

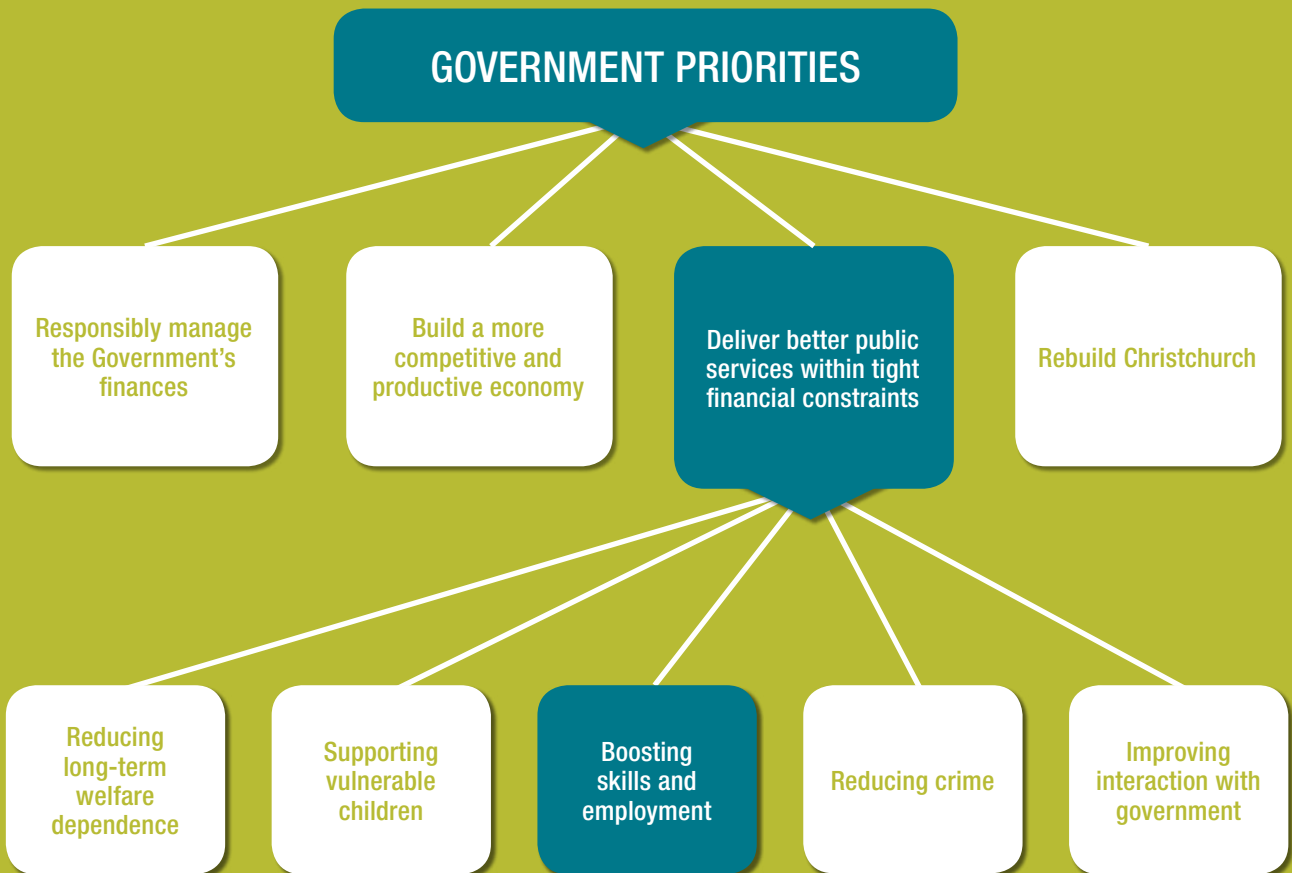
Delivering better public services

**BOOSTING SKILLS AND EMPLOYMENT BY
INCREASING EDUCATION ACHIEVEMENT
FOR 25–34 YEAR OLDS**

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Government priorities



Education achievement in New Zealand

New Zealand’s prosperity relies on a skilled, flexible and innovative workforce. New Zealand needs an education system that ensures businesses have access to the skills they need to lift productivity, support economic recovery and drive future economic growth.

The Government has set Better Public Services targets to boost our levels of skill and employment by increasing education achievement for New Zealanders.

Achieving these targets will benefit all New Zealanders and contribute to the Government’s overall priorities. These targets are ambitious and will make a significant difference in peoples’ lives. The progress we make will begin to deliver results within the next 12 months.

Achieving these targets will mean:

- more New Zealanders reach their potential through higher education, and improve their quality of life,
- we boost the skill level of the New Zealand workforce, and
- we lift New Zealand’s overall productivity.

STRATEGIC DIRECTION IN EDUCATION

WITHIN FIVE YEARS...

Better Public Services target

98% of children starting school will have participated in quality early childhood education

Increase the proportion of learners achieving expected literacy and numeracy standards

80% of schools will be demonstrating highly inclusive practice for learners with special education needs with 20% demonstrating good practice

Better Public Services target

85% of 18 year olds will have achieved NCEA Level 2 or equivalent qualification

Better Public Services target

55% of 25–34 year olds will have a qualification at Level 4 or above

EDUCATION TARGETS

EDUCATION SECTOR OUTCOMES

Education provision of increasing quality and value to all

Education success for every learner

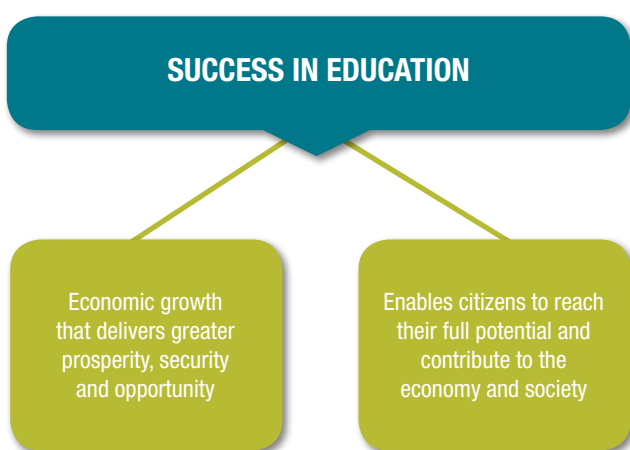
Maximising the contribution of education to the New Zealand economy

Higher returns on investment

Improving outcomes for priority groups (Māori learners, Pasifika learners, learners with special education needs and learners from low socio-economic backgrounds)

Why this result is important for New Zealand

55% of 25–34 year olds will have a qualification at level 4 or above in 2017



Access to high-quality tertiary education enriches people's lives, increases their employment opportunities and helps to build a productive skills base to drive economic growth.

The Government is working to provide relevant and efficient tertiary education provision that meets the needs of students, the labour market and the economy. We will continue to develop and implement changes to how the system is funded, regulated and administered.

The effectiveness of tertiary education in achieving this vision depends on the quality of provision, the choices students make and the responsiveness of providers and industry training organisations (ITOs) to students and employers.

We expect the tertiary education system to:

- provide New Zealanders of all backgrounds with opportunities to gain world-class skills and knowledge,
- raise the skills and knowledge of the current and future workforce to meet labour market demand and social needs,
- produce high quality research to build on New Zealand's knowledge base, respond to the needs of the economy and address environmental and social challenges,
- enable Māori to enjoy education success as Māori.

WHY LEVEL FOUR AND ABOVE?

The *Tertiary Education Strategy 2010–15* advocates for more qualifications at level 4 and above. This is largely because the income premiums from qualifications increase with each rising level, and because level 4 qualifications are the minimum standard for competency in many vocational occupations (see graph below).

Qualifications at level 4 and above include advanced trade qualifications, diplomas and degrees.

WHY 25–34 YEAR OLDS?

Many New Zealanders are likely to have completed their education – including their initial tertiary education – by age 25 and are then likely to be in the labour force at the early stage of their careers. The majority of people in the 25–34 year old range will be in the workforce for 30 years or more after the point of measurement – so there is a long-run return from their skills; improved skills and better productivity in this group will make a larger contribution to the Government’s goal of growing a successful economy.

WHAT IS THE FUTURE FORECAST?

Future demand for qualifications is forecast to decline in the short term due to a projected decrease in unemployment levels and decreases in total population numbers for 18–22 year olds. As more jobs become available, more people will move out of tertiary study into paid work. In addition, a decline in the population numbers means that fewer young people will be available to enter tertiary study.

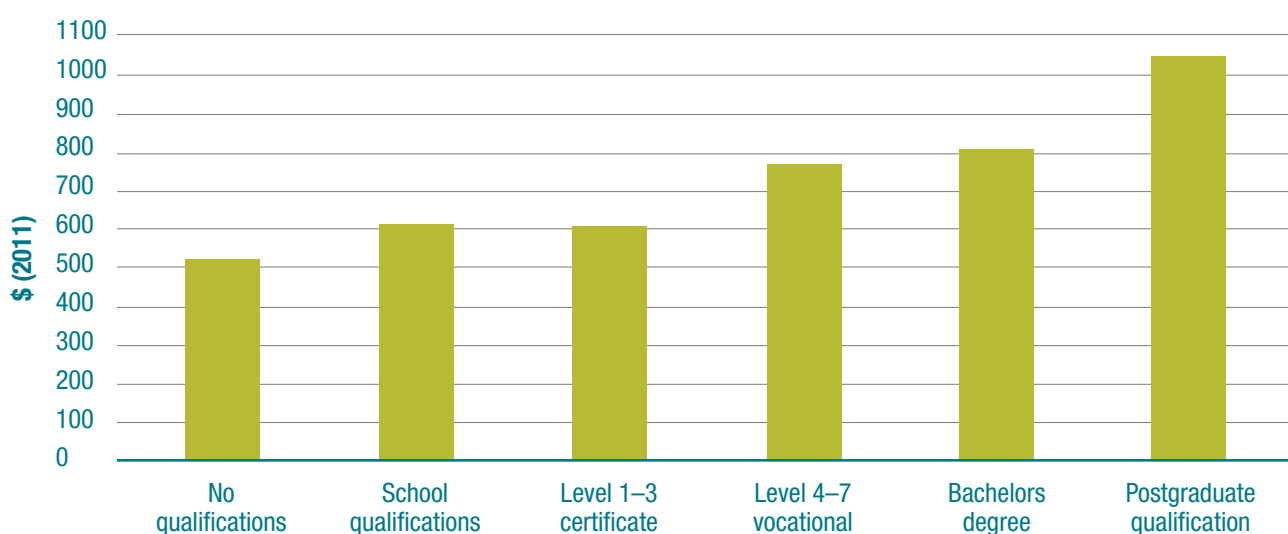
WHERE ARE WE NOW?

The proportion of the 25–34 year old population with qualifications at level 4 or higher was growing steadily up until around 2007. Since then it has flattened off and declined slightly, sitting around 52 percent.

Over the last five years the participation of Māori and Pasifika in tertiary education has increased, but these groups remain over-represented at lower levels of study. To achieve the target we will need to increase the numbers of Māori and Pasifika enjoying success at higher levels. This represents a significant challenge to tertiary providers and industry training organisations to focus on improving academic and pastoral support and to adopt culturally responsive learning practises which encourage progression to higher level study.

Without any further change in the tertiary system, roughly 53 percent of people aged 25–34 will have obtained a level 4 or higher qualification by 2017. Given the population increase, that would require more students completing qualifications at level 4 or above. To achieve the target of 55 percent, by 2017 an additional 7,750 25–34 year olds will need to have obtained a level 4 or higher qualification through the New Zealand tertiary education system. This is over and above expected growth in the population and net migration.

MEDIAN WEEKLY INCOME 25–34 YEARS (2011)



No qualification	\$519	Level 1–3 certificate post-school	\$606	Bachelors degree	\$806
School qualification	\$614	Level 4–7 certificate or diploma	\$767	Postgraduate qualification	\$1045

A focus on results

Government agencies are focused on ensuring the education system delivers on the Government's key goals – better public services that deliver improved outcomes for all New Zealanders, and stronger economic growth for New Zealand.

THE LEARNER MUST BE THE CENTRAL FOCUS

The learner must be the focus of policy, funding and regulatory decisions to see improvements in the performance of the education system as a whole. Achieving education success requires ensuring that learners get the best possible start, experience high-quality teaching and have opportunities to attain qualifications that lead to positive employment outcomes.

LINKING EDUCATION AND EMPLOYMENT

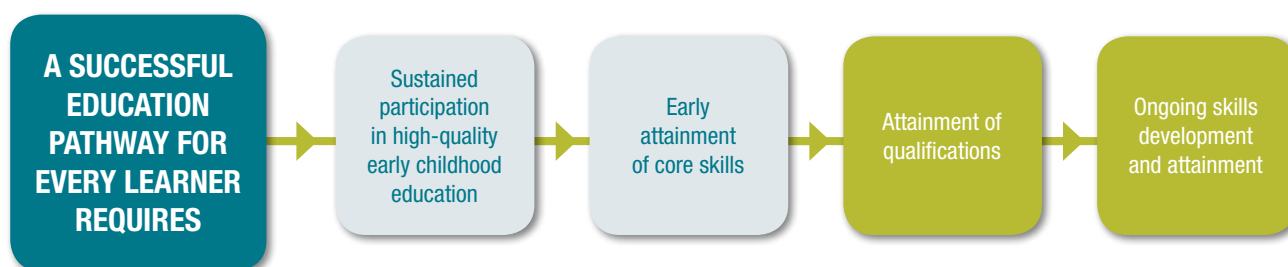
Educators and employers need a clear and consistent framework for education which identifies the real knowledge and skill requirements of industry sectors. Making the linkages clear provides certainty to learners and their families that their subject choices are relevant and connected to employment opportunities. It is important to align academic and vocational pathways in order to strengthen and improve work and study opportunities for learners.

In New Zealand, the tertiary education system generates many of the ideas that lead to innovation: new products or services, infrastructure improvements and better ways to work. A good skills base and the capacity to innovate will allow greater and more efficient production, which raises gross domestic product, promotes economic growth and improves New Zealand's ability to compete internationally.

An effective tertiary education system underpins New Zealand's ability to prosper economically and build a strong society into the future.

Tertiary education and skills training must provide young New Zealanders with the skills and knowledge to actively participate in the economy and support innovation. This requires the education system to be more responsive to labour market needs and better aligned with economic growth goals.

SUCCESSFUL EDUCATION PATHWAY



Working together for results

The Minister of Tertiary Education, Skills and Employment, Hon Steven Joyce, and the Chief Executive of the Ministry of Education, Lesley Longstone, hold lead accountability for achieving the result:

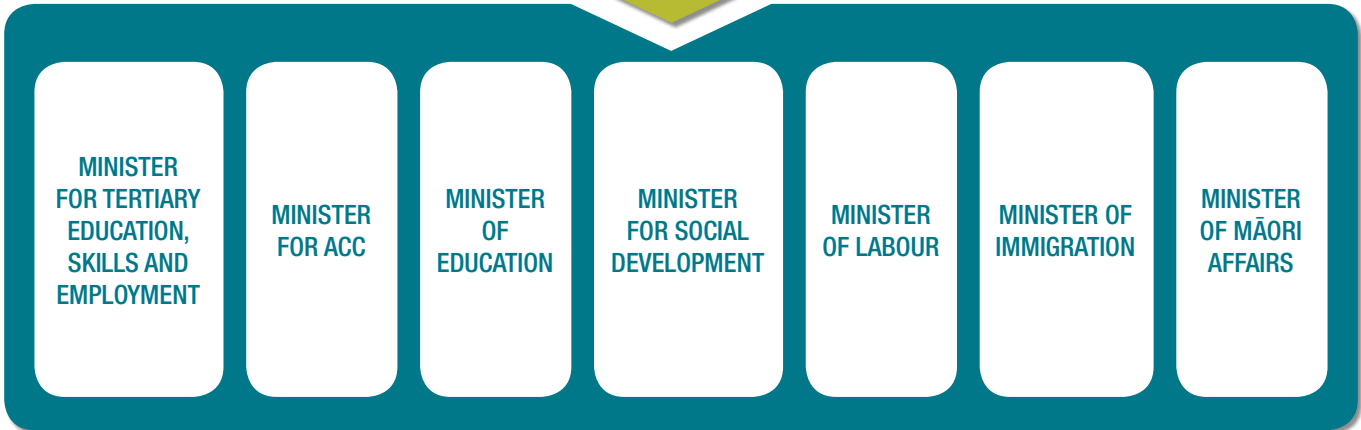
55% OF 25–34 YEAR OLDS WILL HAVE A QUALIFICATION AT LEVEL 4 OR ABOVE IN 2017

To achieve this target, we will need to identify opportunities for increasing enrolments within the tertiary sector, improve the quality and completion rates of existing provision, and increase transparency of performance to support the target. The Ministry of Education, Tertiary Education Commission and the New Zealand Qualifications Authority will work in close collaboration and draw together a range of existing work.

The Ministry of Education will also work with Ministry of Social Development, Te Puni Kōkiri, Ministry of Business, Innovation and Employment and ACC through the Skilled and Safe Workplaces Group to:

- share information and best practice.
- develop new initiatives, e.g. pooling resources, linking up services and trialling new approaches to service delivery.
- take innovation from conception to implementation.
- use our collective knowledge to advise on emerging skills issues.

THE SKILLED AND SAFE WORKPLACES GROUP MEMBERS ARE:



THE TARGET IS AMBITIOUS BECAUSE:

INCREASE IN SIZE OF TARGET POPULATION



Over the years 2011 to 2017, there will be a substantial increase – around 10 percent – in the size of the target population as the baby blip moves into this age group.

FALLING NET MIGRATION OF SKILLED YOUNG PEOPLE



Net migration of skilled young people has been falling and is expected to remain at relatively low levels for the next two to three years.

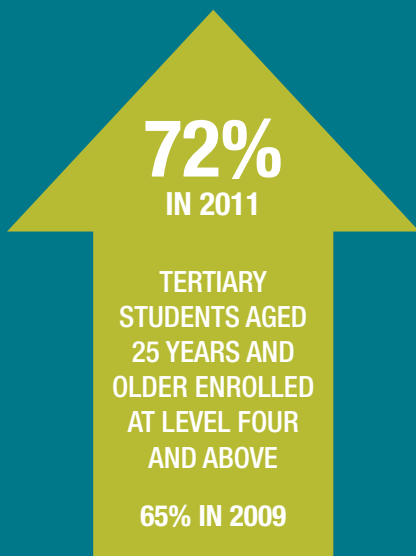
MODEST GROWTH IN ENROLMENTS



Growth in the enrolments of young people in higher level qualifications is likely to lead to only modest growth in the completion of qualifications in the next three to four years.

Actions to boost skills and employment by increasing education achievement for 25–34 year olds

ACTION: Increasing student enrolments



In 2009, 65% of all tertiary students aged 25 years and older were enrolled at level four and above; this has increased to approximately 72% in 2011.

We will work closely with education providers and communities to ensure that we are attracting students, and providing them with the high quality education needed by industry.

To increase numbers of students enrolling:

- We will work with education providers to increase enrolments and achievement at level 4 and higher, and strengthen existing provider enrolment incentives.
- Purchase additional tertiary places as required to meet demand across the sector, including in the engineering discipline.
- We will work with the community, through local groups, iwi and Pasifika communities to ensure approaches to ensuring young people understand the importance and future benefits of tertiary education.

Main measure: Increased enrolments by those without a level 4 or higher qualification in the target age group.

Lead agencies: Ministry of Education, Tertiary Education Commission.

ACTION: Improving quality and achievement



To achieve a target of 55% by 2017 requires a total of 56,250 people aged between 25 and 34 to have achieved a level 4 qualification or higher. Currently, it is forecast that roughly 45,000 people aged between 25–34 will achieve a level 4 or higher qualification by 2017.

Of the 11,250 additional qualified people needed to achieve the target, it is forecast that 3,500 will be gained through net migration. This means it will be necessary to add approximately 7,750 additional New Zealand qualified people.

We will use current incentives to ensure we are supporting education providers to lift the quality of tertiary education and focus on those who aren't completing qualifications.

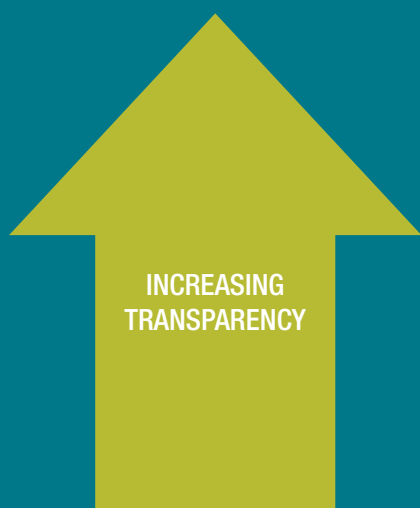
To improve the quality of qualifications and achievement of students in tertiary education we will:

- Work with providers and employers to provide industry recognised vocational pathways for students who have a clear focus on employment.
- Encourage providers to attract those who have left study with partially completed qualifications, and find ways to support these students to return and complete their qualifications.
- Complete the introduction of performance-linked funding to focus providers on achieving results for students, and not just enrolments.
- Redirect funding from low value courses that do not meet the minimum threshold for course completion.
- Complete the Industry Training Policy Review and implement changes to create a durable collaborative vocational education training system that lifts performance and qualification levels for all trainees.

Main measure: Increased qualification attainment at levels 4 or higher qualification in the target age group.

Lead agencies: Ministry of Education, Tertiary Education Commission.

ACTION: Increasing transparency



It is difficult for potential students and their families to quickly and easily compare a range of tertiary qualifications offered by different providers, see how these might lead to higher level qualifications, and assess these against the success of past graduates.

We will provide information to ensure students, their families and employers understand the qualifications on offer, their links to industry and the outcomes of graduates.

To increase the transparency of tertiary education we will:

- Develop and publish performance indicators for tertiary providers in regards to course completions, qualification completions and learner progression and retention.
- Develop and publish employment outcome information for different qualifications, and likely industry demand indicators, to better inform prospective students about study choices.
- Improve careers advice and careers management, both in tertiary providers and through schools.
- Complete the targeted review of qualifications at Level 1 to 6 to reduce the number of qualifications from 3,100 to 1,300 by 2014, and simplify pathways for trainees and employers.

Main measure: Increased qualification attainment at levels 4 or higher qualification in the target age group.

Lead agencies: Ministry of Education, Tertiary Education Commission, New Zealand Qualifications Authority, Statistics New Zealand.

Results in context

This Better Public Service result will be delivered alongside other work to improve the performance of the education sector.

ACHIEVING BETTER PUBLIC SERVICES TARGETS WILL SUPPORT THE BUSINESS GROWTH AGENDA

Building a more competitive and productive economy for New Zealand is one of the Government's four key priorities.

The Business Growth Agenda will ensure the Government stays focussed on what matters to business, to encourage confidence and further investment. Each one of the inputs is being overseen by a group of relevant portfolio ministers, who are coordinating their efforts to create the best possible platform for the growth of competitive businesses.

The performance of New Zealand's tertiary education system is critical to the supply of skills to the economy. A system that delivers more and higher skilled graduates, better quality provision and more relevant information to inform students' choices is essential to supporting a growing economy.

Using New Zealand's pool of talent to best advantage we need to have effective and flexible pathways for learners with diverse learning needs so they can acquire the skills in demand by employers.

WIDER GOVERNMENT INITIATIVES

There are a range of government programmes that link to and support the long-term achievement of Better Public Services education targets, including:

- Youth Guarantee
- The Prime Minister's youth mental health initiatives
- Business Growth Agenda
- Tertiary education strategy

Measuring success

55% of 25–34 year olds will have a qualification at level 4 or above

To achieve a target of 55% by 2017, we forecast a total of 56,250 people aged between 25 and 34 will need to have achieved a level 4 qualification or higher.

Progress against the target will be measured quarterly through the Household Labour Force Survey (HLFS), using the standard concordance of the response to the qualifications question on New Zealand Qualifications Framework levels.

HLFS is a nationwide, quarterly survey and is the official measure of employment and unemployment in New Zealand. It has been providing the only comprehensive and ongoing picture of the labour force since it began in October 1985. HLFS data is collected from a sample survey, which is designed to be representative of the country as a whole. Approximately 15,000 households are surveyed, roughly 30,000 people, from both rural and urban areas. Households and household members are interviewed every three months and asked about their activities during a particular week.

LEVEL	QUALIFICATIONS TYPE
10	Doctorate
9	Masters degrees
8	Postgraduate diplomas and certificates, bachelors degrees with honours
7	Bachelors degree, graduate diplomas and certificates
6	Diplomas
5	
4	Certificates
3	
2	
1	

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