



Ministry of Business, Innovation and Employment, Ministry of Social Development, Ministry for Women, Ministry of Education: Long-term Insights Briefing 2023

Report of the Education and Workforce
Committee

August 2023

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Camilla Belich
Chairperson

Ministry of Business, Innovation and Employment, Ministry of Social Development, Ministry for Women, and Ministry of Education: Long-term Insights Briefing 2023

Recommendation

The Education and Workforce Committee has considered a long-term insights briefing prepared jointly by the Ministry of Business, Innovation and Employment, the Ministry of Social Development, the Ministry for Women, and the Ministry of Education, and recommends that the House take note of its report.

About long-term insights briefings

The Public Service Act 2020 requires chief executives of government departments to develop and publish a long-term insights briefing at least once every three years. The briefings must be produced independently of the relevant Minister, and the chief executive must consult the public on the subject matter of the report. The briefings can be developed jointly by departments.

The purpose of the briefings is to inform the public about medium- and long-term trends and future risks and opportunities facing New Zealand. The briefings should provide information, impartial analysis, and potential policy responses to the challenges they identify.

On 22 May 2023, the Ministry of Business, Innovation and Employment (MBIE), Ministry of Social Development (MSD), Ministry for Women (MFW), and Ministry of Education (MOE) presented a joint long-term insights briefing to the House of Representatives. The briefing is titled *Preparing All Young People for Satisfying and Rewarding Working Lives: Long-term Insights*.¹ Given the topic, the Governance and Administration Committee referred it to us for consideration. We held a hearing with the chief executives of the four entities to discuss the briefing.

A summary of the briefing

At some stage in their lives, most young people will find themselves not in education, employment, or training (often referred to as NEET). This is usually not a problem if young people shift quickly between jobs, or between study and work. Unfortunately, some young people experience high levels of limited employment, characterised by:

- long or frequent periods of benefit dependency, unemployment, or under-employment
- being trapped in low-wage, low-skill, or insecure work

¹ Ministry of Business, Innovation and Employment, Ministry of Social Development, Ministry for Women, and Ministry of Education, [Preparing All Young People for Satisfying and Rewarding Working Lives: Long-term Insights](#), 22 May 2023.

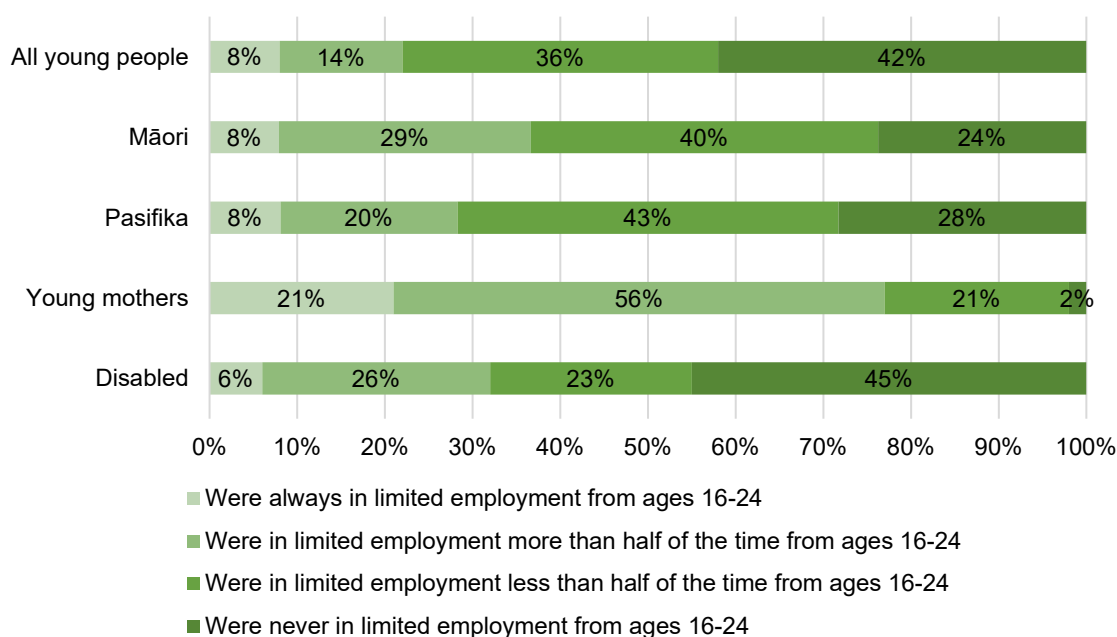
- continual enrolment in low-level foundation tertiary education.

The briefing found that there are clear links between limited employment at ages 16 to 24, the early home environment, and experiences of socio-economic disadvantage in childhood. Educational attainment was found to protect against later experiences of limited employment.

Of the approximately 513,000 young people in New Zealand, 42 percent do not experience any periods of limited employment between the ages of 16 and 24. While 36 percent of young people experience some limited employment, this is not enduring. They may experience limited employment before or after entering full-time study or work. However, for some young people, limited employment persists. The ministries found that 8 percent of young people are always in limited employment between the ages of 16 and 24. A further 14 percent are in limited employment more than half the time.

Troublingly, 21 percent of young mothers are always in limited employment between the ages of 16 and 24. A further 56 percent are in limited employment more than half the time.

Experiences of limited employment for different population groups, ages 16-24



The briefing also found that the influence of earlier life experiences often persists, and cumulative life experiences can affect later employment outcomes. Failure to effectively support young people to prepare for and enter sustainable work can also have long-term negative consequences. Young people who experience limited employment are more likely to have extended periods of limited employment throughout their lives. This suggests the need for policy interventions at different ages and life stages.

The briefing suggested possible solutions, including:

- a greater focus on cognitive and socio-emotional development in the early years
- earlier responses to learning and behaviour needs as they arise
- a more culturally responsive education and learning support workforce

- more effective responses to early signs of education disengagement
- greater access to careers advice and guidance
- more targeted intensive careers services for students who may benefit the most
- careers services linked more closely to employment and other local services
- more consistent access to post-placement employer brokerage and job coaching
- assistance for employers to provide pastoral care to young people in the workplace
- work with industry figures to encourage greater workplace inclusion and cultural responsiveness, and to increase awareness of employer responsibilities
- greater awareness among young people of their employment rights, as well as better central monitoring and enforcement.

Our hearing with the ministries

The ministries told us that they decided to work together because the issue of young people stuck in limited employment affects all of them, as well as New Zealand's future economy and wellbeing. We heard that the ministries were not surprised by the findings of the analysis conducted for this briefing. It confirmed a lot of the issues they were already aware of, but gave them an opportunity to consider solutions and how investment should be prioritised.

MOE said the briefing was an opportunity to think about things differently, rather than just tinkering with policy settings. It said it is unlikely that the system would be designed the way it is if it could be redesigned from scratch. It is difficult for government agencies to change processes and systems once they begin and take on a "life" of their own.

Regional skills leadership groups and the education-to-work pipeline

We discussed regional skills leadership groups, of which there are 15. We heard that the groups identify demand in a region for particular skills, and ways to improve the supply of appropriately skilled employees to match that demand. Creating a pipeline from education to employment could help to ensure that young people do not become NEETs.

We heard that work to achieve "a just transition" in Taranaki has informed the composition of regional skills leadership groups. In 2018, the Government announced that there would be no new oil and gas exploration permits in New Zealand.² The Government also said it would work with the Taranaki community and businesses, since the oil and gas sector is a large part of the local economy. This work demonstrated that iwi, unions, local government groups, and non-governmental organisations should be involved in discussions about the labour market, not just employers and central government.

MSD said it is important to link training to employment as much as possible. We heard that it is helpful for young people to see the job they are working towards, rather than training in isolation. For example, trades academies connect school, work, and training. MOE said it wants trade academies to be scaled up and less male-dominated.

² Rt Hon Jacinda Ardern, [Planning for the future - no new offshore oil and gas exploration permits](#), 12 April 2018.

Alternative education and employment and supporting young mothers

MOE said improving school attendance is a priority. However, it urged caution, saying there can be unintended consequences of focusing solely on school attendance. It said that “quite a few” young people who have become disconnected from school are “very unlikely to return”. Therefore, the better option might be finding alternative education or employment.

We asked about supporting young mothers, who may benefit from alternative education and employment arrangements. We note that 21 percent of young mothers were found to always be in limited employment between the ages of 16 and 24, more than double any other population group. MFW said it is important to support parents with programmes that are appropriate for their individual settings. MSD said young mothers need the flexibility to be able to undertake education or employment in a part-time capacity, or outside usual hours. It added that other barriers to young mothers participating in the workforce include childcare and transport. MFW said that young mothers want to be good parents, while also being ambitious for themselves and focused on their financial security and wellbeing.

Pastoral care and community-centred approaches

We asked about the provision of pastoral care and whānau- or community-centred approaches. For example, we note that Pasifika children will commonly be immersed in their faith-based community, so approaches to supporting them will be different. MOE acknowledged that identity, language, and culture are fundamental to children’s wellbeing and learning. It said, “children do not grow up in school; they grow in families”.

MOE gave the example of a Pacific church that began a homework group. Initially only six or seven young people attended. Now 140 young people attend the group. MOE said providing food contributed to the growth of the group. It said that one of the positive outcomes from the COVID-19 pandemic has been the creation of more community-based services.

MSD said that pastoral care needs to be provided in “a more sustained, systemic way”. It said that services are best delivered by people who are in the community and understand the community. We heard that it is better to target funding at “a place” (such as a specific community) rather than to have siloed funding (such as a ministry funding a programme or policy in isolation from other interventions or circumstances).

A culturally competent teaching workforce

We heard that a culturally competent teaching workforce is critical to student engagement. MOE said the most effective schools work with their communities and leverage their capabilities. We heard that recruiting a more diverse teaching workforce is important in the long term. In the short term, MOE is providing professional training and development to improve cultural competency.

Obtaining a driver licence

Young people in rural areas are particularly reliant on being able to drive a car to get to work or school. We asked about best practice for supporting young people to get a driver licence. MSD told us that Waka Kotahi is piloting two programmes that take a “slightly different approach” to driver licences with the aim of helping applicants feel more comfortable about

taking the test. We heard that at-risk young people are less likely to apply for a driver licence, and are less likely to retake the test after failing a first time.

MOE said that some schools provide driver licence training. However, it has resisted universal provision of this training because it is difficult to fit into the school day.

Employment rights and obligations

We asked about efforts to ensure that young people understand their employment rights. MSD said the young people it engaged with clearly said that they wanted to better understand their rights. It said that rights and obligations need to be explicitly stated when a job is listed, or when someone starts a job. MBIE said its employment team is working to ensure that employers also understand their obligations. It said it is important to find the right channels to communicate information. MOE said it has created an online school leavers' toolkit to help young people learn about their rights.

Kāhui Ako, Te Mahau, and sharing best practice

We asked about Kāhui Ako Communities of Learning. These are groups of schools and training providers that work together and share knowledge and experiences. MOE said that Kāhui Ako has “by no means been a universally successful programme”. Nonetheless, it said schools, either individually or collectively through Kahui Ako, do better when they work with their communities. One of the challenges for schools in working with their communities, is responding to increased diversity. MOE said the school system is slow to adapt to changes in population. It said this is not “a Kāhui Ako issue”, but about supporting schools to engage with communities in a meaningful way.

We asked how else to effectively share best practice. MOE said that many reports about best practice are written, but not all of them are read and implemented. Instead, conversations between principals about what works well for them can be helpful. We heard that Te Mahau, a business unit of MOE that is based in regional offices around the country, is facilitating these conversations. We heard that Te Mahau is not replacing Kāhui Ako, and that both are part of the solution.

Committee comment

We thank the ministries for their joint briefing, which we found interesting and valuable. The briefing highlights the importance of ministries working together to ensure young people move seamlessly between education and work. We support work by the ministries to ensure there are coherent pathways to do so. We encourage entities in the education sector and labour market to read the briefing, including schools, workforce development councils, regional skills leadership groups, employers, and other community groups.

Appendix

Committee procedure

We met on 19 July and 23 August 2023 to consider this briefing. We held a hearing with the Ministry of Business, Innovation and Employment, the Ministry of Social Development, the Ministry for Women, and the Ministry of Education on 19 July 2023.

Committee members

Camilla Belich (Chairperson)
Chris Baillie
Jan Logie
Ibrahim Omer
Angela Roberts
Penny Simmonds
Lemauga Lydia Sosene
Erica Stanford

Transcript and recording of our hearing

A transcript of our hearing is available on [the Parliament website](#). A recording of our hearing is also [available online](#).