

Aide-Memoire: Future of Work Ministerial Group meeting information and talking points

To:	Hon Chris Hipkins, Minister of Education
From:	Brendan Kelly, Deputy Chief Executive, Information Directorate
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Purpose

1. The purpose of the paper is to provide you with annotated notes for agenda items for your Future of Work Ministerial Group Meeting (FoWMG) scheduled Monday 29 October 2018.
1. This aide memoire further provides you with talking points for agenda item 5 on the work to design and implement TEC's Careers System Strategy and Discussion paper *Hidden Links, New Opportunities* TEC will present on this.
2. We recommend that you release this aide-memoire in full.

FoWMG Agenda Item information for your reference

3. We have consolidated the agenda item information for your FoWMG meeting for you where reference is specific to your Ministerial portfolio as annotated below.

Agenda Item 2: Treasury and MBIE Report: Monitoring system for the Future of Work Tripartite Forum's work programme

4. This joint Treasury and MBIE report provides further advice on how to best monitor and progress the work programme of the Future of Work Tripartite Forum (the Forum). It recommends that a Standing Committee and a re-aligned Future of Work Ministerial Group (the FoW Ministerial Group) help develop and monitor the progress of projects between meetings of the Forum.
5. The report proposes that the Future of Work Ministerial Group to be separated and re-aligned into two distinct and smaller Ministerial groups and should be considered and approved by the current Future of Work Ministerial Group at your meeting on 29 October 2018.
6. The report proposes a relatively small group of Ministers should constitute a 'core group' and recommends the standing group include key economic development Ministers with the lead Ministers for each of the Forum's four work streams including of yourself. It is proposed that the core group consists of:
 - Minister of Finance (Hon Grant Robertson), Chair
 - Minister for Economic Development (Hon David Parker)

- Minister for Climate Change (Hon James Shaw)
 - Minister for Workplace Relations and Safety (Hon Iain Lees-Galloway), lead Minister for Workplace Productivity
 - Minister of Education (Hon Chris Hipkins)
 - Minister of Research, Science and Technology – (Hon Megan Woods), lead Minister for Just Transitions and Technology.
7. The report further suggests the formation of a Labour Market Ministerial Group to retain a focus on current labour market initiatives, issues and connections across relevant portfolios. The suggested Labour Market Ministerial Group includes yourself and the following four key labour market portfolios Ministers:
- Minister for Workplace Relations and Safety (Hon Iain Lees-Galloway), Chair
 - Minister of Education (Hon Chris Hipkins)
 - Minister for Social Development (Hon Carmel Sepuloni)
 - Minister of Employment (Hon Willie Jackson).
8. This membership structure would help ensure the focus of the group is on labour market issues and would give the labour market Ministers a higher level of visibility of key labour market initiatives in each other's portfolios.
9. We suggest this is a good idea to ensure transparency and focus across work programmes.

Agenda Item 3: MBIE Briefing: aligning education, welfare and immigration systems in regional labour markets

10. On 2 July 2018 the Future of Work Ministerial Group (FoWMG) asked officials to explore how coordination between the immigration, welfare and education systems could be improved to enhance utilisation of the domestic supply of labour while reducing reliance on migration.
11. The MBIE briefing sets out an initial view of the potential problem and outlines a direction of travel that officials consider would be valuable to develop further. Education agencies have had input into this briefing.
12. The briefing highlights the key levers available to government that affect the supply of labour into the labour market are immigration, education and welfare systems. Noting that while each lever can significantly affect the quality and quantity of labour supplied, the relationships between the levers are complex.
13. The briefing acknowledges a wide range of work currently across immigration, education and welfare systems however suggests that this work is mostly restricted to how the various levers work individually.
14. Reference is made to your education work programme including VET, ITP Roadmap 2020, the New Zealand Qualifications Framework review and the Careers System Strategy and Action Plan for schools.
15. The working hypothesis is that there are information gaps between the three systems and that there is a lack of consistent and cohesive coordination between these systems.
16. The briefing notes that officials will continue to explore further are opportunities to improve the alignment of the education, immigration and welfare systems through a shared information platform and exploration of:

- Existing practice, to continue to understand the extent to which information or co-ordination failures impede the effective alignment of the immigration, welfare and education levers.
 - How to facilitate provision of a shared information base for employers and sector bodies, ITOs and training providers, and central and local government agencies to use across their various functions, including with a view to informing sectoral work on Fair Pay Agreements and on getting ahead of skills shortages through making better information available about supply and demand dynamics in the local labour market.
 - How to improve co-ordination across the key actors in labour markets (and any possible institutional changes that may be needed to facilitate this).
 - How best to make use of the signals from the immigration system to attempt to reduce reliance on migrants through activating local skills and labour supply, as part of the temporary migration review.
 - The feasibility of undertaking some short-term work in Taranaki to road test and prototype some of the ideas to improve co-ordination.
17. The briefing commits to provide Ministers with an interim report-back early in 2019 outlining progress and specifically reporting on the feasibility of undertaking a prototype in the Taranaki, including possible funding implications with a final report back in June 2019.
18. The MoE and TEC will continue to work with MBIE on utilising information and data from the Careers System Strategy discussion paper *Hidden Links, New Opportunities*.

Agenda Item 4 (a), (b) & (c): MBIE: Employment Strategy, Draft Cabinet Paper and brochure

19. This suite provides you with a high-level vision and aim and draft Cabinet paper for MBIE's Employment Strategy. The Employment Strategy was commissioned by Minister Jackson to test with colleagues. The Employment Strategy sets out a framework and overarching narrative of the role of well-functioning labour markets in supporting a productive, sustainable and inclusive economy.
20. The scope of the Employment portfolio includes policy responsibility for the development of a broader Employment Strategy.
21. The Employment Strategy takes the Economic Strategy framework and uses it as a platform to identify the role that the labour market can play in supporting a productive, sustainable and inclusive economy. Four specific areas have been identified. These are:
- Establishing modern workplaces for a modern workforce i.e. remedying imperfect markets, and better matching.
 - Building a skilled workforce i.e. building capability and providing supply.
 - Supporting thriving industries and sustainable regions – i.e. increasing capacity and generating demand.
 - Preparing for the changing nature of work i.e. identifying where future challenges will emerge.
22. The Cabinet paper proposes that the Labour Markets Ministers Group will use the Employment Strategy to assess whether policy proposals are consistent with the objective of promoting well-functioning labour markets that support the objective of a productive, sustainable and inclusive economy. We presume that the Labour Markets Ministers Group will provide an early

opportunity for Ministers to have preliminary discussions and test colleagues views before taking items through the formal Cabinet process.

23. Your education portfolio work streams for Fees Free, VET, ITP Roadmap and Careers System Strategy are referenced alongside the update to the Tertiary Education Strategy and Micro credentials. The brochure and A3 incorrectly identifies the working titles of your portfolio.
24. Education officials will continue to work with MBIE to ensure education work streams are accurately represented in their papers

Agenda Item 5: Careers System Strategy and *Hidden Links New Opportunities Discussion Paper*

25. The TEC was asked to present the Careers System Strategy and Hidden Links New Opportunities Discussion paper at the FoWMG.
26. Below are talking points for your reference should they be required, noting Brendan Kelly, Deputy Chief Executive Information Directorate and s9(2)(a), Programme Director Careers System Strategy will present to the group.
27. The briefing details the agreement of the TEC's board to the Careers System Strategy and the five interventions that TEC will implement the delivery of the Careers System Strategy alongside and in support of our government partners' priority focus areas. This includes the Future of Work programme driven through MBIE, the Careers Action Plan for Schools (MoE) and the regional support for services through MSD.
28. Ministers and agencies have been furnished with a copy of the *Hidden Links, New Opportunities* discussion paper. Cross agency representatives have been involved in the steering group who oversaw the development of the discussion paper and the Careers System Strategy.

Agenda Item 5 Talking points

29. The Careers System Strategy seeks to ensure that every New Zealander can acquire the capability to have a fulfilling career and sustainable income for as long as they choose. We need to 'turn on the light' for all New Zealanders to illuminate their pathway for lifelong learning.
30. The strategy is a collaborative approach and consistent with international evidence-based research for an effective careers system design. We want to ensure the New Zealand careers system is fit for all New Zealanders.
31. The focus is on all New Zealanders from ages 7 to 74, starting in years 2-3 at primary school, ramping up in the 11-12 age bracket (Year 7), and providing appropriate advice and support all the way through the learning and working pathway, for young & old, employed & unemployed.
32. The five key interventions are:
 - Transform careers products and services.
 - Amplify literacy and numeracy provision in the workplace.
 - Engage and inform.
 - Build system capability.
 - Partner for success.
33. These recognise our need to be innovative and responsive to all users of the careers system.

34. We will start with the roll out of three new tools:

- TEC will deliver a new online learning pathway system commonly referred to as MAPs (Managed and Accessible Pathways). The online system will allow users to explore their interests and aptitudes and then map these through to potential careers, and the education pathways required to work in these careers.
- TEC will deliver across New Zealand, a work aspiration programme 'Inspiring the Future' currently widely and successfully used in the UK, Australia and Singapore. This will be rolled out to primary schools initially.
 - These two tools together will provide the first system-wide coordinated approach to careers education and advice in New Zealand schools and will underpin the transformation of school-based careers education.
- A new careers website inclusive of revised and new products and consolidated career products from TEC and other agencies.

35. We will amplify literacy and numeracy inclusive of digital literacy, with a focus on both Employer and TEO-led workplace literacy and numeracy provision. The TEC will develop a new Literacy and Numeracy strategy to focus and target investment.

36. The labour market is increasingly focussed on skills and capabilities rather than solely on qualifications and jobs.

37. To align with this change, we need to balance our careers system information products with data that identifies the skills New Zealand employers require. And we need to improve our understanding of the skills and capabilities employers are seeking.

38. The TEC alongside agency partners will comprehensively build system capability at the business, school, iwi, TEO and regional levels alongside our partner agencies.

39. The TEC will initiate a national conversation with New Zealanders to let them know about the new and improved ways to manage their skills, capabilities and qualifications alongside their career planning. We will build career resilience conversations into schools, TEOs, homes, workplaces and communities.

40. This work in part will be underpinned by our 'Hidden Links, New Opportunities' skills cluster discussion paper, which has consolidated large data sets from several sources to provide a cluster analysis of New Zealand's labour skills demand and portability. We want to release the resulting discussion paper publicly.

41. The discussion paper provides valuable new insights about career paths and work opportunities and an up-to-date fact base when assessing how workers can transition from declining industries into those with strong jobs growth. The underlying methodology can also inform new insights for learners, workers and employers.

42. The analysis revealed that New Zealand's labour market can be divided into six broad job clusters: 'Inventors', 'Organisers', 'Operators', 'Healers', 'Engagers', and 'Crafters'. Each cluster is underpinned by different core skill requirements.

43. These six broad job clusters in New Zealand require a high degree of similar skills. This understanding can significantly expand the career opportunities of workers.

44. On average, working or training in one job helps to acquire skills for 12 other jobs. For example, the average individual in the 'Operators' cluster has skills that would support them to transition into 10 roles within their cluster and two roles outside their cluster.

45. TEC will link skills and capability data with other data-sets currently available within the TEC and wider government partners to build better integrated careers information products to better

support informed decision making to support learners, influencers, those in and out of the workforce and employers.

- 46. Effective job matching based on skill portability requires recognition of a worker's learning outcomes and experience from previous jobs.
- 47. If qualifications are also matched to skills clusters as well as occupations, then individual workers can understand what upskilling or training they would require in order to access a new suite of roles. Educators could find effective means to augment prior learning, such as offering micro-credentials, which would enable workers to efficiently fill small skill gaps.
- 48. We want to see educators using information about the top skills demanded by employers in various job clusters to ensure their local curriculum or programmes are relevant to employer demands.
- 49. Schools could use skills cluster framework to complement their local curriculum design processes. The clusters framework could also be used to provide career advice to students to direct them to the skills they need to cultivate and to enter their desired educational and employment pathways.
- 50. Countries elsewhere in the world have implemented similar approaches by creating 'routes' or 'streams' of work which represent multiple occupations. For example, Australia, has begun to link qualifications to clusters, rather than individual occupations.
- 51. The TEC propose to publish the discussion paper Hidden Links, New Opportunities in early November.
- 52. The TEC is procuring an ongoing supply of skills and capability data and intend to make the data available. This data will inform the design of new information products for release in 2019.
- 53. The TEC will continue consolidating and aligning tools, products, services and resources, and improving and extending the underpinning data resources, so new and improved products are in the market for New Zealanders starting December 2018.
- 54. TEC will continue to work alongside our partner agencies MoE, MBIE, NZQA and MSD.

Brendan Kelly

Deputy Chief Executive, Information Directorate,
Tertiary Education Commission

26 October 2018

Hon Chris Hipkins

Minister of Education

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