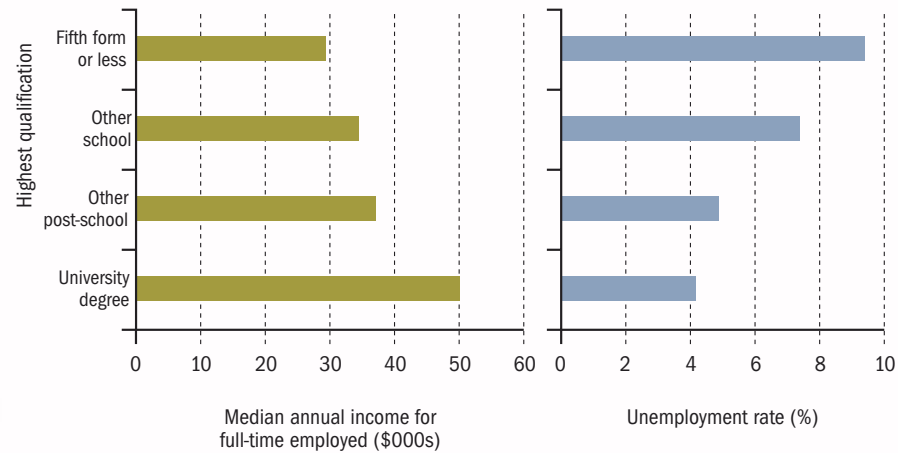


SKILLS, EDUCATION AND TRAINING



Income and unemployment by qualification in 2001

Source: Statistics New Zealand, 2001 Census of Population and Dwellings

Education, incomes and employment

what's the story?

On average, people who are more highly qualified earn more than those with less formal education. A university graduate in full-time employment receives about 70% more income a year than someone with no more than School Certificate (now NCEA Level 1). This difference comes about because more qualified workers receive higher wages and salaries, and also because they are much less likely to experience spells of unemployment.

what's the reason?

People with qualifications have skills gained through formal learning. The sorts of skills acquired may include improved literacy and numeracy, vocational skills that allow a person to better understand the requirements of their chosen jobs, and broader skills such as team-working, problem-solving, and working to deadlines. These skills often make employees more productive than less educated workers, and hence more valuable to employers. The result is higher wages and better employment prospects.

However, higher education often comes at a cost. People who attend university or polytech full-time not only have to meet the costs of studying, they also miss out on the opportunity to work while they are attending courses. (Of course, people who gain qualifications through workplace-based learning are able to combine both.) The extent to which you benefit from your post-school study depends on the demand for your qualification in the job market. But on the whole, education pays.

what does this mean?

Many of the fastest-growing job opportunities in the future will require some form of post-school education or training. Jobs are, on average, becoming more skilled, driven by changes in technology and demand for sophisticated services.

Not everyone wants or is able to continue studies beyond school. Only 40% of all full-time employees in New Zealand have a post-school qualification. However, completing a good education is the most effective thing you can do to ensure good job prospects long-term.

Fortunately, there are now a greater variety of ways to learn, and at different stages of your life, than ever before. As well as the traditional alternatives of university and polytech, there are new tertiary education providers such as wānanga and private training establishments, and a number of government workplace learning initiatives, such as Industry Training and Modern Apprenticeships. There is also a vast range of adult and community education courses – and much greater flexibility within our tertiary system to accommodate people's different needs and interests.

Here are some places to start:

www.worksite.govt.nz – Web portal for information on education and training, career planning and work

www.careers.co.nz – Career Services

www.minedu.govt.nz – The Ministry of Education

www.nzqa.govt.nz – The New Zealand Qualifications Authority

www.tec.govt.nz – The skills development section of the Tertiary Education Commission website

Industry training

what's the story?

Traditional formal education is only one avenue for gaining work-related skills. A key development over the last 10 years in New Zealand has been the rapid growth of Industry Training. Under our Industry Training system, Industry Training Organisations in over 40 industry sectors set national skill standards and facilitate the delivery of training, which is jointly funded by employers and the government. Staff can be trained on the job – and assessed by a registered assessor – or trained off-site by a registered training provider, such as a polytechnic or private training establishment. Skill standards are registered on the National Qualifications Framework. Over the last 10 years the number of Industry Trainees has increased more than five-fold, from about 15,000 in June 1993 to over 83,000 in December 2002.

A subset of Industry Training, Modern Apprenticeships, gives young people (16-21 years) the chance to engage in workplace learning. Modern Apprentices study for two to four years towards a National Certificate at levels 3 and/or 4 of the National Qualifications Framework while they work. Modern Apprenticeships started in 2001 and there are now over 5,000 Modern Apprentices in 28 industries.

what's the reason?

New technology and global competition mean that enhancing the skills of our workforce is critical to New Zealand's competitiveness. Industry Training provides opportunities for the acquisition of skills and knowledge by a wide range of people, including those who may not have gained qualifications at school or polytech. Industry Trainees, including Modern Apprentices, can gain a mixture of general and industry-specific skills, and can learn while employed. Industry Training Organisations have a strategic role – looking ahead to the types of skills that are needed to grow their industries and actively promoting the development of those skills.

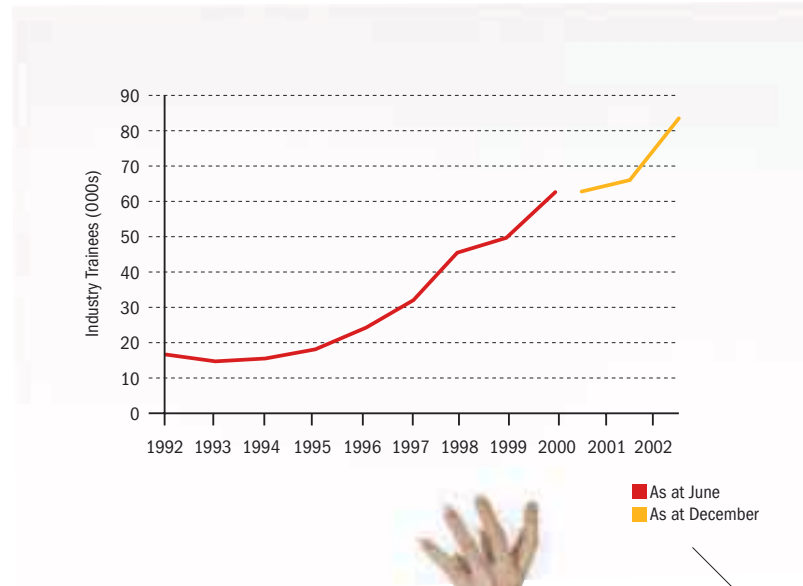
what does this mean?

To succeed in the future world of work, today's workers will need to learn new skills and knowledge throughout their lives. But not everyone can take time out from employment to attend university or polytech. Some skills are also best learned on the job. Alternatives such as industry-based learning can be relevant and accessible to more people through their working lives. Workplace learning schemes such as Industry Training therefore provide a crucial way for people to gain the skills necessary to thrive in the knowledge economy.

To find out about Industry Training and Modern Apprenticeships in your industry, visit:

the Industry Training section on www.tec.govt.nz

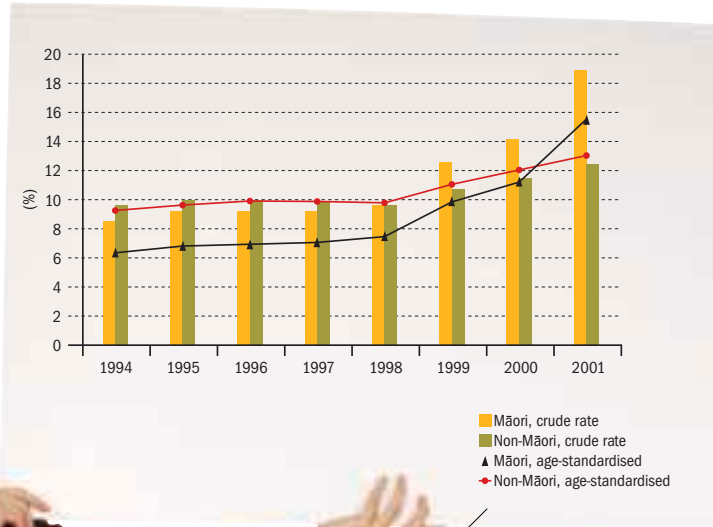
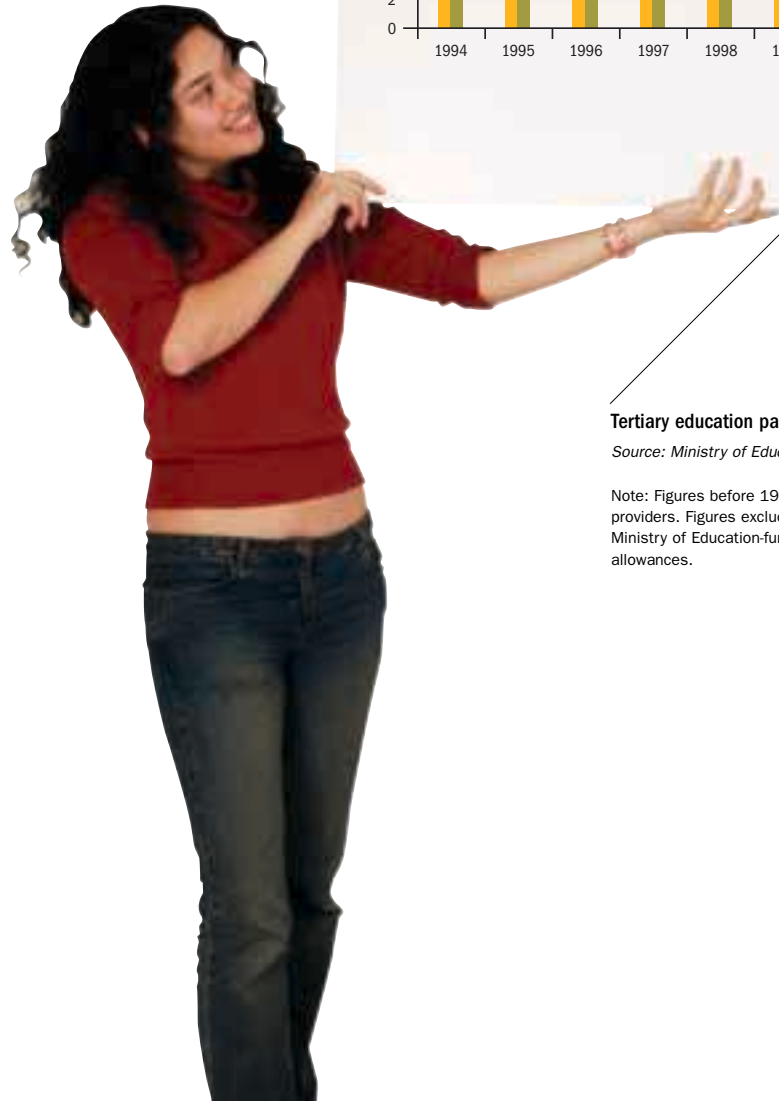
www.modern-apprenticeships.govt.nz



Number of Industry Trainees, 1992-2002

Source: Industry Training Federation





Tertiary education participation rates of Māori and non-Māori

Source: Ministry of Education

Note: Figures before 1999 do not include private tertiary education providers. Figures exclude students with providers who were neither Ministry of Education-funded nor approved for student loans and allowances.



Māori and non-Māori in tertiary study

what's the story?

13.2% of the population aged 15 and over were in tertiary study at some time during 2001. In the past few years, growth in tertiary participation has been strong, particularly for Māori, who now have higher participation rates than non-Māori, even after comparing the same age groups.

what's the reason?

Over the past few years, growth in Māori participation has been driven by enrolments in wānanga – Māori tertiary institutions where learning is based on āhuetanga Māori (Māori tradition) and tikanga Māori (Māori custom) – and private training establishments (PTEs).

The importance of standardising for age is simple. Since Māori are, as a group, younger than non-Māori, we can expect differences in participation rates. It is, therefore, significant to see that once age is taken into account, Māori participated in tertiary education at a greater rate than non-Māori in 2001.

what does this mean?

Given the strong links between higher education, higher incomes and lower unemployment, the growth of tertiary participation is a positive development. Historically, the performance of Māori in our labour market has been constrained by a lack of numbers attaining tertiary qualifications. However, labour market outcomes for Māori who do have tertiary qualifications have been very good. It is a good sign then that New Zealand's tertiary education sector has become more diverse and that the new tertiary providers have attracted more Māori into tertiary-level study. An important test of these new forms of education will be the labour market outcomes of students. Overall, however, as Māori will make up a larger proportion of New Zealand's workforce in years to come, their increasing participation in tertiary study bodes well both for the students themselves and the country as a whole.



Technology and globalisation

what's the story?

Twenty-five years ago, virtually no one had a personal computer; today it's a rare business that could function without one. A decade ago, it would have cost tens of dollars for a 10-minute call to the United Kingdom. Today, we can talk for up to two hours for less than 10 dollars. 'Out of the office' no longer means away from work since cell-phones became so popular. Internet access has revolutionised our access to information within five years. And information is what drives so many of our businesses. Data storage, access, and manipulation are the sources of much of the productivity gains that we've experienced.

The way we choose to live our lives has changed too. A couple of generations ago, we prepared just about every meal in our kitchens – and it took a long time to cook and clean up. Today, we can buy ready-to-eat meals, frozen meals, takeaways, delivered pizzas, and fast-foods, which means that there are many more hours in our days to get on with school, work and life.

what's the reason?

The simple reason is technology. Technology has freed up time that people would otherwise have spent in dull, monotonous jobs. That time can now be more productively and more enjoyably employed elsewhere. This, in turn, creates the demand for a greater variety of goods and services.

Globalisation has also contributed to the changes in our lifestyles. New Zealand has become a more specialised economy. Paradoxically, this greater specialisation has actually enhanced the variety of goods available to New Zealanders. By focussing our production on a narrower range of goods, we can actually earn more from exporting and pay for more imports with these earnings. Taken together, these trends in globalisation and technology have made our economy much more productive because it is much more responsive to change and resilient to downturns.

what does this mean?

Our worlds of work and play have been revolutionised in ways that we could not have imagined a few decades ago. Change, some of it revolutionary, is part of life. With some forms of change, we can adjust quickly and relatively painlessly. Economic and technological developments have changed what we do at work, for some in a very profound way, and these changes have tended to increase rather than reduce our work opportunities.

But change can be disruptive and disconcerting for many people. While the costs and lost opportunities are easy to identify, new opportunities and future benefits are less obvious. Overall, New Zealanders are better off in a number of ways. We now have:

- greater opportunities to market New Zealand wares to the world
- more varieties of goods and services to consume at different prices
- more efficient production that frees up people, time, and money for other activities
- higher productivity that implies more skilled labour and higher wages.

Skills, Education and Training: What does this mean for...

...your studies

In order to be competitive in the labour market, you have to have skills that are in demand. In tomorrow's world of work, that means good foundation skills (especially literacy and numeracy) at a minimum. You'll want to combine your interests with a reasonable base of skills that can be taken with you from job to job and built on by a lifetime of learning. Don't forget that technology is changing the way we live, work, and play in ways that we cannot predict; being open to this change and willing to go along for the ride will take you a long way.

There's now a variety of options for undertaking post-school study – both a wide range of courses and many different providers. So look out for opportunities to study and develop your skills.

...your working life

Success in the workplace is tied up with your skills. It's also tied up with a commitment to continue learning right through life. The economy is changing and making sure that your skills are solid, competitive, and in demand will allow you to take advantage of the change.

...employers

In order to compete in a changing economy, you may have to encourage your employees to continue learning. You may also have to think about how you can integrate workplace training into workplace operations. Research shows that offering workplace-based learning is also a great way to recruit and retain workers. You need to be continually reviewing what you are doing, what the true source of your competitive advantage is, and what are the improvements that will enhance that advantage. Very often, your advantage will depend on your skills and the skills of your employees.

...the government

Some of the skills that were in demand yesterday are not the hot skills of today. Likewise, the skills demanded tomorrow will probably differ from today's. And, there's no way to accurately predict what specific skills will be needed tomorrow because the twin forces of technology and globalisation are as unpredictable as they are unavoidable. But, we know that good foundation skills, like literacy and numeracy, will give today's and tomorrow's workers the tools necessary to adapt to a changing world of work in ways that suit them best, and thereby help all New Zealanders enjoy a better future.

Developing and maintaining higher-level skills requires a co-operative effort by many parties: workers and employers; unions and employer groups; education and training providers; and government – both through funding and regulation.