NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

Submission of the New Zealand Council of Trade Unions Te Kauae Kaimahi

to the

Productivity Commission

on

New Models of Tertiary Education

P O Box 6645
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1. Summary of Recommendations

- That the Inquiry reinforces that tertiary education has a broad purpose and scope and acknowledges the importance of tertiary education's public good outcomes
- That work-based education and training is recognised by the Inquiry as part of the tertiary education framework.
- That lifelong learning is given greater support and recognition in the next stage of the Inquiry including the multiple forms of delivery of lifelong learning.
- That the current priority on higher level qualifications is reviewed to ensure that workers are not missing out on qualifications at lower levels of the NZQA framework.
- That the Inquiry in its next stage includes an analysis of literacy, learning and numeracy (LLN) needs because of its fundamental importance to tertiary education.
- That the Inquiry promotes the Learning Representatives programme as a model that provides learning opportunities for people who may have missed out on traditional learning and educational opportunities.
- That the Inquiry focusses on how current tertiary education models and initiatives that are reflective of good practice can be better disseminated.
- That the Inquiry recognises the importance of active labour market policies for workers' existing skills, training, retraining and experience with job-matching.
- That the Danish "flexicurity" system is examined to provide a model that provides for transition and security when workers lose jobs in a highly insecure job market.
- That the significant relationship between education, skills and pay is recognised.
- That the Inquiry recognises the importance of industry policies to encourage the right kinds of investment and the development of management skills and work organisation which are essential to fully utilise the skills present in the workforce.
- That the Inquiry recognizes the essential role of the tertiary education workforce and that sustainable models of tertiary education are dependent upon a well-motivated and valued workforce with secure conditions of employment.

2. Introduction

2.1. This submission is made on behalf of the 31 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With 320,000 members, the CTU is one of the largest democratic organisations in New Zealand.

2.2. The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.

2.3. Tertiary education, training and skills development are critical for the lives of working people and their families. Tertiary education and training is, and has always been, a core trade union issue because of its direct impact on the lives of working people and that of their families and whānau. Working people are learners. Unions want to ensure that working people are accessing educational opportunities, skills development and training to enable them to fulfil their aspirations and be competent in their work, have job opportunities and be rewarded for their qualifications.

2.4. We welcome the opportunity to contribute our views and experiences, and the voices and aspirations of working people to the Productivity Commission's Inquiry into tertiary education. Unions have a unique contribution to make to this Inquiry. Union involvement in tertiary education and training spans from representing union members in tertiary education institutions, advocating for and supporting education and training access and opportunities, recognition of education and training in salary scales, to advocating for access and training initiatives for workers and in workplaces.

2.5. Tertiary education sector unions have both industrial and professional functions. Three of our affiliates specialise in representing the tertiary education workforce: academics, professionals and or support staff. The Tertiary Education Union (TEU), is the largest of these with a membership of over 10,000 academic and general/allied/professional staff in universities, Institutes of Technology (ITPs) and Polytechnics, wānanga, private providers and REAPs[1]. Along with the TEU, the Tertiary Institutes Allied Staff Association (TIASA) represents allied staff in the ITP

[1] REAPS: Rural Education Activity Providers

sector. TUIA represents staff at Te Wānanga o Aotearoa (where the TEU also has members).

2.6. The CTU has membership throughout the tertiary education sector. The Post Primary Teachers Association (PPTA) has direct involvement in the sector through the interface – that is growing – between secondary and tertiary education. Two of our affiliates have significant student members such as the New Zealand Nurses Organisation (NZNO), with a student membership of 2,400 and the New Zealand Educational Institute (NZEI) with a membership of 2,600. Many of our affiliates have members with tertiary professional qualifications who have regulatory requirements for on-going professional development. Nurses, teachers and doctors are all required to have evidence of ongoing professional learning and development for the renewal of their annual practising certificates. The Public Service Association (PSA) has membership in government agencies servicing the tertiary education sector: the Tertiary Education Commission, the Ministry of Education and the Education Review Office.

2.7. CTU affiliates who have made submissions to this first paper in the Inquiry cover their own areas of expertise and knowledge of tertiary education in their sector. While we do not replicate their issues in this submission there are common positions and issues running through union submissions including support for a broad scope and purpose of tertiary education; the importance of lifelong learning; recognition of the role that workplace-based education and training plays in increasing workforce skills and the need for collaborative tertiary education models to replace competitive tertiary education models.

2.8. Unions are represented on Industry Training Organisations and at the Industry Training Federation level. The CTU was represented on the board of the Tertiary Education Commission until it was reduced in size by the current Government. The CTU is itself engaged in tertiary-level training providing an extensive health and safety training programme.

2.9. A guiding CTU document about work and learning is the CTU publication *Te Huarahi Mo Nga Kaimahi: The CTU Vision for the Workplace of the Future* (NZCTU, Te Kauae Kaimahi, 2007).This publication was produced to identify the elements that are necessary to support workplaces being places that support lifelong learning that invests in people, lifts transferable skills – not merely job-specific ones – and constantly strives to develop the workforce and good workplaces.

2.10. Another guiding CTU policy document is the Alternative Economic Strategy (CTU, 2010). This is based on six principles: Fairness, Participation, Security, Improving living standards, Sustainability and Sovereignty. This Strategy calls for strategies to develop industries toward high value production and wages; flexicurity policies to assist people through job loss; a strengthened role of the state including in infrastructure, social security, education and skill development; strengthened collective bargaining particularly within the context of technological change and specific policies to response to climate change.

2.11. There are many means through which tertiary learning and education occurs. Missing in the Issues Paper ('the Paper') is learning that happens in work places or through work. We refer to this as workplace learning and work skills. This might be job specific or it might be covering wider workforce issues such as health and safety training. This type of learning must be more visible within the context and structure of tertiary education. Despite the inclusive definition of tertiary education, work-based education, work design, training and skills development are not covered in the Paper.

2.12. The CTU focus in this submission is on the role of the tertiary education sector in workplaces, work systems and in skills development. The CTU have had a strong and recognised leadership role in building work skills, workplace training and skills development. The CTU was a key player and contributor alongside Business NZ in the then government's 2004 Workplace Productivity Working Group. The CTU played a leading role from 2004 – 2008 in a Skills Strategy with its aim to develop a unified approach for New Zealand individuals and organisations to develop the skills needed for the workplaces of the future.

2.13. This submission commences with an overview of the Paper, discusses the purpose of tertiary education, and examines the link between tertiary education and productivity. We identify trends in the current environment that we think are of significance, and other important perspectives. The section on innovation and initiatives outlines some models with which the CTU and unions have had involvement that have relevance to this Inquiry. We conclude with some overall factors necessary for effective tertiary education, training and skills.

2.14. There are areas in the Issues Paper and other areas that we have not covered in this submission. Given this is an ongoing Inquiry we expect to continue participation with the Inquiry and may comment further on issues during the next 6-8 months.

3. The Inquiry Terms of Reference

3.1. The terms of reference identify five key trends in the tertiary education sector: technological changes, costs, internationalisation, changes in employment and demographic changes. The tertiary education sector is not alone in facing these issues – they are facing many sectors and industries.

3.2. The terms of reference refer to a perception from the Innovations in Tertiary Education Delivery Summit (ITES) conference of "considerable inertia in New Zealand where tertiary providers appear reluctant to be first movers or early adopters" (New Zealand Productivity Commission, 2016 p. 116)[2]. This seems to set the scene for the scope of the Inquiry as to how these trends may drive changes in business models and delivery models in the tertiary education sector. The terms of reference direct the Productivity Commission to look at the Tertiary Education Strategy (TES) and address barriers to innovation and "increase the benefits from adopting new models of tertiary education". Specific reference is made to Māori and Pasifika and those with limited access to traditional campus-based provision.

4. The Issues Paper: A CTU Overview

4.1. The Paper commences with the statement that the New Zealand Government (and we add, previous governments, legislation, policy and practice) has a wide definition of tertiary education. The definition of tertiary education in the Paper is inclusive of higher education, vocational education, foundation education, second chance learning, English language learning for refugees, migrants and foreign students, adult and community education and secondary-tertiary programmes. This broad and inclusive definition is welcomed.

4.2. The first chapter describes the tertiary education sector and looks at the four main players, as defined by the Productivity Commission: students, tertiary education providers, employers and government. The Paper refers to the 418,000 students enrolled with formal tertiary education providers. The section on industry training refers to 130,000 trainees participating in industry training in 2014 and there is reference, on page 8, to 240 fully-private providers.

4.3. While the Paper states that "all types of tertiary providers and ITOs are included", (p, 8), there is scant mention of industry training and there is very little data and

[2] A point to note is that in the summary of the ITES submissions that there is no reference to the term "considerable inertia' and we are interested to know where this has come from.

breakdown of industry and vocational training. We welcome that the Industry Training Federation is making a comprehensive submission to this process which will help fill some of the gaps and provide a more comprehensive picture of the wider tertiary education landscape.

4.4. The Paper starts out with discussing the business model for tertiary education institutions. While we obviously accept that tertiary institutions need to financially sustainable, the question as early as it is in the Paper, and framed the way it is, suggests that the Inquiry prioritises the business aspect of tertiary education as the prime objective. The Issues Paper itself in Section 3 points to the multiple purposes that tertiary education serves, including meeting wider social outcomes.

4.5. The Paper completely overlooks learners in work-based training and makes no distinction between formal and informal learning. The lack of focus on workplace-based education and training opportunities and needs is a major concern. Workers are tertiary education stakeholders. We are reassured by the response from the Productivity Commission in their meeting with us in March 2016 that they do intend the ongoing Inquiry to cover work-based education and training.

4.6. A learning environment in the workplace is essential for safe and effective workplaces. It helps maintain and build skill levels and productivity. It also includes health and safety training, literacy and numeracy training and union delegate education. Some have multiple roles. Health and safety training for example is not only essential in its own right but it has the additional benefit of providing workers with an entry point into other tertiary education and training by stimulating and inspiring workers to learn. The point is to think broadly about tertiary education.

4.7. It is vital to examine the conditions that are necessary for the provision of effective worker education, training and teaching. The TEU have referred in their submission to the provisions in the formal tertiary institutions for effective education and teaching. From our experience working across the workforce we know that there are conditions of work that enable teaching and learning and there are very definitely conditions of work that do not.

4.8. Given the focus of the Inquiry is to look at tertiary education models, we are pleased to have an opportunity to present and review the outcomes from the Learning Representatives model. This system of work-based advocacy for learning provides an evaluated and innovative model of instituting training and education for workers

who don't have easy access, for often complex reasons, to education and training. These could be for reasons of literacy and numeracy, lack of confidence, or lack of knowledge about what is available. We will also present some other models which reflect innovation.

4.9. There is a strong focus on the role of technology in the Paper. Technology will bring change but it is difficult to predict what that change will be and what it will be like. We are wary of overemphasising the forces of technology. As we said in the CTU Future of Work submission, the most important task is to create a sound framework for dealing with change in a measured and positive way.

4.10. The Inquiry needs to broaden its scope to look not only at new models but innovations that are happening now or models that need to be better promoted. While new models are appealing, only focussing on new models ignores the innovation and creativity happening now in the sector. Models in existence now – many them innovative - should be looked at from the perspective of what works and what is preventing good practice and innovation and how good practice is spread.

4.11. The dissemination of good practice has been discussed widely in the health sector. We also encourage this Inquiry to look at some of the models that have started and have not continued because of funding cuts in tertiary education in the last 8 years. We refer specifically in the section in this submission on Innovation and Initiatives, to the above mentioned Learning Representatives model – a union-inspired programme that assists and advocates for workers to develop and fulfil their learning aspirations which had its funding removed in March 2013.

4.12. We commend to the Productivity Commission the exercise that the TEU have undertaken as part of the TEU Blueprint for Tertiary Education, Te Kauapapa Whaioranga (Tertiary Education Union, 2013). This sets out the views of academics, teaching and other tertiary education staff and presents innovative and responsive work practices" which the TEU state in their submission to this Inquiry, "need to be widely known understood and celebrated". This exercise uncovered countless examples of staff working innovatively in the tertiary education sector.

4.13. Missing in the Paper is any focus on literacy, learning and numeracy (LLN). And yet this is one of the major priorities in the Tertiary Education Strategy (TES). The Adult Literacy and Lifeskills (ALL) Survey in 2006 showed that 43 percent New Zealand's adult population had inadequate literacy skills, and 51 percent had inadequate

numeracy skills. The Paper refers to the PIAAC study – with its results due in June. LLN must be included as a major issue of consideration given the widespread problems of inadequate literacy and numeracy, the growing needs of new immigrants, and the investment that has gone into in LLN in the last decade and a half. Furthermore, the ongoing acquisition and updating of LLN skills are critical to advancing productivity in the rapidly changing world of work, in particular in developing skills for jobs that we do not yet know will exist in 10 years' time.

4.14. Another relevant issue is the impact of gender and though females have a higher tertiary participation rate, once they reach the labour force they get lower wages and face a gender gap from their first job which grows quickly in the years ahead. A study (Mahoney, P, 2011) found that in many occupations tertiary qualifications make very little difference when it comes to the gender pay gap: four years after graduating, women were earning on average $4,380 less than men with the same qualifications. The only professions where this was not the case were the performing arts and information systems. In some sectors, the pay difference was nearly $8,000 per year. A Ministry of Women's research study in 2010 showed a 6 percent gender pay gap for graduate starting salaries, which increased to a substantial gap of 17 percent after five years.

4.15. Gender issues and impacts have to be considered as part of an Inquiry into tertiary education and the questions of why when levels of tertiary education are increasing for women they are still facing pay gaps and gender-based career disadvantage.

4.16. The lack of focus on life-long learning is a major gap. Lifelong learning is a key issue in tertiary education and training policy. Workplaces play a critical role in lifelong learning - both formally and informally. Technology changes and job changes in the nature of work give urgency to ensuring that we have systems that embed lifelong learning and enable workers and all citizens to respond and adapt to this changing world by being prepared and used to learning. There are major questions around the role of government in relation to lifelong learning – policy, infrastructure and funding.

4.17. The term lifelong learning has been something of a catchphrase in the past, but its importance has been proved with time and can be clearly seen in the turnover of new technology and related processes. With some technical innovations only having a lifetime use of around five years, workers need to constantly update their skills and knowledge, with multiple opportunities for training, skills development and new knowledge for different and evolving jobs.

4.18. Our increasingly knowledge based society makes lifelong learning essential. It is a critical component in the current climate and conversation about changing jobs, disruption and skills shortages.

5. The Purpose of Tertiary Education

5.1. The Education Act in Sec 159 AAA (refer to 28) sets out the purpose for tertiary education. This definition is comprehensive and broad and as stated in the background paper, The History of Tertiary Education Reforms in New Zealand, (Crawford, R, 2016) this definition reflects the approach that successive governments and their advisors have taken through various tertiary education reform cycles.

5.2. A wide definition of tertiary education in legislation, policy and in the wider tertiary education framework retains the fundamental principle of supporting all learning and all learners in all learning opportunities.

5.3. Government policy and regulatory decisions since the mid-1980s have led however to a focus on tertiary education as a commodity, an economic output rather than the position that tertiary education is the foundation of a good society. Changes in tertiary education policy since the 1990s have seen the sector narrowed to an increasingly user-pays model emphasising heightened competition between institutions which risks losing sight of the value of tertiary education as a public good.

5.4. Tertiary education is a public good with benefits beyond personal benefits that lead to jobs and financial security. Tertiary education brings benefits across society helping build social cohesion and social and economic prosperity. Tertiary education and training provides the opportunity to live fulfilling lives that provide income security and employment, economic prosperity, health and social cohesion.We described this in our submission on the TES (NZCTU, Te Kauae Kaimahi, 2013):

> Tertiary education has a critical role of establishing the foundations for a strong civil society. It is a public good that has benefits for everyone and leads to a fairer, better and more equitable society.

5.5. The TEU definition of tertiary education (New Zealand Productivity Commission, 2016 p 29) reflects why it needs to have a broad purpose:

> Tertiary education has the capacity, if well-funded, to provide much needed skills and knowledge that can contribute to a strong and sustainable economy and vibrant positive communities… tertiary education provides individuals with the opportunity to continue and develop their human and social potential through the advancement of knowledge and the acquisition of skills, The purpose of tertiary education extends beyond acquiring skills for employment , by providing individuals with the knowledge and skills to contribute to the wellbeing of their communities and our society.

5.6. In the history of tertiary education reforms prepared for this Inquiry there is a quote, "A broad definition of tertiary education characterizes a distinctively New-Zealand approach" (Crawford, R, 2016 p1). We accept this and agree but we also note the point in the TEU submission that it is an internationally accepted norm for the purpose of tertiary education to have a range of purposes with the most central of these being:

- Social mobility, including reducing inequality,
- Democracy/contribution to public debate; training citizens
- Job readiness, training workers.

5.7. It is essential to reinforce that tertiary education has a broad purpose to avoid the sector narrowing down the outcomes of tertiary education and also using narrow measures. The Paper raises the issue of how the tertiary education sector is meeting its objectives. Given the purpose is broad then the way that is measured also has to be broad. We must also look at whether tertiary education and training is meeting workers' aspirations for their work, their careers and in their lives.

6. Education and Productivity

6.1. The Issues Paper asks (Q29): "What factors best explain the discrepancy between growing levels of tertiary education attainment without a significant productivity dividend?" We agree that "massification" of the tertiary education system and grade inflation may well be factors in answering this question. These inherent quality issues could be exacerbated by shortening courses for poorly considered "efficiency" reasons or excessive reliance on unassisted learning (such as using electronic means without appropriate tutorial assistance).

6.2. Improvements could also be made by better job-matching, though that has inherent problems including forecasting demand for skills, reducing learners' choices and ignoring personal, societal and long-term economic benefits of education. There is a

conflict here between conforming to expressed industry needs (which are often unclear, ambiguous or absent), reliance on competitive provision of courses, and student choice.

6.3. However we suggest there are deeper reasons for the discrepancy which are much more about the nature of innovation, productivity and industry practices. It is also about how learning occurs for these purposes, and what makes it effective. In brief, it means that the supply-side approach implied by the question – produce graduates and productivity will rise – is at odds with reality.

6.4. Ewart Keep (who has visited New Zealand) and colleagues have written about these issues, which appear to be very similar in the U.K., over a long period (for example Keep, Mayhew, & Payne, 2006). As they put it (p.547), "putting the skills cart before the economic development horse may produce rather limited results". Further, Stiglitz and Greenwald (2015) have made a major contribution to understanding the relationship between learning and productivity or innovation which should be considered. All of these emphasise the importance of workplace learning, founded on a strong formal base.

6.5. While, as the Paper states, skills (and education) are commonly agreed as a driver of productivity that relationship needs to be analysed. We are assuming here that by productivity the Commission means 'physical' productivity as conventionally measured, defined as the output of a product or service per hour worked or unit of capital utilised, or multifactor productivity combining both inputs. If the looser definition often used in research (and plausibly closer to what firms in practice consider to be 'productivity') of average or marginal revenue product – the revenue created by each unit of the labour or capital used – is meant, then different issues arise.

6.6. But skills have other economic benefits too. Firstly, even if skills are *one* driver of productivity, they are not necessarily always so. Some skills benefit the individual or have societal benefits that cannot easily be related to productivity growth. But even the skills that create economic benefits are not necessarily seen in measured productivity growth.

6.7. Some skills may find better ways of carrying out existing processes leading to cost reductions but not necessarily productivity gains (but may show up in marginal revenue product improvements, or if productivity measurements included the use of

inputs other than capital and labour). For example finding ways to reduce waste or energy use may reduce costs but not necessarily reduce labour or capital use, which may even increase.

6.8. If skills contribute to a higher quality product which attracts a higher price, it may show up as reduced output and productivity but higher average or marginal revenue product. This is particularly likely if rising quality is hard to measure or the rise is general across suppliers and rising prices are hard to distinguish from price increases for unchanged products. This is particularly relevant to services which typically have a high labour content on which quality is highly dependent. In addition, productivity measurement is problematic in many services such as professional services, health and education where quality is a vital aspect of the service but difficult to quantify.

6.9. Increased skills may also be used to simply increase production: for example additional bridges built, surgical operations carried out or aged people cared for – rather than higher productivity. The impact on aggregate productivity will depend on the productivity of the additional labour or capital used relative to existing production. Increased production rather than productivity appears to be a pattern in New Zealand firms found in research commissioned by the Commission presented by Adam Jaffe on 18 April 2016 (though not final results) and in Fabling and Sanderson (2011).

6.10. As Keep et al. point out (2006, pp. 540–541), “Managers tend to be more interested in metrics that centre on profitability, returns on capital investment, earnings per share, share price, and so on” than on productivity. They are not necessarily productivity optimisers, and they may suffer from short term thinking.

6.11. If the skills are deployed in New Zealand’s “unmeasured sector” (mainly the state sector where productivity is difficult to measure) then they will not show up as contributing to productivity in the measured sector, even if their work raises productivity generally such as through better infrastructure or public services. In summary, skills may have economic benefits that are not measured by productivity increases.

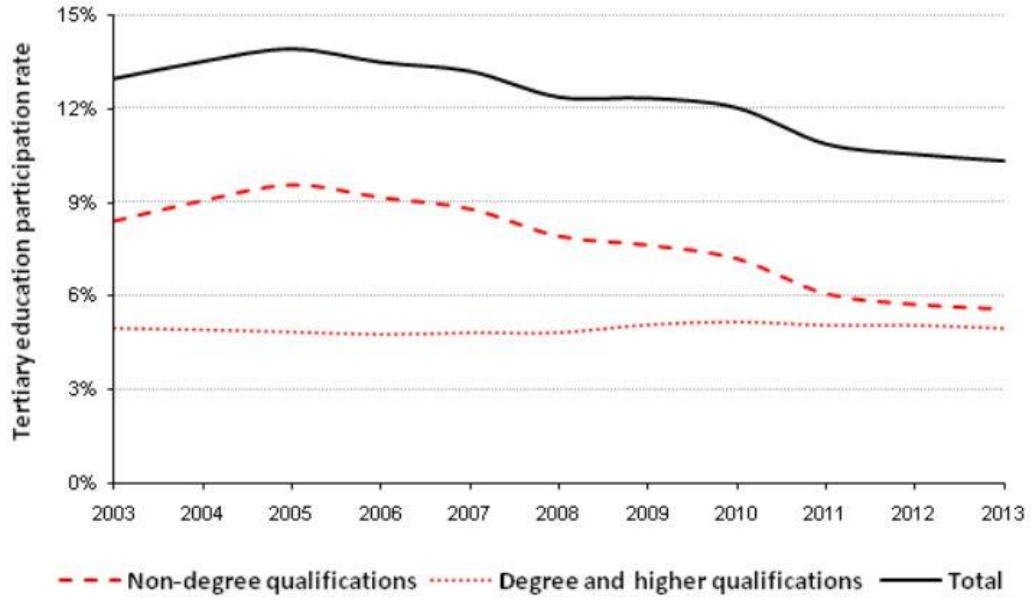
7. System Performance Issues

7.1. While there are issue of concern about how the system is performing, there are also very good outcomes from New Zealand’s tertiary education sector that should be

emphasised. Data on degree completions in the University sector shows New Zealand universities with some of the best degree completion rates in the world ”(Te Pōkai Tara Universities NZ, 2016).

7.2. One trend to note and examine in tertiary education participation rates is the falling rate of people undertaking non-degree qualifications. Though New Zealand has a good participation rate in tertiary education overall, there has been a marked drop off in provider-based tertiary education since 2013. This drop in participation is explained by the drop in the participation of lower-level non-degree qualifications. The review in 2005 placed more emphasis on higher qualifications. But the decline in people engaged in qualifications at this level is marked and needs monitoring and review.

Tertiary education participation rates by broad qualification level 2003-2013



7.3. The percentage of women is higher in each qualification category but two: Level 4 certificate and doctorate degree. The level 4 certificate, which includes the male-dominated trades qualifications, is markedly dominated by men at 71.2 percent. The falloff in lower level qualifications and women’s access to trade training need monitoring. Later in this submission we refer to the increase in women in trades training in Christchurch as a result of the free fees but this initiative is just Christchurch-based.

7.4. Despite recommendations that more focus should be placed on supporting Māori and Pasifika learners, the Tertiary Education Commission statistics for December

2010 show that there had been only a very small increase in apprenticeships for Māori and Pasifika over the seven-year period.

8. Skills, Training and Remuneration

8.1. There is agreement from all quarters that skills training is a key policy area for the economic and social wellbeing of a country. The chief executive of New Zealand Manufacturers and Exporters in a recent column, "Skills Growth is our Key to Security" (Adam, 2016) says:

> There are many scenarios for what the future of economic development across the globe looks like and none of them predicts a lower skills levels. On the contrary if there is one thing we can invest in with confidence it is the skills for our people … This call needs to go out to individuals at all ages and their (future) employers, but most of all to the government, which is still the largest investor in education by a long shot. We do not see anywhere near the level of direction required here, channelling resources into the areas where skill shortages are most severe.

8.2. The tertiary education sector must focus on skills and skills development in a changing world. This is also about the changing nature of work. Changes in industries must ensure jobs are replaced with good or better ones and this requires retraining for many people.

8.3. Three levels of skills are useful to think about skilled jobs according to Paul Dalziel (Dalziel, P, 2013). The first level is the core skills of reading, writing, oral communication, numeracy and literacy. The second level is employability skills - the non-technical skills and knowledge necessary for participation in the workforce: navigating the world of work, interacting with others and getting the work done. This level has three enabling factors: workplace support, culture and values, and external factors. The third level of skills involves technical or discipline–specific skills.

8.4. There is a perennial question of whether the tertiary system is producing the skills that employers need. Workers need to be able to adapt to change throughout their working lives. That means that specific vocational skills they acquire from a tertiary qualification early in their lives are likely to become obsolete slowly or quickly depending on their occupation. However they will not be able to acquire new skills unless they have the conceptual foundation and knowledge on which their occupation depends and on which specific skills are built. This is part of "learning

how to learn" and is a fundamental responsibility of all tertiary education and its institutions.

8.5. Not all of the work-specific skills required for a job can be taught in a tertiary course. Some are specific to the technology of a firm, or its processes and culture. Some of the learning happens informally and there are factors that foster informal learning. Further, work-specific skills must be updated as firms develop and workers change jobs. Particularly in a small country, it is impossible for tertiary providers to provide course content that fits the needs of all firms to that level of detail. Firms therefore cannot escape a responsibility for training and retraining of employees. Some – perhaps most – of that will happen organically through interactions between workers, learning from each other, moving between firms, or learning from exposure to new products or services, but some must be deliberate and formal.

8.6. There are reasons for firms failing to undertake these responsibilities. One is "the tragedy of the commons": all firms believe they can find skills from the available pool of workers, and fear that if they train them they "will just leave". Some employers may train people such as electricians and other apprentices for the skills they need only for a specific job rather than the set of skills that are needed to work in the industry and ensure that workers have transferable skills.

8.7. Skills shortages are an inevitable result. Industry-level thinking by employers must be encouraged to replace narrow firm-level self-interest; that would have many other benefits. Other reasons include short-termist cost saving and business models based on low-skills and high turnover.

9. Precarious/ Insecure Work and Tertiary Education

9.1. The growth in insecure work has implications for tertiary education and training and skills development .The CTU study into precarious work, *Under Pressure*, (New Zealand Council of Trade Unions Te Kauae Kaimahi, 2013a), estimated that over 630,000 workers were in precarious work - at least 30 percent of New Zealand's workers but that it may well cover 50 percent of the workforce. 95,000 New Zealand workers have no usual work time, 61,000 workers have no written employment agreement, 573,000 workers earn less than the Living Wage and almost a quarter of a million Kiwi workers say they have experienced discrimination, harassment or bullying at work. In this publication we referred to some groups of workers being more affected by others: women, young people, Māori and Pacific workers, migrant

workers, sole parents, people with disabilities and people with mental health conditions.

9.2. A study on employer–funded training found the effect of less employer-sponsored training going to non-permanent workers is "likely to exacerbate existing inequalities in return to work" (Blumenfeld, S & Malik, A, 2015). This research found that workers are more likely to get training if they are employed in secure work; are covered under a collective agreement; have a formal qualification and are more highly educated and work more hours per week. Conversely, employer-funded training is less likely for workers on a 90 day trial; temporary seasonal workers; fixed term, casual and temporary agency workers, female workers and workers above 55 years of age. These findings have implications for tertiary education and confirm the need for a wide suite of activities and provision of tertiary education. It reaffirms the importance of a wide variety of forms of accessible, affordable tertiary education.

9.3. The issue of insecure work is particularly relevant to the tertiary education sector. In the last two decades the growth in the number of staff employed on casual and fixed term contracts in the university and ITP sector has been significant. A survey (TEU, 2013) of nearly 2000 TEU members found that insecure work, casual and fixed-term employment agreements are widespread in tertiary education with one in six respondents saying they were currently in an insecure, casual or fixed-term position, and a further one-third said they had been in such a position in the past.

10. Workplaces and Skill Development

10.1. New Zealand has a very high turnover in its workforce. LEED data from Statistics New Zealand [3] shows over a third of jobs (37.5 percent) had a tenure of less than 12 months in the year to March 2014, and only 6.1 percent had a tenure of 10 years or more. This is tenure is low by comparison with other OECD countries (for more detail see New Zealand Council of Trade Unions Te Kauae Kaimahi, 2013b, p. 12) and suggests productivity losses given wages, in general, rise with tenure. It also suggests widespread use of low-skill business models which do not rely on building firm-specific knowledge.

[3] Dataset: Table 3.4: Length of continuous job tenure (ANZSIC06), available at http://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE7223&ShowOnWeb=true&Lang=en, extracted 22 April 2016.

10.2. This emphasises the importance of work-based education and training as part of the tertiary education system in the broadest sense. If work-based education is weak, the full productivity potential of skilled workers will not be realised; it will also gradually weaken the experienced skill base of whole industries. As Keep et al comment (p.541):

> If organizations, sectors, or, indeed, an entire economy reduce their systemic capacity to replicate the skills they need to sustain and improve production of goods and services, the cumulative long-term consequences are liable to be serious. The most likely outcome is a transfer of responsibility, and hence of cost, from the employer to the public purse.

10.3. This transfer to the "public purse" can be seen in New Zealand, but expectations of it are frequently beyond its capability (let alone capacity) to respond for the reasons described above.

10.4. One of the reasons Keep et al give (p.541) for failure to replicate skills is also familiar:

> Another issue is the potential for short-term gains in productive efficiency (as conventionally measured) to undermine the longer-term capacity of the productive system (or key elements therein) to sustain and renew itself, with potentially serious consequences for performance over a longer time horizon. Skills provide a good example of this problem. As Buchanan et al. (2001, pp. 17–18) demonstrate, in a range of Australian organizations in sectors as diverse as banking, IT, metalwork, and family support services, policies aimed at creating efficiency gains were leading to under-staffing and work intensification, which in turn were tending to 'crowd out' opportunities for training. The result was that staff could not be released from work to be trained, and experienced employees no longer had the 'space' within their work routines to teach or coach coworkers.
>
> Lloyd (2002) demonstrates similar forces at work in the UK aerospace sector, and Newsome and Thompson's (2006) research on the impact of supply chain pressures in the Scottish food manufacturing and production sector shows the same problems within the UK's largest manufacturing sector (food and drink). Under severe pressure from a handful of extremely powerful monopsonistic supermarket retail chains, food producers were often being forced towards 'low road' employment practices, work intensification, and weakening investment in skills and training. One industry body respondent commented:

> What are we expecting to happen here? We take all the money out of the supply chain . . . so there's no money to pay for skills, so nobody's trained for skills, so there are no skills available. Did anyone expect a different outcome from all this at some stage along the line? (Newsome and Thompson, 2006, p. 12)

10.5. The Commission found similar problems with government contracting in its report on social services and, to our knowledge, it is widespread.

10.6. Stiglitz and Greenwald put a heavy emphasis on work-based learning (or the importance of learning within and between firms) in their book *Creating a Learning Society* (2015). They see this type of learning as crucial to productivity growth and development. Their argument and the models they outline extend and revise the work of Solow and Arrow. They find (*inter alia*) that more competitive markets with many small firms are likely to be less innovative. Monopolies must be controlled despite their capacity for innovation, but "many of the policies focusing on static (allocative) efficiency may in fact impede learning and … alternative policies may lead to higher long-term living standards" (p.6).

10.7. They see as key to a "learning society" in the economic realm the growth of firms whose learning extends to other firms and industries – a behaviour that they say is strongest in manufacturing. They extend the concept of "learning by doing", commonly recognised as a potent way for firms and the people working in them to develop, to "learning by learning" or learning to learn. They show that this is important in the development of the knowledge and capability of broader society as well as in firms. Just as firms may train less than is optimal for society, they will also carry out less basic research than is optimal and may under or over-invest in applied research and development, sometimes for socially destructive purposes such as rent-seeking (p.166-7). Their findings imply that "there is an important role for government to play in shaping an innovative economy and promoting learning".

10.8. Given policies in New Zealand have focused on static efficiency and largely rejected "an important role for government" in industry development, there is much to be learned from their approach. Learning from other firms is weak in New Zealand if the behaviour of foreign firms is a guide: Maré, Sanderson and Fabling (2014, p. iii) find "little support to the argument that foreign firms provide substantial indirect or spillover benefits to domestic firms through human capital accumulation and labour mobility".

10.9. How work is organised in workplaces is strongly linked to workers' education, the way skills are used and whether workers are able to develop and fulfil their potential contributing to positive industry growth. The 2008 Skills Strategy talked about "not thinking about skill development in isolation but as an integral part of improving New Zealand's productivity" (New Zealand Skills Strategy 2008 Discussion Paper, 2008).

10.10. In line with this critique, seven key drivers of productivity were identified by the Workplace Productivity Working Group (WPWG) in 2004: Building Leadership and Management Capability; Creating Productive Workplace Cultures; Encouraging Innovation and the Use of Technology; Investing in People and Skills; Organising Work; Networking and Collaborating; Measuring What Matters.

10.11. The CTU Workplace Productivity Education Project (WPEP) built on these seven drivers and focussed on building work skills and work practices to increase productivity in industries and business. WPEP experiences showed inter-linked factors impact on productivity, and workplaces cannot improve productivity through a focus on education alone; education needs to be at all levels of an organisation, and the organisational culture is a key factor in developing collaborative practice across all productivity drivers

10.12. We refer to this model in the section on innovations and initiatives.

10.13. Building workplace skills and training levels at a whole of sector level covers all aspects of tertiary education resulting from ITOs working closely with ITPs and Universities, the latter being fully involved in research programmes, providing educational expertise, and participating fully in the implementation of programmes.

11. Industry Policies and Skill Development

11.1. Skills are necessary but are not the only driver of productivity. In 2008, Treasury listed five drivers of productivity: enterprise, innovation, investment, skills and natural resources[4]. Keep et al (p.543) list "skills, investment, innovation, enterprise, and competition" as the five factors identified by the U.K. Treasury and Department of Trade and Industry. There are other variants, and we would list others such as management capability and work organisation. A key issue is the interaction between skills and the other drivers. For example, is suitable investment a substitute for skills (does it displace the need for skills?) or a complement (is investment of the

[4] http://www.treasury.govt.nz/publications/research-policy/tprp/08-01/03.htm.

right level and type required to enable skills to have an impact?). A similar question could be asked about management capability: do skills increase productivity under all management regimes? For example a command-and-control type of management may discourage employees from thinking about, let alone proposing innovations or efficiencies in their jobs.

11.2. Keep et al conclude (p.547ff) that industry policies to encourage the right kinds of investment and the development of management skills and work organisation are essential to fully utilise the skills present in the workforce.

11.3. New Zealand's industry policies, if they can be called that, are fragmented, non-strategic and *ad hoc* and do not focus on matching skills with forms of investment that maximise their potential for increasing productivity. It is presumably assumed that if the skills are supplied in sufficient quantity, market forces will accomplish that, but, as the Issues Paper question implies, that has not happened. Given that firms are not productivity-maximisers, it seems unlikely to happen. A more deliberate, explicit and strategic industry policy is necessary. We have referred elsewhere to our paper on the 'Future of Work' (NZCTU, Te Kauae Kaimahi, 2015) where we describe more fully what that might look like.

11.4. Keep at al state (p.544) that the U.K. lags behind Europe in having public institutes or programmes to focus on work organisation issues (with more detailed discussion at p.550ff). The same is true of New Zealand. New Zealand is known to be lacking in management skills. Programmes which began to develop and spread good practice in work organisation during the 2000s have been cut back and have weakened the "worker voice" ingredient which is crucial in encouraging employees to contribute to raising productivity.

11.5. It may well be that the answers to utilising skills to raise productivity lie in the way businesses behave rather than further reviews of skill supply.

11.6. The answer to the puzzle as to "the discrepancy between growing levels of tertiary education attainment without a significant productivity dividend" may therefore lie not primarily in the tertiary sector (though there may well be ways it can do more to help) but in industry structures, investment behaviour, management capability and practices, and workplace learning and participation. It requires active policies to address these matters directly.

12. Literacy and Learning Needs (LLN)

12.1. There is a widespread expectation that New Zealand's score in the results of the OECD Programme of International Assessment of Adult Competencies (PIAAC) will have decreased. While this trend would follow the same track as in other OECD, countries this should be of no comfort. It is imperative that adults have an adequate level of literacy for managing every aspect of their lives. Results from report commissioned by the TEC looking at three measures of literacy and numeracy in use in New Zealand are grounds for concern (Thomas, G, Johnston, M, & Ward, J, 2014). The recommendations made in the report included 1) confirmation of the minimum levels of literacy and numeracy required by New Zealand adults to operate in an information rich society; and 2) ensuring any requirements are properly and rigorously assessed.

12.2. Though there has been substantial investment in the area of literacy and numeracy, there is no room for complacency. If New Zealand's literacy and numeracy on the PIAAC scores, to be released in June this year, have gone down this has substantial implications for tertiary education.

12.3. The Dairy Workers Union (DWU) said this in their submission to the Future of Work Commission on literacy, numeracy and learning, (NZ Dairy Workers Union, Te Runanga Wai U, 2016):

> The DWU is especially concerned about the situation of workers who have substantial, basic learning needs. Although most DWU members have a good general education, there are significant pockets of the Union's membership that have substantial learning needs. ..the CTU's much applauded 'Learning Reps' programme offered a successful, innovative approach to the promotion of workplace learning… At the time of the funding cut, the DWU was exploring with selected dairy industry employers the possibility of running the programme out on a trial basis on two or three sites with literacy and numeracy challenges. The funding cuts ended that initiative.

13. The Labour Market and the Role of Unions

13.1. A key role for unions is to establish shared interest between employers and workers through representation, dialogue and collective bargaining to achieve an effective skills development system, where workers help and support other workers to learn, where workers are utilising their existing and newly acquired skills and knowledge and are willing and able to pass on skills and knowledge to others.

13.2. A persistent problem unions and union members experience is that many New Zealand employers do not recognise industry training qualifications and subsequent experience on the job in higher wages. Disincentives are created by employers who do not recognise industry training qualifications and subsequent experience on the job sufficiently in better wages.

13.3. Additional training needs must be recognised in wages. A particular problem exists in this respect at the lower end of the NZQA qualification framework. A 2011 study of the earnings effect of work-based industry training by Statistics New Zealand and the then Department of Labour showed that 15–19 year old males experienced an annualised increase in average monthly earnings of just 11.3 percent as a result of undertaking and obtaining a Level 4 qualification, 3.6 percent for a Level 3 qualification, and no increase for lower levels. Even worse, 15–19 year old females benefited by just 6.8 percent from a Level 4 qualification, 9.7 percent for a Level 3 qualification, and no increase for lower levels. The increases were even less for older participants (for example 5.4 percent for male 20-24 year olds, 1.1 percent for female 20-24 year olds, and negative for 25-29 year old females completing a Level 4 qualification), and the study warned that the results for 15-19 year olds were overestimated. The position is even worse for further education by existing workers making the effort to increase their skills. For some, their pay actually falls after attaining a qualification, and most see at best small increases in their pay (Crichton & Dixon, 2011).

13.4. There must be recognition through financial rewards for further education and training. Otherwise workers may question its value. Unions have the dual role of promoting training and also ensuring recognition of that training and skills development. There should be a relationship between skills and pay. If there is not, employers lose skilled and experienced staff resulting in high turnover with all its adverse effects.

13.5. In the aged care and disability sectors, which are characterised by low levels of training and poor pay, some progress has been made through union engagement with the Industry Training Organisation (ITO) Careerforce to develop a career pathway which recognises skills. In some workplaces this has been embedded into the wage structures through the collective employment agreement (CEA). Some unions have negotiated learning support in their CEAs for their members who are undertaking industry training qualifications.

13.6. The issues paper states that “New Zealand’s labour market is very open, flexible and dynamic”. No pride should be taken in this. The New Zealand labour market is one of the most deregulated markets in the OECD. This flexibility comes with it a heavy cost for workers. New Zealand ranked fourth in the OECD’s most recent employment flexibility rankings[5] in 2008 (OECD, 2008) as a result of the low protection given to workers on dismissal and in temporary employment (and this is prior to the 2009 and 2010 changes to the Employment Relations Act 2000 which further undermined worker job security).

13.7. The changing nature of work will impact heavily on already vulnerable workers in the workforce. But this is not just a problem of the future. It is one we are facing right now. Last month 180 jobs disappeared from the Tamaki-based Fisher and Paykel plant. In response to this news, Bill Newson, E tū Secretary, stated, “There simply aren’t comparable jobs out there. Many people will have to take insecure, low-paid work which doesn’t pay the bills. They may have to move out of their communities or work two or three jobs just to make ends meet” (Massive job losses at Fisher & Paykel blow to communities and manufacturing sector, April, 2016).

13.8. We are concerned in particular that insufficient assistance is given to people who lose their jobs as the result of change due to technology, international competition, climate change or for other involuntary reasons. They need much more active assistance in matching their existing skills and experience to jobs, including retraining if their specific occupational skills are becoming obsolete. We refer to the need for much stronger active labour market policies of this kind elsewhere.

13.9. Tertiary education is critical to the issue of job losses due to firm closures. If people need to retrain for new jobs then a well-functioning tertiary education sector and labour market policies must work together.

13.10. A core role of unions is advocacy for better training opportunities and for conditions which reduce insecurity and improve opportunities if redundancy is threatened or becomes a reality. Unions play a vital role in contributing to training and education development through collective employment agreements or through advocacy at the work site.

[5] OECD Indicators of Employment Protection, 2008 available at: http://www.oecd.org/employment/employmentpoliciesanddata/oecdindicatorsofemploymentprotection.htm

14. The Future of Work

14.1. The CTU has a history of thinking about the future and the world of work. The CTU, has worked in the past with employer and industry groups to provide input into frameworks for economic growth and development. A project looking productivity and workplaces of the future was stopped because of funding cuts in 2009 but the resource book, *The Workplace for the Future: A Union Source Book*, (NZCTU, Te Kauae Kaimahi, 2007) contains a wealth of information which is relevant today.

14.2. Though in New Zealand the more recent conversation about the Future of Work has been led by the Labour Party, it is a topic that is part of an international discussion. An essential consideration is the role of tertiary education in respect of a changed future of work. Changes in employment and the nature of work raise the real possibility of greatly increased unemployment or increasing displacement of skilled people into low-paid, low-skilled jobs unless policies are designed to replace those jobs with ones that are at least as good. It is important to consider what work will look like and what it means in regard to education, training and skills.

14.3. At the Future of Work Symposium one of the presentations focussed on how New Zealand's economic complexity is low compared with other advanced nations and therefore the number of jobs in New Zealand at risk is at the high end (around 55 percent) of the range (45 to 55 percent) of job loss due to technological disruption compared to other countries (Roos, G, 2016). There is thus a strong argument for policy which aims to increase economic complexity and to provide retraining, skills development and financial support to enable workers to adjust to uncertainties in the future of work. This also emphasises the importance of lifelong learning.

14.4. The CTU submission to the Future of Work Commission (NZCTU, Te Kauae Kaimahi, 2015) identified three key pillars to develop good jobs and enable positive adaptation to some of the challenges and employers. All are necessary for success. It is a three-legged stool that will fall over if any leg is weak.

- **Industry policy** that supports investment and diversification of our economy into more productive, high value industry, replaces industries that are no longer viable due to change, and adapts to, or takes advantage of, developments like climate change;

- **Employment law** that strengthens collective bargaining so that the benefits of change and productivity growth flow through into wages, better

job security and conditions, and encourages productive, participatory, high-trust workplaces and tripartism; and

- **A capable state** including a social security system that genuinely provides security of income plus training and support for those who lose their jobs due to change or due to an increasingly insecure job market; education and training systems that prepare people for life and work; strong infrastructure and regulatory capacity.

14.5. The CTU recommended in its submission to the Future of Work Commission (NZCTU, Te Kauae Kaimahi, 2015) serious consideration of the Danish "flexicurity system" that recognises that there is a collective responsibility to protect the security of working people and their families when they lose their jobs in a highly insecure job market. Ongoing skills development is a fundamental plank of this model.

14.6. This model is highly pertinent to this Inquiry as it is about supporting workers to improve their skills and take part in training during their working lives to reduce the likelihood of losing good quality employment, and to improve their earning potential and productivity.

14.7. If we take the Danish system as a model, the government would provide unemployment benefits of 80-90 percent of the worker's previous wage for one to two years while they search for new jobs. Funding would be provided for serious training and retraining opportunities that give people new employment options (including change of occupation if some occupations disappear). Workers would be given advice and help with relocation if necessary. More broadly, this model is about supporting workers to improve their skills and take part in training during their working lives to reduce the likelihood of losing their jobs, and to improve their earning potential and productivity.

15. Innovative Models and Initiatives

15.1. The Inquiry has been urged through the terms of reference to focus on new models of tertiary education. There may well be some new and innovative models. But there are many innovations happening now and our experience is that funding and support has been withdrawn from innovative education and training models.

15.2. It is deeply regrettable that most of these models that were innovative and showed positive results for workplace learning and education have ceased because of

funding cuts. However good infrastructures still exist as well as retained knowledge and there is potential for these models to be re-established.

15.3. The critical issue for us as a trade union movement is the principle of workforce engagement. This section presents a number of education and skills development models and initiatives based on worker-engagement. Learning and training are at the heart of these models.

15.4. The Learning Representatives programme was established in 2005 in New Zealand on a similar basis to the successful United Kingdom-based Learning Representatives programme. The New Zealand Learning Representatives programme was established to increase workforce skills in the context of improving productivity. The training programme for Learning Representatives was linked to the NZQA framework with unit standards incorporated into the programme. The project was funded by the Tertiary Education Commission and managed by the CTU. It had the support of Business New Zealand. Funding from the Tertiary Education Commission for the Learning Representatives programme ceased in March 2013.

15.5. Learning Representatives is a programme based around employees who act as advocates and guides in industry training and workplace learning. Learning representatives are usually experienced workers who are not in a position of authority over the learner/worker. These two factors facilitate the growth of trust. Their role is to support the worker (for instance, where are literacy issues) and encourage him/her to progress with learning.

15.6. The programme is primarily based on training and supporting elected Learning Representatives to advocate for learning opportunities among their peers and build learning cultures in workplaces, through working with peers, unions and employers. The programme builds participation in structured workplace learning and general up-skilling of the workforce, contributes to raising workforce awareness of literacy, language and numeracy skills and supports literacy, language and numeracy training.

15.7. The Learning Representatives programme was subject to robust evaluation which enabled a close examination of its effectiveness. That information was used to make suggestions for the ongoing rollout. In 2010-11 an independent evaluation, supported by Ako Aotearoa, (Heathrose Research Ltd, 2011) found that:

The programme has been extremely effective in (a) reaching workers whose experience in the formal schooling system had been negative and (b) encouraging them back into learning;

Trained Learning Representatives were providing workers with confidence about their ability to achieve and helped them navigate a pathway through the education and training system; and

Workplace learning supported by Learning Representatives (which in some cases included literacy and numeracy-related factors) improved individual and workplace performance.

15.8. One of the Learning Representatives programmes was with Careerforce, the ITO in the care sector, which worked with CTU to test the ongoing sustainability of the programme for models of training, professional development and support in the health and community sector.

15.9. The evidence gathered before and after this training programme indicated that the Learning Representatives make a difference to their co-workers and subsequently the organisation: they encourage trainees to start qualifications, help to keep them on track while they are undergoing training and support them to complete workbooks. As workers progress in their training, they increase their knowledge and competence and clients benefit. Having the opportunity to use new skills and to access further career development and promotion are also important to ensuring organisations gain the full impact from Learning Reps who encourage learning amongst their staff (McDonald, H & Alkama, A, 2014).

15.10. The Learning Representative Model has direct applicability to the brief of the Inquiry. It provides opportunities and mechanisms to improve access, participation and achievement in tertiary education for workers who are already in the workforce and who do not have formal qualifications. It is suited to those who best learn in and through their workplaces.

15.11. A successful Learning Representatives programme resulted in increased numbers of workers accessing and achieving trades' qualifications at Kaiapoi engineering firm Patience and Nicholson in 2009. The company realised their main issue was workers not completing their industry training qualifications, or not completing within desired timeframes. The trained Learning Representatives worked with middle management to design and develop a system to identify individuals' training needs

within each work team, and then to monitor progress towards the achievement of industry qualifications. There were improved outcomes for the individual learners, learning became embedded in the processes and culture of the organisation, and the Learning Representatives continued to act as "go-between" between their fellow workers and management. This company had also previously participated in the CTU Workplace Productivity Education Project.

15.12. It should be noted that the successes and failures of workplace learning are highly context-specific. The system needs constant review and revision to remain relevant and the learning culture also needs constant reinforcement and support from all levels of the organisation. Learning Representatives can help to facilitate this ongoing system review and renewal according to the evolution of demand for education and training amongst their groups of workers.

15.13. Another company that wished to remain anonymous in the formal evaluation process believed they had no literacy issues amongst their workforce – apart from a small group of workers who spoke languages other than English. During their training, the Learning Representatives found that in fact there were a number of workers whose poor literacy skills which were a contributing barrier to enrolling in and / or completing industry training programmes. The needs were identified as the Learning Representatives programme developed and was implemented. The company introduced a successful literacy programme as a result.

15.14. A programme based on supportive learning for Māori and Pasifika apprentices to improve the retention rate of apprentices showed some very good results (Holland, C, 2013). At the end of our one-year professional development, monitoring and review process, the project found that eight out of 10 apprentices on the programme stayed in their apprenticeship and continued with their study (one left for higher study, one lost his job). According to the industry training organisation, Skills[6], this was an outstanding result for Māori and Pasifika apprentices compared to earlier years. More importantly, interviews with mentored apprentices show that only one of the eight successful apprentices had considered leaving his apprenticeship during their first year (he changed his mind directly as a result of mentoring support).

15.15. The CTU's Workplace Productivity Education Project, was focused on developing and building constructive workplace practices to build workplace productivity. This

[6] Formally the Electrotechnology and Telecommunications Industry Training Organisation

comprehensive training programme for employee leaders centred on constructive and productive workplace practices and examined the skills and knowledge to work with management on building enterprise productivity.

15.16. Union and CTU experience is that while education and training is critical at all levels of an enterprise, it is not education alone that will build productivity. The drivers of productivity are interconnected. A key area for examination is that of building a collaborative culture to reinforce learning and other factors that impact productivity. This is where unions can help.

15.17. Models such as Lean Thinking have had significant pull in some businesses to look at how the productivity performance of individual businesses or sectors can improve. It may be a matter of how things are can be done better or that the models pick up deficiencies in the business that are preventing things getting ahead. The most important factor for unions is that these models are based on worker engagement.

15.18. There are innovative models operating now in industry geared towards improving work performance that are innovative models based on worker engagement principles. High Performance Work (HPW) or High Performance Engagement (HPE) models have been implemented in a number New Zealand businesses to lift productivity through participation of workers in decision-making. The model is now at the centre of employment and industrial relations at Air New Zealand. Christopher Luxon – the Air New Zealand Chief Executive - referred to the HPE as a model to collaborate with unions on the challenges the airline faces.

15.19. Similar programmes looking at how to improve productivity and skills through worker participation models have been trialled in others industries. In 2008 the Dairy Workers Union (DWU) and the Engineering Printing and Manufacturing Union (EPMU) set up the Centre for High Performance Work to work with New Zealand businesses on developing work practices that lead to increased productivity and business growth by integrating workers' shop-floor knowledge into day-to-day decisions and reaching consensus on change.

15.20. Despite there being a vacuum in respect of industry strategies in the past eight years some training initiatives have been pursued. The Kaiāwhina Workforce Action Plan is a current programme that is focussed on increasing the skills and career prospects of the unregulated workforce in the health and disability sector with which unions have had involvement. This is a partnership between Career Force and

Health Workforce New Zealand that sets out a vision for the approximately 50,000 strong health and disability Kaiāwhina workforce. Career development is a major strand of this Action Plan and the development of an easily navigated career pathway to helps current and future Kaiāwhina make choices about training. The pathway enables new workers to enter the sector, progress to leadership roles and to the regulated workforce. Skills and knowledge frameworks are based on being transferable and recognised within the NZQA framework.

15.21. In Canterbury there are now 8,600 women working in the construction industry - a jump from 3,600 two years ago. Christchurch Polytechnic Institute of Technology's fees-free trades training for females has enabled more than 400 women to be studying trades this year compared with only 50 in 2011.Women in trade training in Christchurch, with its accessible fees, has increased the number of women working in construction in Canterbury by 800 percent since 2011.

15.22. Te Ako Tiketike is an Ako Aotearoa research project and a model for successful Māori learners in workplace settings (Kerehoma, C, Connor, J, Garrow, L, & Young, C, 2010). This project is a model for successful learning amongst young Māori, considers the key characteristics present when Māori learners are successful in work-based training. These elements include:

- personal commitment, attitude and motivation of the learner
- tuakana-teina (peer mentoring, peer learning and role models)
- connectedness (to the employer, colleagues and ITO)
- whānau support and encouragement
- strong foundations for workplace learning (literacy, numeracy, and financial management).

15.23. While the model presents a set of discrete factors that contribute to successful Māori workplace learners, it is the interplay and interconnectedness of these factors which is most critical to successful outcomes. Organisations are encouraged to consider how they might enhance their practices and support systems across each part of the model.

16. Workforce Measures to Sustain Innovation in Tertiary Education

16.1. The point we emphasise, and that is reinforced in the TEU submission to this Inquiry, is that there is innovation happening in the tertiary education sector now.

Part of the challenge that is faced by all stakeholders is that the conditions that facilitate and sustain innovation are not sufficiently present.

16.2. Work and employment conditions are essential to consider in developing and sustaining innovation in the tertiary education sector. The conditions that too many workers, professional and academics experience in their workplace do not promote or even enable thinking about innovation. One of the most pernicious of these is that the tertiary education sector has embedded casualization as an employment practice. Similarly fixed term contracts are widespread. This does not provide an environment that supports innovation, commitment and does not retain skilled and competent people in the tertiary education sector.

16.3. The workforce is a critical component of any sector and there are issues for the Inquiry about how to ensure investment and support for the workforce for the best outcomes in tertiary education and training. Innovation and sustainable models of tertiary education are dependent upon a well-educated, skilled and valued workforce.

16.4. The TEU submission to this Inquiry highlights five principles to support :

- Diversity of learning approaches
- Collaboration with colleagues and other institutions
- A dedicated permanent workforce
- Trust and full engagement in decision-making
- A focus on the importance of ‘life-long learning’

16.5. The CTU endorses these principles and see them as relevant across the wider tertiary education sectors. They are both sector specific and sector wide.

16.6. At a government and macro level here is a need for active labour market policies that focus on training and retraining. This should be part of a national industry and skills strategy. Industry policies and strategies are needed to encourage the right kinds of investment and develop management skills and work organisation practices to fully utilise the skills present in the workforce.

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