New Zealand Employment and Skills: Connecting at the regional level

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Outline of Presentation

- The New Zealand context
- Labour market challenges
- Why is regional policy important?
- Three case studies
- Summary of key features & lessons
New Zealand: A South Pacific Nation
Some key facts

- South Pacific nation with population of 4.28 million
- 3.2m in the North Island (1.4m in Auckland) and 1.0m in the South Island
- Small, open, market-based economy
- Income per capita of around US$27,000
- 22nd richest of 30 OECD nations
# Labour Market Achievements

<table>
<thead>
<tr>
<th>Measures</th>
<th>Year</th>
<th>NZ</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Growth p.a.</td>
<td>2002-2007</td>
<td>2.9%</td>
<td>2.7%</td>
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<tr>
<td>Employment Growth p.a.</td>
<td>2002-2007</td>
<td>2.5%</td>
<td>1.2%</td>
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<tr>
<td>Labour Productivity Growth p.a.</td>
<td>2002-2007</td>
<td>1.0%</td>
<td>1.8%</td>
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<tr>
<td>Unemployment rate</td>
<td>2007</td>
<td>3.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Labour Force Participation Rate</td>
<td>2007</td>
<td>78.3%</td>
<td>70.7%</td>
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Why focus on regional policy?

• All New Zealand regions below 5.1% unemployment, BUT

• Considerable diversity in population (30,000 to over 1 million people in 16 regions), geography, industry and economic outlook

• The regional and local levels are where policy makes its impact

• Ten years of reforms to make regional policy more flexible and effective
Some key features of New Zealand public administration

- Central Government policy setting & service delivery
- Flexibility to deliver local solutions
- Integrated service delivery: The public employment service delivers employment & income support
- Partnerships with non-government agencies e.g. local government, industry bodies & economic development agencies
- Improved coordination between & within Government agencies
# The Institutional Picture

<table>
<thead>
<tr>
<th>National Level</th>
<th>Regional Level</th>
<th>Local Level</th>
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</thead>
<tbody>
<tr>
<td>NZ Trade &amp; Enterprise</td>
<td>Regional Economic Development Advisers</td>
<td>Regional Economic Development Office</td>
</tr>
<tr>
<td>Department of Labour</td>
<td>Regional Labour Market Knowledge Managers</td>
<td>District Offices of Work and Income</td>
</tr>
<tr>
<td>Ministry of Social Development</td>
<td>Regional Commissioners for Social Development</td>
<td>Universities, Polytechnics, Private Trainers</td>
</tr>
<tr>
<td>Tertiary Education Commission</td>
<td>Stakeholder Engagement Managers</td>
<td>Schools</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>Regional Offices</td>
<td></td>
</tr>
</tbody>
</table>
Regional Commissioners for Social Development

- 11 Commissioners in each of the Work and Income (Public Employment Service) regions
- Oversee annual regional social development plans
- Have significant budget and programme flexibility
- Initiate local industry partnerships
- Operate enterprising communities programme
Regional Economic Development Partnerships

- Government funding for regional strategy development and implementation in 14 regions
- Work underway to develop regional partnerships
- Focussed on competitive strengths of each region & creating critical mass for growth
- Auckland city with a separate focus
Investing in a tertiary education plan

- Reforms to create a national “network” of tertiary education responsive to regional needs
- 19 Regional Polytechnics facilitate connections between providers, communities and industry to develop a statement of education needs
- Every tertiary education provider has a 3 year plan setting out how it will meet stakeholder needs and Government’s funding commitment
- These 3 year plans are informed by regional statements of need
Summary

- National policy and regional flexibility are complementary and indeed necessary
- Government sets policy & national priorities
- Regional planning allows for needs to be identified and services to be coordinated and/or negotiated with Government
- Engagement with industry and regional stakeholders is important to the process
- Integration of employment, skills and economic development is important at national, regional and local levels
What more do we have to do....

- Clearer specification of Government leadership roles and responsibilities in the regions
- Better links between skills and training provision with industry needs
- Creating better workforce outcomes especially for low skilled workers and youth
- More alignment of strategies to future focussed growth areas of the economy
- Using skills strategies to raise labour productivity with a focus on workplace culture