



Tertiary Education Report: TEC Reorganisation and Careers System Strategy Update

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| Date: | 10 May 2018 | TEC priority: | Medium |
| Security level: | In Confidence | Report no: | B/18/00248 |
| | | Minister's office No: | |

| ACTION SOUGHT | | |
|--|--|----------|
| | Action sought | Deadline |
| Hon Chris Hipkins Minister of Education | Forward this briefing to the Prime Minister for her information. | |
| Enclosure: No | Round Robin: No | |

| CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED) | | | | |
|--|---|-----------------|------------|-------------|
| Name | Position | Telephone | | 1st contact |
| Tim Fowler | Chief Executive | Section 9(2)(a) | ██████████ | ✓ |
| Section 9(2)(a) | Programme Director, Careers System Strategy | Section 9(2)(a) | ██████████ | |
| Section 9(2)(a) | Manager, Human Resources | Section 9(2)(a) | ██████████ | |

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT

- DPMC MPI ENZ ERO MBIE MoE MFAT
 MPP MSD NZQA NZTE TEC TPK Treasury

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|---------------------------------------|---|--|
| Minister's Office to Complete: | <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| | <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| | <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| | <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments:

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **forward** this briefing to the Prime Minister for her information;

AGREED / NOT AGREED

2. **agree** that the Tertiary Education Commission release this briefing in full once it has been considered by you.

AGREED / NOT AGREED



Tim Fowler

Chief Executive,
Tertiary Education Commission

10 May 2018

Hon Chris Hipkins

Minister of Education

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Purpose

1. The Prime Minister's Office has advised that a member of the public has asked questions about the reorganisation of former Careers New Zealand (CNZ) roles within the Tertiary Education Commission (TEC) and the closure of regional offices. This brief provides information to assist the Prime Minister to respond to questions raised about the reorganisation and the TEC's draft Careers System Strategy.

Changes were made to government careers services following a review into the careers system

2. In November 2014, the Ministry of Education was asked by Cabinet to lead a review of Careers New Zealand. Ministers agreed to extend the scope of the review beyond Careers New Zealand to look at the careers system as a whole. This included the role of government in supporting the system and the roles and responsibilities of government agencies, education providers and the private sector. Following consideration of the review and options considered, Cabinet agreed to transfer the careers role from Careers New Zealand to the TEC.
3. The purpose of the transfer was to enable the delivery of a seamless flow of careers advice for students through school, tertiary education and into employment. The intention was to reduce friction and duplication across the system, consolidate all of the valuable government sourced information that users need in one place, and establish clear lines of accountability for the delivery of careers services.
4. TEC was selected as the 'home' for careers services because it was best able to work with tertiary providers and employers so that they in turn can provide better careers information to schools, and coordinate with schools on the skill needs of the labour market. Improved connections between educators and employers will help students to successfully make the transition to further study and employment.
5. Legislation to disestablish Careers New Zealand and transfer its staff and resources to the TEC passed in the Education (Update) Amendment Act 2017 which came into effect on 19 May 2017.
6. The TEC became the government's career agency on 1 July 2017. Our new focus is on strengthening the links between education and employment and providing careers information and tools.

The TEC's organisational change programme aims to bring together our two lines of business and improve service delivery

7. All Careers New Zealand staff (with the exception of the Chief Executive as that role no longer existed) transferred to the TEC on equivalent terms and conditions, through an offer and acceptance process. Ninety-nine out of the 105 staff accepted the offer to transfer on 1 July 2017.
8. At the time of the transfer all of Careers New Zealand's functions transferred to the TEC. In 2019 the resources that support careers services in schools will shift from the TEC. Responsibility for professional development of school-based careers influencers will be passed to the Ministry of Education. The TEC has a contract with the Ministry of Education to deliver professional development of school-based careers influencers to December 2018.

9. Following the transfer, the TEC has been assessing the resources it needs to undertake its new functions and align its resources including staffing accordingly.
10. In January of this year, TEC Chief Executive consulted with staff on bringing together our two lines of business. Final decisions were announced in March and the TEC are currently implementing those changes.
11. The key changes will fully integrate the two lines of TEC's operational business –investment in tertiary education, and careers information and connections from education to employment. This will help TEC take a systems view of our sector, and align all our products and services. It will mean our activities to provide careers information, and strengthened connections from education to employment, can support and be supported by our tertiary investment activities.
12. Confirmed changes include:
 - All TEC products and services will be developed and designed within a unified Strategy & Design directorate, and delivered through a single customer-facing Delivery directorate. Delivery sub-teams will be shaped around customer segments rather than tertiary subsectors and individual employers/schools/families. There will be a strong, planned regional response built around our four centres of Whangarei, Auckland, Wellington and Christchurch. Relationship Managers will be based in those centres and travel to nearby locations to do their work.
 - Six regional offices (Dunedin, Nelson, Palmerston North, Napier, Hamilton and Tauranga) will close. Sixteen staff are affected by this change. This will consolidate the number of offices to four in order to access the benefits of team co-location, regional knowledge and planning, and consistency of approach to our delivery in the regions.
 - Both directorates will be supported by back-office services in Corporate and Finance and Information directorates.
 - A team will be tasked with ensuring the system delivers results for all groups making up the future workforce. This directorate will have a strong focus on improving system performance for Māori and Pasifika. This team is called Learner Success Team – Ōritetanga.
 - Overall actual staff numbers will remain about the same, but some personnel will change. (There have been 10 staff made redundant so far and a further 11 people by the end of June).
13. These are significant changes that require dedicated programme support. While some employees are positive about the changes it has been a long and difficult process for others. Support through Vitae, our employee assistance programme, and career transition and outplacement support is being offered to staff affected by these changes.
14. A dedicated Business Transformation Programme Manager is being recruited to lead the implementation of this change. Further consultation is scheduled for July/August to align people to the new structure.
15. The change process has attracted some attention from the Public Service Association (PSA), local reporters and tertiary education media channels so far.

The new Careers System Strategy seeks to ensure that all New Zealanders can develop the skills and capabilities they need throughout their career

16. As the government agency responsible for skills and capability, the TEC has co-designed, with a wide set of stakeholders, a system strategy that supports all people preparing to work and the 2.6 million people already in the workforce. Our draft Careers System Strategy seeks to ensure that every New Zealander has the opportunity to acquire the skills and capability to have a fulfilling career and sustainable income for as long as they choose to work.
17. Starting in October 2017, the TEC ran a series of five targeted workshops to develop a career system strategy. The TEC talked to learners, parents, employees, employers, businesses and business leaders, tertiary providers, government agencies, schools, career advisers, industry bodies, advocacy groups and not-for profits. We presented our findings to senior government representatives from the Ministry of Business Innovation and Employment and Ministry of Education in January and Minister Hipkins in February 2018.
18. The TEC's draft career system strategy aligns with the Future of Work report and emphasises the importance of all New Zealanders being employment resilient. Evidence suggests technology will be increasingly pervasive. New Zealanders will be working for longer and will experience more fluid forms of working as well as making as many as eight major career changes in their lifetime. Being employment resilient in the face of changing work and workplaces will mean having the right skills, capabilities, attitudes and expectations that enable adaptation to change. The TEC are now socialising that draft strategy and mapping out a proposed implementation plan. We expect to finalise that in the next two months.
19. Lifelong learning is vital to ensuring people can reskill or upskill and find meaningful and sustainable employment.

Next Steps

20. The TEC will update your office prior to the release of our next consultation phase.