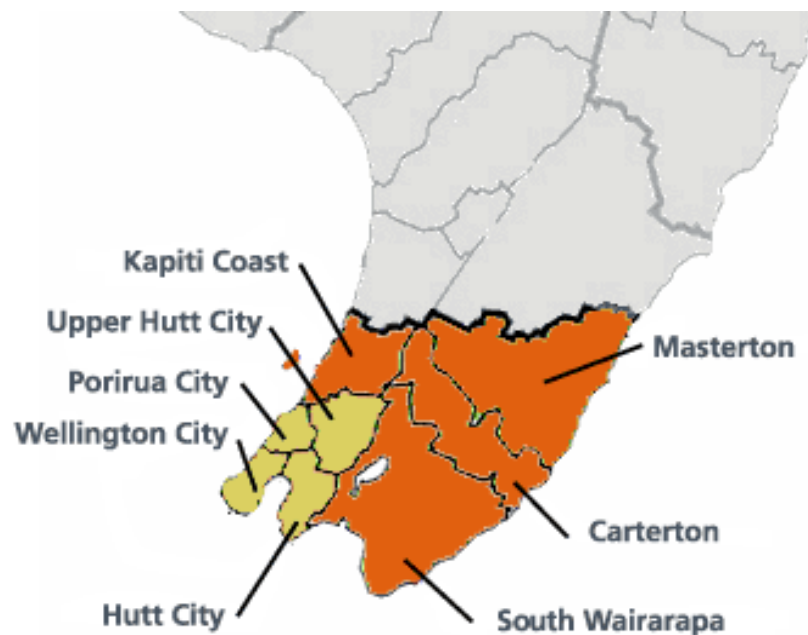


The Future Demand for Tertiary Education Services in the Wellington Region 2008 to 2010



Regional Facilitation Report prepared by Whitireia Community Polytechnic and Wellington Institute of Technology

About this report

This report presents the findings of the Regional Facilitation process used by Whitireia Community Polytechnic (Whitireia) and Wellington Institute of Technology (WelTec) to understand the needs of the Wellington Region for tertiary education services. It describes the initial findings of the working group and the process for continuing this work to more fully develop our understanding of how tertiary education can support the economic, cultural and social development of the Wellington Region.

How needs have been identified

The Regional Facilitation process has used published information on the Wellington Region, stakeholder workshops and on-going consultation to build a picture of tertiary education and training needs and provision.

Industry and other stakeholder understanding of needs

A workshop was held with industry and other stakeholder groups where participants were asked to respond to a draft document drawn from previous analysis of the Wellington Region and answer questions related to the tertiary education needs, gaps and priorities in relation to:

- generic skills
- regional specific needs; and
- requirements for those areas where Wellington is seeking to be at the "cutting edge".

A further workshop was held with Industry Training Organisations (ITOs).

Provider's understanding of needs

A workshop was held with Wellington providers, universities, ITPs, wananga, and private training providers (PTEs) where they were asked to identify the needs for the tertiary education environment as they saw them.

A note of caution

This report is high level and completed in a very short time frame. It uses published information from a range of sources and stakeholder feedback, and these sources tend to represent a view that is based on historic trends and opinion. Note also that the workshops were not fully representative of all stakeholders. As such the report is not indisputable.

Supporting the process, however, Whitireia and WelTec, have consistently sought advice and input from industry and the community through programme advisory groups.

The tertiary provider workshop and the process has been assisted by Positively Wellington Business.

Executive Summary

This report presents the findings of the Regional Facilitation process used by Whitireia and WelTec for the Wellington Regional. For the purposes of the report, the Wellington region includes South Wairarapa, Caterton, Masterton, Upper Hutt, Lower Hutt, Kapiti Coast, Poirua and Wellington City.

The Wellington Region

The report recognises that Wellington has many similarities and some differences in relation to the situation for New Zealand as a whole. It also recognises that New Zealand is part of a global economy with a number of global forces impacting on it. These include:

- Advances in technology and changing markets;
- Transformation of the nature of work;
- Demographic change;
- Industry and occupational restructuring; and
- More demanding and discerning customers.

Significant features of the Wellington region are that:

- It is growing but at a slower rate than New Zealand as a whole
- It is ethnically diverse and will continue to be so.
- The population is mobile and aging.
- Regional economic growth is slow and there is a strong focus on service industries. Other significant industries for employment are government administration and defence, property and business services retail trade, finance and insurance, construction, education, and health.
- Employment growth is stronger than the New Zealand average but there are some pockets of higher than average unemployment in Porirua and Hutt Valley.
- It has a strong cultural industry.

The Wellington Regional Strategy

Wellington's Regional Strategy has six goals:

1. improve productivity levels of the regional labour force and the work place.
2. increase participation rates and opportunities for youth, Māori, Pacific peoples, older people, migrants and people with disabilities.
3. increase job attraction and retention rates in key regional sectors.
4. meet future labour and skills needs as required.
5. diversify labour market opportunities in the region and support export led growth.
6. encourage sustainable business growth in the region.

Needs, Gaps and Priorities for Education Services

Research and consultation with stakeholder groups has identified a number of needs, gaps and priorities for tertiary education services over the next three years. These needs, gaps and priorities have been organised under four major themes:

1. A flexible, responsive tertiary education sector
2. Education to support industry and employers
3. Support for emerging industries
4. Education to support community development

1. A Flexible, Responsive Tertiary Education Sector

There is a demand for:

- a. Flexible relevant delivery including:
 - Part time courses and programmes that enable people to combine work and study.
 - Short, focussed, just-in-time education/training opportunities
 - Closer links between industry needs and curriculum and programme development
 - More practical, business focussed training
 - On-going professional development
 - On-the-job learning and/or practical on-site work experience.
- b. Greater collaboration between providers.
- c. Better links with schools.
- d. More and better information to support decision making.

2. Education to Support Industry and Employers

There is a demand for:

- a. Education for individuals.
- b. Education for organisations, particularly:
 - Change management and workplace culture change
 - Business capability development through management training
 - Educating employers on working with ethnically diverse employees (including migrants, older people and the disabled) and teams
 - Communication and interpersonal skills including time and process management
 - Soft skills, “people skills”
 - Management skills including soft and technical skills for levels of supervisor and upwards
- c. Generic skills – literacy, numeracy, work readiness skills, general science, maths, customer relations and adaptive skills.
- d. Specific skills and skills gaps.

3. Support for Emerging Industries

There is demand for

- a. Education aligned with Wellingtons Regional Strategy including the Centres of Excellence identified.
- b. Support for research and development including applied research, product development and commercialisation.
- c. Support for areas where Wellington is seeking to be at the “cutting edge”.

4. Education to Support Community Development

There is demand for:

- a. Education to support migrants and migrant communities
- b. Education and training to assist the unemployed, particularly Māori unemployed and education for Māori community development
- c. Adult and Community Education.

Consultation and research has also identified that active engagement of government is required to ensure needs are met through appropriate funding and policy instruments.

The process moving forward

This first iteration of identifying Wellington’s needs for tertiary education services is the first step in an on-going process. This will include continuing to develop our understanding of needs through consultation and research. Priority will be given to further consultation with Māori and Pacific peoples.

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The Future Demand for Tertiary Education Services in the Wellington Region 2008 to 2010

1.0 Introduction

The purpose of this report is to determine the needs for tertiary education services within the Wellington Region. We are faced with change occurring at regional, national and global levels and predicting the impact of labour, economic, cultural and market forces on the demands for tertiary education provision is challenging. New Zealand operates in an increasingly global market where a skilled workforce is in strong demand and very mobile. The global demand for skilled workers is being driven by a number of factors including:

- **Advances in technology and changing markets** driven by the convergence of information and communications technologies, the demand for global connectedness, the impact of changing global manufacturing, trade, and competition and the need to address problems of scale and distance. The internet is now a core feature of how we do business and manage our lives.
- **Transformation of the nature of work.** The nature of the employment contract has changed radically in the last 20 years. A significant proportion of the workforce is employed part-time and/or on a casual basis. New working practices have been adopted with a focus on high performance organisations in which individuals have increased responsibility for their own performance at work. At the same time, work is becoming increasingly complex with new types of businesses and higher employer expectations.
- **Demographic change.** The population is rapidly aging, both in New Zealand and other Organisation for Economic Cooperation and Development (OECD) countries. People are living longer and healthier lives and an increasing number are remaining in the workforce with the removal of compulsory retirement. The corollary is that young people present a shrinking proportion of the population. Employers will not be able to count on meeting their skills requirements through the recruitment of younger workers; they will have to re-train their existing and older workers and employ new migrants and migrant workers to generate the new skills they need. This will lead to an increasingly diverse work force with more women, Māori, Pacific Peoples and people from Asian cultures, it creates a need for more flexible work place practices. Changes to generational attitudes and greater cultural awareness are part of the developing work place. Already evident are strong competition for jobs and/or employees within a bullish economy and global market.
- **Industry and occupational restructuring.** A relative decline in exports and other global economic measures for New Zealand compared with some OECD nations alongside the decline in employment in large-scale manufacturing, has been accompanied by a rise in the importance of service industries. Industries are evolving, for example the printing industry, have shifted from a manufacturing to a service industry. At the same time, the occupational structure of the workforce has changed, emphasising the importance of more highly skilled jobs at one end of the labour market and less skilled jobs at the other with a fairly static and changing picture for intermediate skills.

- **Customers are becoming more demanding and discerning.** They want lower costs, higher quality, and faster response times. Awareness of environmental impacts – carbon release, waste management, resource use and triple bottom line responsibilities are putting increasing pressure on companies to be environmentally aware and sustainable.

These factors impact on the New Zealand workforce. Twenty five percent of the work force is born outside New Zealand - and this trend is reflected in the Wellington Region. New Zealanders are traditionally mobile and are willing to travel for education and work.

1.1 Regional Facilitation

The Tertiary Education reforms are seeking to develop a responsive tertiary education system in which tertiary education providers:

- have a better understanding of the tertiary education needs expressed by key stakeholders, and
- are able to respond more effectively to meet those needs.

“Regional Facilitation” is the process by which Institutes of Technology and Polytechnics (ITPS) facilitate development of a shared understanding of the education and training needs in the region. The process acknowledges that stakeholders’ needs do not emerge in tidy ways once every three years, and as a result, Regional Facilitation will need to be a dynamic process.

The key objectives of Regional Facilitation in relation to tertiary education are to:

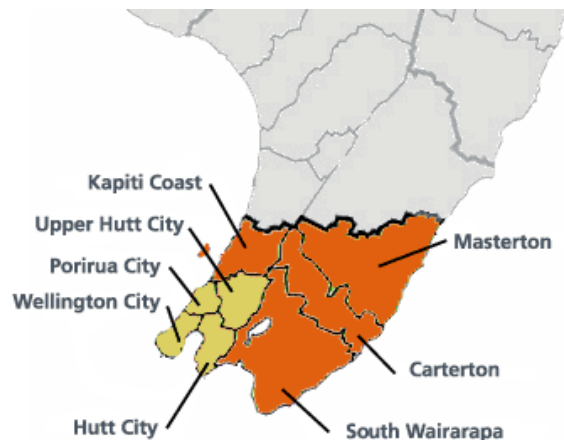
- build a shared understanding of regional needs, gaps and priorities;
- develop capability at the regional level through collaborative relationships between providers;
- deliver better outcomes for learners and other stakeholders; and
- offer efficiency benefits for stakeholders and providers alike.

1.2 The Wellington Region

The Greater Wellington Region is made up of 8 territorial local authorities (TLAs): South Wairarapa, Carterton, Masterton, Upper Hutt, Lower Hutt, Kapiti Coast, Porirua and Wellington City.

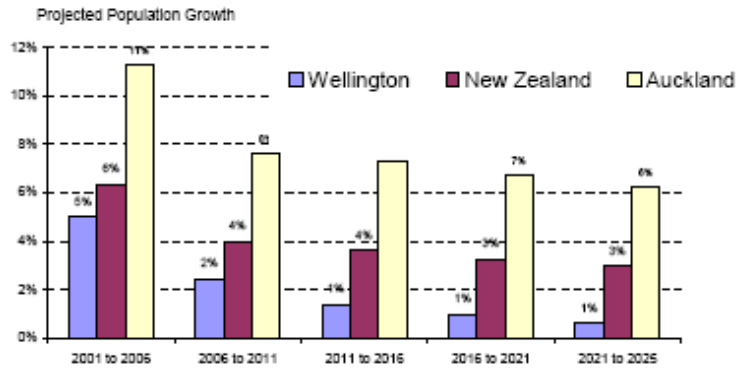
In socio-economic, demographic and cultural terms, these sub-regions tend to be diverse.

Currently in both Porirua and Lower Hutt there are higher levels of unemployment than in the rest of the Wellington Region.



Wellington differs from the rest of New Zealand in a number of ways:

- **The population of the Wellington Region is growing, but slowly**
The Wellington region's population has been expanding over the last decade (growth was 6% between 2001 and 2006) although growth was less than for New Zealand as a whole (national average growth over this period was 8%) and is forecast to continue as a trend.

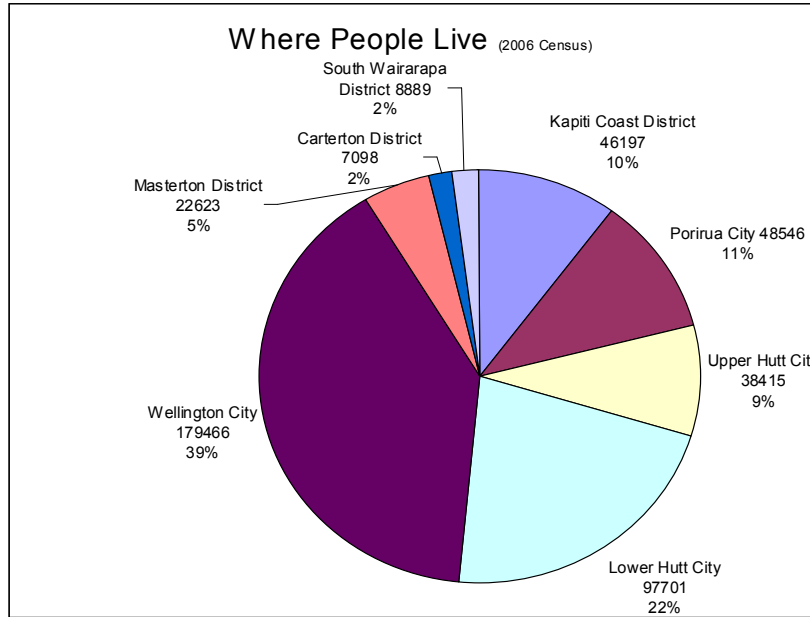


Projected 2001 –2021 Annual Population Growth Rates

Locality	1981-2001	2001 - 2021		
		Low	Medium	High
New Zealand	0.87	0.37	0.75	1.12
Wellington Area	0.52	0.01	0.38	0.72
Kapiti Coast District	2.46	0.94	1.31	1.66
Porirua City	0.55	-0.44	0.08	0.55
Upper Hutt City	-0.04	-0.85	-0.43	-0.12
Hutt City	-0.01	-0.49	-0.08	0.27
Wellington City	0.55	0.31	0.62	0.91

For the Wairarapa region, the population is projected to decrease by 5% over the same period.

The resident population in 2005 was 460,260 or 11.2% of the New Zealand population. Of these, one quarter or nearly 180,000 people live in Wellington City, 97,000 in Lower Hutt City, 48,000 in Porirua City and 46,000 in Kapiti Coast.



- **Greater Wellington is ethnically diverse, with variation in ethnic make up between TLAs**

Compared to the national average, Māori make up a larger proportion of the population in Porirua City, Lower Hutt City and Masterton District. A significant proportion of Pacific peoples in the region reside in Porirua City and Lower Hutt City. In Porirua City Pacific people make up 20% of the population.

People of Asian origin are concentrated in Wellington City (13% of the total population).

Ethnic diversity is projected to continue to be a significant feature.

	Proportion of population in 1981	Proportion of population in 2001	Proportion of population in 2021??
NZ Maori	9.90%	12.30%	Grow to around 20%
Samoa	2.90%	4.70%	Grow to around 11%
Chinese	1.30%	2.70%	Uncertain but with internal and international migration is expected to increase
Indian	0.80%	2.10%	
Other Asian	0.50%	2.20%	

- **Greater Wellington's population is mobile and aging**

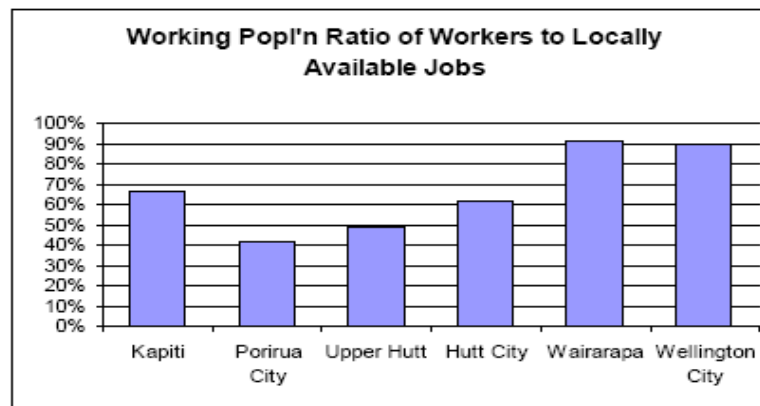
The Wellington region's largest age category is the 30 to 44 age group, which makes up 23.4% of the resident population, followed closely by the 45 to 64 age group, with 23.2% of the population. This is in contrast to the national average, where most people fall into the 45 to 64 age group (23.8%), followed by the 30 to 44 age group (22.1%). The Wellington region also has a higher percentage of residents in the 15 to 29 category (21.3% versus 20.2%), indicating that the region attracts many early-to-mid career residents.

Within the region, Porirua has a higher proportion than average of young people (aged 0 – 14) and a lower proportion of people aged over 65. The population of the Kapiti Coast and Carterton have a higher than average proportion of people over 65 which is projected to continue. By 2026, the proportion of people over 65 in these two TLAs is projected to reach 29% (as compared with the national average of 20%).

AREA	POPULATION AGE GROUPS					TOTAL
	0-14	15-29	30-44	45-64	65+	
Wellington Region	92,442	95,757	105,144	104,196	51,402	448,941
% of population	20.6	21.3	23.4	23.2	11.4	100.0
New Zealand	867,576	813,615	891,810	959,343	495,603	4,027,947
% of population	21.5	20.2	22.1	23.8	12.3	100.0

Source: Statistics NZ

There is a mismatch in workers available within a subregion (TLA) to fill locally available jobs, and people are travelling within the region for work.



- **Regional economic growth is slow and there is a strong focus on service industries**
The Wellington region has a very diverse economy from a sub-regional perspective. It is growing but at half the rate of the rest of New Zealand.
 - Between 2001 and 2005, regional GDP grew at 2% pa compared to a national average of 4.7%¹, however, in the 2006 year Wellington performed well with GDP growth of 1.7% compared to 1.2% for the country as a whole.
 - Between 2003 and 2005, employment growth averaged 3% per annum compared to 4.6% nationally². Again for the Wellington region, the 2006 year shows a positive change with employment growth of 4.4% compared to the national average of 3.3%.

¹ Wellington Regional Strategy 2006 ex Wellington Regional economic Snapshot for Provider regional facilitation meeting

² Infometrics 2006 ex Wellington Regional economic Snapshot for Provider regional facilitation meeting

INDICATOR	%PA FOR 2006 YEAR	
	WELLINGTON REGION	NEW ZEALAND
Resident population growth	0.9	1.0
Real Value Added (GDP) growth	2.7	2.2
GDP per capita growth	1.7	1.2
Employment growth	4.4	3.3
Productivity growth	-0.8	-1.0
Business units growth	3.0	2.5
Business size growth	1.4	0.8

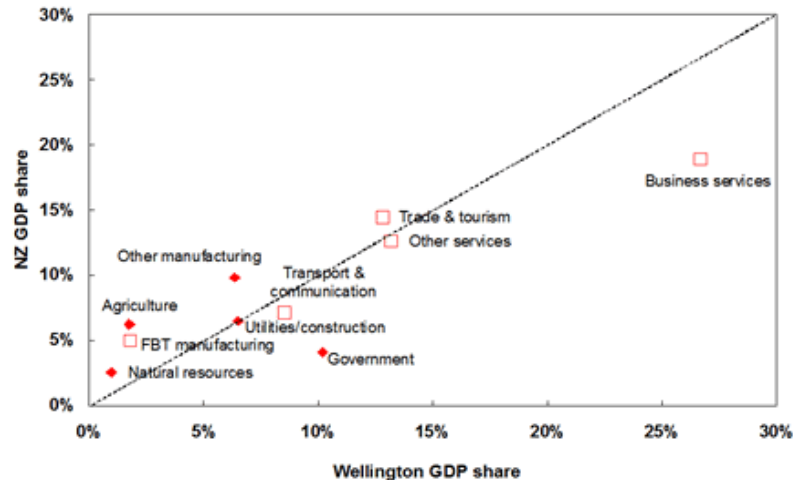
Source: BERL Regional Database, Statistics NZ

INDICATOR	%PA FOR 1996-2006	
	WELLINGTON REGION	NEW ZEALAND
Resident population growth	0.8	1.1
Real Value Added (GDP) growth	2.6	3.1
GDP per capita growth	1.8	2.0
Employment growth	1.4	2.0
Productivity growth	1.4	1.3
Business units growth	2.9	3.4
Business size growth	-1.4	-1.3

Source: BERL Regional Database, Statistics NZ

The region accounts for 11.3% of NZ employment with the top contributors being business services and government administration. In general, 'regional form' in the WRS notes that the Wairarapa has a more diverse economy and provides greater opportunities as a goods supplier to the rest of the region. The Hutt Valley has strong research and manufacturing capability that provides opportunities for export growth from the region. The northern corridor (Porirua to Kapiti) has distribution and service centre strengths, tourism, culture and manufacturing potential.

The chart below compares Wellington's regional economic structure to that of the New Zealand economy.



Shares of nominal national GDP (y-axis) and regional GDP (x-axis), averaged across March years 2000-2004
Source: NZIER

Any scatter plot to the left of the 45 degree dashed line (for example, agriculture) indicates that the industry accounts for a smaller proportion of Wellington's GDP than it does at a national level. Conversely, any plot to

the right of the dashed line (such as government) indicates that an industry is more "important" to the Wellington region than it is to the New Zealand economy as a whole.

The square scatter plots are industries that are fast-growing at a national level.³ The black diamond scatter plots are industries that are slow-growing at a national level. Fast-growing regions tend to have a high proportion of their regional economies focused on fast-growing sectors.

There is a mixture of large, medium and small businesses in the Wellington Region. Of particular note employment wise are:

- Central government which is a large employer
- The three District Health Boards, who are large employers
- The higher than average number of businesses (63% or approximately 150,000) that have over 50 employees
- The significant numbers of small (16% or 35,400 have less than 10 employees) and medium sized businesses (21% or 44,700 have between 10 and 50 employees).

Business units and GDP

In the Wellington region in 2006, property and business services was the biggest contributor to employment, GDP and number of business units, accounting for 18.1%, 19.8% and 34.8% of these three indicators respectively.

Government administration and defence was the next biggest industry in terms of employment, with almost 22,400 FTEs, or 10.4% of all FTEs in the region. This industry also supplied the second biggest portion of GDP, at \$2.56 billion, through just 354 business units.

Other significant industries include retail trade (3rd most FTEs), finance and insurance (3rd largest GDP), and construction (2nd most business units).

SECTORS (2006)	FTEs	%	GDP (06\$M)	%	BUSINESS UNITS	%
Primary	4,977	2.3	420	2.1	2,856	6.4
Manufacturing	17,547	8.1	1,566	7.9	1,906	4.3
Electricity, Gas and Water Supply	1,122	0.5	516	2.6	51	0.1
Construction	16,066	7.5	888	4.5	4,942	11.1
Wholesale Trade	11,495	5.3	1,309	6.6	1,845	4.2
Retail Trade	21,935	10.2	1,068	5.4	4,509	10.2
Accommodation, Cafés and Restaurants	9,243	4.3	288	1.5	1,313	3.0
Transport and Storage	6,802	3.2	796	4.0	1,425	3.2
Communication Services	5,670	2.6	1,812	9.1	400	0.9
Finance and Insurance	11,344	5.3	2,222	11.2	2,074	4.7
Property and Business Services	38,929	18.1	3,914	19.8	15,435	34.8
Cultural and Recreational Services	6,847	3.2	465	2.3	2,157	4.9
Personal Services	10,279	4.8	291	1.5	2,187	4.9
Government Administration and Defence	22,389	10.4	2,560	12.9	354	0.8
Education	13,400	6.2	692	3.5	995	2.2
Health and Community Services	17,432	8.1	1,006	5.1	1,925	4.3
Totals	215,477	100.0%	19,813	100.0%	44,374	100.0%

Source: BERL Regional Database, Statistics NZ

³ http://www.med.govt.nz/templates/P751_110681

The Wellington region achieved an increase of 1,278 business units in the 2006 year, which equates to a rise of 3.0%, well above the national average of 2.5%. Over the longer term, the growth rate has been 2.9%pa, versus 3.4%pa nationally.

The property and business services industry performed strongly in 2006, adding 714 units, an increase of 4.9% on the year before. This continues a growth trend that has seen of 5.9%pa over the last 10 year. Construction added 179 units, up 3.8% over 2005, while cultural and recreational services added 122 units, up 6.0%.

Strong growth in business units was also achieved in cultural and recreational services, adding almost 1,000 units at 6.3%pa, and in health and community services, which added 829 units at 5.8%pa.

The biggest fall in business units over the long term occurred in finance and insurance, which decreased by 281 units over ten years, although in percentage terms this was better than the performance of the communication services industry, which reduced by 1.9%pa, losing 87 units. Manufacturing also struggled, shedding 114 units between 1996 and 2006, at 0.6% pa.

INDUSTRY	BUSINESS UNITS (NUMBER)				%PA CHANGE		
	1996	2004	2005	2006	2005	2006	1996 TO 2006
Primary	2,453	2,950	2,938	2,856	-0.4	-2.8	1.5
Manufacturing	2,020	1,926	1,917	1,906	-0.5	-0.6	-0.6
Electricity, Gas and Water Supply	54	55	52	51	-5.5	-1.9	-0.6
Construction	3,575	4,525	4,763	4,942	5.3	3.8	3.3
Wholesale Trade	1,883	1,827	1,831	1,845	0.2	0.8	-0.2
Retail Trade	4,154	4,277	4,375	4,509	2.3	3.1	0.8
Accommodation, Cafés and Restaurants	895	1,219	1,277	1,313	4.8	2.8	3.9
Transport and Storage	1,353	1,362	1,402	1,425	2.9	1.6	0.5
Communication Services	487	410	412	400	0.5	-2.9	-1.9
Finance and Insurance	2,355	2,059	2,052	2,074	-0.3	1.1	-1.3
Property and Business Services	8,737	14,242	14,721	15,435	3.4	4.9	5.9
Cultural and Recreational Services	1,171	1,975	2,035	2,157	3.0	6.0	6.3
Personal Services	1,724	2,049	2,099	2,187	2.4	4.2	2.4
Government Administration & Defence	398	373	373	354	0.0	-5.1	-1.2
Education	861	962	969	995	0.7	2.7	1.5
Health and Community Services	1,096	1,844	1,880	1,925	2.0	2.4	5.8
Wellington Region	33,217	42,055	43,096	44,374	2.5	3.0	2.9
New Zealand	318,029	421,468	432,613	443,369	2.6	2.5	3.4

Source: BERL Regional Database, Statistics NZ

Employment

In 2006, the region achieved growth of 4.4% in employment, compared to the national average of 3.3%. Between 1996 and 2006, employment in the region rose 1.4%pa, compared to a national average of 2.0%pa.

INDUSTRY	EMPLOYMENT NUMBER FTES				%PA CHANGE		
	1996	2004	2005	2006	2005	2006	1996 TO 2006
Primary	5,352	5,114	4,856	4,977	-5.0	2.5	-0.7
Manufacturing	22,627	17,192	17,762	17,547	3.3	-1.2	-2.5
Electricity, Gas and Water Supply	1,612	1,318	1,202	1,122	-8.8	-6.6	-3.6
Construction	10,457	13,259	14,675	16,066	10.7	9.5	4.4
Wholesale Trade	12,347	9,669	11,053	11,495	14.3	4.0	-0.7
Retail Trade	19,083	20,447	20,743	21,935	1.4	5.7	1.4
Accommodation, Cafés and Restaurants	7,059	8,791	8,391	9,243	-4.5	10.2	2.7
Transport and Storage	7,749	6,519	6,910	6,802	6.0	-1.6	-1.3
Communication Services	4,382	5,519	5,558	5,670	0.7	2.0	2.6
Finance and Insurance	13,677	10,522	10,213	11,344	-2.9	11.1	-1.9
Property and Business Services	26,910	36,126	39,134	38,929	8.3	-0.5	3.8
Cultural and Recreational Services	4,988	5,926	6,421	6,847	8.4	6.6	3.2
Personal Services	8,033	8,952	9,539	10,279	6.6	7.8	2.5
Government Administration & Defence	18,057	17,960	18,873	22,389	5.1	18.6	2.2
Education	13,716	13,140	13,394	13,400	1.9	0.0	-0.2
Health and Community Services	10,614	16,625	17,722	17,432	6.6	-1.6	5.1
Wellington Region	186,664	197,078	206,446	215,477	4.8	4.4	1.4
New Zealand	1,484,116	1,690,949	1,751,699	1,809,041	3.6	3.3	2.0

Source: BEERL Regional Database, Statistics NZ

Over the last year, government administration and defence industry recorded 18.6% growth. Within this industry, employment in the government administration sub-industry grew by 3,154 FTEs in the year to March 2006. The largest area of growth was in central government administration, which increased by 2,479 FTEs. Local government administration grew by 146 FTEs.

The health and community services industry has managed 5.1%pa growth in employment between 1996 and 2006 (+6,800 FTEs), the fastest growth of all industries in the region. Construction also grew strongly over the ten years, at 4.4%pa (+5,600 FTEs) although this rate was far lower than the 10.7% and 9.5% recorded in the last two years.

The greatest loss of FTEs was in manufacturing, which shed 5,080 FTEs between 1996 and 2006, an average loss of 2.5%pa.

The top ten largest employment industries in the Wellington region currently are:

RANK BY FTE SIZE	INDUSTRY	EMPLOYMENT (FTES)	
		2006	% OF TOTAL
1	Business Services	34,887	16.2
2	Government Administration	20,297	9.4
3	Education	13,400	6.2
4	Health Services	12,607	5.9
5	Construction Trade Services	10,023	4.7
6	Personal and Household Good Retailing	9,656	4.5
7	Accommodation, Cafés and Restaurants	9,243	4.3
8	Food Retailing	7,722	3.6
9	Other Services	7,157	3.3
10	Finance	7,145	3.3

Source: BERL Regional Database, Statistics NZ

The industries with the fastest employment growth are:

RANK BY FTE GROWTH	INDUSTRY	EMPLOYMENT (FTES)		
		2005	2006	% GROWTH
1	Defence	1,730	2,091	20.9
2	Government Administration	17,143	20,297	18.4
3	Finance	6,103	7,145	17.1
4	Other Manufacturing	1,154	1,290	11.8
5	Libraries, Museums and the Arts	2,267	2,532	11.7
6	Accommodation, Cafés and Restaurants	8,391	9,243	10.2
7	Basic Material Wholesaling	2,949	3,236	9.7
8	Construction Trade Services	9,134	10,023	9.7
9	General Construction	5,541	6,043	9.1
10	Motion Picture, Radio and Television Services	1,551	1,685	8.7

Source: BERL Regional Database, Statistics NZ

- ***Wellington has a strong cultural identity***

A significant part of the national cultural infrastructure, measured in national arts organisations, is based in the Wellington region, These include:

- The National Library
- National Archives
- National Portrait Gallery
- National Art Gallery
- National Film Archives & Library
- Royal New Zealand Ballet
- New Zealand School of Dance
- National Opera
- New Zealand Symphony Orchestra
- New Zealand School of Drama
- New Zealand School of Music
- Museum of New Zealand Te Papa Tongarewa
- National Cricket Museum
- National War Memorial

The cultural industries also participate in the regional economy and development of SMEs through cultural events such as the New Zealand Festival of the Arts and the New Zealand Fringe Festival. These feed regional festivals throughout New Zealand, supplying cultural resources and products as well as supporting local TLA's event programmes.

There are also a diverse range and significant number of cultural organisations under the wings of local authorities including:

- The New Dowse (Art Museum) in Lower Hutt;
- St James Theatre, Wellington;
- Michael Fowler Centre, Wellington;
- Wellington Arts Centre;
- City Gallery Wellington
- Pātaka Museum and Gallery in Porirua; and
- Expressions Arts and Entertainment Centre in Upper Hutt.

Commercial activities include music recording labels, dealer art galleries, professional art and culture services, publishing, cultural performing groups, television production houses and studios, film and digital production studios and supporting agencies, 60 small performance venues and three professional theatres, which offer audiences a range from alternative to Pacific Island, New Zealand or international productions. The three professional theatres are:

- Circa
- Downstage
- Bats

Alongside these are a range of groups such a repertory and artistic groups throughout the region presenting a range of cultural events such as World Of Wearable Arts.

1.3 The Wellington Regional Strategy

Wellington has developed a regional strategy that proposes a strategy for sustainable growth. This centres around three areas of focus:

- Leadership and partnerships—bringing together the key players that can deliver on the region's sustainable growth objectives.
- Grow the region's economy, especially its exports—the region is too reliant on the rest of New Zealand for its growth.
- Good regional form—the physical arrangement of urban and rural communities and how they link together.

The Wellington Regional Strategy is underpinned by a number of strategies including the Wellington Regional Labour Market Strategy (WRLMS) whose objectives are to:

1. improve productivity levels of the regional labour force and the work place.
2. increase participation rates and opportunities for youth, Māori, Pacific peoples, older people, migrants and people with disabilities.
3. increase job attraction and retention rates in key regional sectors.
4. meet future labour and skills needs as required.
5. diversify labour market opportunities in the region and support export led growth.
6. encourage sustainable business growth in the region.

Six strategies have been developed to achieve these objectives:

1. **Promotion and Leadership** – key agencies and organisations work collaboratively and individually to help advance the labour market strategy.

GOAL - Wellington Region is perceived nationally and overseas as the premier work destination in New Zealand.

- Three collaborative projects, as identified in the strategy, are activated annually.

2. **Productivity** – address regional constraints to raising labour market productivity levels across all sectors.

GOAL - Genuine Progress Indicators (GPI) trend upwards and the GDP/capita rate in the Wellington region grows annually at twice the OECD average.

3. **Participation** – support the movement of those sectors of the community with lower labour market participation rates into productive employment opportunities and higher skill levels.

GOAL - Labour force participation rates are similar across all sectors of the community and sub-regions by 2010.

4. **Skills Development** – match and develop current and future work place skills needs with educational, training and careers programmes.

GOAL - Skill shortage vacancies as a percentage of all job vacancies is less than 5% by 2015.

- All labour and skilled migrants attracted to the region are employed within their areas of expertise and qualifications
- The percentage of employers engaging in training to address skill shortages increases annually by 10% to 2012.

5. **Business and Regional Capability** – encourage private sector employment growth through the provision of support services for SMEs.

GOAL - The percentage share of employment in SMEs throughout the region grows at the highest rate in New Zealand.

- Employer satisfaction levels with employment and training services exceed 90%.

6. **Sector Diversification** – attract and promote a greater diversity and higher value of business activity and employment opportunities to increase export growth and reduce the regional reliance on service sectors and increase the provision of a wider and deeper range of skills.

GOAL - By 2015, employment opportunities in the region mirrors the diversity of skills and qualifications within the population.

Both the Wellington regional Strategy and the Wellington Regional Labour Market Strategy identify the important role that tertiary education plays in achieving these goals.

1.4 The Role of Tertiary Education

Tertiary education assists in achieving the goals of the Wellington Regional Strategies by providing services that include:

- Education programmes funded through TEC funding;
- Assistance to people entering the workforce for the first time or re-entering the workforce through TOPs, and targeted training such as provided through Rangitahi Mia
- STAR and Gateway to assist secondary students to pathway into tertiary learning;
- Adult and Community Education (ACE) programmes;
- Industry Training funded through the industry training fund (ITF);
- Modern Apprenticeships;
- Short courses and seminars (these may be self funded or funded through the SAC);
- International education; and
- Research and development activities (funded through tertiary grants, MoRST, FoRST etc.)

The tertiary education sector in the Wellington region is serviced by a range of providers including:

- Two universities—Massey University and Victoria University of Wellington (Otago Medical School also has a campus here);
- Four institutes of technology/polytechnics (ITPs)—Wellington Institute of Technology, Whitireia Community Polytechnic, The Open Polytechnic of New Zealand (OPNZ) and Universal College of Learning (UCoL in the Wairarapa);
- One wananga—Te Wananga-o-Raukawa (although the other two wananga have Wellington campuses),
- Four Crown Research Institutes—NIWA, IRL, ESR and GNS,
- 58 PTEs, and
- 25 ITOs.

Wellington is also home of seven Other Tertiary Education Providers (OTEPs), notably the New Zealand Police College, the New Zealand School of Dance and Literacy Aoteroa. STAR programmes are available to students at all 49 of the region's secondary schools, and 28 of these also offer Gateway programmes.

2.0 The Future Needs of the Wellington region

Research and consultation with stakeholder groups has identified a number of needs, gaps and priorities for tertiary education services over the next three years. These needs, gaps and priorities have been organised under four major themes:

- A flexible, responsive tertiary education sector
- Education to support industry and employers
- Support for emerging industries
- Education to support community development

Consultation and research has also identified that active engagement of government is required to ensure needs are met through appropriate funding and policy instruments.

2.1 A flexible, responsive tertiary education sector

Stakeholders are looking for a tertiary education system that is flexible and responsive to its needs. There is a desire for stronger collaboration between providers and more effective links with schools. Learners and other stakeholders need to be equipped with the information that they need to make decisions.

2.1.1 Flexible relevant delivery

Business and industry are demanding a tertiary education system that is flexible and relevant – a system that recognises that their needs for tertiary education services are changing and is responsive to these.

Specifically, business and industry are seeking:

- Part time courses and programmes that enable people to combine work and study.
- Short, focussed, just-in-time education/training opportunities to equip workers with the skills needed to meet advances in knowledge and technology, and to effectively manage compliance changes.
- Closer links between industry needs and curriculum and programme development to provide qualifications relevant to their needs, for example Information Technology qualifications.
- More practical, business focussed training using case study and work experience.
- Programmes that provide on-going professional development.
- Programme design and delivery that supports on-the-job learning and/or enables practical on-site work experience.

There is a priority to ensure parity of esteem between practical and academic programmes.

2.1.2 Collaboration between providers

Both business and the community are seeking greater collaboration between tertiary education organisations—providers, ITOs, Careers Services—that result in real benefits for students, for example, development of transparent learning pathways that provide entry levels to higher qualifications and enable people to progress through articulations, cross credits, and learning recognition.

In addition business is seeking a tertiary education system that works in partnership with business and has collaborative cross provider centres of specialisation that enable highly specialised skills needs to be met.

The need to develop true partnership approaches to programme delivery has been identified as a priority, where TEOs specialising in specific discipline areas or modes of delivery can deliver conjoint programmes, for example, ITO working with ITP. New models of working need to be supported by policy and funding mechanisms.

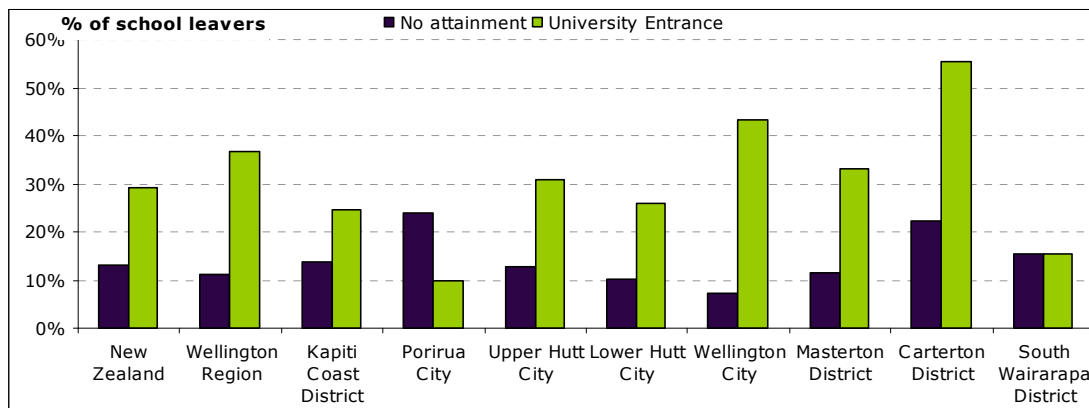
A further priority is to develop high trust relationships between providers.

2.1.3 Links to schools

Secondary school students have the opportunity to gain school based qualifications such as NCEA and, in some schools, international awards. An increasing number of secondary students are earning vocational credits through MoE and TEC funded programmes (STAR and Gateway). The student transition from secondary to tertiary study and to the world of work is important, and tertiary providers need to have processes that recognise the skills and knowledge already gained when placing students on a tertiary pathway.

Greater Wellington has a slightly lower proportion of people leaving school who have no qualifications compared with the rest of New Zealand. There is some variation in achievement across the region.

School leaver attainment in 2005



Source: Ministry of Education

The tertiary education system needs to accommodate students that have not succeeded in the school system. Stakeholders have clearly told us they are looking for stronger and more effective interfaces between schools and tertiary education providers.

Alongside this, business wants a stronger focus on entrepreneurship in the interface between school and tertiary. These outcomes could be achieved through strengthening the role of Career Services and focussed transition type programmes.

There is a significant gap in relation to the potential to use school holidays for activities such as work experience, bridging courses, and obtaining career advice. There are issues around how some of these activities could be funded.

2.1.4 Information to support decision-making

Sound, reliable information (comparable, clean data) is required by all tertiary education organisations and stakeholders to support effective decision-making. Inter-sector sharing of information requires hard data and good provision of information from the tertiary sector.

2.2 Education to support industry and employers

Two scenarios have been developed by Business and Economic Research Ltd (BERL) to model the possible future development of Wellington. These two scenarios use BERL's computable general equilibrium (CGE) model to generate a projection for the national economy for 2021. This model separately identifies 49 different industries. This projection is then translated to a picture for the Wellington region⁴.

Key assumptions driving the national employment projection are:

- resident population growth of 1.0%pa;
- annual net migration averages 13,000;
- productivity growth across the 49 industries is assumed to continue at recent historical averages, implying average labour productivity growth of 0.9%pa;
- world GDP growth averages 3.0%pa, with relatively faster expansion in services and a relatively slower rate in commodities.

The resulting scenario for **New Zealand** consists of Gross Domestic Product (GDP) growth averaging 2.9%pa and employment expanding by an average 45,500 Full Time Equivalent (FTE) positions per year. **Within this context, BERL presents two comparative scenarios for employment and economic activity in the Wellington region over the 2006 to 2021 period.**

One scenario is labelled a 'business as usual' (BAU) picture. The other scenario is referred to as a 'modified growth story' (MGS).

Under the BAU model Wellington business and economic activity is assumed to continue in line with the projected national pattern of growth. Regional activity is modified by the particular composition of the region's economy. BERL's analysis is that the outcome of this scenario is not convincingly attractive for the Wellington region. BERL project that over the 15-year horizon, such a scenario would see Wellington region employment reach just under 264,000 FTEs. This represents an average expansion of 3,250 FTE positions each year.

⁴ Source, Wellington Regional Outlook May 2007

ANZSIC INDUSTRY	EMPLOYMENT (FTEs)				GDP GROWTH
	2006	2006 TO 2021 CHANGE		2021	2006 TO 2021 %PA
		%PA	NUMBER PA		
Agriculture, Forestry, Fishing and Mining	4,655	0.1	6	4,747	2.1
Manufacturing	17,547	0.3	51	18,307	1.1
Electricity, Gas and Water Supply	1,122	1.3	16	1,364	2.4
Construction	16,066	2.4	461	22,986	3.1
Wholesale Trade	11,495	-0.9	-99	10,013	-0.1
Retail Trade	21,935	1.4	333	26,927	2.2
Accommodation, Cafés and Restaurants	9,243	1.7	176	11,879	2.5
Transport and Storage	6,802	0.2	13	6,996	1.1
Communication Services	5,670	2.0	133	7,671	3.7
Finance and Insurance	11,344	0.4	46	12,038	0.9
Property and Business Services	38,929	1.7	735	49,953	1.9
Government Administration and Defence	22,389	2.3	598	31,352	3.0
Education	13,400	0.3	42	14,036	1.0
Health and Community Services	17,432	2.4	502	24,964	3.1
Cultural and Recreational Services	6,847	1.4	110	8,490	2.3
Personal and Other Services	10,279	1.1	128	12,202	2.0
TOTAL FTEs WELLINGTON REGION	215,154	1.4	3,251	263,923	2.0

Notably, employment growth in this scenario is noticeably concentrated in the government administration, property and business services, health, construction and retail trade industries. Other factors impacting on growth include:

- Growth in government employment arises from population-driven growth at the national level along with government current spending rising in line with overall GDP.
- Property and business service growth is driven by strong growth nationally in line with export and domestic demand, with the region sharing this growth as per its recent performance.
- Health is primarily driven by growth in the national population, with an allowance for changes in age composition. Again, the region shares in this growth in line with its recent performance.
- Construction industry continues to grow, consistent with investment spending increasing its share of overall economic activity.
- Retail trade expands in line with overall consumer spending activity. This is further assisted by its links to tourism, which benefits from shifts in world demand.

On the other hand, the Modified Growth Story (MGS) scenario is underpinned by modified assumptions that result in employment in the region growing moderately faster than the BAU scenario - i.e. 3,700 compared to 3,250 additional FTEs per year.

ANZSIC INDUSTRY	EMPLOYMENT (FTES)				GDP GROWTH
	2006	2006 TO 2021 CHANGE		2021	2006 TO 2021 %PA
		%PA	NUMBER PA		
Agriculture Forestry, Fishing and Mining	4,655	0.0	3	4,700	2.1
Manufacturing	17,547	0.2	42	18,181	1.1
Electricity, Gas and Water Supply	1,122	1.2	14	1,338	2.4
Construction	16,066	2.3	428	22,482	3.0
Wholesale Trade	11,495	2.0	272	15,570	3.0
Retail Trade	21,935	2.0	518	29,712	3.0
Accommodation, Cafés and Restaurants	9,243	1.9	201	12,252	2.8
Transport and Storage	6,802	0.3	19	7,085	1.3
Communication Services	5,670	1.8	119	7,456	3.6
Finance and Insurance	11,344	2.1	281	15,559	2.8
Property and Business Services	38,929	1.6	696	49,368	1.9
Government Administration and Defence	22,389	1.9	476	29,526	2.6
Education	13,400	0.3	36	13,944	0.9
Health and Community Services	17,432	2.0	405	23,505	2.7
Cultural and Recreational Services	6,847	1.4	103	8,396	2.3
Personal and Other Services	10,279	1.1	118	12,047	1.9
TOTAL FTES WELLINGTON REGION	215,154	1.6	3,731	271,121	2.3

Underpinning the MGS scenario are assumptions of lower growth in government sector growth and faster expansion of tourism and the finance sectors over the projection period.

- Lower government sector growth could be consistent with lower population growth (compared to the BAU scenario). Or, it could be supported by an assumption that the employment expansion over recent years is sufficient to provide the required level of services.
- Faster expansion of tourism activity could be seen as resulting from an even greater shift in world demand towards service-oriented consumer spending. Or, it could be consistent with increased marketing (and/or the establishment of new markets) for New Zealand tourism activities. Another factor would be the additional infrastructure developments over recent years coming ‘on stream’ and, so, relaxing capacity restrictions. The region could also be seen as taking a larger share of the New Zealand tourism industry due to the presence of region-specific marketing and infrastructure developments bearing fruit.
- A halting of the net flow abroad of head-office functions could motivate modified assumptions for the finance sector.

The MGS scenario assumes that the Wellington region takes a proportionate share of a revitalised (compared to BAU) New Zealand finance sector. It is clear from these results that the region is significantly less dependent on government for employment and GDP expansion in this scenario. Nevertheless, government remains a large component of the region’s growth. This underlines the influence that government has on the economic activity of the region.

While education has a role to play in assisting meet the skills needs of industry and business that underpin these scenarios, it is also important to recognise that workforce retention is also a matter of maintaining attractive employment opportunities through appropriate salary and employment packages.

2.2.1 Education for individuals

The future scenarios proposed by BERL demonstrate the importance of developing and maintaining a flexible and adaptable workforce with high level cognitive skills and knowledge. Also required is appropriate infrastructure to enable ideas to be turned into products that can be effectively marketed on world and domestic stages for competitive advantage.

Specifically industry is seeking education to support the development of a knowledge economy, to grow centres of excellence and to increase skills to meet knowledge and technological advances along with compliance changes in their industry.

They are also looking for education and training that addresses the expectations of employers with respect to “work readiness”.

2.2.2 Education for organisations

While education for individuals aims to develop the skilled workers required to meet Wellington’s future economic direction, there is also a need to develop the capacity of organisations to cope with change.

Programmes to build the skills of organisations and workplaces, in addition to, or separate from the education and skills of people working in them are required although there are issues around how these can be funded under current models.

Stakeholder discussions have indicated in particular that business and industry seeks education services to support:

- Change management and workplace culture change
- Business capability development through management training
- Educating employers on working with ethnically diverse employees (including migrants, older people and the disabled) and new people structures
- Communication and interpersonal skills including time and process management
- Soft skills, “people skills”
- Management skills including soft and technical skills for levels of supervisor and upwards

To support organisational development, employers are looking for:

- Business capability development using embedded tutors
- Training the trainers programmes to support workplace training
- Re-training and further education opportunities that are delivered around the needs of working people

2.2.3 Generic skills

While highly skilled individuals and organisations are required to meet the Region’s future needs, there is also a requirement to ensure that people entering the workforce possess work readiness, “generic skills” such as communication, teamwork, problem solving, work ethic etc. Stakeholders have emphasised the significance of work ethic and timeliness and stress that these should not be underemphasised.

Consequently there is a need to focus on generic skills at **all** levels, including foundation level education, preparation of work ready graduates at all levels, management skills for supervisors and middle managers and skills to meet specialist needs in emerging industries.

In addition to this, there is a priority requirement to improve workplace literacy and numeracy of those already in the workforce and those returning to or seeking to enter the workforce. Stakeholders consulted noted the need to develop the full spectrum of literacy, from understanding and communicating in English to the ability to be a flexible, adaptable learner, able to work in a changing and highly computerised workplace. Management literacy includes the ability to prepare reports, seen by the stakeholder group as a very important component of this.

There is an important gap to be addressed in developing the skills to support managing learning pathways for the future.

In tight labour markets, addressing these needs is particularly important as increasing effectiveness, productivity, capacity and capability must be achieved with a minimal labour increase.

Other general education needs required to prepare people for work include:

- general science
- maths
- customer relations; and
- soft or adaptive skills for changing workplaces.

2.2.3 Specific skills and skills gaps

Significant amounts of training will be required for current skill shortages and anticipated infrastructure development. While the BERL scenarios suggest that future areas of high employment growth are likely to be construction, wholesale trade, retail trade, hospitality, communication services, finance and insurance, government administration and defence, and health and community services, the Job Vacancy Monitor (JVM) report⁵ from December 2006 suggests that the top 10 high vacancy occupations are:

- Sales assistants
- Policy analysts
- Secretaries
- Waiters
- General clerks
- Information clerks and other receptionists
- Chef
- Administration manager
- Registered nurse
- Care giver

There are variances in the data available, requiring a data capture strategy and regular review, as going forward, agreement on trends within ongoing economic and social change will make this document relevant.

For the same period, the top 10 numeric growth occupations are:

- Draughting technician
- Cleaner
- Demonstrator

⁵ The number of vacancies is measured as the total number of vacancies advertised in the twelve months to December 2006. The growth in vacancies compares the number of advertised vacancies in the 12 months to December 2006 with the previous 12 months. Percentage growth figures are only included if at least 24 vacancies occurred in the year to December 2005.

- Care giver
- Carpenter and/or joiner
- Policy analyst
- Builders labourer
- Electrician
- Builder (including contractor)
- Child care worker

These surveys suggest that the region has need for more:

- Trained tradesmen especially building, carpentry, joinery, electricians and plumbers
- People able to fill highly skilled administrative roles, for example, within central and local government
- Policy analysts and planners
- Public sector managers
- Middle level managers
- Administrators, secretaries and receptionists
- Hospitality works including chefs, and waiting staff
- Care workers including care of the elderly and early childhood education teachers
- Retail and wholesale staff
- Nurses and health care workers

In addition to these skills gaps, industry and business are asking for:

- Staff for the Information Communications Technology sector
- High quality professionals and technicians for administrative and technical roles
- Scientists with general science background able to act as laboratory/science technicians
- Technicians to assist in manufacturing and product development especially:
 - engineering,
 - information technology and
 - electrical
 - laboratory technicians
- Infrastructure designers, developers
- Generic management skills
- Trade training at all levels including advanced trades levels, technicians and supervisors

Government programmes could have a significant effect on future needs. Growth in funding of the health sector along with the need to prove continuing competence under the Health Practitioners Competence Assurance Act will have an impact on tertiary education, as will government's environmental sustainability strategies. Other new government programmes announced in the 2007 budget that may impact on tertiary education needs include border security, aid work, mental health, tourism marketing, and climate research.

Other areas of need identified include:

- Induction training for public service workers
- Health and safety training
- HSNO and environmental safety
- Consumer law and sales
- Biosecurity
- Resource management

There is a priority need for road/rail construction workers to assist Wellington with major infrastructure projects coming on-line in the near future, and for health caregivers. Professional

development programmes to support nurses practice certificates and all levels of training are also a priority to enable the workforce to be maintained.

Productivity growth in the region is addressed by the Wellington Regional Strategy (below).

2.3 Support for emerging industries

2.3.1 Alignment with Wellington's Regional Strategy

The Wellington Regional Strategy identifies potential economic growth areas and areas of advantage along with links within the community (that may already exist or not). So far 13 potential Centres have been identified and while all of these are likely to be strong regional industries, the aim of the Strategy is to develop by 2010, three **world-class** Centres of Excellence.

The 13 regionally emerging industries are:

- Biomedical
- 3D technology including film and animation
- Natural Health
- Recuperative Healthcare
- Natural Environment
- Natural Hazards
- Information Communication Technology (ICT), including business process, in Government
- World Class product development
- Pasifica
- Energy (wind and sea)
- Biosecurity
- Marine Research Technology
- Specialty food and beverage

In order to succeed in developing three world-class Centres of Excellence, tertiary education services will need to be aligned to the needs of the greater Wellington Region as expressed in the Wellington Regional Strategy and the resulting Centres of Excellence, along with the needs of emerging industries.

2.3.2 Supporting research and development

In addition to the tertiary education providers active in research, the Wellington region is home to four Crown Research Institutes, and a strong creative industry sector. Many Wellington based manufacturers are active and successful in developing products for commercialisation.

The creative and manufacturing industries are seeking to build on this activity and are looking to the tertiary education sector for support in product development and commercialisation skills for

- Research and development
- Product development
- Marketing
- International marketing

Business and industry are seeking a tertiary education sector responsive to their needs for applied research and technology development activities.

In addition to this, they recognise that they need skilled workers who will be able to fill future jobs perhaps not yet invented.

There is a priority to develop workers able to provide leadership in developing new ways of working and changes to business approaches, structures and processes.

2.3.3 Areas where Wellington is seeking to be at the “cutting edge”

Servicing central government will continue to be a unique requirement of the Wellington workforce. Recognising this, Wellington is seeking to become a global and national hub for policy and action on social and environmental sustainability. This will require the development of strong policy analysts, able to work in the emerging milieu that blends economic, environmental, social, and cultural responsibility with government policy. Specific skills gaps identified include:

- Treaty and cultural awareness in terms of policy and public sector accountability
- Public sector policy and law

In addition, there is a need for skilled administrators to work with central and local government to develop legislation and support its implementation. At a local government level, there is an opportunity for the tertiary education system to provide support to local government for implementation of central government legislative changes, for example, skills and knowledge to support the new building legislation.

Other areas where Wellington is seeking to be at the cutting edge and requires technical and professional personnel are:

- Laser maintenance and optics
- Earthquake and natural hazard management
- Sustainability—building an understanding of the shift in human approach to ecology and sustainability and the new job pathways resulting from this shift
- Creative technology/manufacturing

Early childhood education and health industry organisations did not participate in the stakeholder process and further work is required to establish needs, gaps and cutting edge activities.

2.4 Education to support community development

Wellington has some challenges in terms of developing a strong community. Developing a strong community is underpinned by economic development and support for specific communities particularly migrant communities.

2.4.1 Migrant communities

Twenty two percent of people in the Wellington Region were born overseas (a similar proportion to the national average). With the aging population trends, there will be an ongoing requirement to support migrant communities.

The tertiary education system can provide support:

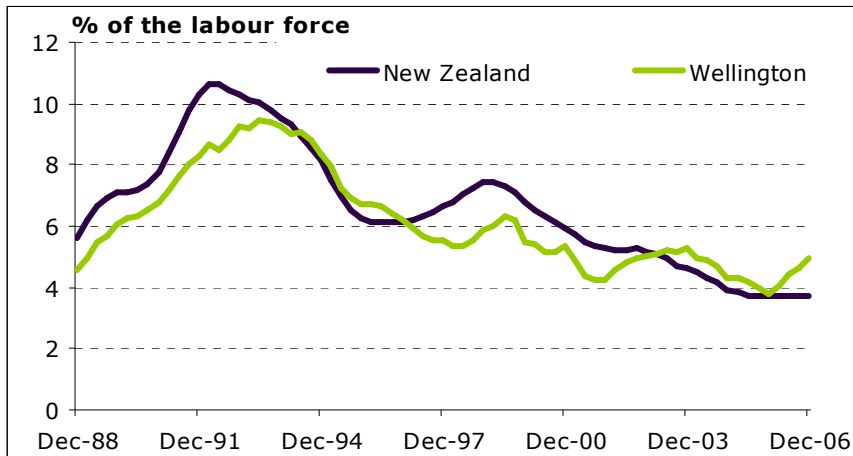
- Induction programmes that prepare migrants for NZ workplaces
- Workplace education for immigrants
- incentives for employers to offer internships that are supported by specialists in intercultural communication
- Intercultural programmes that facilitate New Zealanders to make explicit to themselves their own identity and develop competencies in communicating across cultures.

Having said that, migrants and refugees need funding for education to become part of communities and to gain employment.

2.4.2 *The unemployed*

Currently the Wellington Region unemployment rate is around two percent higher than the New Zealand average (just under 4%).

Unemployment rate from 1998 to 2006 (12-month moving average) is shown below.



Source: Household Labour Force Survey

The unemployed group of 5000+ is concentrated in Porirua and Hutt, and there is a high proportion of young (<25) Māori within the group.

These unemployed require:

- Training and education for employment
- Life long learning skills
- Foundation skills (includes but goes beyond literacy/and numeracy)
- Work readiness skills
- Access to employment/preparation for work
- Skills in developing learning pathways for the future.

Additional investigation is required to better understand education and training needs to support Māori communities and Māori unemployed. Te Puni Kokiri's submission to the Wellington Regional Strategy (B James 2005) notes differences between "the Māori economy" and the regional economy.

2.4.3 *Adult and community education*

Adult and Community Education (ACE) is an agent of social cohesion and community participation.

The five goals of ACE provision are that:

1. ACE is fully recognised as an educational sector and is part of an integrated Tiriti-based approach to education and social development
2. ACE is able to meet the educational needs of communities
3. Māori development is supported through ACE
4. ACE shall have secure, flexible, equitable and transparent funding

5. The ACE sector has the capacity to deliver the required services.

2.5 Government's role in supporting change

While the tertiary education sector can do much to support the Wellington Region to achieve its strategic goals, essential is the support of government through the implementation of enabling policy and funding instruments. Of particular importance are the means to address issues such as:

- Active labour market policies to address skills gaps and labour shortages
- Funding issues, for example, caps and lack of funding for short , just-in-time training
- Supporting Māori and Pasific peoples to engage with tertiary education at higher awards
- Compliance costs, particularly with respect to short courses
- Balancing the tension between skilling the individual and skilling the organisation, participants, entities, groups
- The development of collaborative not competitive models
- Support and incentives to breakdown silos between tertiary education organisations
- Managing the oversupply of graduates in some areas for example, design

There is a priority need to explore new approaches, for example, Scandinavia's approach to leading tertiary training for sectors with needs.

3.0 The process moving forward

As stated at the beginning of this document, this first report represents our understanding of tertiary education needs, gained as a result of the processes used to date. It is not possible to identify precise gaps using the mix of data available for this purpose, particularly in the given time frame. Secondary sources analyse lagging results, while visions and forecasts seek to match developmental programmes within an environment where labour, economic and population forces are dynamic and increasingly global.

Secondary data shows economic development issues for the Wellington Region. This is shaping regional planning initiatives, the outcome of which will require new and perhaps as yet unimagined skills. Engagement between the tertiary sector, industry and regional planners is an important step in charting future gaps.

Stated goals of the Wellington Regional labour Market Strategy (WRLMS) are:

1. improve productivity levels of the regional labour force and the work place.
2. increase participation rates and opportunities for youth, Māori, Pacific Peoples, older people, migrants and people with disabilities.
3. increase job attraction and retention rates in key regional sectors.
4. meet future labour and skills needs as required.
5. diversify labour market opportunities in the region and support export led growth.
6. encourage sustainable business growth in the region.

The Wellington Regional Strategy (WRS) for the economic revitalisation of greater Wellington is supported by stakeholders' themes generated in the consultation process: flexibility, collaboration, new models and approaches, learning workplaces, literacy and engagement.

Tertiary needs and gaps do mirror national trends, with a tight labour market and the opportunity to increase skills in the lower skilled / higher unemployment sub-regions. Considering the aims of

the knowledge economy and the development of contemporary workplaces that support knowledge workers, new approaches to training and knowledge growth are important levers.

WelTec and Whitireia see the Regional Facilitation process as on-going, in which development and refinement of this report will continue. Priority will be given to identifying the needs for Māori and Pacific peoples.

Polytechnics are not currently resourced to undertake this kind of research, nor does any agency provide data that matches vision to provision. A practical approach to building stakeholder engagement is, therefore, necessary and we believe it can occur through consultation.

The processes we will use to do this include:

1. Development of a website linked to the Wellington Regional Strategy website where people can gain information and engage in discussion on points raised;
2. On-going consultation with stakeholder groups;
3. Active engagement with ITOs in their industry leadership role;
4. review of international trends; and
5. Review of commissioned research.

If you would like to participate in these processes you can contact Neville Weal (neville.weal@weltec.ac.nz), Amanda Torr (amanda.torr@weltec.ac.nz) or Tim Renner (t.renner@whitireia.ac.nz).

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Appendix 1 – Individual Sector Submissions

The following excerpts provide the summary statements from some industries providing individual input into this process.

1.1 The Industry Training Federation

The Industry Training Federation (ITF) has noted the following key points they would like included in Regional Facilitation plans:

- 1 Industry Training Organisations (ITOs) have a legislative responsibility to provide national industry skills leadership (s6, Industry Training Act). This role is also recognised in the TES.
- 2 New Zealand is a very small economy with a very mobile workforce. Most of our industries are national in scope. While there are regional concentrations of particular industries, and particular regional issues, these can only be understood and addressed in national context.
- 3 Regional facilitation by ITPs, to be effective, has to dovetail with the national industry skills leadership role of ITOs.
- 4 ITOs have been working to develop an understanding of the current and future skills needs of their industries. These industries have re-iterated that their focus is on national skill development issues.
- 5 The TES places a strong priority on national qualifications and standards over local certificates and diplomas. This reflects the national needs of industry. Providers can adjust their delivery of national qualifications to meet local variations, but common national standards are key.
- 6 ITOs have identified a variety of different mismatches between the needs of industries and current delivery by the tertiary education system:
 - In some areas there is significant under-supply of training; often because the training required is specialised and only needs small numbers of trainees. This suggests a co-ordinated national approach to delivery is required.
 - In some areas there is significant over-supply of training, significantly in excess of the numbers of people working in an industry. This requires consolidation, again at the national level.
 - In some areas delivery is inappropriate in mode or content. Greater use of national qualifications and standards, and/or of delivery in the workplace are examples of ways in which this can be addressed.
- 7 There are some issues which seem to be generic to all industries and thus regions, including the need to address literacy and numeracy, and management capability. It would be useful for all ITPs to consider these issues.

1.2 Agribusiness

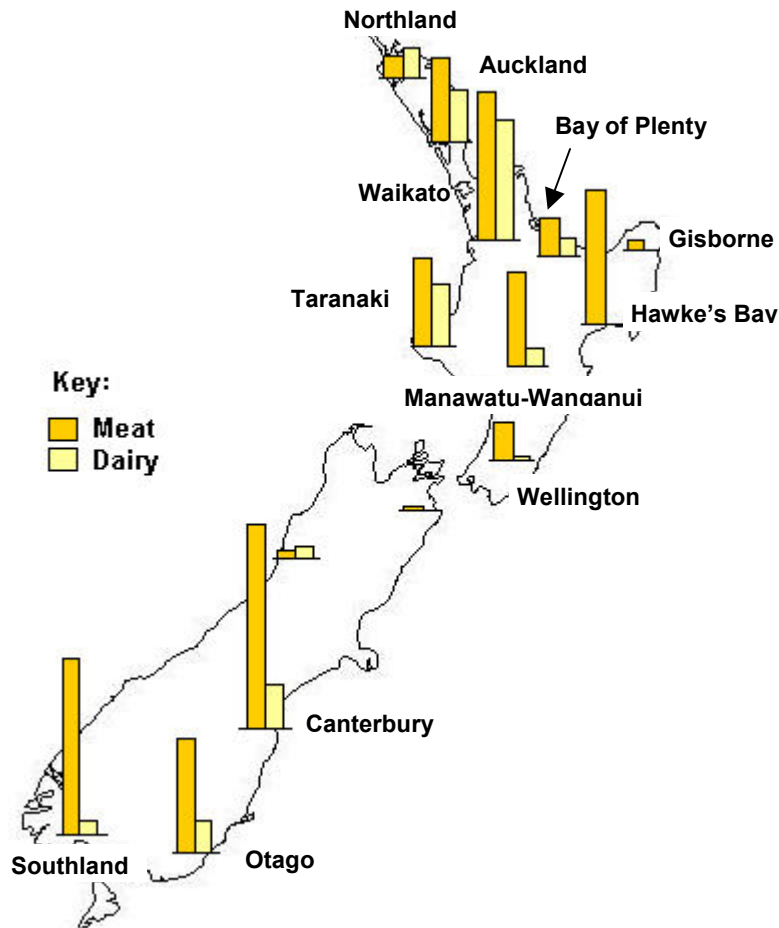
- Labour and skills shortages are widely recognised in land-based industries and are forecast to continue in the future.
- Skill shortages amongst participants at all levels of land-based industries require appropriate education and training provision.
- Diversity within land-based industry requires a range of training and education provision that meets the needs of all land-based industry sectors.
- Bets meeting needs of land-based industries requires a non-traditional approach.
- Some of the primary industry technology transfer systems that operated in the past no longer exist or are not as well supported by science providers leaving a gap in the technology transfer to industry.
- Training provision needs to extend across the whole country to match the geographical spread of students and industries.

- National industries require a consistent and coordinated approach to meeting their learning needs.

1.3 NZITO

According to employment data published by Statistics New Zealand, there are some 30,400 meat processing workers and 9,650 dairy processing workers in New Zealand. In addition to those classified as employees of these industries, there are many others engaged in related work – our estimate is some 20% extra staff are employed in related areas in these sectors such as transport, supply chain, food technologists etc. This equates to a workforce of approximately 50,000 employee working in post farm gate roles in these two major export sectors.

Employment is situated in rural areas more than large urban centres, the spread of companies runs from Northland to Southland with concentrations in the Waikato, Taranaki; Hawkes Bay; South Canterbury and Southland.



Despite its scale the industry is not a high user of institutional education – especially that delivered off the job. However specialist demand exists as well as some general demand in the professions, trades and other groups.

Many meat/dairy companies have several processing operations and they all employ significant staff numbers – over 10,000 in the case of the larger companies. There are also mid-sized firms and a number of emerging firms in areas such as speciality products, bio-actives and other value adds. Overall, there are 146 dairy and 307 meat factories registered that are situated throughout New Zealand.

Pressure to be more productive and cost effective are driving greater use of contracted services outside core business – maintenance, accounting, etc

Key issues faced by the industry are; labour force aging, urban rural population drift, labour supply shortages, suitable employee attitudes to work; lower than desired competencies in maths and sciences as well as communications and problem solving are a growing issue, gaps also exist for specialist skills such as cheese makers, wool classers but these are few in number.

There is a broad set of needs for training and recruitment in the industries, which include:

- foundation skills to raise literacy and numeracy levels in some areas of the workforce – something TEI can actively support as referral agents for employees needing more support than can be offered internally via vocational qualifications
- base level generic skills in occupational and food safety
- small numbers of apprentices in engineering, and electrical fields
- IT and science knowledge – applicable to school leavers and graduates from TEI's
- IT software hardware technician levels required in industry and associated companies – this group is in high demand
- technical industry skills related to occupations – dairy technicians; butchers; laboratory staff; tannery operators; supply chain operatives; heavy transport operators – delivered internally but some modest demand exists for trainers at advanced certificates and diploma levels
- productivity skills including teamwork, communications, problem solving and improvement systems – delivered internally but scope for support at diploma and degree levels as integrated components into other qualifications
- leadership and management skills – scope for partnered approach to delivery under NZITO
- project management skills – emerging area for limited groups
- professional skills in food technology, engineering, environmental science, IT, and marketing graduates engaged in industry and offered further in house training in partnership with Massey

1.4 DHB and Workforce Strategy Group survey

In 2006, the DHBNZ Workforce Group asked each of the 21 DHBs and the six DHB Workforce Strategy Groups to identify their key issues and priorities for the educational preparation of health practitioners at workforce entry level. Responses indicated a strong consensus around a number of priority issues, as outlined below:

- **Working towards a more representative health workforce:** Health disparities and New Zealand's changing ethnic mix highlight the need to actively grow a health workforce that will more closely match the future cultural mix of our communities. Although progress has been made, the regulated health workforce does not reflect proportional participation of Māori and Pacific peoples across key health practitioner occupational groups. For example,

Māori practitioners currently make up only 2.7%⁽¹⁾ of the medical workforce and 7% of the nursing workforce compared to 15% of the population who identify as Māori. Similarly for Pacific peoples the figures are 1.1% and 3% for medicine and nursing respectively (currently 6.5% of New Zealand's population identify as of Pacific origin). There is also a need for workforce participation to respond to New Zealand's increasing Asian population.

To change this picture we need a proactive strategy across both the health and education sectors. Key aspects to be explored and actioned include:

- Developing strategies to encourage uptake of undergraduate programmes across health practitioner programmes across ethnic groups; establishing targets and measuring progress
- promoting successful participation supported by culturally appropriate learning models, mentoring programmes etc;
- more flexible training programmes to improve access to programmes, for example, by increasing the recognition of competencies that people bring into undergraduate programmes; providing outreach programmes in local communities, increasing the use of distance learning, part-time and block courses
- **Supply of key health workforces:** To respond to changing population health needs the health sector is building its capability to forecast and plan its future workforce needs across occupational groupings. While our ability to predict workforce requirements is becoming more sophisticated we recognise that this will always be an inexact science due to the complexity of the health labour market. There will need to be an ongoing dialogue with the education sector as the major supplier of the health workforce. Specific workforce groupings that have been identified for discussion with education in 2007 include:
 - Midwifery: The DHB Midwifery Workforce Strategy and Ministry work have both identified issues around midwifery workforce supply. DHBs will undertake further analysis (completed by the end of June 2007) to confirm the sector's future needs for midwives
 - Dental Therapists: DHBs are currently undertaking an analysis (due end June 2007) of the sector's future Dental Therapist and support workforce requirements to meet service needs and support delivery of Oral Health Strategy Goals. Preliminary evidence suggests that intervention will be needed to ensure an adequate workforce supply going forward.
 - Medical Workforce: The recommendations of the Workforce Taskforce are expected to have implications for both health and education related to the undergraduate programme and for transitional years after graduation.
- **Workforce Innovation:** Rising demand for health and disability services due to the ageing population and resulting increase in rates of chronic illness are driving increased pressures on existing health workforces both in New Zealand and internationally. There is increasing evidence that we will need to develop new ways of working through multidisciplinary teams and potentially new categories of health workers to ensure sustainable health services for New Zealanders into the future. There is an opportunity for health and education to work together to support a managed approach to health workforce innovation. Both sectors have a role in facilitating innovation and to ensure that change is coordinated and sustainable for

⁽¹⁾ Maori (2003) and Pacific (2001) figures for the Medical Workforce quoted in Fit for Purpose and Practice, HWAC 2005. Nursing workforce figures – NZHIS 2005.

each sector and for individuals embarking on new health careers or changing a career pathway. Workforce innovation is a key theme for future programme and curriculum development.

- **Programme & curriculum development:** The same population factors driving the need for more health workers and potentially new health worker roles are also creating the need for new competencies and ways of working for existing practitioner groups. The health sector has identified a need to work with education and other stakeholders to develop curricula to ensure that future health practitioners have the competencies required to meet consumer needs. Key aspects for early discussion include:
 - A greater focus on education models that include interdisciplinary/inter-professional learning
 - Ensuring the ‘work readiness’ of new graduates and providing support for transition to the practice environment (for example, by including more practical experience and work placements as part of education programmes)
 - Promoting training placements in primary health to improve recruitment into this key part of the sector
 - Non-Regulated Workforce: DHBs are in the early stages of an initiative to develop a career path for non-regulated health workers and are interested in working with education to ensure that this is supported by a nationally consistent education framework.

1.5 Printing

In the Wellington region there are 133 printing companies, employing 1250 staff.

The Printing industry is seeking to recruit people from the tertiary sector who have an understanding of the industry and are skilled in one or more of the following areas:

Technical, data and IT skills – with the trend towards more computerised processes, employees need to be technologically literate, and comfortable and knowledgeable about automation and computer-enabled technology. This is one of the biggest gaps that currently exists in the industry. There is also a need for people with high-end database management and design skills linked to marketing expertise.

Basic mechanical engineering skills – the printing industry needs people who have learnt how to make things with their hands, who know how to use tools, and who understand how machines work. The industry, and particularly equipment suppliers, also have a real need for qualified engineers and technicians, who are in short supply.

Design – the printing industry is a communication industry and at the heart of communication is the need for graphic designers who are able to work in all aspects of the business/customer interface. Design skills are also needed for structural packaging and to assist the industry’s customers on the best way to showcase their product.

Sales and marketing – customers are becoming more demanding of printers and good client relationship management skills are essential if printers are to remain competitive.

Administration and management – the industry needs to continue to attract workers with a solid grasp of general business issues.

Numeracy and literacy – as with other industries, a number of workers in the printing industry do not have the literacy, numeracy, and language skills needed to improve work practices, take up new technology and be more productive. It is important that future workers do have the basic numeracy and literacy skills required to perform their jobs.

General workplace skills such as health and safety and environmental issues, which are becoming increasingly important to both customers and the printing industry alike.

1.6 ETITO

The possible future skills needs of ETITO's industries are:

Electrotechnology: There is a continued demand for people to work in the electrotechnology industry. Basic skills and knowledge will remain important, but workers will need to be flexible, for example, to re-skill around emerging electrical products.

Security: Currently available information suggests a continuing increase in demand for both technicians and field personnel in the security industry. Basic skills and knowledge of new entrants are likely to remain. There is likely to be a much expanded need for skills associated with customer relationship management and the ability to provide advice. Equipment maintenance will form a smaller part of work requirements, but installation will become an increasingly complex form of work.

Telecommunications: There will be a sustained medium term demand for telecommunications technicians. Basic skills and knowledge will remain important, but workers will need to become more flexible. Bundling of electronic and telecommunications services will lead to increased integration of these kinds of jobs. Contact centers will need extra workers for at least the next two years. Telecommunications jobs are likely to become increasingly specialized.

Ambulance: The role of ambulance officers is constantly changing as new technology and techniques are developed. For example, they now have a bigger role in the pre-hospital care of patients, as more treatment is undertaken at the scene of the incident. Therefore, ongoing training is necessary for those in this industry. The large number of volunteer ambulance officers means that there is also strong competition for permanent positions, which has also encouraged the gaining of qualifications.

Financial services: Key players in the industry are galvanizing their efforts around developing a national industry training system to enhance the capability of people working in the sector. Their interests include developing and benchmarking industry-wide competency standards, improving levels of professionalism and skill within the industry, and measuring and recognising existing competency and skill levels.