



## COVERSHEET

|                               |                                      |                             |                                   |
|-------------------------------|--------------------------------------|-----------------------------|-----------------------------------|
| <b>Minister</b>               | Hon Louise Upston                    | <b>Portfolio</b>            | Social Development and Employment |
| <b>Title of Cabinet paper</b> | Publishing an Employment Action Plan | <b>Date to be published</b> | 23 September 2024                 |

| List of documents that have been proactively released |  |  |
|---|--|--|
| Date  | Title  | Author   |
| 31 July 2024  | Publishing an Employment Action Plan                           | Office of the Minister for Social Development and Employment |
| 7 August 2024   | Publishing an Employment Action Plan<br>ECO-24-MIN-0156 Minute | Cabinet Office   |

| Information redacted   | YES / <u>NO</u> |
|--|-----------------|
| <p>Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.</p> |                 |

## In Confidence

Office of the Minister for Social Development and Employment

Cabinet Economic Policy Committee

## Publishing an Employment Action Plan

### Proposal

- 1 This paper seeks agreement to publish an Employment Action Plan, which sets out:
  - 1.1 the challenges and trends in New Zealand's labour market,
  - 1.2 the Government's vision to support people into work and to lift economic outcomes, and
  - 1.3 the key goals and actions within the Social Development and Employment, Education, Tertiary Education and Skills, Regional Development and Immigration portfolios to achieve the vision.

### Relation to government priorities

- 2 A well-performing labour market plays a critical role in delivering jobs and raising living standards for New Zealanders. The Government's focus on growing economic prosperity, delivering better public services and infrastructure, reducing benefit dependency, and providing opportunities for all in education and employment will improve outcomes for New Zealanders and create strong foundations for future generations to succeed.
- 3 This Employment Action Plan outlines what the Government is doing to achieve this.

### Background

*The labour market has strong foundations but faces both structural and cyclical challenges.*

- 4 New Zealand's labour market enables firms to find the workers they need and New Zealanders to find paid work. However, New Zealand's economy also faces ongoing challenges and opportunities. Unemployment has risen and with it the number of people on the Jobseeker Support benefit.

*Solutions require a cross-portfolio approach; the Employment Action Plan publicly sets out how we are working together to achieve our vision*

- 5 One of the Government's nine priority targets for the public service is having 50,000 fewer people on the Jobseeker Support benefit by 2030. I am actively working on this target, as reported to Cabinet [CAB-24-MIN-0189 and CAB-24-MIN-0216 refer].

- 6 The Ministers of Social Development and Employment, Immigration, Education, Tertiary Skills and Employment, and Regional Development have developed a programme of work to improve outcomes for New Zealanders and lift labour market outcomes. We must work together to ensure we have stable foundations to deliver the economic conditions that will support New Zealand's prosperity now and into the future.
- 7 To publicly communicate the Government's agreed labour market agenda and Labour Market Ministers' work programme, I have worked with my colleagues to produce an Employment Action Plan, setting clear goals and expectations for working collaboratively across portfolios and taking a forward-looking approach to labour market settings and investments.
- 8 The Employment Action Plan will succeed the previous Government's overarching strategy and seven population-based employment action plans, with a clear shift in focus to delivering in key areas that will have the most impact on improving labour market outcomes in New Zealand. The Employment Action Plan focusses on 12 key actions for Ministers to drive progress across Labour Market agencies. I seek agreement from the Committee for reporting on the Employment Action Plan to be via the Labour Market Ministers Group. Progress towards the Government's targets, including the priority Jobseeker Support benefit target, will also be reported publicly every quarter starting from mid-July 2024.
- 9 The Employment Action Plan acknowledges that this is not the only programme of work that supports the labour market. Other Ministers and agencies, particularly those with a focus on population groups that face additional barriers to engage with the labour market (such as disabled people, women, Māori, Pacific peoples, migrant and ethnic communities, older workers and youth), will continue to undertake their core work programmes. The Employment Action Plan instead focusses on key structural issues that must shift in order to see real progress.

#### **Our vision for the labour market**

- 10 The core of the Employment Action Plan is our vision for New Zealand: *We will support people – across different population groups, different regions and facing different challenges – to use their skills so that people can lead happier, healthier and more productive lives, contribute to the economy, support communities, businesses, industries and sectors and share in New Zealand's prosperity.*
- 11 This vision captures our focus on strong foundations for productive growth, the importance of work in supporting people to reap the independence and opportunities that come from work, and that the government's role is one of supporting businesses, communities and people to make the most of the opportunities available to them to achieve their potential.

**Goals**

- 12 Three goals support our vision:
- Helping people get into work quickly and reducing persistent disadvantage.
  - Strengthening the role of employers and leveraging government support to improve skills development.
  - Coordinated responses to skills shortages and planning for future skills needs.

**Actions**

- 13 A set of 12 specific actions sit underneath these goals, led by the Ministry of Social Development, Ministry of Business, Innovation and Employment, Ministry of Education, and the Tertiary Education Commission.
- 14 The Employment Action Plan shows all 12 actions in context, in one place, to show how they are interrelated and mutually reinforcing. Most of the actions have previously been publicly communicated through the Coalition Agreements and Ministerial announcements, with the exception of actions 3 and 4, which will be new to the public.

|    | <b>Actions</b>  |
|----|---|
| 1  | Use community providers, clear obligations and targeted incentives to get young people off welfare and into work.   |
| 2  | Ensure the welfare system is focussed on effectively supporting people who can work into jobs.  |
| 3  | Address persistent disadvantage, by exploring a focus on key points in people’s lives when interventions are more likely to be effective.   |
| 4  | Develop tools to support the provision of in-work-training, and improve investment in training-related active labour market programmes.   |
| 5  | Reform the vocational education and training system to ensure it responds to the needs of learners, industries and communities.   |
| 6  | Refresh the New Zealand Curriculum and Te Marautanga o Aotearoa so they promote knowledge-rich, clearly defined pathways to further education or work, grounded in the science of learning.   |
| 7  | Implement evidence-based instruction in literacy and mathematics.   |
| 8  | Provide advice on the establishment of an “Essential Worker” workforce planning mechanism to better plan for skill or labour shortages in the long term.                                      |
| 9  | Make changes to work visas to ensure settings are better focussed on facilitating the right mix of skilled migrants and that New Zealanders are first in line for jobs.                       |
| 10 | Establish and support a University Advisory Group to provide advice on the challenges and opportunities in the university system.   |
| 11 | Provide transparent, future-focussed and accessible careers information and advice aligning work and learning pathways to skills, supporting students and workers to make informed decisions. |
| 12 | Grow regional economies by improving resilience and increasing productivity.  |

- 15 The emphasis on this set of interconnected actions recognises that different levers contribute along an individual’s employment pathway: New Zealanders’ employment outcomes are influenced long before a person enters the job

market (education and training), individuals' decisions when entering the job market are influenced by information and incentives (careers advice and welfare settings), and their options are shaped by the broader labour market environment (visa settings and regional investment). By working on these actions in parallel, we will drive improvements in employment outcomes across multiple domains and for people at different stages of life.

### **Monitoring and implementation**

- 16 Labour Market Ministers will monitor progress of the work programme as well as tracking labour market performance, including progress towards the priority Jobseeker Support benefit target.

### **Cost-of-living Implications**

- 17 The Employment Action Plan focuses on key actions that will make a difference to labour market outcomes, including by helping families deal with the cost of living. New Zealanders being in paid work provides financial independence and creates opportunities for people to improve their standard of living and that of their families, which also supports this Government's strategy to lift families out of hardship and reduce child poverty rates.

### **Financial Implications**

- 18 There are no immediate financial implications arising from this proposal.

### **Legislative Implications**

- 19 There are no legislative implications from this proposal.

### **Impact Analysis**

#### **Regulatory Impact Statement**

- 20 This proposal does not require a Regulatory Impact Statement.

#### **Climate Implications of Policy Assessment**

- 21 This proposal does not require a Climate Implications of Policy Assessment.

### **Population Implications**

- 22 Delivering the actions in the Employment Action Plan will support better outcomes for groups such as women, Māori, Pacific peoples, migrant and ethnic communities, disabled people, older workers and youth, who tend to experience poorer labour market outcomes.

### **Human Rights**

- 23 This proposal does not present inconsistencies with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### **Use of external resources**

- 24 No external resources contributed to the preparation of the policy advice in this paper.

## Consultation

- 25 This paper was prepared by the Ministry of Business, Innovation and Employment, with input from the Ministry of Social Development and the Ministry of Education.
- 26 The following agencies were consulted: Ministry for Ethnic Communities, Ministry for Pacific Peoples, Ministry for Women, Ministry of Youth Development, Te Puni Kōkiri, the Ministry of Disabled People – Whaikaha, the Office for Seniors, and the Tertiary Education Commission.

## Communications

- 27 I intend to announce the publication of the Employment Action Plan via a press release. The document will be released in an accessible format on the Ministry of Business, Innovation and Employment's website.

## Proactive Release

- 28 I intend to proactively release this paper.

## Recommendations

The Minister for Social Development and Employment recommends that the Committee:

- 1 **agree** that the attached Employment Action Plan represents the Government's vision and work programme to get people into employment and lift economic outcomes;
- 2 **note** that in October 2021, the previous government invited the responsible Minister to report back annually on the progress of the government's Employment Strategy and employment action plans [SWC-21-MIN-0189]; *Note: should read SWC-21-MIN-0159*
- 3 **agree** that the Employment Action Plan will be monitored by reporting to the Labour Market Ministers Group;
- 4 **agree** that the Employment Action Plan be published;
- 5 **authorise** the Minister for Social Development and Employment to make any editorial and design decisions prior to publication of the attached Employment Action Plan.

Authorised for lodgement.

Hon Louise Upston  
Minister for Social Development and Employment