

### INSIGHTS INTO THE TARANAKI NEET RATE

**Most young people (rangatahi) in New Zealand aged 15-24 experience periods when they are not in education, employment or training (NEET). They total around 90,000 at any one time.** For most people this is a short period of time, for example a few weeks between courses or moving between study and work. Most spells tend to be fairly short ranging from 1-3 months.

**Taranaki has been experiencing a decline in the NEET Rate since 2018 mainly due to those aged 15-19 staying in secondary education for longer.** This is what we typically expect to see in times of economic downturn. While research has shown that the large majority of rangatahi will be considered 'NEET' at some stage, the focus needs to be on long-term NEETs, i.e. those who are not in education, employment or training for a period of 12-months or more.

**The trend of 'long-term NEETs' is not exclusive to Taranaki, however this needs to be addressed if we want to shift reliance from welfare support to meaningful and sustainable participation in our labour market.** While regional data is limited, national trends identify that characteristics of individuals most likely to be NEET include those with low educational attainment, ethnic minorities and those from a large household size.

**With current fees free initiatives, you would expect to see a reduced NEET rate reflecting rangatahi taking up available options.** However, we are seeing less secondary school leavers moving on to tertiary training (including private training providers and wānanga). National data shows us that rangatahi are more likely to be employed, compared to remaining in education or moving into caregiving roles within their family (unpaid). With the underutilisation rate increasing for 15-24 year olds we therefore assume that some rangatahi are having to leave education to take any available job, likely as a means to support their families. Data also shows us that females aged 15-24 years are nearly 70% of those underemployed.

**A number of risk factors for rangatahi becoming NEET have been identified.** These include early school leavers; young parents; residents of deprived neighbourhoods; being abused as a child; having a mother with no formal qualifications; having a caregiver with a Corrections sentence; those who grew up in a single-parent family; and those who grew up in a family environment with heavy dependency on the benefit system.

### TRENDS AT A GLANCE



**8.2% NEET Rate.** This represents the lowest NEET rate since Quarter 3 2018. This low rate masks the high NEET rate of 20-24 year olds, which sits at 16.1% for the same period.  
(Source: Statistics New Zealand, HLFS Quarter 4 2020)



**87.8% of school leavers leave school with NCEA Level 2 or higher.** The number of Māori 18 year olds with NCEA Level 2 or higher is 81.3%, compared to NZ European students at 90.1%  
(Source: Education Counts, 2019)



**16.9% of recipients of the JobSeeker Benefit are aged 18-24 years.** This follows a national trend of more young people receiving a JobSeeker benefit each quarter of 2020.  
(Source: Ministry of Social Development)

### OPPORTUNITIES

**Providing support to Rangatahi during the vulnerable stage in their life between ages 15-24,** as their cognitive skills develop and external and family/whānau pressures are felt. New Zealand's suicide rate for young people aged 15-19 is over three times higher than the OECD average, with New Zealand also having the second worst score on the OECD Index of Exposure to Bullying. International literature has shown that experiencing prolonged periods of being NEET can have a scarring effect on the individual, potentially leading to long-term disadvantage and social exclusion.

**Addressing inequalities in socioeconomic and educational factors can result in different NEET outcomes for different groups.** A 2019 MBIE study found that of rangatahi that are NEET 39% had no formal educational qualification; 17% resided in the most deprived areas; and 22% had at least one parent currently receiving a benefit. Factors that are associated with a higher likelihood of being NEET are consistent across groups, with differences in magnitude for the various ethnic, age, and gender subgroups.

**The links between education, employment and wellbeing outcomes has been widely documented.** The risk of unemployment for those with only Year 11 or no school qualifications is higher than for those with Year 12 or Year 13 qualifications. The positive effect of each additional year of schooling on incomes has been estimated to range from 5 to 10% (Norton, Sanderson, Booth & Stroomborgen, 2000). Future earning potential is important when considering future living conditions, the ability to meet basic needs, health determinants, as well as the Region's goals for a Just Transition where everyone has access to sustainable, meaningful employment.

### CHALLENGES

**Holding a current driver's licence has an impact on reducing NEET rates.** This is significant for all groups however, if Māori and Pacific youth had the same driver's licence attainment as non-Māori, the NEET gap could reduce by up to 47%. The impact of holding a current driver's licence is strongest for the 20-24 age group, as well as the Pacific ethnic group.

**Experiencing a school warning or suspension is most associated with Māori and Pacific NEET outcomes among 15-19 year olds.** Between 6% and 19% of the NEET rate gap is associated with larger shares of Māori and Pacific youth having received one or more school warnings or suspensions before the age of 16. What is clear is that the current education system is failing our Māori and Pacific rangatahi, and we are not providing them with adequate opportunities to achieve and succeed.

**A unified approach is needed for the existing schemes and organisations across the Region.** There is a range of support in place to transition youth into employment. Rangatahi are identified within the Region's People and Talent Transition Pathway Action Plans (part of the Taranaki 2050 Roadmap) - specifically how regional collaboration can create benefits for youth employment outcomes. However, there is a call for a unified approach to maximise the benefit they can provide for the Region.

### THE TARANAKI REGION

Papakāinga Network Development project with Te Atiawa provides opportunities for rangatahi to upskill

17-week Tupu-ā-nuku Environmental Workforce Development Training Programme to begin shortly

Tupu Rawa Cadetship Programme to begin shortly

### OUR FOCUS FOR THE NEXT TWO MONTHS:

The Taranaki interim Regional Skills Leadership Group are going to use this focused Local Insights Report as a discussion document to further uncover the district variation that exists. A specific focus for the Group will be getting greater insight into the ethnic inequities here in Taranaki between Māori and non-Māori and what we already have in place that works well and could be expanded upon. A secondary focus will be on also identifying any further barriers to employment faced by rangatahi, the current opportunities available, and any industry-specific insights.

**RATES AND LONG TERM UNEMPLOYMENT**

Ministry of Education data shows that up to 30% of the total working age population (16 – 65 years), experience limited employment during a year. The proportions are higher for women (34%), Māori (40%) and Pacific (33%).

**When analysing 24 year olds:**

- 8% had been in limited employment every year since they were aged 16 and can be considered at high risk of lifetime limited employment. The proportion was 16% for Māori and 10% for Pacific.
- 12% were in limited employment for less than half of the years since they were aged 16 and can be considered at low risk of lifetime limited employment. The proportion was 7% for Māori and 11% for Pacific.
- 15% were in limited employment for the majority of years since they were aged 16 and can be considered at medium risk of lifetime limited employment. The proportion was 27% for Māori and 21% for Pacific.

The group of rangatahi who are at medium to high risk of limited employment over their lifetime is wider than those who are NEET or who receive a benefit. Around two-thirds of the medium and high risk young people received a welfare benefit, and around three-quarters were long-term NEET.

**NATIONAL TRENDS AT A GLANCE**



**19.7% NEET Rate for Māori.** This rate includes a NEET rate for Māori aged 20-24 years of 25.8% for the same period.

(Source: Statistics New Zealand, HLF5 Quarter 4 2020)



**59.7% of domestic school leavers enrolled in tertiary education for 2019.** 61.5% of females from the leaver cohort were enrolled in tertiary education, compared to 57.9% of males.

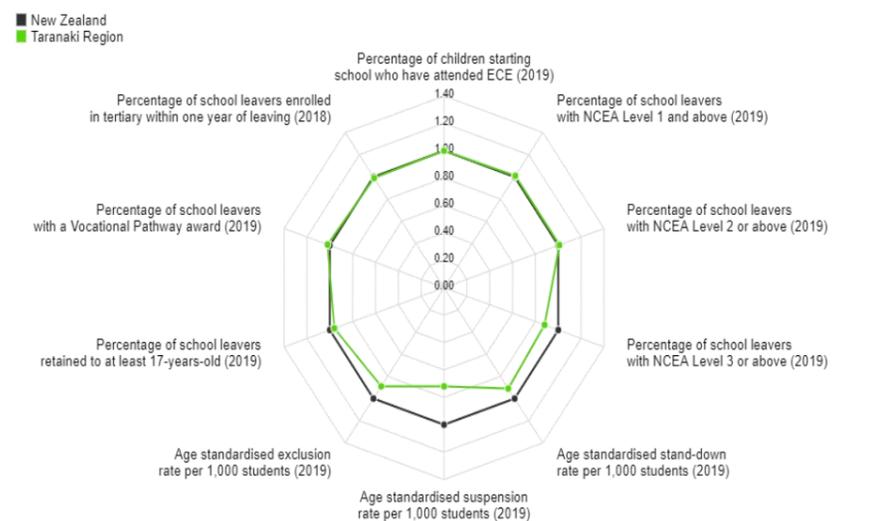
(Source: Education Counts, 2019)



**23.2% of recipients of the JobSeeker Benefit are aged 18-24 years.** 18-24 year old recipients of the Sole Parent Support only made up 14% of recipients.

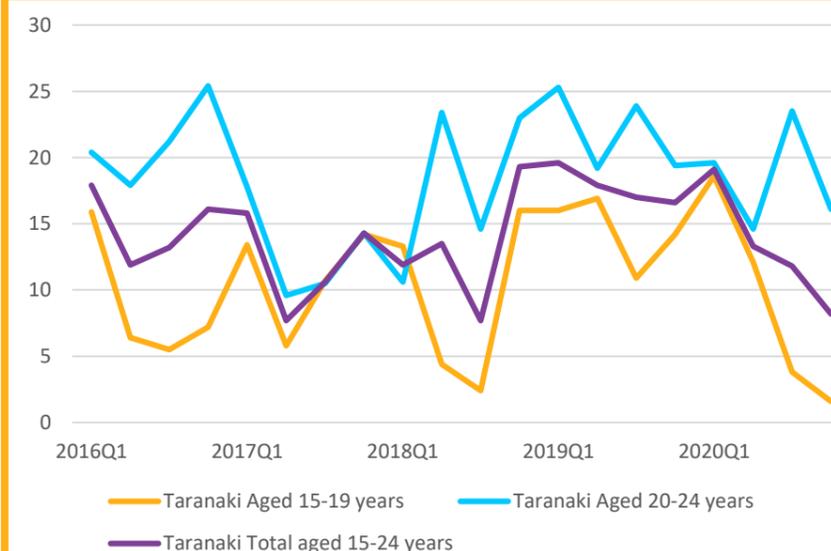
(Source: Ministry of Social Development, XwhenX)

**EDUCATION IN TARANAKI**



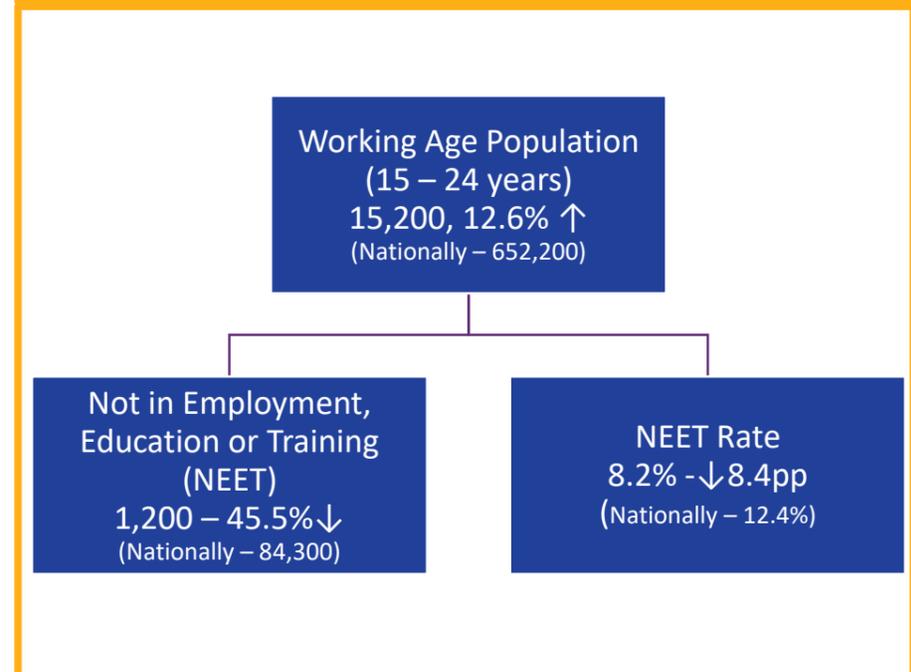
Since 2016 we have seen a decrease in the number of school leavers in Taranaki going onto tertiary education. This trend is reflective of all ethnic groups and genders.

**YOUTH NEET RATE IN TARANAKI**



Taranaki has always had a higher NEET rate for those aged 20-24 years, and while historically the gap between those aged 15-19 years and 20-24 years has been closer, since the start of 2020 the difference can be clearly seen.

**HIGH LEVEL DATA**



**FURTHER CONSIDERATIONS**

While there is a lack of data available at a regional level, the Taranaki interim Regional Skills Leadership Group recognise the importance of gathering local insights to inform local, regional and national initiatives. Taranaki has a significantly higher population of Māori, and the number of people who identify as Māori is expected to increase in future years. It is therefore critical that the inequality between different ethnic groups is clearly identified and prioritised. The Taranaki interim Regional Skills Leadership groups seeks to identify fundamental causes and determinants of rangatahi finding themselves not in education, employment or training, and why inequalities between Māori and non-Māori exist within the Region.