

## Getting the message on skills

*Kirk Hope*

New Zealanders are well educated. New Zealand ranks third in the world among developed nations for tertiary education – more than a quarter of our citizens have a Bachelor's degree or higher.

Are we getting value out of this? From a business perspective value is equated with productivity, and from this level of education you would expect a very high level of productivity.

But for productivity we are ranked 28<sup>th</sup> in the world. Nordic and European countries, the US, UK and Australia are all far ahead of us.

So, while we get degrees it seems we are not getting outcomes that improve our earning or standard of living.

It's a problem that's not easy to pin down. We've had many reviews and reforms of our education system which have delivered a number of improvements, but none have moved the needle on productivity.

There could be a number of reasons.

Maybe business is not saying clearly enough what's needed in the workplace: engineering, IT, science, technical, commercial and practical skills.

Maybe education institutions could focus more on those applied subjects.

Maybe careers guidance is not presenting enough information for young people to be able to make practical choices.

Maybe there's just a general lack of awareness of the importance of applied subjects in enabling people to grow their financial future, and grow the nation's productivity.

I suspect it's all of these things.

The good news is that in all these areas the right messages are starting to be heard. Business is starting to be more explicit about the skills that are needed.

For example, leaders in the IT industry last week made a high-profile call for greater focus on IT in secondary schools.

Also last week Wellington IT companies invited secondary students into their workplaces to show the opportunities their industry offers – the sort of initiative that is increasingly happening around New Zealand.

Businesses are also getting more involved in the governance and guidance of tertiary institutions, and are working with Industry Training Organisations in many sectors.

Education institutions are responding to the call for provision of more in-demand applied skills. The Government has allocated more funding for engineering places in tertiary institutions and has set up IT graduate schools in Auckland, Wellington and Christchurch.

The careers service is being folded into the Tertiary Education Commission, which will hopefully allow for careers guidance to be better integrated with education choices from secondary through to tertiary education and allow better information flow around industry needs and skills and education choices.

The Government's Business Growth Agenda has had a big focus on skills, and this should pay off in coming years with a wider public appreciation of the importance of relevant applied skills for industry.

And there is brilliant work being done by organisations such as the Young Enterprise Trust which delivers skills-based enterprise schemes in hundreds of primary and secondary schools.

All told, there is a growing awareness of the importance of skills, and a growing will for us to stitch together an education and training system that can deliver us better economic outcomes.

Of course we should not focus on applied skills only. There is much to be gained from more theoretical subjects including the arts for their value in providing citizens with a rounded and deep education, and these have a valued place in higher education.

Our current need is to ensure that applied subjects also get the attention they deserve so we can get more prosperous people in a more productive economy.

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