

# Preparing All Young People for Satisfying and Rewarding Working Lives

## Long-term Insights Briefing

*Draft Briefing for public consultation from September to October 2022*

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## Executive Summary

Long-term Insights Briefings are future-focused documents that provide information about medium and long-term trends, risks and opportunities that may affect New Zealand. This draft Long-term Insights Briefing has been prepared by the Ministry of Business, Innovation and Employment, Ministry of Education, Ministry of Social Development and Ministry for Women.

### What is limited employment and why does it matter?

Preparing all young people for satisfying and rewarding working lives is an important topic for a Long-term Insights Briefing. Although many young people successfully navigate transitions from school to work, further education or training, a significant proportion of young people experience persistent barriers which prevent them from reaching their employment goals and aspirations. This is a longstanding and complex policy challenge with multi-generational consequences.

Most young people are not in education, employment or training (NEET) at some stage from ages 15 to 24. Short-term NEET is not usually a problem if young people shift quickly between jobs, or between work and study to pursue new opportunities. However, some young people experience very 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 and precarious work, and/or
- continual enrolment in low level tertiary education.

This briefing identifies opportunities to improve education and employment system responses to support youth employment outcomes in the medium- and long-term. There are opportunities for government to better meet its Te Tiriti o Waitangi responsibilities and to future-proof our education and employment system to address future demographic and labour-market trends. The briefing has a particular focus on actions that require co-ordinated responses from education and employment agencies, rather than single agency responses.

### Pathways into limited employment

Chapter 2 uses administrative data from the Stats NZ Integrated Data Infrastructure (IDI) to explore the nature and scale of youth experience of limited employment at ages 16 to 24.

The analysis highlights the complex array of factors that influence young people's lives. There are clear links between limited employment at ages 16 to 24, early home environment and experience of socio-economic disadvantage in childhood. In turn, early life experiences are strongly associated with education and employment outcomes in adolescence and early adulthood, such as leaving school with low or no qualifications. Educational attainment is not a silver bullet, but it is protective against later experience of limited employment.

While pathways into long-term limited employment are not pre-determined, the influence of earlier life experiences often persists, and cumulative life experiences can influence later employment outcomes. This highlights the need for effective system responses at different ages and life stages. Education and employment system responses have the potential to mitigate – or create – barriers to limited employment. Delivering more equitable employment outcomes requires a focus on creating effective pathways into sustainable work for rangatahi Māori, Pacific young peoples, young mothers, disabled and deaf people.

## Towards a more effective system

Chapter 3 discusses future directions for delivering system-level change, organised around three key life stages, from childhood to early adulthood.

### Early learning, engagement and attainment in schooling

A greater focus on cognitive and socio-emotional development in the early years holds promise. Future opportunities could include:

- increasing the reach of evidence-based parenting programmes to support cognitive and socio-emotional development for whānau and children most likely to benefit
- building capability of the education workforce to support socio-emotional development in early learning services and schools.

This could be coupled with efforts to systematically identify and scale up what works to deliver equitable outcomes, including:

- identifying and responding earlier to learning and behaviour support needs as they arise, including the development and use of assessment tools
- sustained efforts to grow Māori medium and kaupapa Māori education, and build a more culturally responsive education and learning support workforce
- developing effective responses to early signs of education disengagement, including exploring funding or regulatory changes to enable greater tailoring of education content and delivery to meet individual interests and needs (e.g., combining school-based teaching and learning with online, tertiary education and/or work-based learning opportunities).
- addressing relative under-investment in education sciences and building up the New Zealand education research and evaluation evidence base.

Implementing system-level changes requires recognising expertise outside of government and new models of working in partnership with others. To address wider barriers to learning, attendance and engagement, local-level collective efforts are needed, with government agencies working with the education workforce, iwi and Māori organisations, and social and community services. There are also opportunities to learn from initiatives such as *Whānau Ora* and *Enabling Good Lives*, that offer strength-based needs assessments and deliver holistic support to children and young people and their whānau.

### Preparing to find and secure employment

There are opportunities to better prepare young people for the world of work to prevent poor post-school outcomes before they occur.

A revamped careers system could provide more support for navigating education and employment pathways before leaving school. Quality, personalised careers advice and guided conversations for young people and their whānau can assist young people to explore and prepare for their future. Government could consider:

- creating greater universal access to careers advice and guidance
- targeting more intensive careers services and support to school age ākonga and ara mātauranga (ākonga in alternative education settings) who may benefit the most.

Careers system changes could be accompanied by efforts to provide more opportunities to explore the world of work and gain valuable work experience, prior to leaving school. Choices range from boosting regional efforts to promote work experience opportunities to

introducing new school-to-work apprenticeships. The latter would represent a major system change, by enabling more young people to ‘earn while they learn’, providing a direct route into paid work with access to higher-level training.

Government faces choices around *how* any changes to strengthen school to work connections could be implemented. New delivery models to foster school to work connections could involve the development of area-based partnerships, involving groups of schools, local iwi, Te Pūkenga, and/or regional employer and industry groups. There are also opportunities to take a more preventative approach to support young people and their whānau who are most likely to experience significant limited employment. This could involve:

- linking careers services more closely to community-based youth employment and other services
- supporting access to earlier more tailored strengths-based support to assist young people find and secure work
- broadening the target population for community-based youth and other employment services to include those in low paid, insecure work or foundation-level tertiary education.

Government could also encourage more innovative and ‘joined up’ service delivery through changes to commissioning models for youth and other employment services. This could involve funding providers to build capability, work more cohesively across local services, and deliver longer-term outcomes. Government faces future commissioning choices around the level of central prescription or local flexibility, and approaches to monitoring and evaluation.

#### Building resilient connections to the workplace

Finding and securing a job is just a first step for some young people who experience more complex barriers to sustainable work. However, many youth and other employment support services end once (or very shortly after) a young person is placed into employment, which risks removing support when a young person is still adjusting to work.

Youth and other employment services could be reformed to provide more seamless pre- and post-employment support to young people who need additional assistance to stay in work and/or to progress towards their future employment goals. This could include providing:

- a more consistent access to post-placement employer brokerage and job coaching to troubleshoot workplace issues that could place a job placement at risk
- a “first point of referral” to assist employers in providing pastoral care to young people in the workplace, and raise awareness of available services and support
- access to impartial advice on career pathways and training options alongside job search assistance and matching services for young people seeking to upskill, step up to a new role or enter a new industry.

Some employer behaviours present barriers to sustained connections to work – for example, discriminatory hiring practices and a lack of cultural competence. Future opportunities include:

- working with industry figures to expand the reach of best-practice toolkits that highlight employer responsibilities and encourage greater cultural responsiveness, and
- expanding the accessibility and reach of employment protection and/or health and safety advice as well as reminding employers of their responsibilities and better central monitoring and enforcement.

- This draft represents the second round of statutory consultation for this Long-term Insights Briefing. Your input will be valuable in helping us develop the final briefing for submission to the House of Representatives.
- We are interested in hearing your views on all parts of the draft briefing. However, we are particularly interested in your feedback on the possible **future directions for system-level changes** set out in Chapter 3.

## Contents

<b>Chapter One: Introduction, purpose and rationale for this briefing .....</b>	<b>7</b>
Purpose of this draft Long-term Insights Briefing .....	7
How you can provide feedback on this draft Long-term Insights Briefing.....	7
How was this draft Long-term Insights Briefing developed? .....	8
What is limited employment and why does it matter? .....	9
Long-term demographic and labour market trends reinforce the need for change .....	11
Government has an opportunity to better address Te Tiriti o Waitangi responsibilities .....	11
<b>Chapter Two: Pathways into long-term limited employment .....</b>	<b>12</b>
Introduction .....	12
Which young people are more likely to experience significant limited employment between ages 16 and 24? .....	13
Experience of significant limited employment reflects and reinforces existing equity challenges .....	13
Understanding pathways into limited employment .....	15
Early life experiences associated with experience of significant limited employment.....	15
Cumulative life experiences at birth, childhood and adolescence and early adulthood influence pathways into limited employment.....	16
The distribution of factors associated with limited employment highlights system failures to create equitable education and employment pathways .....	18
<b>Chapter Three: Towards a more effective system to prepare all young people for satisfying and rewarding working lives: possible future directions .....</b>	<b>20</b>
Introduction .....	20
How government can promote future system change .....	21
Future directions, choices and areas for further work .....	22
Early learning, engagement and attainment in schooling .....	22
Possible future directions .....	24
Preparing to find and secure employment .....	27
Possible future directions .....	29
Building more resilient connections to employment.....	33
Possible future directions .....	35
<b>Annex: Pathways into limited employment by population sub-group .....</b>	<b>37</b>
Rangatahi Māori: education and employment pathways.....	37
Pacific young people: education and employment pathways .....	38
Young mothers: education and employment pathways.....	39
Disabled young people: pathways into limited employment .....	40

## Chapter One: Introduction, purpose and rationale for this briefing

*This chapter explains the purpose of this long-term insights briefing. It introduces the concept of limited employment and explains how early experiences of prolonged or repeated limited employment can have negative life-long impacts for young people, as well as current and future generations of whānau, hapū, iwi and communities. It also highlights the long-term benefits of better preparing young people for satisfying and rewarding working lives, the long-term demographic and labour-market trends that create future risks and opportunities, and the Crown's Te Tiriti responsibilities.*

### Purpose of this draft Long-term Insights Briefing

Preparing all young people for satisfying and rewarding working lives is an important topic for a Long-term Insights Briefing. Although many young people successfully navigate transitions from school to work, further education or training, a significant proportion of young people experience persistent barriers which prevent them from reaching their employment goals and aspirations. This is a longstanding and complex policy challenge with multi-generational consequences.

Long-term Insights Briefings are future-focused documents that provide information about medium and long-term trends, risks and opportunities that may affect New Zealand. They provide the opportunity to identify and explore the issues that matter for the future wellbeing of the people of New Zealand. Under the Public Service Act 2020, government departments are required to produce a Long-term Insights Briefing at least every three years.

Two rounds of public consultation are required to produce a final Long-term Insights Briefing. **The publication of this draft briefing constitutes the second round of statutory consultation.** Your input will be valuable in helping us develop the final briefing for submission to the House of Representatives.

### How you can provide feedback on this draft Long-term Insights Briefing

There are a range of ways to provide feedback on this draft Long-term Insights briefing. To find out more about the consultation, answer a short survey, or provide a written submission, please go to <https://consultation.education.govt.nz/education/long-term-insights-briefing>

#### Questions to guide your feedback

We are interested in hearing your views on all parts of the draft briefing. However, we are particularly interested in your feedback on the possible **future directions for system-level changes** set out in Chapter Three.

- a) What do you think about the possible future opportunities outlined Chapter Three of this briefing? Does the briefing identify the right opportunities to deliver system-level change?
- b) What do you see as the biggest priority(ies) and why? How could we maximise the potential benefits of specific opportunities and mitigate against potential downsides?
- c) The briefing identifies a number of strategic choices facing government. What do you consider are the potential consequences – intended or unintended – of possible government decisions?
- d) How can government agencies develop and maintain authentic partnerships with iwi and Māori organisations, and work most effectively with the education sector, and community-led employment and social services to better prepare young people to meet their employment goals and aspirations?

## How was this draft Long-term Insights Briefing developed?

This draft briefing was developed by four government agencies working together: Ministry of Education; Ministry of Business, Innovation and Employment; Ministry of Social Development; and Ministry for Women.

The draft briefing draws on a range of international and New Zealand research and evaluation evidence, including new statistical analysis of young people's pathways through education into employment. Our understanding of long-term issues, challenges and opportunities is informed by past consultation and engagement with iwi and Māori organisations, education and employment services, young people and the public. The development of the briefing has placed a particular emphasis on the views, aspirations and experiences of young people and their whānau, especially those who are more likely to face barriers to entering or progressing into sustainable work.

### *The first round of statutory consultation has been completed*

The first round of statutory consultation on the proposed topic of this briefing was completed in July-August 2021. We ran several in-person engagement hui which mainly targeted those who work closely with young people, such as schools, community and social service providers, employment service providers and employers. These were held in Whangārei, Auckland, Christchurch and Wellington. We also held a selection of bespoke in-person hui to capture the views of rangatahi, including rangatahi Māori in Waikato, disabled young people in Christchurch, and young women in Dunedin. These in-person hui were complemented by online engagement with the wider public. Agencies have maintained ongoing engagement with the Skills and Employment Iwi Leaders Group of Pou Tangata.

### *The feedback collated during consultation was used to shape this briefing*

From the statutory consultation and engagements that have informed this briefing, we heard that preparing young people to reach their employment aspirations was a valuable subject to investigate through a Long-term Insights Briefing. Feedback also reinforced the importance of taking a strengths-based approach to the topic. This means supporting young people to develop and meet their employment goals, in line with their skills, interests and aspirations. It also requires considering how education and employment system responses to individual and whānau needs can create or mitigate barriers to sustainable employment. This includes recognising structural barriers such as racism and discrimination and avoiding language that describes young people as being 'at risk' based on individual, family or population group characteristics.

This feedback has shaped how we have framed challenges and opportunities in this draft Long-term Insights Briefing and informed the decision to revise the title from Youth at Risk of Limited Employment to *Preparing All Young People for Satisfying and Rewarding Working Lives*.



## What is limited employment and why does it matter?

*Most New Zealand young people successfully navigate transitions from school to work, further education or training, and go on to lead satisfying and rewarding working lives*

These young people receive the support they need to develop and work towards post-school goals and aspirations, understand how their education choices, skills and interests relate to potential career options, and find and retain sustainable employment. In turn, a stable job in a supportive workplace provides young people with opportunities to gain the skills, confidence and experience to obtain and keep future jobs that support career progression, life satisfaction and long-term wellbeing.

*...but some young people experience long-periods of limited employment at ages 16 to 24*

Most young people are not in education, employment or training (NEET) at some stage from ages 15 to 24. Short-term NEET is not usually a problem if young people shift quickly between jobs, or between work and study to pursue new opportunities. However, some young people experience very 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 and precarious work, and/or
- continual enrolment in low level tertiary education.<sup>1</sup>

Of around 513,000 New Zealand young people aged 16 to 24, we estimate that 22% (113,000) are likely to spend more than half of the years between ages 16 and 24 in limited employment. This places them at higher likelihood of having extended periods of limited employment throughout their lives. Of these young people, 35% are Māori and 15% are Pacific.

### Experience of limited employment at ages 16 to 24

Our analysis of government administrative data for the 1994 birth cohort shows that:

- 8% (5,800) were in limited employment every year at ages 16 to 24. Of this group, 24% (1,300) were Māori and 14% (700) were Pacific.
- 14% (11,000) were in limited employment for most (but not all) years at ages 16 to 24. Of this group, 42% (4,600) were Māori and 17% (1,800) were Pacific.

The majority of young people who experience long-term limited employment live in regions containing larger cities (e.g., Auckland, Waikato and Wellington). However, we know that young people in rural areas can face additional barriers to employment, including more limited access to education and employment opportunities, transport options and the internet. This may explain why the highest *proportions* of young people who experience long-term limited employment are in more rural regions such as Northland and Gisborne.

<sup>1</sup> McGirr, M. and Earle, D. (2019). **Not just about NEETS: A rapid review of evidence on what works for youth at risk of limited employment.** <https://www.educationcounts.govt.nz/publications/80898/not-just-about-neets>

*Prolonged or repeated exposure to limited employment has negative impacts on youth wellbeing*

Significant experience of employment at ages 16 to 24 has immediate implications for youth wellbeing, with evidence that long-term unemployment, benefit dependency and enduring low income have negative impacts on mental health and social relationships.<sup>2</sup> Long-term low-paid, insecure work can also have negative impacts on health and access to training which can limit future employment opportunities.<sup>3</sup> Young people who experience long-term NEET are more likely to face issues with housing and homelessness, and to engage in risky behaviours such as drug use and criminal activity.<sup>4</sup>

*Failure to effectively support young people to prepare for, enter and sustain sustainable work can also have significant long-term consequences*

Long-term limited employment is also associated with *life-long* negative impacts for these individuals, whānau, hapū, iwi and communities. There is robust evidence that *significant* early experiences of unemployment can have a ‘scarring’ impact on young people’s future job prospects and wages.<sup>5</sup> In turn, low family income is a driver of parental stress, with flow through impacts to the wellbeing of the next generation. There is strong evidence that growing up in poverty has a causal impact on children’s cognitive development, school achievement and social and behavioural development.<sup>6</sup>

Our analysis shows there is a strong relationship between experience of limited employment earlier in life and later employment outcomes. In the 1984 birth cohort, 68% of people who were always in limited employment at ages 20-24 were also in limited employment for all or most years aged 25-34. This shows that reducing risks of limited employment at ages 16 to 24 is important to improve the life chances of individuals, their whānau and future generations. The lost potential associated with long-term limited employment also has direct costs for firms and government, in the form of reduced productivity and increased government expenditure.<sup>7</sup>

The relationship between early and later experience of significant limited employment is not fixed, however. For example, 8% of young people who were in limited employment for all or most years aged 20-24 were never in limited employment at ages 25-34. Conversely, around 7% of people who had never been in limited employment at ages 20-24 were in limited employment for all or most years at ages 25-34. This reinforces services and supports to enable routes out of limited employment are also important at older ages.

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<sup>2</sup> Ministry of Social Development (2018). Rapid Evidence Review: The impact of poverty on life course outcomes for children, and the likely effect of increasing the adequacy of welfare benefits. [WEAG Rapid Evidence Review](#)

<sup>3</sup> Council of Trade Unions. (2016). Under Pressure: a detailed report into insecure work in New Zealand. [CTU-Under-Pressure-Detailed-Report-2.pdf \(union.org.nz\)](#)

<sup>4</sup> Samoilenko, A. & Carter, K. (2015). Economic Outcomes of Youth not in Employment, Education or Training (NEET). New Zealand Treasury Working Paper 15/01. <https://www.treasury.govt.nz/sites/default/files/2015-03/twp15-01.pdf>

<sup>5</sup> Sense Partners (Data Logic). (2021). Addressing Labour Market Scarring in a Recession: issues and options. <https://www.teputahitanga.org/wp-content/uploads/2021/11/Sense-Report-One-Labour-Market-Scarring-Issues-and-Options-to-address-labour-market-scarring-in-a-recession.pdf>

<sup>6</sup> Ministry of Social Development (2018). *Op cit.*

<sup>7</sup> Pacheco, G. and Dye, D. (2013). Estimating the cost of youth disengagement in New Zealand. <https://www.aut.ac.nz/data/assets/pdf/file/0016/122029/Economics-WP-2013-04.pdf>

## Long-term demographic and labour market trends reinforce the need for change

The New Zealand population is ageing. Population projections to 2043 indicate that Māori and Pacific people will make up an increasing proportion of the youth population over the next thirty years. By 2028, the number of Māori and Pacific 15- to 24-year-olds is expected to grow by 278,600, making up 40% of the total population of young people, up from 34% in 2018. This makes addressing ethnic disparities in experiences of limited employment a matter of growing national significance for New Zealand society and economy.

If previous patterns continue, we can be reasonably confident of periodic economic shocks. Young people in general are more vulnerable to economic shocks and downturns, as the global financial crisis and the COVID-19 experience show. Youth employment also often takes longer to recover than the labour force average. These shocks will tend to heighten the challenges faced by young people who face the greatest risks of limited employment, and who are unlucky enough to find themselves in weak labour market conditions. Better preparing young people for successful transitions into sustainable work is one way in which we can mitigate the impacts of future economic shocks.

There is significant uncertainty about how labour markets will evolve over the coming decades in response to trends such as technological change, the shift towards a more services-orientated economy, decarbonisation and more casualised working. But these trends all have in common the potential for changes to the types of work available and the skills required to succeed at it. As a result, young people may find that their working lives are more characterised by change than previously. The specific skills required for future occupations and careers are difficult to predict, and this points to transferable social and emotional skills as important foundations for future resilience. Getting these foundations right will support young people to thrive in the future labour market.

## Government has an opportunity to better address Te Tiriti o Waitangi responsibilities

Statistics, consultation and engagement with Māori demonstrate that all too often current education and employment pathways are not delivering improved social, cultural and economic outcomes for rangatahi Māori and their whānau. The fact that rangatahi Māori are more likely to experience long-term limited employment than non-Māori does not fit with the promise of Te Tiriti o Waitangi to give equal rights and duties to all citizens. Māori have also consistently told us that for rangatahi Māori success includes having a sense of belonging and connection with culture in addition to education and employment outcomes.

Taking a Tiriti-informed approach to this topic reinforces the government's responsibility to ensure the education and employment system delivers *ōretitanga* (equality) for Māori as New Zealand citizens. It also provides an opportunity to enable government to exercise its *kāwanatanga* (governing) role appropriately and for Māori to exercise greater *rangatiratanga* (agency and authority) over how the education and employment system works for rangatahi Māori. This includes a focus on recognising and supporting *iwi*, *hapū* and diverse Māori communities as knowledge holders, decision makers and enablers of individual and collective (including whānau) wellbeing.

## Chapter Two: Pathways into long-term limited employment

*This section describes factors associated with long-term limited employment and the population groups who are most likely to experience prolonged or repeated limited employment aged 16 to 24. It also examines education and employment pathways, including key events and life experiences associated with the likelihood that young people will experience lifetime limited employment.*

### Introduction

The analysis in this chapter uses government administrative data from the Stats NZ Integrated Data Infrastructure (IDI) to explore the nature and scale of youth experience of limited employment at ages 16 to 24. This analysis can help us to identify population groups who are more likely to experience significant limited employment, possible areas of education and employment system under-performance, and promising areas of focus for future policy changes.

The analysis is, however, subject to significant data limitations. Government administrative datasets are not well-placed to answer questions about education and employment system performance from te ao Māori perspectives. Government datasets also do not capture information about all the contextual factors that may influence education and employment pathways, the outcomes that matter most to individuals, whānau, hapū or iwi, or people's experiences of frontline services. Despite this, the range and depth of linked government data that is available through the IDI to explore education to employment pathways is amongst some of the best available in any country.

Throughout this briefing, we have sought to supplement insights from IDI analysis with evidence and from research and evaluation, consultation and engagement.

In the analysis that follows, **limited employment** is defined as:

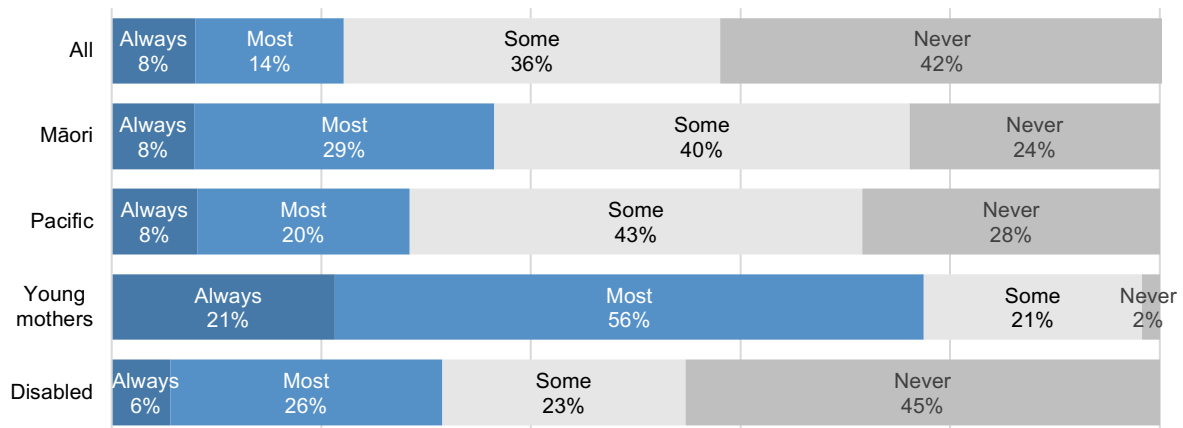
- Being in no employment, or small amounts of part-time or casual work
- Not in full time study at school or tertiary education at New Zealand Qualification Level 3 and above
- Not self-employed.

The analysis is based on people who were born in 1994. It follows their experiences from birth and then looks at the experience of limited employment in New Zealand during ages 16 to 24. Ages 16 to 24 for the 1994 birth cohort correspond to the years 2010 to 2018.

As shown by Figure A, 42% of young people do not experience *any* limited employment at ages 16 to 24. Just over a third of young people experience *some* limited employment, but this state is not *enduring*, i.e., they move into limited employment and/or out of limited employment between the ages 16 to 24.

However, 22% of young people spend more than half their years in limited employment between age 16 to 24. This analysis focuses primarily on the characteristics and experiences of these young people.

Figure A: Experiences of limited employment at ages 16 to 24 for different population groups



Notes: Results relate to people who were born in 1994 and lived in New Zealand for more than 330 days a year, at ages 16 to 24<sup>8</sup>

#### How to interpret Figure A:

- **Always** in limited employment means that for all years in NZ at ages 16 to 24 they were in limited employment.
- **Most** in limited employment means that more than half of their years in NZ at ages 16 to 24 were spent in limited employment. This category excludes people who are always in limited employment.
- **Some** limited employment includes young people who spent less than half their years in NZ at ages 16 to 24 in limited employment. This includes young people who moved in and out of limited employment repeatedly as well as those who moved *into* limited employment after early experience of not being in limited employment, and those who moved *out of* limited employment in later years.
- **Never in limited employment** means that for all the years they were in NZ they are identified as never in limited employment at ages 16 to 24.

### Which young people are more likely to experience significant limited employment between ages 16 and 24?

Experience of significant limited employment reflects and reinforces existing equity challenges

Figure A shows there are longstanding system failures to enable equitable social and economic opportunities and outcomes for Māori and Pacific peoples. Young Māori and Pacific peoples report that exposure to racism and discrimination are common experiences

<sup>8</sup> In this briefing 'young mothers' refers to young women who have had a child prior to age 19.

The definition of disabled used in this briefing is based on self-reported responses to the 2018 Census question on disability. This uses an internationally validated measure of disability, and relates to ongoing, not temporary difficulties.

across our education, welfare, and employment systems.<sup>91011</sup> These experiences are reflected in young people's education and employment outcomes, with experiences of limited employment varying significantly by population group. For example, 37% of rangatahi Māori and 28% of Pacific young people spend more than half their years between age 16 to 24 in limited employment (compared 22% of the total population). These disparities in employment outcomes can continue across working lives, with significant social, cultural, health and economic impacts on individuals, and on iwi, hapū and whānau, spanning generations.

Young women (24%) are more likely to than young men (20%) spend more than half their years in limited employment between the ages 16 to 24. This reflects much higher rates of limited employment among young women who have a child by age 18. Young mothers make up less than 2% of the total youth population, but 11% of the population who spend more than half their years in limited employment at ages 16 to 24. More than half of young mothers are Māori while 20% identify as Pacific peoples.

As shown by Figure A, 77% of young mothers who have a child by age 18 are in limited employment for more than half their years aged 16 to 24. New mothers (at any age) tend to spend at least some time outside the labour-market following the birth of a child. However, this does not necessarily explain high rates of *long-term* limited employment among young mothers. Higher rates of long-term limited employment among young mothers may be driven by caregiving preferences, prior life experiences, and/or childcare-related barriers that affect access to and retention in education or employment. Enabling choice by addressing barriers to education and employment can assist young mothers to prepare for re-engagement in the labour-market at a time of their choosing in line with their goals, interests and aspirations for themselves and their tamariki.

Government administrative datasets contain limited information about disabled people. However, data from the 2018 Census<sup>12</sup> indicates that disabled young people are more likely to experience long-term limited employment than the total population. Around 32% of disabled young people spend more than half their years aged 16 to 24 in limited employment. Disabled people make up around 2% of all 16- to 24-year-olds and 3% of those who spend more than half their years aged 16 to 24 in limited employment. At a population level, rangatahi Māori and Pacific young people have higher rates of disability than non-Māori.<sup>13</sup> For these young people, the shortcomings of education and employment system responses to needs, aspirations and goals can compound. Young disabled people and their whānau express concerns about discrimination, inclusion and equal opportunities in education and employment.<sup>14</sup>

<sup>9</sup> Ministry of Education (2018). Education Conversation | Kōrero Mātauranga: what you told us. <https://conversation.education.govt.nz/conversations/education-conversation/what-you-told-us/>

<sup>10</sup> Auckland Co-Design Lab. (2016). [The Attitude Gap Challenge: A South Auckland Employment and Skills Challenge](#)

<sup>11</sup> Auckland Co-Design Lab. (2017). Pacific Peoples' Workforce Challenge. <https://www.aucklandco-lab.nz/reports-summary/pacific-peoples-workforce-challenge>

<sup>12</sup> In this analysis, a person is counted as disabled if they reported in the 2018 Census they can't, or they have a lot of difficulty with, any of the following: seeing (even with glasses), hearing (even if using a hearing aid), walking or climbing steps, remembering or concentrating, and washing all over or dressing. Self-reported responses to the disability question in the 2018 Census question do not distinguish length of life disabled. At the time of the 2018 Census, the 1994 birth cohort are 23 or 24, so it may be that some have had a disability all their life, while some are only recently disabled.

<sup>13</sup> Ministry of Health (2018). Disability. <https://www.health.govt.nz/our-work/populations/maori-health/tatau-kahukura-maori-health-statistics/nga-mana-hauora-tutohu-health-status-indicators/disability>

<sup>14</sup> Office of the Children's Commissioner. (2021). [What Makes a Good Life for Disabled Children and Young People? | Office of the Children's Commissioner](#)



## Understanding pathways into limited employment

### Early life experiences associated with experience of significant limited employment

Using government administrative data, we can identify a number of individual, family and socio-economic factors associated with experience of long-term limited employment. The relationship(s) between these factors and limited employment is not necessarily *causal*. Many of these factors overlap and interact, highlighting the complexity of inter-generational disadvantage and the multiple potential influences on youth employment outcomes.

We developed regression models<sup>15</sup> to explore the relationship between prior life experiences by age 15 and by age 18, and later experience of limited employment at ages 16 to 24. A summary of the factors most associated with the likelihood of spending all or most years in limited employment at ages 16 to 24 is highlighted in the box below. These findings are broadly consistent with earlier modelling of factors associated with experience of long-term NEET.<sup>16</sup>

#### **Prior life experiences most associated with spending all or most years in limited employment at ages 16 to 24**

Young people who have spent more than half their lives aged 16 to 24 in limited employment are much more likely to:

1. have been a mother by age 18
2. have left school with no school qualification or NCEA Level 1 only
3. have no driver's license by age 18
4. have been involved in the justice system by age 18
5. have used mental health services by age 18
6. have been the subject of a notification to Child Youth and Family / Oranga Tamariki as a child
7. have spent time in alternative education or an activity centre
8. have lived in a socio-economically disadvantaged neighbourhood
9. have parents with no or low qualifications
10. have been a dependent child of a beneficiary for more than half of their life to age 15
11. have been stood down, suspended or excluded from school, or referred to a school attendance service
12. have lived in social housing by age 18
13. have been the child of a teen mother
14. have had at least one unstructured school move (i.e., beyond primary to intermediate or to secondary)

*Factors are listed in descending order from highest to lowest odds of spending more than half your years in limited employment at ages 16 to 24.*

<sup>15</sup> Statistical models can include a range of factors that may be associated with a specific outcome. Regression analysis enables us to identify *how much each individual factor* contributes to the chance of this outcome (in this case, the chance of limited employment).

<sup>16</sup> Apatov, E. (2019). The drivers behind the higher NEET rate for Māori and Pacific youth: insights from administrative data. <https://www.mbie.govt.nz/dmsdocument/10355-the-drivers-behind-the-higher-neet-rate-for-maori-and-pacific-youth-main-report>

The factors highlighted above can explain around a quarter of the variance seen in young people's experience of limited employment. This is higher than typical when modelling social outcomes because of the complex array of factors that can influence the course of people's lives. However, it means that around three-quarters of the variance in young people's experience of limited employment is explained by other factors outside these models.

These findings show that young people and their whānau who experience significant limited employment are much more likely than the total population to have had early involvement with a range of government agencies, services and/or targeted interventions (including justice, welfare, housing, education and mental health). This may indicate that targeted government services and interventions are reaching individuals and their whānau with high needs. However, it also highlights the underperformance of core government services and the failure of existing education, welfare and employment system responses to deliver equitable outcomes for current and future generations of young people.

Of all the factors associated with sustained limited employment at ages 16 to 24, the three strongest factors were becoming a mother by age 18, leaving school without NCEA 2 or equivalent, and not having a driver's licence by age 18. For example:

- Young women who have a child by age 18 were 5 times more likely than those who are not mothers to spend more than half their years in limited employment between ages 16 and 24.
- School leavers with no qualifications or NCEA Level 1 only were 4 times more likely than someone who left school with NCEA Level 2 or equivalent to spend half their years in limited employment between ages 16 and 24.
- Young people without a driver's license by age 18 were over three times more likely than those who do have a driver's license to spend half their years in limited employment between ages 16 and 24.

However, life events or experiences that often occur earlier in people's lives are also associated with the likelihood of experiencing significant limited employment at ages 16 to 24. These include a range of factors associated with the early home environment, socio-economic circumstances, and experiences within the education, justice, mental health and welfare systems as a child. In turn, early life experiences are strongly associated with education and employment outcomes in adolescence and early adulthood, such as leaving school with low or no qualifications.<sup>17</sup>

Around a third of the variance in limited employment outcomes explained by these models was due to these top three factors which mostly occur after age 15, while two-thirds were explained by the remaining factors, which mostly occurred before age 15. These findings highlight the complexity of education and employment pathways and the importance of effective system responses to need at different ages and life stages.

#### Cumulative life experiences at birth, childhood and adolescence and early adulthood influence pathways into limited employment

Figure B shows the distribution of factors associated with limited employment at birth, childhood and adolescence, and early adulthood, across different population groups. This indicates that young people's experiences in the education and employment system can be protective for – or create barriers to – future employment outcomes at each stage of an individual's education and employment pathway. Pathways into long-term limited employment are not pre-determined or inevitable from an early age.

<sup>17</sup> Ministry of Education. (2022). The Equity Index. <https://www.education.govt.nz/our-work/changes-in-education/equity-index/>



Figure B: Distribution of factors associated with limited employment at different life-stages, by population group

Factor	Total population				Population subgroups			
	Total 1994 birth cohort		Always or mostly in limited employment		Māori	Pacific	Disabled	Young mothers
	Number	%	Number	%	%	%	%	%
<i>At birth</i>								
Mother or father with low or no qualifications	34,200	44%	7,860	47%	68%	47%	54%	69%
Mother or father with history of justice sector involvement	13,730	18%	5,140	31%	44%	26%	25%	47%
Mother was a young mother (prior to age 19)	3,500	5%	1,450	9%	13%	8%	7%	15%
<i>Up to age 15</i>								
Involvement with care and protection system	8,470	11%	4,260	25%	25%	17%	18%	44%
More than half of life as a dependent child supported by benefits	17,480	23%	6,780	40%	54%	36%	33%	64%
Parental income lower than minimum wage	26,230	34%	8,280	49%	66%	46%	48%	74%
Ever lived in social housing	7,660	10%	3,360	20%	23%	33%	13%	33%
Eight or more changes of home address	22,070	28%	6,990	42%	49%	27%	42%	75%
One or more unstructured school moves	11,630	15%	3,930	23%	28%	17%	19%	43%
Stood down, suspended or excluded from school	8,500	11%	3,930	23%	26%	17%	15%	36%
Involvement with a school attendance service	6,670	9%	3,170	19%	20%	14%	12%	35%
Involvement with alternative education	1,400	2%	1,080	6%	6%	3%	3%	11%
Involvement with mental health services	4,570	6%	1,880	11%	8%	5%	15%	14%
Involvement with youth justice sector (at ages 10 to 15)	2,800	4%	1,620	10%	10%	4%	6%	12%
<i>Ages 16-24</i>								
No driver's licence by age 18	34,320	44%	12,060	72%	45%	70%	54%	57%
Left school with less than NCEA level 2 (or equivalent) qualification <sup>18</sup>	15,060	19%	7,090	42%	33%	28%	27%	60%
Attained a tertiary level 1-2 qualification by age 20	2,500	3%	960	6%	6%	4%	4%	7%
Involvement with mental health services	26,070	34%	7,440	44%	45%	28%	62%	58%
Youth justice system involvement at ages 16 & 17	8,140	11%	3,640	22%	23%	12%	13%	27%
Adult justice system involvement at ages 18 to 24	19,560	25%	6,630	39%	46%	32%	28%	53%
Early entry to the benefit system (prior to age 20)	20,280	26%	8,140	48%	50%	39%	43%	89%
Young mother (prior to age 19)	1,480	2%	1,150	7%	5%	3%	3%	100%
<b>Total number in group</b>	<b>77,420</b>		<b>16,810</b>		<b>16,070</b>	<b>9,030</b>	<b>1,620</b>	<b>1,480</b>
<b>Percent of total 1994 birth cohort</b>		<b>100%</b>		<b>22%</b>	<b>21%</b>	<b>12%</b>	<b>2.1%</b>	<b>1.9%</b>

<sup>18</sup> The NCEA figures here differ slightly from published statistics due to differences in how the cohort in this analysis has been defined compared with published measures (which are based on domestic students only who attended a secondary school at some stage after their 15<sup>th</sup> birthday).

Some of the factors listed in Figure B, such as leaving school with low or no qualifications, or not having a driver's license by age 18, affect a significant number of young people. For example, 42% of all young people who spend more than half their years aged 16 to 24 have low or no qualifications. However, this means that 58% (9,720) young people who spend more than half their years aged 16 to 24 *do* have NCEA Level 2 or higher. In addition, just under half of all young people who leave school with low or no qualifications spend more than half their years aged 16 to 24 in limited employment. This indicates that while qualification attainment is a protective factor, it is not a silver bullet. We also need to consider how well the education system prepares young people for the world of work.

Other factors listed in Figure B affect a relatively small number of young people but are strongly predictive of later limited employment (e.g., involvement in alternative education, mental health services and/or youth justice by age 15). Further analysis shows that:

- only 2% of the total population have been involved in alternative education, but 78% of these young people go on to spend more than half their years aged 16 to 24 in limited employment
- around 4% of the total population have been involved with the youth justice system by age 15, but 58% of these young people go on to spend more than half their years aged 16 to 24 in limited employment
- just 6% of the total population have been involved with mental health services by age 15, but 41% of these young people go on to spend more than half their years aged 16 to 24 in limited employment.

These results highlight the need for 'joined-up' education and employment system responses that are able to identify and support young people to access any wider services and supports they may require.

[The distribution of factors associated with limited employment highlights system failures to create equitable education and employment pathways](#)

Figure B shows that rangatahi Māori, Pacific young people, disabled young people and young mothers, are more likely than the total population to have prior life experiences associated with significant long-term limited employment at ages 16 to 24. The unequal distribution of these factors across population groups reflects system failures to create equitable education and employment pathways for all young people.

The Annex at the end of this briefing provides a detailed analysis of education and employment pathways for young people in each of these four population sub-groups.

## **Chapter Two: Summary**

The analysis in this chapter highlights the complex array of factors and events that influence the course of young people's lives – no single factor is deterministic, and the modelling explains only part of the picture.

Despite this, the analysis points to a clear link between limited employment at ages 16-24 and the early home environment and experience of socio-economic disadvantage in childhood.

In turn, early life experiences are strongly associated with education and employment outcomes in adolescence and early adulthood, such as leaving school with low or no qualifications. Educational attainment is not a silver bullet, but it is protective.

While pathways into long-term limited employment are not pre-determined or inevitable, impacts seem to persist, and cumulative life experiences can influence people's pathways into employment. This highlights the need for effective system responses at different ages and life stages.

Education and employment system responses have the potential to mitigate – or create – barriers to limited employment.

Delivering more equitable employment outcomes in the future will require a particular focus on creating effective pathways into sustainable work for rangatahi Māori, Pacific young peoples, young mothers and disabled people.

## Chapter Three: Towards a more effective system to prepare all young people for satisfying and rewarding working lives: possible future directions

*This section identifies possible future directions for education and training system reform to reduce the flow of young people into limited employment and create clearer pathways from limited employment into sustainable work. It highlights available policy levers, considers the implications of Te Tiriti principles for future system reform, and identifies key strategic choices and trade-offs for government to consider.*

### Introduction

Government concern about youth employment outcomes is not new. Over many years, the New Zealand government has introduced a range of policy reforms intended to set more young people on pathways to satisfying and rewarding working lives. There are examples of great practice across our education and employment system, involving many committed individuals and frontline services that work hard to enable young people to meet their potential. However, to date, government policies have not yet delivered the *system-wide* changes of the nature and scale required to better prepare young people for the future.

In the remainder of this chapter, we take a life-course approach to identify how education and employment system responses to need at different ages and stages can create or mitigate barriers to long-term limited employment. This approach recognises that there are multiple potential drivers of limited employment, and that system-wide change requires 'joined up' government policy and services. We identify possible future government policy directions, with a focus on a small number of opportunities that we consider have potential to deliver *system-wide* shifts in youth employment outcomes. These opportunities fall into one of three broad categories:

- a) investment and capability building to scale up good practices system-wide
- b) promoting innovation in service delivery to enable more tailored support in line with individual and whānau needs and preferences
- c) broadening access to pre- and post-employment youth services so that support is no longer tightly targeted based on benefit or NEET status at a single point in time.

We also identify some strategic choices facing government about how particular opportunities could be progressed, and the potential benefits or downsides of different policy decisions.

## How government can promote future system change

Government has a range of policy levers it can use to promote system-wide changes to improve youth employment outcomes. These include:

- **guidance and information:** to empower rangatahi and their whānau to make well-informed education and employment choices, identify and share good practice among education and employment services, support employers to improve their practice, and to promote system accountability to government, iwi and communities.
- **partnerships:** working with Te Tiriti partners, across government agencies, the education workforce, industry and employers, and the community sector for a collective purpose.
- **investment:** funding for new programmes, services, workforce development, research or evaluation; changes to funding levels, eligibility, or the way in which funding is allocated.
- **regulation:** to set clear expectations and requirements for education and employment services or employer practices.

## Applying Te Tiriti principles to future system design

The Waitangi Tribunal and the courts have derived principles from Te Tiriti that provide guidance for education and employment system reform to support rangatahi to progress into and retain sustainable work:

- a) **Equity.** The Government has responsibilities to address disparities in youth labour-market outcomes between Māori and non-Māori. This requires system monitoring and design choices that address equitable access and outcomes from the education and employment system.
- b) **Active protection.** Requires the Crown to act honourably, consult fully and, where appropriate, make decisions with people whose interests are to be protected. This principle also requires the Crown to make available services to Māori that seek to close inequitable gaps in youth labour-market outcomes with non-Māori.
- c) **Rangatiratanga.** Rangatiratanga means providing for Māori self-determination in the design, delivery and monitoring of public services. This requires the Crown to acknowledge Māori control over their tikanga, resources and people and to allow Māori to manage their own affairs in a way that aligns with their customs and values.
- d) **Options.** As a Te Tiriti partner, Māori have the right to choose their own social and cultural pathways. The Government must ensure that education and employment services are culturally appropriate for Māori. The Government's role includes providing and properly resourcing kaupapa Māori services.
- e) **Partnership.** This involves Māori co-design of services for Māori with the Crown. This means working with iwi, hapū, whānau and Māori communities to govern, design, deliver and monitor services to improve labour-market outcomes for rangatahi Māori.

These principles highlight the Crown's responsibilities under Te Tiriti and provide guidance for future government decisions relating to the *purpose* of system reforms, the *process* of developing and assessing policy and implementation options for change, and *how* services could be delivered in local communities.

## Future directions, choices and areas for further work

The discussion that follows is organised around the needs of children, young people and their whānau at key life-stages. This provides a framework for identifying potential policy changes that could deliver more effective system responses at key points on a young person's education and employment pathway:

1. Early learning, attainment and engagement in schooling
2. Preparing to find and secure employment.
3. Building resilient connections to the workplace.

## Early learning, engagement and attainment in schooling

The analysis undertaken for this Long-Term Insights Briefing highlights a strong relationship between the early home environment, experience of socio-economic disadvantage, and foundation skills that provide the building blocks for future educational engagement, attainment, and employability. Learning is progressive which means that early skills, knowledge and competencies provide building blocks for later learning. For example, strong literacy, communication, and numeracy skills provide a foundation for progress, achievement and outcomes from early learning through to employment. However, differences in child development (e.g., social and emotional skills, early literacy and numeracy) are apparent from a very early age and disparities in attainment often endure over time.

There is robust New Zealand and international evidence that programmes to support cognitive skills and socio-emotional development in the early years can provide a cost-effective way to mitigate inter-generational disadvantage and improve life chances, including health, education, justice and employment outcomes later in life.<sup>19 20</sup> In part, these findings reflect the pivotal role that early socio-emotional development plays in influencing later educational engagement and other life outcomes.<sup>21</sup> Key elements of socio-emotional development include the ability to express and understand emotions, regulate emotions and behaviour, and use social relationship skills to solve problems.<sup>22</sup>

Recent results from the *Growing up in New Zealand* study indicate that self-control, a key element of socio-emotional development is relatively fluid between the ages of 2 and 8.<sup>23</sup> We also know that educational attainment and engagement is not an entirely linear process – children and young people can and do experience specific learning challenges in particular curriculum areas or at particular points in time. This means that action to mitigate barriers to educational attainment and engagement is important whenever these are identified.

<sup>19</sup> Heckman, J., & Kautz, T. (2013). *Fostering and Measuring Skills: Interventions That Improve Character and Cognition* (Working Paper No. 19656). Cambridge, MA: National Bureau of Economic Research. <https://doi.org/10.3386/w19656>

<sup>20</sup> Office of the Prime Minister's Chief Science Advisor (2018). *It's never too early, never too late: a discussion paper on preventing youth offending in New Zealand*. <https://dpmc.govt.nz/sites/default/files/2021-10/pmcsa-lts-never-too-early-Discussion-paper-on-preventing-youth-offending-in-NZ.pdf>

<sup>21</sup> McGirr, M. & Earle, D. (2019). Not just about NEETS: A rapid review of evidence on what works for youth at risk of limited employment. <https://www.educationcounts.govt.nz/publications/80898/not-just-about-neets>

<sup>22</sup> Ahmad, S., Waldie, K., Morton, S., & Peterson, E. (2022). *Do Patterns of Levels of Socio-emotional Competence During Early Childhood Predict Executive Function at 4.5 Years?* *Child Psychiatry & Human Development* 53:448–457 <https://doi.org/10.1007/s10578-021-01128-3>

<sup>23</sup> Peterson, E., Neumann, D., Meissel, K., Cha, J., Pillai, A. (2021). *Self Control in the Growing up in NZ Cohort: findings from birth to eight*. Initial report to the Ministry of Education.



International studies indicate that almost a quarter of New Zealand learners in year 5 are not on track to become fully literate, and almost half of learners in years 5 and 9 are not on track to become numerate.<sup>24</sup> Employers' care about these skills, reporting that poor numeracy and literacy skills have a negative impact on their business.<sup>25</sup> Addressing persistent achievement gaps and reversing a long-term decline in achievement levels relative to other countries is a major education system challenge. This is likely to require ongoing efforts by future governments to build education workforce capability and provide tools and resources to improve the quality of literacy, communication and maths experiences in early learning and schools.

From age twelve signs of early educational disengagement start to increase, reflected in measures such as falling regular school attendance.<sup>26</sup> In turn, regular school attendance has a strong relationship with student wellbeing<sup>27</sup> and educational attainment.<sup>28</sup> Levels of regular attendance have fallen significantly since 2015, a trend worsened by COVID-19. However, attendance issues need to be addressed alongside a wider focus on education engagement, achievement and outcomes.

Children and young people tell us that not all feel welcome at school or that learning is relevant to them. Young people's sense of belonging, motivation and resilience as learners can be hampered by unmet learning support needs, experiences of discrimination, bullying, and lack of recognition for identity, language and culture.<sup>29</sup> This highlights the role that early learning services and schools can play in creating inclusive learning environments to deliver equitable learning opportunities.

Māori and Pacific children and young people are more likely to experience bullying, marginalisation and discrimination in our schools. These ākonga need a culturally competent teaching workforce that reflects them and access to learning that reflects their experiences. The practice of streaming ākonga into classes based on perceived ability disproportionately impacts Māori and Pacific learners and can affect engagement, limit achievement, and constrain future education and employment pathways. In turn, how schools respond to signs of student disengagement, including through the implementation of standdowns, suspensions, and exclusions can increase risks of early school leaving.

Many of the factors that influence education engagement and achievement lie within the education system, such as a high-quality culturally responsive education workforce, relevant local curriculum, effective learning support and strong relationships with parents, learners, whānau, iwi, hapū and community. Continuing to build education sector capability in all these areas will remain a core priority for current and future governments. A range of wider

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<sup>24</sup> Ministry of Education. (2022). Literacy, Communication and Maths Strategy. [https://assets.education.govt.nz/public/Documents/Ministry/Changes-in-education/ELS-0778-Maths-and-Literacy-Strategies-Doc\\_web.pdf](https://assets.education.govt.nz/public/Documents/Ministry/Changes-in-education/ELS-0778-Maths-and-Literacy-Strategies-Doc_web.pdf)

<sup>25</sup> EMA. (2019). Findings from the 2019 Employers Survey. [https://www.skillshighway.govt.nz/sites/default/files/images/Employers\\_Survey\\_2019\\_page%20Final.pdf](https://www.skillshighway.govt.nz/sites/default/files/images/Employers_Survey_2019_page%20Final.pdf)

<sup>26</sup> Ministry of Education. (2022). Attendance. <https://www.educationcounts.govt.nz/statistics/attendance>.

<sup>27</sup> McGregor, A. and Webber, A. (2020). He Whakaaro: School attendance and student wellbeing. <https://www.educationcounts.govt.nz/publications/schooling/he-whakaaro-school-attendance-and-student-wellbeing>

<sup>28</sup> Webber, A. (2020). He Whakaaro: What is the relationship between attendance and attainment? <https://www.educationcounts.govt.nz/publications/schooling/he-whakaaro-what-is-the-relationship-between-attendance-and-attainment>

<sup>29</sup> Ministry of Education. (2018). Education Conversation | Kōrero Mātauranga: what you told us. <https://conversation.education.govt.nz/conversations/education-conversation/what-you-told-us/>

barriers to education engagement and achievement such as poverty, family violence and housing security cannot be addressed by the education system alone.

Children and young people who show signs of early educational disengagement and their whānau say they often have to engage with a range of providers and agencies to receive all of the services that they need to address barriers to participation and achievement at school. These young people tell us they want support delivered by a trusted relationship to an adult who listens to and believes in them, can help them and their whānau to navigate available support services, and provide practical assistance to help them to develop and meet their education and employment goals.

### Possible future directions

#### *A greater focus on cognitive and socio-emotional development in the early years holds promise*

Taking a long-term view of options to reduce the flow of young people into lifetime limited employment highlights the value of preventative actions and interventions. In particular, a focus on supporting socio-emotional development in the early years has the potential to reap significant long-term benefits. Government has choices about how this could be implemented.

One approach would be to increase the reach of evidence-based parenting programmes<sup>30</sup> that support early cognitive and socio-emotional skills development. Children who exhibit challenging behaviours such as hyperactivity, aggression and peer problems from a young age, and those who experience trauma, stress and deprivation early in life typically gain the most from early interventions to support self-regulation. Government could direct agencies to increase their efforts, including working with iwi and community organisations, to identify and encourage take up of specific parenting programmes by whānau with children who are likely to benefit the most (e.g. whānau who have had involvement with Oranga Tamariki or the justice sector, a history or risk of long-term benefit receipt, and/or some whānau that include a young mother, or a child with learning or behaviour support needs).

This approach would require increased government investment to scale up the delivery of evidence-based parenting programmes, including attention to the geographic reach, capability and capacity of social service organisations, and the development of new partnerships with iwi and Māori organisations to expand access to culturally responsive and kaupapa Māori service delivery. This targeted approach has the potential to support the whānau who participate in these programmes to build their parenting confidence, and to contribute to greater equity of education and employment outcomes for their children.

Another approach would be for government to prioritise building the capacity and capability of the early years and teaching workforce to support socio-emotional development in early childhood education and primary schools. The value of socio-emotional skills and competencies is already reflected in the high-level curricula for early childhood education, kura and schools. However, there is room to better support schools and early childhood services to implement structured classroom practices that are shown to support the development of self-regulation.<sup>31</sup> This could include a focus on expanding access to, and

<sup>30</sup> Triple P and Incredible Years are examples of existing parenting programmes that have a robust international evidence-base and have been successfully implementing in the New Zealand context.

<sup>31</sup> For example, the Engage programme supports the development of self-regulation at ages 3-7, through intentional play with games focused on cognitive (thinking) emotional (feeling) and behaviour (doing). This evidence-based programme, which provides resources and training for ECE and primary school teachers has been developed in New Zealand, for application in New Zealand early childhood services and schools.



awareness of, high-quality training and resources for early childhood education (ECE) and primary school teachers in both the English-medium and Māori-medium sectors.

This more universal approach has the potential to reach a much wider population and does not rely on whānau take up of parenting services that may be perceived as stigmatising. The level of system-wide change this approach would deliver would depend on future implementation and delivery choices to enable the effective roll out and take up of high-quality training and resources across the early learning, kura and school sectors.

*...together with sustained efforts to grow the cultural competency of the education and learning support workforce and systematically identify and scale up what works*

In the medium-term, government has opportunities to accelerate the development of screening and assessment tools to enable early learning services and schools to identify and respond more promptly to learning and behaviour support needs when they arise. This includes a focus on improving access to learning supports in Māori medium settings and developing culturally responsive resources in te reo and which apply a te ao Māori world view. To support more equitable outcomes for tamariki and rangatahi Māori with learning support needs, sustained efforts are required to build the cultural competency of the education and learning support workforce, including through the training, recruitment and retention of Māori learning support specialists.<sup>32</sup> Government also has opportunities to grow Māori medium and kaupapa Māori education over time, to support Māori aspirations for education, and expand access to learning environments that deliver improved education outcomes and wellbeing for tamariki and rangatahi Māori.

Developing and implementing effective responses to falling school attendance rates and early signs of education disengagement in adolescence is both an immediate and longer-term challenge. Post-Covid there are opportunities for government to promote greater tailoring of education content and delivery in secondary schools to meet individual learner interests and needs. This could involve exploring funding or regulatory changes to encourage greater use of mixed model delivery methods that combine school-based teaching and learning, with online, tertiary education and work-based learning opportunities.

In the longer-term, government could also consider options to address relative under-investment in education sciences<sup>33</sup> and build the New Zealand education research and evaluation evidence base. This could include a particular focus on evidence generation to support identifying and then scaling up effective teaching practices and targeted supports to promote equitable access to learning, accelerate progress for children who fall behind, deliver culturally responsive services, and address barriers to education engagement and attendance.

There are opportunities to share lessons from existing good practice for potential adaption and application elsewhere. However, we know that a range of contextual factors impact on learning that can create challenges for adapting effective teaching and learning practices from one setting to another. Efforts to identify and scale up evidence-based practices need to consider not only 'what works' but for whom and in which circumstances. Capability-building to implement evidence-informed practice can also take significant time and resourcing, which is often underestimated during efforts to introduce good practice

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<sup>32</sup> Ministry of Education. (2022). *Māori Affairs Select Committee Inquiry into Learning Support for Ākonga Māori. Departmental report.*

<sup>33</sup> McNaughton, M. (2022). *Submission on Te Ara Paerangi /Future Pathways Green Paper.* Chief Education Science Advisor. <https://www.mbie.govt.nz/dmsdocument/21180-stuart-mcnaughton-te-ara-paerangi-future-pathways-green-paper-submission-pdf>

approaches to new contexts or to 'roll out' lessons from pilot programmes on a national or regional scale.<sup>34</sup>

*...including new models for working in partnership with others to deliver system-level change*

Delivering more equitable education outcomes is a long-term challenge that requires action on multiple fronts. Sharing, supporting and implementing effective practice across our highly devolved early learning and schooling system is not something that government can do alone. This requires recognising expertise outside of government and working in ways that devolve decision-making power and authority appropriately, enable innovation in front line services, and engender the support of the education workforce, whānau, hapū, iwi and communities.

Local level collective efforts are required by government agencies, social services, iwi and Māori organisations to address non-education barriers to learning, attendance and engagement and connect children and whānau to the wider services and supports. Government agencies could also seek to partner more actively with philanthropic organisations to explore co-investment approaches, support youth entrepreneurship and trial new delivery approaches at a local, regional or national level.

There are opportunities to learn from initiatives such as *Whānau Ora* and *Enabling Good Lives* that aim to wrap a comprehensive support package around the individual and their whānau, rather than to deliver separate, tightly targeted services and supports in isolation. This could include a focus on expanding access to strength-based support services which begin with a tailored needs assessment to help identify a young person's, skills, interests, and aspirations, develop an action plan to meet their education and employment goals, and provide practical support for next steps. This type of holistic support, which works with young people in the context of their whānau, is particularly important for young people with multiple or complex needs who may require access to a range of services and supports beyond the school gate. Involving whānau in the process of needs assessment and future planning can also improve the appropriateness of the support that is offered and increase the likelihood of the young person continuing towards their goals after formal support services end.

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<sup>34</sup> McNaughton, M (2021) The conundrum research-practice partnerships face with system variability. *Studies in Educational Evaluation*. 70.

## Preparing to find and secure employment

Remedial interventions are important for young people who experience limited employment. However, too often, intensive support for post-school transitions is targeted to young people once they have already become NEET or entered the benefit system. There are opportunities to better prepare young people for the world of work to prevent poor post-school outcomes before they occur.

Young people and their whānau tell us they want clear guidance to help navigate education and employment pathways while rangatahi are still at school (or another educational setting).<sup>35</sup> This does not mean assuming that young people are ready to make major career decisions at an early age, or that career goals and aspirations won't change over time. Instead, access to timely, high-quality careers guidance enables young people to understand the consequences of their education choices and to exert agency. Setting and working towards post-school goals can also help to motivate educational engagement and ensure young people make well-informed education choices that align with their skills, interests and aspirations for the future. However, our careers system is not supporting all young people to 'remain on track' in secondary schools to meet their potential. In particular, rangatahi Māori<sup>36</sup> and Pacific young people report low expectations from educators and employers that can limit their education and employment pathways.

Assisting young people to explore, experience and think about their future prior to leaving school is especially important for young people who are more likely to experience limited employment. This requires providing access to more intensive, tailored support to those who need it. However, students in non-mainstream education settings, such as alternative education and activity centres, Te Kura, Oranga Tamariki Care and Protection Residences, often lack access to school-based careers guidance and other supports usually provided within mainstream schooling, let alone the more intensive tailored support they may require navigating post-school transitions.

International and New Zealand evidence indicates that young people who experience socio-economic disadvantage growing up are more likely to experience a disjunct between their early education choices and future ambitions, underestimate the benefits of further education, and have limited social connections that can assist them to get an initial foothold in the labour-market. Improving access to tailored, practical support to plan next steps beyond school, navigate selection requirements and application processes, and to find and keep a job can help to deliver more equitable youth employment outcomes.

Early opportunities to explore the job market and to engage with industry and employers can also support young people to develop and clarify their career ambitions and how to achieve them.<sup>37</sup> Work experience, work-based learning and shadowing opportunities in secondary school help to familiarise young people with employer expectations and workplace norms, and to create job-relevant connections to employers that can assist them to find and secure a job. This is especially important for young disabled people who tend to have less early work experience via after-school or holiday jobs than their peers.<sup>38</sup>

<sup>35</sup> Ministry of Education. (2018). *Op cit.*

<sup>36</sup> BERL (2019) He Awa Ara Rau: A Journey of Many Paths. <http://www.maorifutures.co.nz/wp-content/uploads/2020/08/He-Awa-Ara-Rau-A-Journey-of-Many-Paths-Nov-2019.pdf>

<sup>37</sup> OECD. (2021). How youth explore, experience and think about their future. <https://issuu.com/oecd.publishing/docs/how-youth-explore-experience-think-about-their-fut>

<sup>38</sup> Ministry of Social Development. (2020a). Working Matters - An Action Plan to ensure disabled people and people with health conditions have an equal opportunity to access employment. [www.msdc.govt.nz/documents/what-we-can-do/disability-services/disability-employment-action-plan/working-matters-2020-spreads.pdf](http://www.msdc.govt.nz/documents/what-we-can-do/disability-services/disability-employment-action-plan/working-matters-2020-spreads.pdf).

Engaging in work-based learning also enables young people to signal their work-readiness to future employers and to develop and demonstrate the transferrable skills that employers value such as resilience, working with others, and time-management.<sup>39</sup> There is strong evidence that active labour-market programmes with links to the workplace are much more effective in improving long-term employment outcomes than provider-based foundation tertiary education and entry-level skills training programmes.<sup>40</sup> However, evidence from the OECD suggests that New Zealand under-invests in its active labour-market programmes, and ranks in the bottom third of OECD countries by spending levels.<sup>41,42</sup> There are opportunities for further investment in active labour market programmes to increase support for work-based learning, and youth and other employment services.

Key employment support services to enable smoother transitions into sustainable work include job search assistance, CV and interview preparation, job placement and matching services. For young people with more complex needs, strength-based case management provided by a trusted mentor or advisor can also help to build confidence, access wider services, and remove wider obstacles to employment. For example, young disabled people (including those with health conditions and mental health issues) tell us that despite feeling capable of work, they lack the guidance and hands-on careers support they need. Disabled young people also report barriers around access to appropriate resources and tailored assistance to help obtain and keep a job.<sup>43</sup>

Not all the potential barriers to finding or securing sustainable work can be addressed by education or employment sector responses (e.g., housing affordability and security, public transport issues, drug, alcohol, mental health, childcare challenges etc). However, youth and other employment services can play an important role in identifying unmet needs and helping to connect young people and their whānau to other local services and supports, where required. This may include assisting young people to access emergency housing or wider entitlements to targeted financial assistance, including benefits, hardship grants, childcare subsidies and funding for driver licences.

The diverse characteristics and needs of young people who experience prolonged or repeated limited employment highlight the importance of youth employment support that recognises the complexity of their lives, creates relationships that build resilience and trust, and engages with whānau and communities in developing long-term solutions.<sup>44</sup> Community-led services, including kaupapa Māori services led by iwi and Māori organisations, are often more attractive than government-led services to young people who have had negative prior experiences or who lack trust in government agencies. In turn, strength-based services work best when they are culturally responsive and trusted by the young people and whānau they are intended to support.

<sup>39</sup> Auckland Co-Design Lab. (2016). [The Attitude Gap Challenge: A South Auckland Employment and Skills Challenge](#)

<sup>40</sup> McGirr, M. and Earle, D. (2019). *Op cit*.

<sup>41</sup> Welfare Expert Advisory Group. (2019) [Employment-and-Labour-market-010419.pdf \(weag.govt.nz\)](#)

<sup>42</sup> OECD. (2017). Going for growth. Paris: OECD [Going for Growth | OECD iLibrary \(oecd-ilibrary.org\)](#)

<sup>43</sup> Office of the Children's Commissioner. (2021). [What Makes a Good Life for Disabled Children and Young People? | Office of the Children's Commissioner](#)

<sup>44</sup> Mumford, R., and Sanders, J. (2019) [The Youth Transition Study Final Report](#). Youth Transitions Research Programme, Massey University of Wellington.

## Possible future directions

### *A revamped careers system could provide more support for navigating education and employment pathways before leaving school*

We know that New Zealand under-invests in our careers system, including careers advice and guidance for school age ākonga. There are strategic decisions about the scale of potential change and investment in the careers system in schools. A broad approach could see government create greater universal access to personalised careers advice and guidance, underpinned by robust quality standards, for *all* young people and their whānau in years 7 to 13. This would recognise the challenges many young people face as they seek to navigate education and employment pathways, and the value of supporting more young people and their whānau to engage in guided career conversations throughout their secondary school years.

However, some young people require additional tailored support and practical assistance to help them to prepare for and manage their post-school transitions. A range of possible targeting options could be explored to direct careers advice and guidance support to where it is most needed. For example, government could target more careers advice and guidance resource to schools that have a higher proportion of young people more likely to experience long-term limited employment. This approach has the potential to deliver more equitable outcomes for young people and their whānau who have the most to gain from more intensive, needs-based careers advice and guidance.

### *...and create more opportunities to explore the world of work and gain valuable work experience prior to leaving school (or an alternative education setting)*

Depending on government's appetite for change, there are a number of options to strengthen connections between schools, industry and employers. Introducing direct school to work apprenticeships for young people seeking to 'earn while they learn' would represent a significant innovation for education delivery in senior secondary school. This could enable young people to move between school and paid work while working towards higher-level vocational qualifications. This could help to reduce later 'churn' between the benefit system, low paid insecure work, and foundation tertiary education by providing a direct pathway for progression into sustainable work at ages 16 to 18. As a major change option, this would require the support of the school sector, industry and employers, and further work to develop programme design and delivery models.

If less disruptive policy options are preferred, education and employment agencies could increase our co-ordination efforts at a regional level to share information and encourage engagement between schools, industry groups or employers, to promote workplace visits, shadowing or work experience. Agencies could also boost our efforts to work with industry and employer groups and the vocational education sector to expand opportunities for young people to combine school with structured work-based learning. These approaches should help to support further incremental improvements in school to work connections, but on their own, appear unlikely to deliver a step change in system performance.

Government also faces strategic choices about how to best implement future changes to school to work connections. Individual secondary schools already work with individual local employers to provide access to work experience. New delivery models to foster school to work connections could involve the development of area-based partnerships, made up of groups of secondary schools and local iwi, Te Pūkenga, and/or regional employer and industry groups. The current school-based approach aligns to existing ways of supporting school to work connections and acknowledges the close connections between some employers and their local school. However, area-based partnerships may work better to



raise education sector awareness of regional labour-market opportunities, provide an easier way for small employers to connect with local schools, and offer more structured support to employers who want to offer work-based learning opportunities to local young people.

*Youth and other employment services could provide earlier, more tailored, strengths-based support to enable transition into work*

Government has opportunities to take a more preventative approach to reduce youth experience of limited employment by linking careers services more closely to community-based youth employment and other services, broadening the target population able to access job search assistance and employer brokerage, and supporting access to earlier more tailored strengths-based support to assist young people find and secure work.

Government faces choices about the future role of the careers advisor in schools and its fit with community-based employment services and supports. For young people showing early signs of educational disengagement, or looking to transition directly from school to work, careers services for school age ākonga could include a focus on introducing young people and their whānau to a community-based 'navigator' or mentor while they are still at school (or in an alternative education setting). This 'navigator' could help connect young people to local youth employment and other services, and ensure ongoing access to needs-based guidance, coaching and brokerage support, if required. Enabling navigators or mentors to build quality, lasting relationships with young people will be critical.

There are additional opportunities to better adapt employment assistance to meet the needs, goals and preferences of individuals and their whānau, beginning with a tailored needs assessment. For example, for young disabled people, tailored needs-based careers and employment services could include employer-brokerage, including leading conversations with employers about workplace adaptations, if required. For young mothers, tailored support might include advice on part-time learning opportunities, childcare assistance and availability, and/or job matching support to identify family-friendly employers. In turn, the primary focus of transition-related support for young people with low or no qualifications could shift from promoting educational re-engagement via foundation tertiary education towards an emphasis on finding, securing and retaining a job with access to work-based learning.

Government has wider choices and trade-offs around the potential scope of post-school youth and other employment services. Youth services are typically tightly targeted to a subset of young people who are NEET, including those who have entered the benefit system. This approach has clearly defined eligibility boundaries that make it easy to operationalise and target funding and services. However, as the analysis in this report shows, this does not capture a wider group of young people who face a high likelihood of experiencing life-time limited employment. It also means that many young people experience gaps in support between disengaging from education or work and gaining access to tightly targeted services that may only be available to those receiving a benefit.

Broadening the target population for community-based youth and other employment services to include those in low paid, insecure work or foundation-level tertiary education would represent a major shift in the scope of the New Zealand youth employment system. Further work would be required to consider funding, service design, and performance measures to ensure that services 'reach' those most likely to experience long-term limited employment, and young people with the highest needs receive the level and mix of intensive services and support they need.

*The government could also encourage more innovative and 'joined up' service delivery through changes to commissioning models*

Young people and their whānau tell us that the youth employment system is often difficult to navigate with services fragmented across multiple providers and agencies. This can mean having to tell their stories multiple times over, or that available support is based on what the service provider they are enrolled with can offer, rather than what they need, or what may be available locally. In part, these issues reflect the way government commissions and funds youth and other employment services. Funding providers to build capability, work more cohesively across local services and deliver longer-term outcomes will require a substantial change from the existing, more transactional, approach to contracting.

Service providers tell us that compliance with government processes for receiving contracts and reporting on progress against them can take up undue time and resources that could otherwise be spent on supporting youth, and that the fragmented, short-term nature of funds can be barriers to developing trust with young people, building their own capability, or delivering enough support to fully address needs. Funding and performance measures can also incentivise services to seek “quick wins” where people closest to the labour market are prioritised over those with complex barriers, to meet performance expectations and secure future funding. This can result in support not reaching those who would benefit most from it.

Challenges with contracting and commissioning of youth and other employment services are well-established. Work is underway to improve the quality of social sector commissioning across government, to deliver solutions that better reflect Te Tiriti responsibilities and balance a focus on local community-led responses with the need for more joined-up service responses at a regional and national level. Government has opportunities to develop and implement commissioning approaches that deliver more holistic, long-term outcomes. This includes a focus on enabling iwi to exercise rangatiratanga over kaupapa Māori services and support for rangatahi Māori. It also includes working in partnership with iwi and Māori organisations to commission services at a national and/or regional level and co-design funding and performance measures that are more fit for purpose to support hauora Māori.

Government has a range of choices about how these outcomes could be achieved. Strategic questions for government to consider include:

- the extent to which expected outcomes, service offerings and performance monitoring requirements should be set at a national, regional or local level
- how to ensure community-led services have the flexibility to deliver tailored needs-based support, while ensuring value for money and accountability for public funding
- how to provide community-led services with a level of funding predictability that enables workforce development, effective local partnerships, and ongoing continuity of care
- service coverage at a regional level, including access to kaupapa Māori services and the role of service providers that specialise in assessing and addressing the employment-related needs of specific target population groups (e.g., young people with disabilities or mental health issues).

A key strategic choice in developing new approaches to commissioning services is the level of central prescription versus local flexibility. Stronger direction from the centre may result in more consistent access to services and less place-dependence. However, more devolved, community-led decision-making is likely to result in greater flexibility to respond to local needs and greater innovation in service offerings, including by kaupapa Māori services led by iwi and Māori organisations.

Further choices will arise over monitoring and evaluation. Greater focus on more holistic and long-term outcomes in theory should enable services to shift towards their efforts to focus on what matters. However, in practice these outcomes are often difficult to measure, and likely to change little over time, making it difficult to hold services accountable, or to provide timely information to assess the impact of policies and programmes at a regional or national level. Intermediate outcomes are usually more tractable to measure but may be less aligned to the long-term outcomes sought. Successful monitoring and evaluation are likely to blend the two, and this indicates a need for greater capability in this area if government is to identify and scale up what works.



## Building more resilient connections to employment

Many young people spend at least some time in lower-paid and/or unstable employment. While these roles can be stepping stones to higher-paid and more stable employment, research shows that the intensity or duration of prior labour-market attachment affects future job opportunities and prospects. New Zealand evidence indicates that people are much more likely to transition into higher paid work from an extended period of low paid work than from an extended period of non-employment. However, relative to those who experience a short period of low pay or non-employment, pathways into higher paid work are much more challenging for people who experience an *extended* period of low paid work and/or non-employment.<sup>45</sup> This highlights a potential role for pre- *and* post-employment support, to help young people who experience limited employment to move out of that cycle.

Evidence also shows that work-based learning can provide a bridge into careers.<sup>46</sup> While some employers may want to provide work-based learning for young people, many choose not to. For example, the average age of an apprentice is now almost 30, suggesting that some young people aged 16 to 24 may struggle to obtain entry-level roles that provide early opportunities for career development and advancement. Successful work-based learning requires employer time and investment in their own capability, which they may be unwilling to do if the costs they face outweigh the benefits they think they will receive.

One way to address this is to provide subsidies to support employers to take on and train young people, recognising that the benefits are broader than those felt by individual employers and as such they will tend to underinvest in training young people. There are some initiatives like this in place already, but they tend to be targeted at people who are already experiencing NEET, and there is an opportunity for more preventative approaches that target some students while they are still at school or in alternative education, to enable them to gain the skills and experience that provide a foothold in sustained employment.

The targeting and design of employer training subsidies requires careful consideration. While subsidies can encourage employers to take on and/or train employees that attract subsidies, there is much more mixed evidence about whether job subsidies lead to improved employment outcomes in the longer-term.<sup>47,48</sup> There are also targeting challenges and potential displacement effects for job seekers who do not attract subsidies. In the medium-term, strengthening industry influence over standard-setting and delivery models in the vocational education system should help to address industry and employer buy in and capability to support work-based learning. Current vocational education reforms move in this direction and time will be needed to assess their effectiveness.

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<sup>45</sup> Plum, A., Pacheco, G., & Dasgupta, K. (2021). [When There is No Way Up: Reconsidering Low-paid Jobs as Stepping-stones \(aut.ac.nz\)](https://www.aut.ac.nz/research/publications/when-there-is-no-way-up-reconsidering-low-paid-jobs-as-stepping-stones)

<sup>46</sup> OECD. (2016). Work-based Learning for Youth at Risk. <https://www.oecd-ilibrary.org/education/work-based-learning-for-youth-at-risk>

<sup>47</sup> McGirr, M. and Earle, D. (2019). *Op cit.*

<sup>48</sup> OECD. (2016). *Op cit.*

Key barriers to retaining employment are similar to many of the factors that make it difficult for people to find work in the first place.<sup>49</sup> These include a mix of factors linked to system supports for individuals and their whānau, employer and workplace cultures, and labour-market characteristics:

- **Low skills and qualifications.**
- **Difficulties in adjusting to employment**, in particular for those with more complex needs.
- **Health conditions**, including physical and mental health.
- **Transport issues**, including inaccessible public transport, lack of driver licence or access to a car which make it difficult to get to work, or juggle care arrangements for children or dependents.
- **Family caring responsibilities**, especially for sole parents, who may face challenges relating to lack of access to affordable, high-quality childcare; non-standard or inflexible working hours that make childcare arrangements more difficult, or workplaces without family-friendly provisions such as sufficient sick leave.
- **Financial disincentives** that may mean that moving from benefit into work does not pay, at least in the short term, due to work-related costs (e.g., transport or childcare), or ongoing financial insecurity due to uncertainty about regular hours or income.
- **Discriminatory workplace hiring and promotion practices.**
- **Job, workplace or industry characteristics** that provide low paid or temporary work with fewer pathways to progress.
- **Increased casualisation of the labour-market** which reduces the availability of more permanent forms of employment.

Employers and industry have an important role to play in making sure the conditions young people enter into support their wellbeing and progression. A range of employer practices can create barriers for some young people to applying for, obtaining, remaining in, or progressing into more stable jobs. For example, discriminatory hiring and promotion practices can hinder access to available jobs and progression into sustainable work. We know that workplaces are not always culturally safe for rangatahi Māori, Pacific young people or an increasingly diverse youth population, and some workplaces lack flexibility to accommodate accessibility requirements of disabled young people, or the caring responsibilities of young mothers. Non-standard working arrangements in some workplaces can also place young workers in persistently precarious situations, or, in the worst instances, there are breaches of employment and health and safety law.

Employers may be less likely to provide references for casual workers, making it more difficult for some young people to move from casual into more permanent working arrangements. Some industries appear to face more challenges than others in keeping young people in work, or creating clear pathways for progression from entry-level, casual or seasonal roles to more stable, well-paid jobs. For example, Administrative and Support Services, and Manufacturing are two of the most common industries people enter into after leaving a benefit. However, they also tend to have the lowest employment sustainability rates after 12 months (i.e., people who exit benefits to employment in these industries tend not to sustain employment earnings for the 12 months after exit).

<sup>49</sup> Ministry of Social Development. (2020b). In-Work Support Trial: a summary of related evidence and evaluation findings. <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/in-work-support-trial/iws-overview-paper.pdf>

## Possible future directions

### *Youth and other employment services that continue post-employment could support more enduring connections to employment*

Finding and securing a job is just a first step for some young people who experience more complex barriers to sustainable work. However, many youth and other employment support services end once (or very shortly after) a young person is placed into employment, which risks removing support when a young person is still adjusting to work. Youth and other employment services discussed in the previous section could be reformed to provide more seamless pre- and post-employment support to young people who need additional assistance to stay in work and/or to progress towards their future employment goals.

A revamped youth employment service could improve access to a range of needs-based supports for young people and their employers. For example, this could include providing access to post-placement employer brokerage and job coaching to troubleshoot workplace issues and address any miscommunications between an employer and a new employee that could affect the success of a job placement. Youth and other employment services could also serve as a “first point of referral” to assist employers in providing pastoral care to young people in the workplace. For young people who are trapped in low-paid, insecure work and seeking to upskill, step up to a new role, or enter a new industry, these services could provide access to impartial advice on career pathways and training options alongside job search assistance and matching services.

Approaches to improve post-placement support, including by connecting young people and their whānau to other local services and supports, have the potential to reap the greatest benefits for young people who are most likely to experience difficulties moving out of limited employment, including young mothers, Māori young people and disabled young people.<sup>50</sup> However, there is limited evidence<sup>51</sup> on the types of post-placement interventions that support employment sustainability in the New Zealand context. This suggests a need for further trialling and evaluating new delivery models and their effectiveness for different population groups.

### *The government could increase efforts to work with industry groups to promote good employer practices*

Young people tell us that employer behaviours can sometimes present barriers to forming sustained connections to work. For example, practice-based evidence from the Southern Initiative in South Auckland shows that some employers need support to build their capability to address discriminatory hiring and promotion practices in their firms and improve their cultural competence in dealing with diverse young people.<sup>52</sup> In other cases, some employers are unwilling to provide the flexibility in hours or conditions that can make work more sustainable for those with disabilities, health issues, or those seeking to balance work with family caring responsibilities.

For aspects such as cultural competence and flexibility in hours and conditions, government could work with industry figures to expand the reach of existing best-practice toolkits that highlight employer responsibilities, demonstrate the benefits of a more diverse and culturally responsive workplace, and share good practice. Other aspects, such as discriminatory hiring

<sup>50</sup> Ministry of Social Development. (2020c). <https://msd.govt.nz/documents/about-msd-and-our-work/publications-resources/research/benefit-system/what-happened-to-people-who-left-the-benefit-system-2019.pdf>

<sup>51</sup> Ministry of Social Development. (2020b). *Op cit.*

<sup>52</sup> Auckland Co-Design Lab. (2022). What works in employment support & job broker-coaching services? (<https://www.aucklandco-design-lab.nz/reports-summary/what-works-in-employment-support-and-job-broker-coaching-services>)

or progression practices, insecure work or dangerous workplaces might warrant different approaches.

Government could increase efforts to equip young people to understand their rights, employment protections and/or health and safety in the workplace. Advice is currently provided through government websites, but the reach of existing information channels could be improved to better meet the needs of young people. Options could be explored to expand accessibility and reach, such as tailoring material to target groups of young people and/or broad information drives, for example through schools. However, difficulty speaking out over the risk of retaliation may point to some mix of greater effort reminding employers of their responsibilities on these fronts and better central monitoring and enforcement.

### **Chapter Three: Summary**

This chapter uses a life-course approach to identify possible future directions for education and employment system responses to prepare all young people for satisfying and rewarding working lives. Major opportunities for system-level change are summarised below.

#### *Early learning, engagement and attainment in schooling*

1. A greater focus on cognitive and socio-emotional development in the early years
2. Sustained efforts to grow the cultural competency of the education workforce and systematically identify and scale up what works
3. New models for working in partnership with others to deliver system-level change

#### *Preparing to find and secure employment*

4. A revamped careers system to provide more support for navigating education and employment pathways
5. Creating more opportunities to explore the world of work and gain valuable work experience before leaving school (or an alternative education setting)
6. Earlier, more tailored, strengths-based support through youth and other employment services to enable transition into work
7. Encouraging more innovative and 'joined up' service delivery through changes to commissioning models

#### *Building more resilient connections to employment*

8. Youth and other employment services that continue post-employment to support more enduring connections to employment
9. Increasing government efforts to work with industry groups to promote good employer practices.

## Annex: Pathways into limited employment by population sub-group

This Annex provides a more detailed analysis of the distribution of factors associated with limited employment presented in Chapter Two, Figure B.

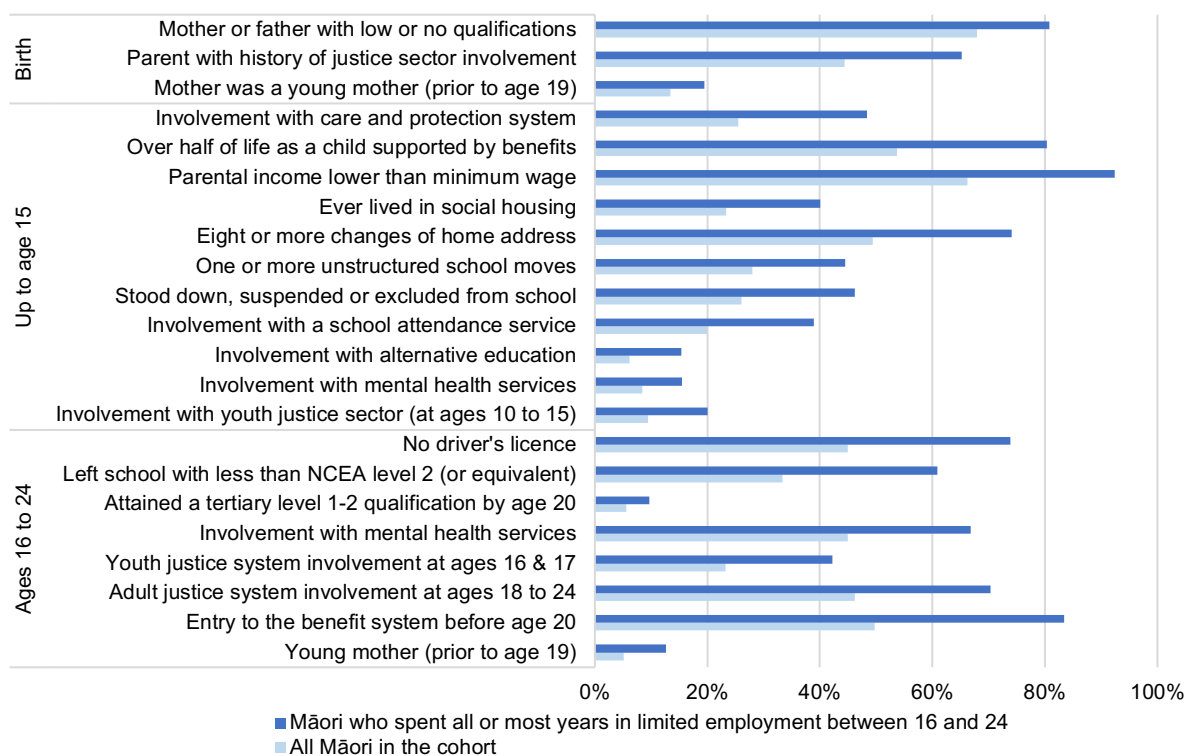
Figures C to F use government administrative data to explore education and employment pathways for young people in four population sub-groups: rangatahi Māori, Pacific young people, young mothers and disabled young people.

### Rangatahi Māori: education and employment pathways

Rangatahi Māori are more likely to experience each life factor listed in Figure B in Chapter Two, relative to the total population. However, Figure C shows the distribution of factors associated with limited employment varies significantly between all rangatahi Māori in the 1994 birth cohort, and rangatahi Māori who spend more than half their years in limited employment.

For rangatahi Māori, growing up in a low-income household, with parents with low or no qualifications, and supported by benefits are the factors most strongly associated with spending more than half their years aged 16 to 24 in limited employment.

Figure C: Percentage of rangatahi Māori with selected life factors



A failure to enable equitable education and employment pathways for Māori young people has long-term consequences. Relative to non-Māori, Māori workers are more likely to be in lower skilled occupations and in industries that are particularly vulnerable to changes in technology and economic cycles (e.g., manufacturing and construction, wholesale and retail). For rangatahi Māori, employment opportunities are also shaped by regional factors.

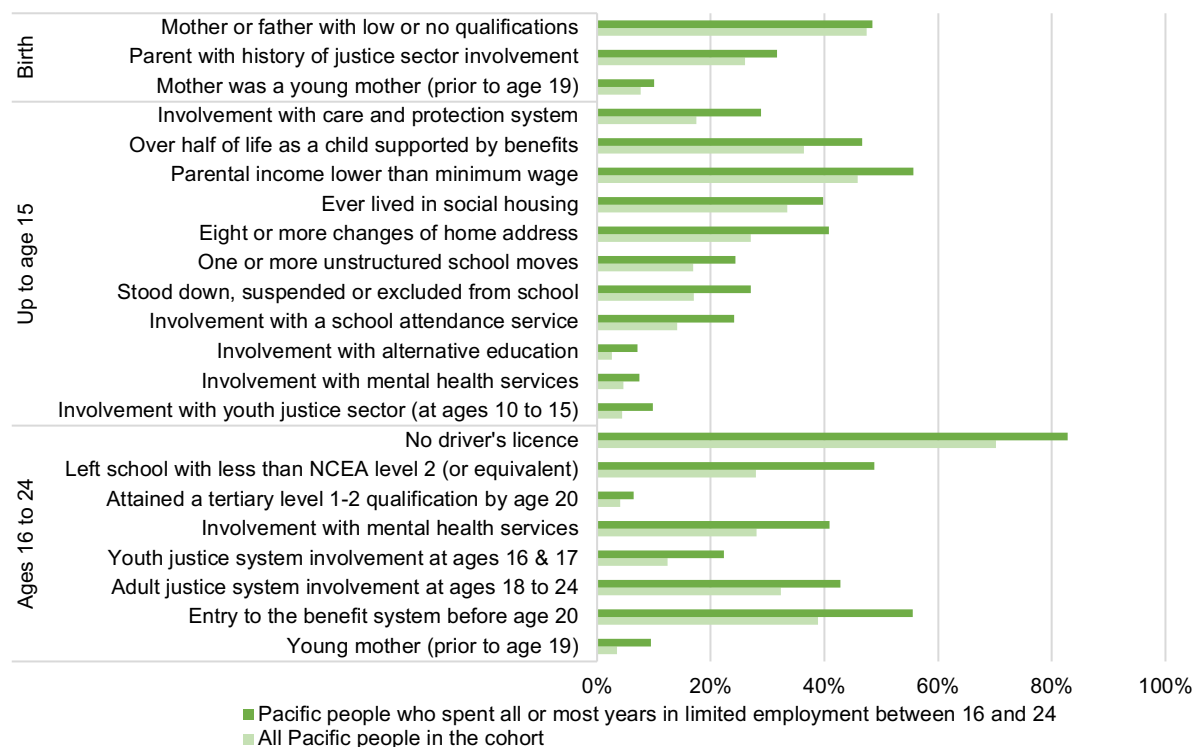
Māori young people are less likely than non-Māori to live in urbanised areas which have lower rates of both unemployment and people not in employment, education or training.<sup>53</sup>

### Pacific young people: education and employment pathways

Figure D shows the distribution of factors associated with limited employment varies between all Pacific young people in the 1994 birth cohort, and Pacific young people who spend more than half their years in limited employment.

For Pacific young people, not obtaining a driver's license was the single factor most strongly associated with spending more than half their years aged 16 to 24 in limited employment.

Figure D: Percentage of Pacific young people with selected life factors



Inequitable pathways through education and into employment can lead to sustained disadvantage in the labour-market, with Pacific peoples experiencing higher rates of unemployment and lower rates of employment than the total population in every age group. Pacific workers have a similar distribution to Māori across industries and are much more likely than non-Pacific people to be labourers, and much less likely to be employed in business services.<sup>54</sup> The majority of Pacific peoples live in urban areas, and Auckland in particular. However, both Māori and Pacific young people are much more likely than the total population to live in neighbourhoods with high levels of socio-economic disadvantage that are associated with higher rates of NEET.<sup>55</sup>

<sup>53</sup> Ministry of Business, Innovation and Employment. (2021) Māori Labour Market Trends. <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/other-labour-market-reports/maori-labour-market-trends/>

<sup>54</sup> Ministry of Business, Innovation and Employment. (2021). Pacific Peoples Labour Market Trends. [Pacific Peoples labour market trends | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/other-labour-market-reports/pacific-peoples-labour-market-trends/)

<sup>55</sup> Apatov, E. (2019). The drivers behind the higher NEET rate for Māori and Pacific youth: insights from administrative data. <https://www.mbie.govt.nz/dmsdocument/10355-the-drivers-behind-the-higher-neet-rate-for-maori-and-pacific-youth-main-report>

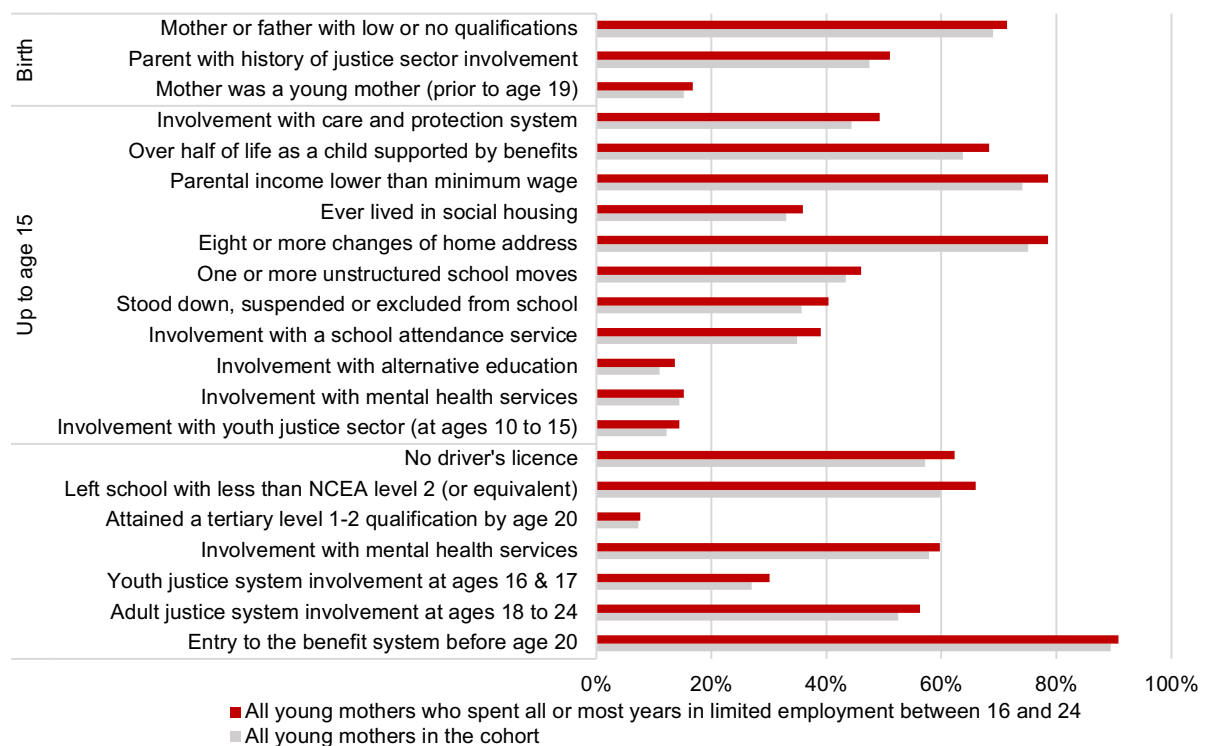


## Young mothers: education and employment pathways

Young mothers are more likely to experience each life factor listed in Figure B, in Chapter Two relative to the total population. This signals that, prior to becoming a mother, these young women were more likely than the total population to have experienced socio-economic disadvantage in childhood, faced barriers to participation, engagement and achievement in education, and been involved with the care and protection system, youth justice and mental health services by age 15. Post-16, early entry to the benefit system and leaving school with low or no qualifications were the factors most strongly associated with spending more than half their years aged 16 to 24 in limited employment.

Figure E shows that the distribution of factors associated with limited employment is broadly similar across young mothers who spend more than half their years aged 16 to 24 in limited employment, and the total population of young mothers. This reflects the high incidence of limited employment experienced by young mothers.

Figure E: Percentage young mothers with selected life factors



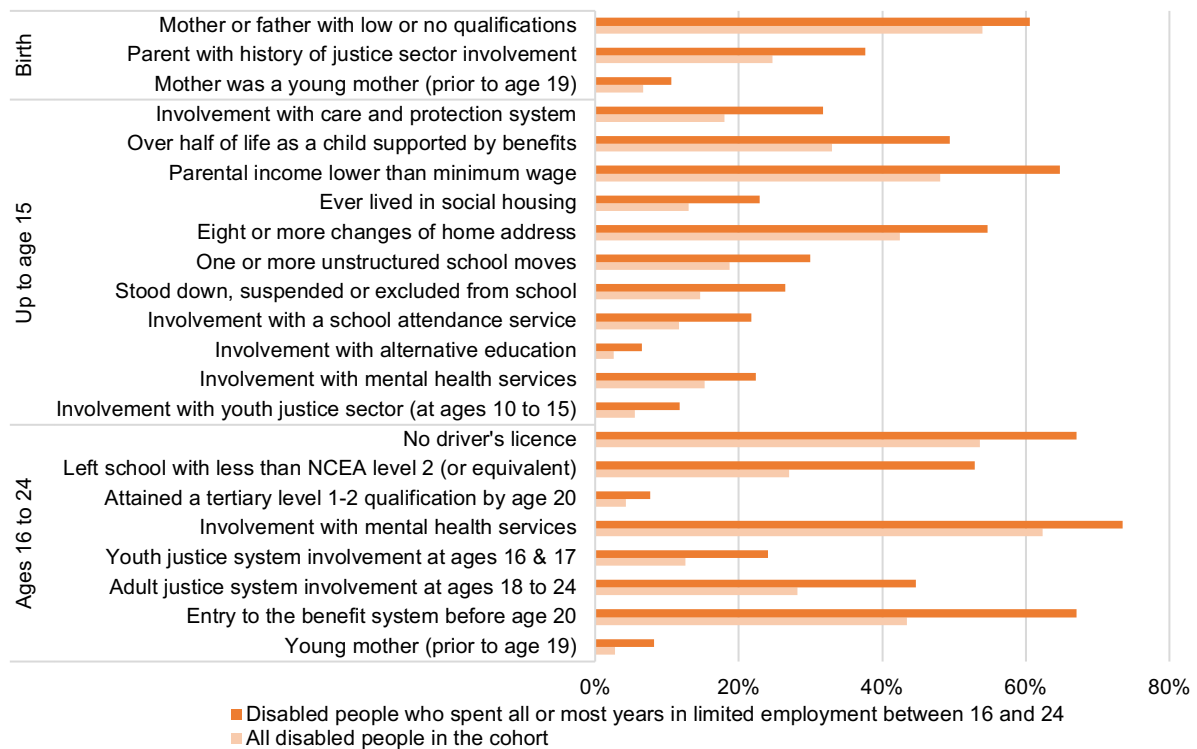
These findings indicate that childcare preferences are not the only driver of higher rates of long-term limited employment for young mothers. Education and employment system responses, both earlier in life, and after a young woman has become a mother can either create or mitigate barriers to long-term limited employment. Related research reinforces that prior education and employment outcomes, as well as childcare barriers faced by young mothers affect access to, and retention in, education and employment. Unemployment rates for single mothers aged 15-24 are higher than for single females, partnered females without children and partnered mothers. This suggests that young mothers who are sole parents face particularly high barriers to entering and/or retaining sustainable work.<sup>56</sup>

<sup>56</sup> Ministry for Women. (2014). NEET by Choice? Investigating the links between motherhood and NEET status. <https://women.govt.nz/documents/neet-choice-investigating-links-between-motherhood-and-neet-status-2014>

## Disabled young people: pathways into limited employment

Figure F shows the distribution of factors associated with limited employment varies significantly between all disabled young people in the 1994 birth cohort and disabled young people who spend more than half their years in limited employment. For disabled young people, being involved with mental health services aged 16 to 24, having no driver licence by age 18, and early entry to the benefit system were the strongest factors associated with spending more than half their years aged 16 to 24 in limited employment.

Figure F: Percentage of disabled young people with selected life factors



Significant gaps in employment outcomes for disabled and non-disabled people begin early and continue across every age group. Disabled people are more likely than non-disabled people to experience lower incomes, lower employment rates, and receive some or all income from the benefit system.<sup>57</sup> The potential drivers of these outcomes are complex.

Disabled children and young people and their whānau report a range of education-related factors that can affect pathways to employment, including concerns about anti-inclusive attitudes and practices in early learning and schools, education workforce capability, and access to learning support, including waiting lists for specialist services, and resourcing for assistive technologies.<sup>58</sup> Young disabled people also report employment-related barriers including employer discrimination, accessibility issues, and lack of support programmes or networks that could assist with finding a suitable job.<sup>59</sup>

<sup>57</sup> Welfare Expert Advisory Group. (2019). Current state: the welfare system and people with health conditions or disabilities. <http://www.weag.govt.nz/assets/documents/WEAG-report/background-documents/d820b16862/HCD-and-welfare-system-010419.pdf>

<sup>58</sup> Ministry of Education. (2018). Learning support action plan: what you told us. <https://conversation.education.govt.nz/conversations/learning-support-action-plan/what-you-told-us/>

<sup>59</sup> Office of the Children's Commissioner. (2021). [What Makes a Good Life for Disabled Children and Young People?](https://www.occc.govt.nz/what-makes-a-good-life-for-disabled-children-and-young-people/) | Office of the Children's Commissioner