovative character;
- relevance to the labour market and the skill needs of enterprises;
- tailoring to the needs of individual learners;
- focus on positive outcomes for learners (education and employment outcomes);
- accessibility for people who prefer a practical approach to learning;
- accessibility for those who may not have succeeded in education previously; and
- linkages to national, quality-assured qualifications and credits.

Part of the aim of these initiatives is to break down barriers to learning, skills development and employment for participants. Particular attention is given to those who are under-represented in particular areas of employment and training. These may include Māori, Pacific peoples, women, school leavers with no or low qualifications, disabled people and workers with redundant or unrecognised skills.

Māori have high participation and achievement in all the above initiatives. Māori are:

- 17% of participants in Industry Training;¹⁰
- 17% of Modern Apprentices;
- 48% of Youth Training participants;
- 82% of Skill Enhancement learners;
- 34% of Gateway students; and
- 42% of Training Opportunities trainees

What do the staff do?

The annual allocation of funding from a range of managed funds and the ongoing management of funding agreements with providers, ITOs and Modern Apprenticeships Co-ordinators make up the core activity of the majority of the former Skill New Zealand staff. However, this activity is understood in practice as the **management of relationships**. While the funding agreement must be adhered to by both parties, it is the relationship around it that adds value for learners and contributes to the wider outcomes sought by government (such as ‘joined up services’ for the public).

This relationship management model also incorporates provider and ITO **capability development**. Examples include Skill New Zealand’s literacy capability development work undertaken with providers over the past couple of years and current work with ITOs to increase the representation of under-represented groups in Industry Training.

Other staff activities support this approach, including ongoing investigation into adult education and learning, partly by working directly with local enterprises. This leads to the identification and promotion of good practice in key adult education and training issues such as adult literacy for the workplace. A key development focus is on integrating foundation skills such as literacy, numeracy and communication, into workplace education and training. This also involves working with a number of government agencies, such as the Ministry of Education, NZQA and the Department of Labour.

Regional staff work directly with employers to identify skill needs and to address gaps. They share skills information with Work and Income, Industry New Zealand and regional development bodies and where possible, identify upcoming skill requirements.

Thus, the staff are able to respond quickly to changing labour market and government policy requirements. They have the ability to trial new delivery designs and to tailor purchasing to evolving needs and circumstances. In recent years they have

¹⁰ In December 2001, Māori made up 10% of the total workforce (HLFS, Department of Statistics).

implemented a range of new workplace learning initiatives for employed and unemployed people generally and for Māori in particular. In the process, they have accumulated a fund of knowledge about ‘what works’, under which circumstances, for different types of learners.

An excellent example of this method is the new Māori Trade Training pilot initiative announced in Budget 2002. This was proposed to Government in response to the identified needs of young, rural Māori school leavers who want to secure a vocational training pathway but do not have the networks or the confidence to achieve it on their own. It will be piloted in two areas initially (Northland and the eastern Bay of Plenty) and its progress evaluated before any further development and expansion.

Skill New Zealand – *Pūkenga Aotearoa*
August 2002