



# Reskilling and Retraining Our Workforce

## National will deliver the skills and support that New Zealanders need to succeed in the new economy.

Many Kiwis have seen their jobs and livelihoods upended by Covid, with entire industries disrupted and some sectors facing months or years of uncertainty.

National has a plan to create thousands of new jobs through investment in infrastructure, a tax stimulus package, targeted support to reduce business costs, and an ambitious plan to double the size of our technology sector over the next decade.

Our reskilling and retraining package will deliver the skills and support Kiwis need to make the most of these new opportunities. We'll get New Zealanders back to work, so that we can grow our way out of this crisis and build a stronger, more resilient economy for the future.

## Our plan to deliver new skills and get New Zealanders back to work:

- **SkillStart** – Incentives for tertiary training providers to develop and deliver rapid retraining and job placement programmes that get Kiwis who have lost their job back into the workforce.
- **Small Business Builder** – A 12 week business training and mentoring programme to provide unemployed Kiwis with the essential skills they need to start a business.
- **Small Business Accelerator** – A dedicated fund to deliver management training to small business owners, to help them grow their businesses and generate jobs.
- **Under 25 Job Coach** – A specialist position within WINZ offices tasked with working with Kiwis under 25 on the JobSeeker benefit to develop personalised, intensive 'path to work' plans to get them back into the workforce.

- **Skills and Jobs Hubs** – Expansion of National's successful Skills and Jobs Hub model using purpose-built centres to deliver wraparound services and match unemployed Kiwis with jobs generated from our long-term infrastructure upgrade.
- **Work-focussed welfare** – Ensuring our social welfare system is geared towards supporting and encouraging people to move from welfare back into work.
- **Vocational Education** – Reversing the Government's expensive and distracting restructuring of the vocational education sector to ensure our tertiary system is focussed on frontline education and delivering skills.
- **NZ Tech 2030** – Boosting the supply of tech-related skills through scholarships and dedicated ICT graduate schools, to help achieve our ambitious plan to double the size of our technology sector by the end of the decade, creating thousands of high paying, future-proofed jobs.

## SkillStart – Rapid retraining and job placement

### National will invest \$120 million to rapidly retrain Kiwis who have lost their jobs to get them back into the workforce.

Under our SkillStart scheme, tertiary training providers will be eligible for a \$4000 payment for every unemployed person they retrain and get back into full time work within a year.

SkillStart will create a strong incentive for polytechnics, universities and private training providers to work with industry to deliver short training courses that are fully aligned with the skills Kiwi businesses need.

The additional funding available to tertiary providers through SkillStart will drive innovation around the services and support they offer trainees and ensure they work to match trainees with employers.



This programme will support at least 30,000 New Zealanders back into full time employment.

#### How it will work:

- Any registered polytechnic, university or private training establishment (PTE) will be eligible to apply for the scheme.
- Providers can adapt existing offerings, or develop completely new rapid retraining courses.
- National will implement a fast-tracked NZQA approval process to ensure new programmes aligned to industry need are approved within three months. This fast-tracked process will only be available for existing providers with good track-records.
- Programme length will range from three months to a year.
- Programme delivery will be funded through existing tertiary funding mechanisms (i.e. per-student funding subsidies, and the student loan system). We will relax restrictions around accessing SAC funding where necessary to ensure Kiwis can access the retraining they need.
- For every eligible trainee under the scheme who gets a new job in a relevant industry within three months of completing their course, the provider will receive a job placement success payment of \$4000.
- Providers will be eligible for these payments if, prior to starting the course, the trainee had recently been made unemployed or had been receiving a main benefit (excluding JobSeeker Student Hardship) for at least three months. This will not include recent school leavers.
- Payment will be conditional on the trainee retaining their new job past the 90 day trial period.

## Case studies

### A trainee who has recently been made unemployed

Mary unfortunately loses her job when the jet boating company she works for has to reduce staff due to the border closing. Finding that her skills may be in less demand for a period of time, she decides to retrain for a new industry.

Under the SkillStart scheme, her local polytechnic has developed a six month course on operating agricultural and horticultural machinery in partnership with major employers in the region, so Mary enrolls.

She receives exceptional pastoral care and support to help her complete her course, and gains the skills she will need to get started. At the end of her course she is offered a full-time job, and she launches her new career.

### A Private Training Establishment

An existing PTE with expertise in IT and a proven track record of success develops a new 12 week programme to retrain recently unemployed people to work in IT support.

The PTE has well-established connections with several major employers in their local market, who have seen demand for their services surge since the pandemic began. The PTE works with these firms to design a programme that delivers the specific skills they need to expand their workforce.

The course is delivered partly online, and partly through in-person sessions at their campus. The programme delivers the basic skills and knowledge required to work in various IT support roles, along with hands-on training and scenario-based exercises – informed by their work with major employers – to ensure proficiency.

Trainees are also given interview preparation classes, help with their CVs, and matched with suitable job vacancies.



The PTE enrolls 20 people on their initial course, and places 75 per cent of their trainees into work (15 new jobs). In addition to the standard per-student funding for the course, they receive a job placement success payment of \$60,000.

## Small Business Builder

**National will fund a 12 week business training and mentoring programme to help experienced workers who have been made unemployed start their own business.**

Designed for those with more than 10 years' experience in their trade, the Small Business Builder course would provide a retraining and upskilling package for those looking to start their own business.

It would consist of business training, management skills, and mentoring to help those with experience in a trade understand what is required to be successful running their own business. The course will focus on the key skills that many experienced workers may not have acquired, but will greatly enhance their chances of success.

The course will be delivered via a 12 week programme of blended learning, including webinars, online training modules and mentoring.

**The training package includes:**

- A fully digital learning experience, with content designed to provide real world experience.
- Funding to provide access to experts and up to 20 hours of business mentoring support.

Places on the Small Business Builder course will be fully subsidised, and it is expected to deliver business skills to at least 5000 experienced Kiwis to support them to start their own business.

## Small Business Accelerator

**National will invest \$20 million in a Small Business Accelerator fund, to enable small business owners to access management training and business advisory services to help them accelerate their business growth.**

Small businesses employ around a third of our workforce and are responsible for 28 per cent of our GDP. Yet the vast majority of small businesses in New Zealand are actually owner-operators with no employees.

Lifting the capability and performance of our small business sector, and encouraging owner-operators to take on new employees, is one of the most powerful productivity and growth levers we have. Small businesses will be the engine of our economic and jobs recovery.

Our Small Business Accelerator fund will be used to increase access for small business owners to management training and support so they can upskill themselves, build more resilient businesses, and help to grow our way out of the economic crisis.

The funding will be made available through existing schemes – such as through the Regional Business Partnering Network run by New Zealand Trade and Enterprise – or to alternative providers looking to create targeted programmes that add value for small business owners.

The fund will provide an average training subsidy of \$5000 to at least 4000 small businesses.

## Under 25 Job Coach

**National will establish a specialist Under 25 Job Coach position at WINZ offices, to work with Kiwis under 25 on the JobSeeker benefit to develop personalised, intensive 'path to work' plans to get them back into the workforce.**

This recession will inevitably hit our youngest people the hardest. There has already been a massive increase in the number of young people receiving a benefit, but with Treasury



not forecasting unemployment to peak until 2022, this will only get worse.

Almost half of Jobseeker Support Work-Ready grants are being given to those in their 20s, and the number of Kiwis under 25 on Jobseeker Support has doubled over the last two years.

Sadly, if a New Zealander finds themselves on a long-term benefit before the age of 20, on average they will spend another 13 years on welfare. We believe it's vital that we invest now to minimise the damage to a generation of young New Zealanders, and avoid the long term social and fiscal costs this would impose on us all.

By working with JobSeekers to develop an intensive, personalised, 40 hour a week 'path to work' plan, Job Coaches will speed up the process of matching people to jobs, help beneficiaries identify and address any skill gaps or other obstacles to getting employment, and ultimately minimise the amount of time young adults spend on welfare.

Job Coaches will also provide young people who need it with ongoing support after they have transitioned off JobSeeker and into employment. Providing sufficient support to young people during the crucial first months of a new job can make the difference between a successful career or yo-yoing back and forth between welfare and work. This model has been very successful in initiatives supporting former offenders into work, so we will deploy it to get more young Kiwis into jobs and careers.

## Jobs and Skills Hubs

**National will use our successful Jobs and Skills Hub model to connect unemployed Kiwis with the significant job opportunities that will be created through our major national infrastructure investments.**

The Jobs and Skills Hub model is an industry-led initiative that connects employers with local jobseekers and also provides intensive wraparound support, training and encouragement.

Introduced under National, the Hubs are typically a partnership between central and local government, businesses, tertiary providers, and Industry Training Organisations. The Hubs set up training facilities and wrap-around services at the centre of areas where there are sizeable projects which create jobs and opportunities.

Previous successful examples have included the Ara Skills Exchange at Auckland Airport, the Auckland CBD Hub centred on significant developments in the area, and the Tamaki Hub established to support local residents to find employment in the redevelopment of 7500 new houses.

National will use the hub model to ensure local Kiwis are matched to the jobs and opportunities created through our major infrastructure investments. This includes our \$31 billion transport infrastructure package, our \$4.8 billion school investment, and our \$1 billion technology and connectivity upgrade.

## Work-focussed welfare

The best route out of poverty is through paid employment. Our social welfare system should be geared towards supporting and encouraging people to move from welfare and back into work. We recognise that everyone faces challenges in their life, and we believe people can overcome those challenges. Sometimes, that means giving people help to get them back on their feet. National's approach to welfare is compassionate, with a focus on ensuring obligations are firm, but fair. We believe government is there to help when times are tough, but we also expect people to help themselves as well.

National will:

- Commit to the principles of the Social Security Act, which ensure a focus on preparing for and finding work.
- Set targets to ensure cross-agency work focusses on reducing the number of people receiving benefits, and reducing the number of children in benefit-dependent homes.



- Ensure obligations are met for preparing and applying for work, and use sanctions when necessary, including extending money management to those up to the age of 25 who don't fulfil their obligations.
- Provide targeted support to young people who would otherwise struggle to get their drivers licence.
- Extend He Poutama Rangatahi – Youth Employment Pathways, into more regions to move young people who are not in employment, education or training into work.

## Vocational education

**National will halt and reverse the expensive and disruptive restructure of vocational education, and ensure the sector is focussed on delivering frontline education and skills.**

The Government's expensive and disruptive restructuring plan for the vocational education sector is a massive overreaction to the issue of Institutes of Technology and Polytechnic's (ITP's) financial sustainability.

With demand for vocational training set to increase over the coming months and years due to rising unemployment, we should be directing all of our efforts and resourcing towards frontline education and training, not into establishing a centralised bureaucracy that will take years to get up to speed (and even then, will be less nimble and effective than our current, decentralised system).

The only Kiwis who have benefitted from this additional layer of management are the consultants who have been paid \$1.6 million in just six months, the CEO whose salary is more than \$680,000, and his six deputy chief executives each receiving between \$250,000 and \$400,000 per year.

In Government, National's efforts to boost trades training were highly successful. We developed Vocational Pathways for young people interested in a vocational career, the Trades Academies and Youth Guarantee places to ease transitions from secondary school to vocational training, and we rebuilt the apprenticeship system through our Apprenticeship Reboot.

In our next term we will expand on these efforts to strengthen trades training, return autonomy and independence to the ITPs, and ensure that industry training is led by industry, not Government.

### National will:

- Unwind the costly ROVE reforms within our first 100 days, returning local decision making and remaining assets to regional ITPs.
- Return responsibility for organising vocational training to Industry Training Organisations (ITOs) and work with industry bodies to ensure all ITOs are industry-led, fit-for-purpose and able to deliver the skills needed for the future.
- Disestablish the Workforce Development Councils.
- Provide businesses and apprentices with certainty by continuing the funding that has already been committed to subsidise apprentices and vocational training costs.
- Continue to develop National's highly successful Trades Academies and Youth Guarantee programmes to create clearer pathways into tertiary study for young New Zealanders interested in trades careers.

## NZ Tech 2030

**National will deliver more STEM and ICT skills to help grow our tech sector and create thousands of high paying, future-proofed jobs.**

National's NZ Tech 2030 plan is an ambitious agenda to double the size of our technology sector by the end of the decade. A key plank of this plan is to deepen our technology talent pools by increasing the supply of skills in areas such as Science, Technology, Engineering and Mathematics (STEM) and other tech-related fields.

### National will:

- Establish 1000 tertiary scholarships per year targeted at students from low decile schools to undertake STEM degrees.



- Restore funding to ICT Graduate Schools to lift the number of skilled graduates available to technology firms and deepen business connections with the University sector.
- Launch a Global PhD Scholarship programme to recruit 50 top STEM PhD candidates from major universities each year to spend at least six months in New Zealand during their doctorate, to deepen our networks with leading institutions and the future leaders in global tech.

## Cost

Policy element	Four year cost (\$m)
SkillStart – Rapid retraining and job placement	120
Small Business Builder	25
Small Business Accelerator	20
Skills & Jobs Hubs	10
1000 STEM scholarships	10
ICT Graduate Schools	28
PhD Recruitment Programme	12
<b>Total</b>	<b>225</b>