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Briefing for the incoming Minister for Social Development and Employment

November 2023



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Te Kāwanatanga o Aotearoa
New Zealand Government

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1. Welcome to the Social Development and Employment portfolio

1. Key commitments from your manifesto and Coalition Agreements which fall within the Employment aspects of your portfolio that MBIE is responsible for are identified in the table below. We would value an early opportunity to discuss these with you and support you to develop your work programme for the portfolio.

Table 1: Coalition Agreement commitments

Initiative	Description
Income Insurance Scheme*	Stop all work on Income Insurance Scheme.
Regional Skills Leadership Groups	End funding for Regional Skills Leadership Groups.
Workforce planning	Investigate the establishment of an “Essential Worker” workforce planning mechanism to better plan for skill or labour shortages in the long term.

* Commitment in the 100 Day Action Plan.

2. The purpose of this briefing is to:
 - provide background information about the Social Development and Employment portfolio (contained in sections [2](#), [4](#) and [6](#) of this briefing)
 - provide initial advice on some of the key strategic issues the Ministry for Business, Innovation and Employment (MBIE) considers are facing the New Zealand labour market and identify key areas where policy settings could help to lift productivity and improve labour market outcomes (section [3](#) of this briefing). These areas could be considered for inclusion in the work programme alongside your priorities.
3. Further briefings will be provided to you as needed, focussing on specific topics in greater depth (please refer to [Table 4](#)).

2. Portfolio overview

Purpose of this section

4. This section sets the scene for the aspects of the Social Development and Employment portfolio where MBIE is the administering agency, by outlining the areas of focus you are responsible for and the associated appropriations and staffing arrangements.
5. This is supplemented by section [4](#) of this briefing, which provides a short breakdown of the portfolio-related responsibilities for entities, appropriations and legislation (with further information in Annexes [2](#) and [3](#)).

Responsibilities

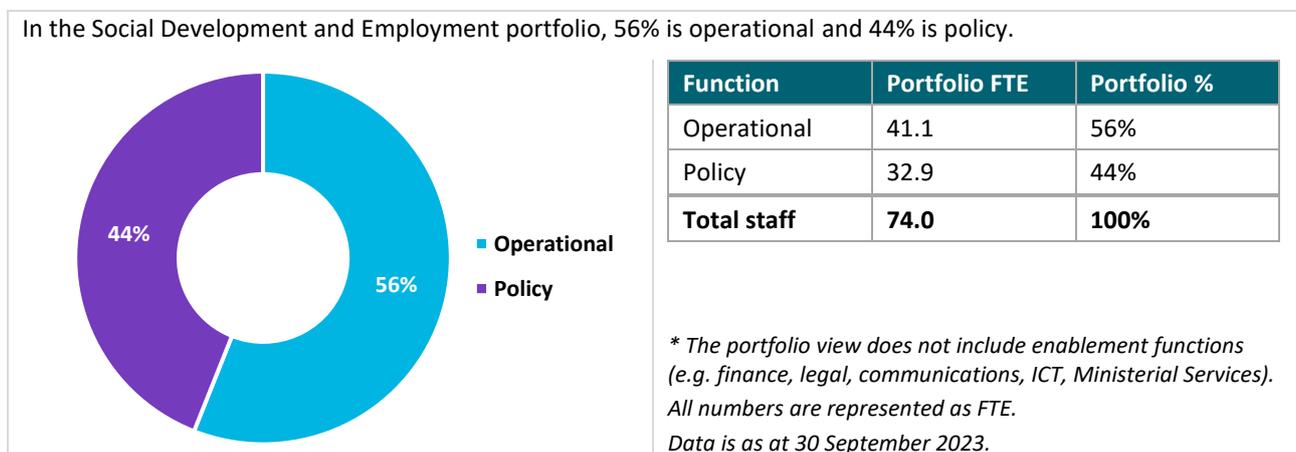
6. The labour market is the system through which firms find the people they need to operate their businesses and people find paid work. How well this system works has a significant impact on the extent to which businesses, industries and sectors can grow and prosper; the way people can contribute to the economy and share in its prosperity; the extent to which regional economies can grow; and overall labour productivity. A well-performing labour market also underpins a strong and sustainable fiscal position. It is at the heart of economic and social prosperity.
7. Given this portfolio's central role to labour market issues, we see opportunities for you to advance the Government's objectives in two ways:
 - **Systems leadership:** As Minister for Social Development and Employment you can play a vital leadership role in setting labour market objectives and ensuring prioritisation, alignment and coordination across portfolios to achieve the Government's objectives; and
 - **Portfolio leadership:** As Minister for Social Development and Employment you can contribute to the Government's labour market objectives by leading specific initiatives within the Employment aspects of your portfolio.
8. The Employment aspects of the Social Development and Employment portfolio are focused on the overall performance of the labour market, improving employment outcomes, and creating meaningful long-term employment opportunities for workers that meet the country's labour needs, and contribute to economic growth and increased productivity. It can achieve this through:
 - Bringing a labour market and firm perspective to the education, immigration and welfare systems.
 - Considering how these systems are working together to ensure workers have the skills that businesses need, to lift productivity and economic growth and to deliver good employment outcomes for New Zealand.
 - Advising on improvements to labour market performance that enable our regions, industries and firms to thrive and be resilient to future challenges.
 - Monitoring labour market trends, identifying key challenges and opportunities, and forecasting future directions.
 - Delivering initiatives to promote better labour market planning and skill-matching of labour supply to demand.
 - Supporting broader employment outcomes such as poverty reduction, higher incomes, workplace health and safety, work-life balance and good mental health.

- These potential areas of focus aim to ensure that the New Zealand population can enjoy the benefits from being in sustainable, productive employment and that firms can access the skilled people they need to grow.

Departmental arrangements

- MBIE provides advice and leadership across the portfolios that have an interest in and influence the labour market. Alongside the Ministry of Social Development (MSD), MBIE provides support for the Employment element of your wider portfolio. As the economic agency, MBIE can support you through providing a broader market-focussed perspective on employment, and complements MSD’s supply-side focus with a view across the demand side and the role of firms and sectors.
- The **Employment, Skills and Immigration Policy** branch of MBIE is the Government’s lead policy advisor on issues relating to skills, employment, immigration and labour market performance. Alongside MBIE’s Workplace Relations and Safety Policy branch, we provide policy advice and leadership across a broad range of labour market issues.
- Alongside Social Development and Employment, the primary portfolios that have an interest in and influence the labour market are Education, Immigration, and Workplace Relations and Safety. These three portfolios include key regulatory systems. MBIE partners with other agencies to deliver labour market policy advice and services, including MSD, the Ministry of Education (MoE) and the Tertiary Education Commission (TEC).
- MBIE also delivers two employment initiatives designed to promote better labour market planning and skills matching: the Sector Workforce Engagement Programme and Regional Skills Leaderships Groups. Additionally, MBIE provides policy advice on challenges New Zealand faces from global megatrends, and provides secretariat support for the Future of Work Tripartite Forum, a partnership between the Government, BusinessNZ and the New Zealand Council of Trade Unions. MBIE publishes data and provides you with evidence and insights about the labour market, employment conditions, workplace relations, and migration trends and conditions.
- MBIE is also responsible for the implementation of Industry Transformation Plans, an initiative of the previous Government under the Economic Development portfolio with implications for skills development.
- The Employment aspect of your portfolio is supported by 74.0 MBIE FTE, which is 1.2 per cent of the total MBIE workforce. This is broken down as follows:

Figure 1 Portfolio FTE by function*



16. Our operational staff focus on the Sector Workforce Engagement Programme and Regional Skills Leaderships Groups noted above, as well as data analysis and reporting on evidence and insights.
17. Detail on the functions MBIE performs is outlined in section [6](#).

Vote Labour Market and appropriations

18. The Social Development and Employment portfolio is funded by Vote Social Development (funding MSD) and Vote Labour Market. MBIE's support of the Employment aspects of your portfolio is funded from Vote Labour Market, which also includes appropriations to support the Workplace Relations and Safety, Immigration, ACC and Health portfolios. In 2023/24, using preliminary figures from the October Baseline Update, Vote Labour Market totals \$3,068 million.
 - The Employment portion of Vote Labour Market totals \$20.6 million of departmental funding (funding received by MBIE to provide services directly). There is no Employment-related non-departmental funding (funding provided via MBIE to other agencies for them to provide services) in Vote Labour Market.
 - There is a further \$700,000 of non-departmental funding provided through Vote Business, Science and Innovation to support the operation of the Future of Work Tripartite Forum.
19. Further detail, including a breakdown of the total amounts across the Vote Labour Market portfolios, is provided in [Annex 3](#). We are cognisant of the current fiscal environment, including the \$110 million Fiscal Sustainability Payment likely to be submitted to the Treasury in November. A briefing on MBIE's funding and finances and how these could be prioritised has been provided as part of your introductory briefing pack.

Legislation

20. The Employment aspect of your portfolio is not responsible for any primary legislation.

3. Strategic choices in the Social Development and Employment portfolio

Overview of this section

21. We understand that the Government has a number of priorities aimed at lifting the performance of the economy and regulatory systems, as well as providing opportunity for all in employment. We look forward to discussing the work programme for the Employment aspects of your portfolio and how we can support progress on these priorities with you.
22. This section sets out the context for the Employment aspects of the portfolio and the way it interacts with wider economic and labour market systems, and key strategic issues we have identified that could merit consideration.

The economic context

23. As outlined in MBIE's separate briefing on the economic context, New Zealand's economy faces a number of long-term challenges. These include weak productivity, increasing stresses on our economic resilience, negative impacts on the natural environment and significant disparities between different population groups. Compounding these are global 'megatrends', such as changes in climate, technology, and demography, and rising geopolitical tensions. In the short-term, our economy also faces headwinds. These challenges and trends present both risks and opportunities to the economy.
24. Your portfolio impacts on these issues, both directly and in collaboration with other portfolios. The closest links are with the other labour market portfolios (Immigration, Workplace Relations and Safety, and ACC), as well as Education. MBIE can help you to work collaboratively across portfolios and with other stakeholders, such as business and local communities, to achieve your immediate portfolio priorities and address these challenges and their impact on the labour market.
25. The New Zealand labour market has performed well in terms of job creation and absorbing large shifts in the workforce (such as the long-term expansion of the service sector, increases in women's labour force participation, and large fluctuations in net migration). But long-standing challenges remain, including low labour productivity, modest real wage growth, relatively high rates of skill mismatch, high rates of work-related harm, and poor participation and outcomes for some population groups. Furthermore, workers who experience involuntary job loss (through redundancy or ill health) can experience sudden income drops with pressure to take the first job that comes along, rather than finding the best match. [Annex 1](#) provides more information about the current state of the New Zealand labour market.
26. To boost incomes, improve participation and ensure that we have a growth-focused economy, the labour market needs to be responsive to changing needs. Coordinating action across the labour market portfolios will help enhance the effectiveness of interventions to:
 - Improve labour market productivity and lift real wage growth.
 - Improve matching between the supply and demand for skills, with immigration levers addressing critical short-term skills shortages and the education and training system better anticipating and responding to long-term skill needs.
 - Reduce persistent labour market and economic disadvantage.

- Ensure the right settings in labour market regulatory systems so that they are fit-for-purpose and support business performance.
27. Given the interdependencies and synergies between portfolios at both the Ministerial and agency level, we think there is a strong case for setting up effective governance mechanisms to ensure co-ordination. We can discuss options for this governance with you.

Key strategic issues for the portfolio

28. There are several key issues facing the labour market that could be prioritised in order to support economic growth, productivity and resilience. These issues are summarised below, and further briefings to you will provide additional detail.

1. Addressing skill shortages and facilitating labour market matching

The government can influence the supply of people into the labour market through its immigration, education (including careers) and social development levers. Aligning and coordinating levers across these systems will help build a workforce able to meet present demand, respond to future shocks and longer-term challenges, and support our aspirations for improved productivity and economic growth.

Firms need to be able to influence government and get a coordinated and timely response to their skills needs. A strategic, joined-up approach to assessing and prioritising current and future needs can help identify where labour and skill shortages are best addressed (ie through an immigration, education/training and/or employment services response), and what investments New Zealand should be making for the longer-term performance of the labour market.

A range of institutions currently support industry and regional stakeholders to assess and meet their current and future workforce needs (including Regional Skills Leadership Groups, Workforce Development Councils, Industry Transformation Plans, the Sector Workforce Engagement Programme and Regional Public Service Commissioners).

However, the existing workforce planning system has grown to be complex and difficult to navigate. More broadly, there are gaps in the collective knowledge of firms, workers and government about current and future demand for skills and occupational trends, as well as the implications of global megatrends for our domestic labour market.

Your Coalition Agreements propose removing funding for some of the institutions that support workforce planning, as well as investigating an “Essential Worker” workforce planning mechanism to plan for skill or labour shortages in the long-term. We would like to discuss how we can assist you to achieve your objectives in this area.

There is an opportunity to take a more strategic and coordinated approach to assessing and responding to skill shortages and planning for future workforce needs.

2. Improving income resilience to job loss

Displacement is a common feature of a dynamic labour market, which enables the reallocation of workers to more productive businesses. This reallocation supports economic growth and benefits many workers and employers. However, our current settings promote rapid reemployment at the expense of skills and salary matching. In some cases this can lead to wage scarring, reduced productivity and diminished consumption.

Economic displacement (ie through redundancy or firm closure) results in approximately 40,000 people at any one time experiencing extended periods of joblessness. Similarly, a large number of people – approximately 20,000 at any one time – are unable to work the required hours or continue in their job due to a health condition or disability (HCD). Indicative estimates of the net-present value of wages lost

as a result of economic displacement are \$3.3 billion (in a year of economic upswing) and up to \$15.4 billion in a year of very severe economic downswing. For workers with HCDs, a study has estimated a combined annual income loss of 4.3 per cent of total income in New Zealand across the population of 25- to 64-year-olds.

There are gaps in our institutional infrastructure to support income smoothing for workers facing involuntary job loss, or support for large scale economic shocks (the welfare system provides a minimum safety net to alleviate poverty, but many displaced workers do not qualify for, or take up, welfare support). In times of crisis, the limited nature of such permanent institutions leads to urgent development of bespoke, ad-hoc income support payments to address loss of work or support retention of workers.

We have stopped all work on the New Zealand Income Insurance scheme as set out in the Coalition Agreements. We would like to discuss your appetite for exploring other ways to improve New Zealand's institutional settings to improve income resilience to job loss.

Exploring ways to improve New Zealand's institutional settings to improve income resilience to job loss could support New Zealand to shift to a more adaptable and productive economy and prepare for challenges from global megatrends (technological change, climate adaptation and changing demographics).

3. Addressing persistent labour market disadvantage

Poor income mobility and poor labour market outcomes can significantly impede the ability of labour markets to function well – if a person has barriers to opportunity and growth, they are less likely to improve their living standards and personal outcomes, develop the skills the economy needs and fully participate in employment and economic productivity.

In New Zealand some groups have consistently experienced poorer labour market outcomes (particularly women, young people, disabled people, Māori, and Pacific peoples.). In addition to higher rates of unemployment there are also higher rates of underutilisation in these groups¹. While there are clear differences in outcomes on average across groups, there are also differences within groups that necessitate drilling down beyond population groups markers.

The drivers of disadvantage in the labour market are complex and multi-faceted, and there is an opportunity to create a more focussed work programme across agencies to achieve improvements.

4. Boosting employer investment in skills training

Employer-supported in-work training (IWT) can be a win-win for employers and workers. For firms, quality IWT can help them to meet skills needs, build the capacity of their workforce and lift their overall performance. For workers, IWT supports regular upskilling, which can help advance their careers, increase their resilience to the impact of megatrends, and improve earnings over their working life. Together, this can deliver economy-wide benefits in terms of increased innovation, productivity and growth. While New Zealand has high uptake of IWT, we know little about its quality and effectiveness.

MBIE's research has found that there is a range of barriers for IWT investment including lack of business need for some employers, a real or perceived low return on investment (firms concerned that the trained employee will leave before they are able to recoup their investment), limited management capability and capacity, lack of supervisory capability and capacity, and low levels of maturity and

¹ For example, as of September 2023 New Zealand's unemployment rate is 3.9% and the underutilisation rate is 10.4%. However, for Pacific peoples these figures are 8.1% and 15.8% respectively, and for Māori 8.7% and 18.1% respectively. (Stats NZ, [Labour market statistics: September 2023 quarter](#). November 2023.)

coordination amongst employers. Variable provision of IWT can contribute to skills shortages (now and in the future) and have a detrimental impact on individual wages, career progression and productivity.

There is an opportunity to shift the dial for employer investment in skills development by enabling collective action amongst employers to address the capability, capacity and coordination challenges that can get in the way of mutually beneficial training going ahead.

5. Improving the foundational skills of low-skilled adults

The gradual decline in our educational performance in core foundational subjects (literacy, numeracy, communication and digital engagement) presents a number of a challenges for our labour market, including how ready people are for work and firms' ability to meet their skills needs.

The government's interventions to assist people to become work-ready include Active Labour Market Programmes, particularly those aimed at work-related training. The current suite of these reflects significant time-limited investment through COVID-19, and may not be sufficiently targeted to achieve value for money in the current context.

Joined-up action can help drive improvements in foundational skills of both the future labour force (children today) and the current labour force (adults today).

6. Addressing the impact of global megatrends on New Zealand's labour market

Labour market megatrends, such as technological advancement and demographic change, are already presenting both challenges and opportunities for businesses, workers and the economy more generally. Shocks (such as the significant weather events earlier this year) and shifts (such as the growing adoption and sophistication of artificial intelligence) are increasingly 'bringing home' the realities of these trends. Changes that may have been perceived as distant or abstract future possibilities just a decade ago are starting to crystallise, with real implications for people's lives and livelihood today and in future.

However, while the risks and challenges are real and significant, so too are the potential upsides – if they are managed well. Technological advancement, in particular, offers significant potential for boosting productivity, economic growth, and innovation, yet also carries risks, such as potential worker displacement. A well-calibrated Government response will influence how the balance of costs and benefits play out.

MBIE will provide you with further advice on the opportunities and challenges that global labour market trends present for New Zealand and present options for responding to them.

Officials would welcome the opportunity to engage with you on this in the New Year, to explore how you see the strategic labour market megatrends fitting into your portfolio priorities and discuss options for progressing this work.

Portfolio initiatives

29. This section outlines existing key initiatives in the Employment aspects of the portfolio.

Employment Strategy and Employment Action Plans

30. The all-of-government Employment Strategy was released in August 2019, and refreshed in 2022. It aims to improve the function of the labour market and employment outcomes for all workers. Seven Employment Action Plans sit under the Strategy and support progress on achieving the Strategy's overall goals, particularly that of addressing persistent labour market disadvantage and poor employment outcomes.

31. The Employment Action Plans (for Youth; Disabled people; Māori; Pacific Peoples; Older Workers; Former Refugees, Recent Migrants, and Ethnic Communities; and Women) focus on groups of people

who consistently experience poorer employment outcomes, to ensure government initiatives and programmes contribute to opportunities for them to achieve their career potential.

32. MBIE is the lead agency for the overarching Employment Strategy and leads two of the action plans (Youth and Māori). MBIE also works with the lead and contributing agencies supporting the other action plans.

Te Mahere Whai Mahi Māori (Te Whai Mahi) Employment Action Plan

33. Te Whai Mahi was released in February 2022 and focuses on how employment, education and training can support Māori to achieve their aspirations. It sets out actions for agencies (MBIE, MSD, MoE, TEC and Te Puni Kōkiri (TPK)) in the immediate-, medium- and long-term, across three pou: People, Workplace and Futures. MBIE is the lead agency and TPK is the monitoring lead.

Youth Employment Action Plan (YEAP)

34. The YEAP was released in August 2019 and focuses on improving education, training and employment outcomes for young people. It sets out actions for agencies (MBIE, MoE, TEC, MSD, TPK, Oranga Tamariki, Ministry for Pacific Peoples, Ministry of Health, Waka Kotahi and New Zealand Police) across three aims: improving building blocks for success, making informed choices through complexity and overcoming barriers to employment. MBIE is the lead agency, including for monitoring and reporting.
35. You have choices about whether and how you take this work forward.

Workforce Planning System

36. When firms have the ability to identify and meet their current and future workforce needs, this supports productivity growth through accessing the skills they need to innovate and take advantage of new technologies. Firms' workforce needs inform many government levers including education, immigration and social development. However, market failures mean some firms, regions and sectors may be unable to identify and take actions to meet their current and future workforce needs. This means they have difficulty attracting workers with the right skills, are unprepared for large-scale changes (including the labour market global megatrends) and are missing opportunities to innovate. There are opportunities to shape the workforce planning system to enable firms to undertake more effective skills development and to support the Government's broader economic objectives. You have indicated that you wish to cease funding for Regional Skills Leadership Groups and investigate an "Essential Workers" workforce planning mechanism in your Coalition Agreements. We would like to discuss your priorities in this area.

Sector Workforce Engagement Programme (SWEP)

37. SWEP, established in 2015, focuses on providing a coordinated government response in partnership with industry to address labour market issues across industries like horticulture, viticulture, dairy farming, road freight transport, construction, tourism, hospitality and aged residential care. SWEP expertise is available to broker partnerships and develop strategies to address workforce and skills shortages.
38. SWEP has worked with industry to deliver a range of initiatives including:
 - supporting the development of sector workforce modelling, planning and strategies,

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- trialling innovative labour market interventions, such as sector-led approaches to training to provide better coordination between understanding the skills employers need and training people to get those skills, and
- playing a key role in developing and supporting New Zealand Government Procurement's broader outcomes².

Regional Skills Leadership Groups (RSLGs)

39. RSLGs are independent advisory groups that were established in 2020 by the previous Government to identify and support better ways to meet future skills and workforce needs in the regions and to advise on actions. There are 15 RSLGs and they are locally based and regionally led (one in each region). Information on each of the co-chairs is listed in [Annex 2](#). Under current arrangements, the Minister for Social Development and Employment is responsible for recommending co-chair appointments to the Cabinet Appointments and Honours Committee (APH) and setting expectations for the groups (in the previous two years this has been done through an annual letter of expectations) and for approving the cross-agency response to the Regional Workforce Plans.
40. Each RSLG released a refreshed Regional Workforce Plan in July 2023, setting out the current and future state of their regional labour market and including an action plan for change. The RSLGs also regularly share regional labour market insights with partners and stakeholders through Local Insights Reports and progress reports. The groups provide yearly investment advice to TEC about the regional skills and training requirements for their regions. Given the RSLGs' labour market knowledge and breadth of representation, the Regional Economic Development and Investment Unit, Kānoa, seeks their insights when assessing investment proposals.

Future of Work Tripartite Forum

41. The Future of Work Tripartite Forum (the Forum), which first met in August 2018, was set up by the previous Government as a partnership between Government, BusinessNZ as representatives of business groups and the New Zealand Council of Trade Unions as representatives of unions. The Forum aims to support New Zealand businesses and workers to meet the challenges and opportunities presented in a rapidly changing world of work, and it provides a place for these three social partners to discuss issues and work together to identify and implement solutions. Having strong social dialogue on these issues has strengthened employee and employer voice on important cross-cutting issues. Pou Tangata (part of the National Iwi Chairs Forum) has recently been invited to join in the Forum as a partner to the Crown.
42. There are options available to you about the ongoing role of the Forum, including options for social dialogue with workers, business and iwi; as well as how you might consider the impact of the changing nature of work on New Zealand labour markets. We will provide you with advice on some initial choices for the system in subsequent briefings.

Income Resilience

43. A New Zealand Income Insurance scheme was a key focus area for the Tripartite Future of Work Forum, and MBIE led work on the development of the proposal to address the problems associated with involuntary job loss (see page [8](#)). The proposal was to support workers who lost their job through no fault of their own with 80 per cent of their income for up to six months. The scheme was

² Government Procurement Rules, 4th Edition (May 2021). [Rule 16: Broader outcomes](#). Broader outcomes are the secondary benefits that are generated by the way a good, service or works is produced or delivered.

proposed to be delivered by ACC, to leverage ACC's institutional features and functional capabilities. Public consultation was undertaken in early 2022, and legislative drafting commenced in the second half of 2022. Work on a New Zealand Income Insurance scheme ceased following the reprioritisation of the work in February 2023. We have been investigating other options to improve workers' income resilience and to support firms to respond efficiently to future shocks. These options include increasing uptake of private income insurance, incentivising uptake of individual savings accounts and changing statutory employment settings.

44. As noted above, we have stopped all work on the Income Insurance Scheme. We would like to discuss your appetite for exploring other ways to improve New Zealand's institutional settings to improve income resilience to job loss.

Mana Wāhine Kaupapa Inquiry

45. The Waitangi Tribunal is considering claims that allege prejudice to wāhine Māori as a result of Treaty of Waitangi breaches by the Crown, collectively known as the Mana Wāhine Kaupapa Inquiry [WAI 2700]. The claim is that breaches have resulted in damage to the customary roles and relationships wāhine Māori have with their whenua, whakapapa and mātauranga and that this has had serious prejudicial consequences for their social, economic, cultural and spiritual wellbeing, as well as access to leadership roles. We are in year four of the inquiry, which is expected to take eight years.
46. The all-of-government response is led by Manatū Wāhine Ministry for Women and Te Puni Kōkiri. We expect the Tribunal to release a Statement of Issues around the beginning of 2024 which will set the scope of the inquiry (it is currently very wide-ranging and overlaps with several other inquiries) and the support needed from agencies for the inquiry and for the Crown's response. The subsequent stages of the inquiry will involve holding hearings, the Tribunal making its findings and recommendations, and the Crown's formal response.
47. MBIE is awaiting the Statement of Issues, which will help clarify the scale and resources that we will need to adequately support this work. We expect that this will include searching for records from MBIE and its foundation agencies (which could go as far back as 1891). In relation to Employment, information about how wāhine Māori have been included within the economy, and the labour market more generally, will be key areas of interest. MBIE will also have a role to help inform and interpret historic information relating to government focus on and exclusion of wāhine Māori.

4. Portfolio responsibilities

48. The Minister for Social Development and Employment has a leadership role regarding the overall functioning of the labour market. This includes:
- **Leadership across labour market portfolio Ministers** in setting and overseeing the delivery of the government’s employment-related and broader labour market strategies, including leadership of any Ministerial groups that are established – for example, the previous Government’s Employment, Education and Training Ministers Group (chaired by the Minister for Social Development and Employment) brought together Ministers from key labour market-related portfolios to coordinate labour market interventions.
 - **Delivering employment, education and training programmes and services** to create long-term employment opportunities for New Zealanders and ensure firms can find the people they need to operate their businesses.
 - **Bringing a broader labour market perspective** to topical issues and working collaboratively across portfolios (eg with Education,, Tertiary Education and Skills, Immigration, Workplace Relations and Safety, Economic Development and Regional Development) to achieve common goals.
 - **Providing evidence and insights** about the performance of the labour market, employment conditions, workplace relations, and migration trends and conditions to support regulatory, operational and policy level direction and decision-making.

Statutory or advisory bodies

49. The Employment aspect of your portfolio does not have responsibility for any statutory bodies. You are responsible for the 15 Regional Skills Leaderships Groups across New Zealand.

Legislation

50. The Employment aspect of the portfolio administered by MBIE is not responsible for any legislation.
51. You have an indirect connection to the *Income Insurance Scheme (Enabling Development) Act 2022*, which the Minister of Finance is responsible for. This legislation was enacted by the previous Government as part of preparatory work for the proposed New Zealand Income Insurance Scheme. The Act is administered by MBIE, and enables the Accident Compensation Corporation (ACC) to undertake work to prepare for delivering an income insurance scheme. The Act’s existing provisions include its repeal on 31 March 2025.

5. Major links with other portfolios

52. There is an opportunity to influence other portfolios that govern the large systems which can impact the supply of skills and labour, in order to improve the overall function of the labour market, lift productivity and contribute to the country's economic growth.

Figure 2: Portfolios the Minister for Social Development and Employment can influence



53. These systems intersect with Employment-related issues through:
- **Education:** a focus on how the education system supports people to develop the skills needed for employment; how it informs learner choices and career development; how it connects, engages and responds to businesses and their skills needs; and how businesses connect and communicate their needs.
 - **Immigration:** improving the economic and labour market contribution of international migration through supporting the flow of skilled workers and enabling employers to access people with the skills that New Zealand needs.
 - **Social Development:** a focus on supporting the long-term unemployed to re-enter the workforce, stay attached to the labour market and improve their employment outcomes.
54. The Employment aspects of the portfolio play a role in New Zealand's economic development through input into:
- **Economic Development:** which sets the overall direction for economic growth in New Zealand, including sector-specific advice and the portfolios for Regional Development, Rural Communities, and Auckland.

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- **Science, Innovation and Technology:** which facilitates innovation within the workplace and across the economy.
- **Small Business and Manufacturing:** focuses on the small business sector (which makes up 28 per cent of New Zealand's workforce).

55. In addition, there are several other portfolios where you can work with other Ministers to help firms access the labour and skills they need, improve the quality of jobs available and ensure equity of labour market opportunities. These include:

- Effective labour market settings and regulation, through the Workplace Relations and Safety, ACC and Immigration portfolios.
- Improving the participation and employment outcomes for particular population groups: Māori Development, Pacific Peoples, Youth, Women, Disability Issues, ACC and Corrections, with a focus on improving outcomes for these groups.
- Specific sectors and their demand for labour and skills, such as: Forestry, Oceans and Fisheries, Agriculture, Tourism and Hospitality, Building and Construction, Health and Education.
- Portfolios which may impact on people's ability or incentives to work (or provide a safety net when out of work), such as tax, transfer, and benefit and abatement settings through the Revenue portfolio and your wider Social Development and Employment portfolio.
- Portfolios that impact on people's ability to access employment such as Housing, Infrastructure and Transport.

56. Your role provides the opportunity to bring a useful cross-system perspective to discussions with your colleagues across these portfolios to ensure a well-functioning labour market that underpins New Zealand's economic growth, productivity and prosperity.

6. How MBIE assists you

Our primary ways of engaging with you

57. We engage with you primarily through the following mechanisms, with frequency based on your preference:
- Meetings between yourself and MBIE officials.
 - Regular reports on updating you on key policy and operational issues and activity within the portfolio.
 - Regular work programme reporting.
 - Regular reporting on the state of the labour market and changes to key indicators.
58. We are happy to adjust any of these based on your preferred ways of working.

Policy advice on employment and the wider labour market

59. MBIE assists you in fulfilling your portfolio responsibilities through its roles of providing employment policy advice and services to support decision-making on Government policy initiatives, undertaking supporting activities such as labour market analysis and modelling, administering the Sector Workforce Engagement Programme, and supporting the operation of the Regional Skills Leaderships Groups.
60. The following MBIE branches and units play specific roles in the Employment aspects of the portfolio.
61. The **Employment, Skills and Immigration Policy branch** sits within MBIE's Labour, Science and Enterprise group and leads provision of policy advice and ministerial servicing on employment and the labour market. This branch includes:
- **Skills and Employment Policy:** primarily responsible for policy advice to the Minister for Social Development and Employment on cross-system labour market issues. This includes working with relevant agencies to grow the skills of our current and future labour force, improve labour market outcomes for different population groups and increase our preparedness for the future.
 - **Labour Market Performance and Policy:** leads advice on improving labour market performance. This team identifies emerging labour market policy issues through monitoring and analysing regional, industry, national and international developments and carrying out foresight analysis of the labour market.
 - **Income Resilience Policy:** responsible for developing advice on improving institutional settings to support New Zealand's resilience to involuntary loss of work, including both due to restructuring and firm closures and health conditions and disabilities, to drive improvements to productivity and employment outcomes. Previously led the development of the proposed New Zealand Income Insurance Scheme.
62. The **Regions branch** of Kānoa – the Regional Economic Development and Investment Unit – administers the Sector Workforce Engagement Programme and leads and supports the Regional Skills Leaderships Groups. The branch supports RSLGs to implement their regional labour market plans and also plays a connecting role in ensuring that advice developed by RSLGs supports decision-making across government.

63. The **Evidence and Insights branch** of MBIE’s Digital, Data and Insights group houses the Workforce & Workplace and Migration teams. These teams work closely with Stats NZ and external research bodies to collect evidence and develop analysis and insights about the labour market, employment conditions, workplace relations and migration trends. These insights support regulatory, operational and policy level direction and decision-making. Products include:
- periodic reports on the state of the labour market and analysis of long-term trends, including job vacancies, as well as responding to ad hoc queries you may have,
 - quarterly reports on international migration,
 - information tools to support policy and strategy development, including Jobs Online and Migration Data Explorer, and
 - surveys, research, evaluation and analysis to inform policy, strategy and regulatory development (eg evaluating the temporary migrant worker exploitation programme; providing evidence for annual minimum wage review).
64. A list of labour market tools produced by MBIE is further outlined in [Annex 4](#).

Key MBIE officials

65. The MBIE Senior Leadership Team (SLT) includes the Secretary (Chief Executive), eight Deputy Secretaries responsible for individual business groups, and the Chief Advisor to the Secretary. MBIE has eight business groups that can be broadly divided across three categories:
- Policy development, investment and implementation;
 - Service delivery, operations and implementation, and regional investment; and
 - Corporate services, IT, and data analytics.
66. The table below sets out the key senior MBIE officials who will support you in this portfolio.

Table 2: Key MBIE officials

Social Development and Employment	
<p>Carolyn Tremain</p>  <p>Secretary, Ministry of Business, Innovation and Employment</p> <p>Privacy of natural persons</p>	<p>Everything we do at MBIE is about growing Aotearoa New Zealand for all. We recognise that a strong economy is one in which we use the skills, knowledge and time of our people in conjunction with our natural resources, and financial and physical capital to improve the wellbeing of current and future generations.</p> <p>These aspirations are echoed in our Māori identity – Hīkina Whakatutuki – which broadly means ‘lifting to make successful’.</p>

Social Development and Employment

Policy development, investment and implementation

Nic Blakeley



Deputy Secretary
Labour, Science & Enterprise (LSE)

Privacy of natural persons

LSE helps boost the New Zealand economy by developing New Zealand’s skills system, science and innovation systems and labour market policy. It does this through advising on labour market, immigration, industry, investment, science, tourism, health and safety at work, and accident compensation policy. LSE supports major events, just transitions, leads the science and innovation system and invests significant public funds. LSE works through international partnerships in its trade remedies, innovation and space regulation functions. LSE also leads MBIE’s monitoring arrangements for its related Crown entities.

Jivan Grewal



General Manager
Employment, Skills & Immigration
Policy, LSE

Privacy of natural persons

The Employment, Skills and Immigration Policy branch of LSE, together with LSE’s Workplace, Relations and Safety Policy branch, are the government’s lead policy advisors on labour market issues. We focus on issues relating to skills, employment, labour market planning and immigration.

We work with a range of government and non-government stakeholders to facilitate good labour market outcomes. We are particularly focused (working in tandem with our partners across government) on growing a workforce with the right knowledge and skills and enabling the effective utilisation of these skills in workplaces. This helps drive economic growth by lifting the competitiveness and profitability of our firms and facilitating innovation across the economy.

Service delivery, operations and implementation, and regional investment

Robert Pigou



Deputy Secretary
Kānoa – Regional Economic
Development and Investment Unit

Privacy of natural persons

Kānoa supports the delivery of government funding to enhance economic development opportunities in regional New Zealand to build their economies, grow businesses and strengthen communities.

Kānoa has strong regional knowledge, relationships and presence. We work with other government organisations and industries, communities, iwi and local government to manage and deliver government funds tailored to build our regional economies so they can grow and develop to reach their full potential.

Corporate services, IT, and data analytics

Greg Patchell



Deputy Secretary
Digital, Data and Insights (DDI)

Privacy of natural persons

DDI is responsible for the data and insights, digital and technology functions within MBIE. The group partners with MBIE’s business groups to ensure MBIE has the data and technology to ‘Grow Aotearoa New Zealand for All’. DDI leads strategic direction for data assets and knowledge management, ensures cyber security of MBIE’s technologies, optimises information insights and data intelligence, provides digital capability and expertise, ensures the operational integrity of MBIE’s digital systems, and that digital and data efforts are aligned, efficient and effective.

7. Upcoming actions and issues to be aware of

67. This section details matters that will, or may, require your attention in the short- to medium-term. These are categorised as follows:

- **Things that will require your immediate attention** (Tables 3 and 4): Matters where you will be required to do something (eg to consider advice) in the short term.
- **Things to be aware of in the portfolio** (Tables 5-8): Matters that you may need to respond to in the near term (eg because of stakeholder interest) where you have discretion about the timing and nature of that response, and other matters of interest.

Things that will require your immediate attention

Table 3: Immediate Employment-related actions and issues

Topic	Description	Driver	Action/next step
Supporting briefings to the incoming Minister	We will be providing you with a briefing with further information on the Employment aspects of your portfolio and, following discussions with you about your immediate priorities, will be able to provide further briefings to support detailed discussions on specific issues and the work programme for the portfolio.	Discussing priorities with you and providing support to develop a portfolio work programme	Please refer to Table 4 below for a list of supporting briefings. We would value a discussion with you about your priorities at your earliest convenience.
Vote management arrangements	The Minister for Economic Development (as the minister responsible for MBIE) will need to ensure that there are appropriate Vote management arrangements in place for the three Votes administered by MBIE, including confirming the lead Ministers for the three MBIE Votes: Business, Science and Innovation; Building and Construction; and Labour Market.	Public accountability processes involving appropriations	Ministerial discussions to confirm Vote management arrangements.

Table 4: Supporting briefings to the incoming Minister

Topic	Description
Primary and secondary briefings to the incoming Minister	
Initial package of MBIE briefings	This paper and an accompanying slide pack have been sent to you. Briefings on New Zealand’s economic context, MBIE as an agency, and MBIE’s funding and finances have also been provided.
Further information on the Social Development and Employment portfolio	Provides further information on the portfolio, the state of the labour market, and opportunities to improve its functioning.
Tertiary briefings to the incoming Minister	
Choices for the workforce planning system	This is to support discussions on your priorities for the workforce planning system.
Improving income resilience to job loss and future shocks	This briefing provides more detailed information regarding the scale, costs and opportunities associated with New Zealand’s income resilience issue.
Addressing persistent labour market disadvantage	This briefing provides advice on the options you have to progress your priorities around income mobility and labour market outcomes within the New Zealand labour market.

BRIEFING FOR THE INCOMING MINISTER FOR SOCIAL DEVELOPMENT AND EMPLOYMENT

Topic	Description
Strengthening the provision of work-related training interventions	Joint paper with MSD. This overview briefing provides you with choices on strengthening the provision of work-related training through two key areas: 1) a review of work-related training Active Labour Market Programmes and 2) enabling firms to invest in in-work training.
Boosting employer investment in skills training	This briefing sets out findings from MBIE's research and engagement on the barriers to private-sector employer investment in in-work training and seeks your direction for further work.
Addressing the impact of global megatrends on New Zealand's labour market	This briefing provides more detailed advice on the challenges and opportunities that key global megatrends may present for New Zealand, the case for Government engagement (at the strategic, cross-portfolio level), and sets out options for how work may be taken forward.

Things to be aware of in the portfolio

Table 5: Other Employment-related actions and issues

Topic	Description	Driver	Action/next step
October Baseline Update (OBU)	OBU is an in-year revision of the Budget, where variances against the previous set of forecasts are charged against the operating allowance.	Regular public accountability process for appropriation Ministers.	The caretaker Minister submitted the Employment-related OBU 2023 submission to the caretaker Minister of Finance. MBIE officials are available to provide advice or discuss OBU at your convenience.
Employment Strategy	The previous Cabinet set a report-back for 2023 on progress made under the Employment Strategy.	The previous Cabinet agreed on an annual update on this work [refer: SWC-21-MIN-0159 , Oct 2021].	MBIE would like to discuss the status of the Employment Strategy with you.
Cross-agency response to Regional Skills Leaderships Groups' 2023 Regional Workforce Plans (RWPs)	MBIE has led the development of a cross-agency response to RSLGs' 2023 RWPs, which has involved EET agencies ³ as well as national agencies with a specific interest in themes raised by RSLGs. This response is currently in draft form and has yet to be circulated to agencies for their agreement.	The group of Ministers responsible for labour market issues in 2020 agreed that, within six months of the release of RWPs, MBIE would deliver a cross-agency response on the themes raised by RSLGs. If Ministers wish to continue this directive, the response would be due by 31 December 2023.	MBIE's next steps for the development and delivery of the 2023 response will depend on the decision Ministers make about RSLGs. We have paused the response development process until you are in a position to provide guidance about your preferences.

Table 6: Wider actions and issues to be aware of

Topic	Description	Driver	Action/next step
Annual Review of MBIE	The Annual Review of MBIE's performance over 2022/23, in front of the Economic Development, Science and Innovation Select Committee (or equivalent), is expected in February 2024. MBIE's	Regular public accountability process for departments.	The Minister with Responsibility for MBIE (the Minister for Economic Development) will have a role in providing feedback on responses to written

³ The Employment, Education and Training (EET) Secretariat is a cross-agency team hosted by MSD and comprising staff from MSD, MBIE and MOE.

BRIEFING FOR THE INCOMING MINISTER FOR SOCIAL DEVELOPMENT AND EMPLOYMENT

Topic	Description	Driver	Action/next step
	Chief Executive and members of MBIE’s SLT will attend to respond to questions.		questions from the Committee, however the process is largely a departmental responsibility.
Government Inquiry into the Response to the North Island Severe Weather Events	In July 2022, the previous Minister for Emergency Management announced this Government Inquiry. While none of the activities being reviewed are directly Employment-related, several activities that MBIE was involved in more widely fall within the scope of the Terms of Reference of the Inquiry.	The Inquiry is to provide interim recommendations to the Minister for Emergency Management in writing no later than 7 December 2023, and its report, including final recommendations, to the Minister for Emergency Management no later than 26 March 2024.	To assist the Inquiry, MBIE has established an SLT Governance Group to coordinate, manage and oversee our interface with the Inquiry and with other stakeholders. MBIE has also formed a project team to coordinate and manage all aspects of MBIE’s interface with the inquiry and to escalate any matters to the SLT Governance Group, as appropriate.
Royal Commission of inquiry into lessons learned from Aotearoa New Zealand’s response to COVID-19 that should be applied in preparation for any future pandemic	The Royal Commission of Inquiry was announced in December 2022, and began considering evidence from 1 February 2023. While none of the activities being reviewed are directly Employment-related, several activities that MBIE was involved in more widely fall within the scope of the Terms of Reference of the Inquiry, such as Managed Isolation and Quarantine, vaccine procurement, essential business definitions, border restrictions, and support to business (Essential Services Register, business Travel Document System, Close Contact Exemption Scheme).	The Inquiry is required to deliver a report with recommendations by 30 September 2024.	MBIE has responded to requests for information as received. MBIE’s Chief Executive has met with the Commissioners, and several Tier 2 and Tier 3 staff (and former staff) from MBIE have been interviewed by the Inquiry.

Table 7: Recent and upcoming data releases

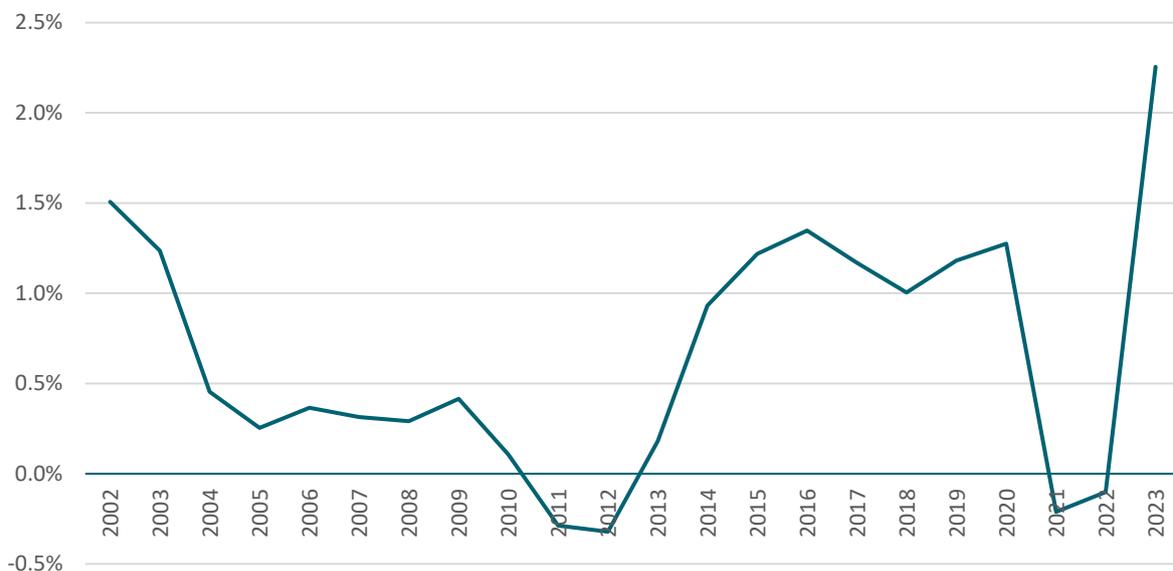
Data Release	Product type	Release frequency	Date
Jobs Online quarterly report September 2023	Data Release	Quarterly	31 Oct 2023
Labour Market Statistics: September 2023 quarter	StatsNZ release	Quarterly	1 Nov 2023
Jobs Online monthly data set October 2023	Data Release	Monthly	14 Nov 2023
International migration: September 2023	StatsNZ release	Monthly	15 Nov 2023
Business employment data: September 2023 quarter	StatsNZ release	Quarterly	8 Dec 2023
International migration: October 2023	StatsNZ release	Monthly	12 Dec 2023
Gross domestic product: September 2023 quarter	StatsNZ release	Quarterly	14 Dec 2023
Jobs Online monthly data set November 2023	Data Release	Monthly	14 Dec 2023

68. More information about the Labour Market tools produced by MBIE is provided in [Annex 4](#).

Annex 1: Current state of New Zealand's labour market

1. One of the New Zealand economy's strengths is its dynamic labour market. This enables firms to continuously adjust their workforces as market conditions change, and workers to move between firms and sectors with relative ease. Our labour market institutions enable employers and workers to form employment relationships so that employers can get work done and, in exchange, employees get pay, other terms and conditions as well as intangible benefits like social connection.
2. The dynamism of the labour market has facilitated some significant long-term labour market shifts such as the growth of service sector and the increase in participation by women and older workers. As illustrated below, the New Zealand labour market has also absorbed high but constantly changing levels of net migration over the last two decades.

Figure 1: Net migration has fluctuated from about -0.25 per cent to over 2 per cent of the total New Zealand population over the period from 2002-2023 (year to September figures)⁴



3. The benefits of that labour market dynamism were visible through the COVID-19 shock, where workers were able to move from sectors facing lower demand (such as high-contact and tourism-related industries) into health care and construction, where demand was higher. As access to migrant labour became harder, firms turned to other sources, particularly younger workers.

Challenges

4. Despite its strengths, the New Zealand labour market has several long-standing challenges. New Zealand has relatively modest labour productivity growth. Consequently, New Zealand has only experienced modest long-term real wage growth. This modest wage growth combined with significant increases in the minimum wage means that the minimum wage has become a relatively high fraction of the median wage. MBIE will continue to monitor the proportion of the workforce paid at or near the minimum wage and evidence as to how this affects labour market behaviour. Wage compression could feasibly reduce incentives for minimum wage workers to upskill or take on additional responsibilities.

⁴ Population from Infoshare: *Population Estimates - DPE: Estimated Resident Population by Age and Sex (1991+)* (Annual - September). Migration from Infoshare: *International Travel and Migration - ITM: Estimated migration by direction, 12/16 month rule (Annual - year to September)*.

5. New Zealand's labour market tends to have a relatively high level of skill mismatch where workers' qualifications or field of study differ from what is required for their role. This high level of skill mismatch could arise from various factors – such as highly localised or niche labour markets (where firms and workers have few alternative choices), difficulty in co-ordinating information about employer needs, or education and training providers being slow to respond to those needs. Workers who experience involuntary job loss (through redundancy or ill health) can experience sudden income drops with pressure to take the first job that comes along, rather than finding their best match. Furthermore, some sectors (such as retail and hospitality) are characterised by low-skill/low-wage business models where firms may have little incentive to invest in technology, lift productivity, improve the quality of jobs, and use the available skilled labour well. The quality of government interventions directly affects the effectiveness of the skill matching process – such as the usefulness of labour market information to inform participants' choices, the responsiveness of the education system in addressing longer term skill mismatches, and immigration as a short-term pressure valve.
6. Finally, some population groups (eg Māori, Pacific, and disabled workers) have persistently worse outcomes, on average, compared with the overall workforce. The challenges faced by these groups are reflected both in participation rates and in the outcomes these groups experience from work. Addressing such distributional disparities is a complex social and economic challenge.

Government's crucial role in the labour market

7. Addressing these challenges and improving the operation of the labour market will help the functioning of the economy. The Government plays several crucial and complementary roles in fostering well-functioning labour markets. These include:
 - Creating and maintaining the regulatory and institutional framework within which workers and employers can enter, enforce, and exit employment agreements. This includes rules for collective and individual bargaining and establishing minimum terms and conditions for employment (such as the minimum wages and leave) and resolution of disputes.
 - Providing and funding education, training and employment services (including career advice and programmes to help disadvantaged groups into paid jobs); and establishing frameworks for defining and recognising qualifications and skill credentials.
 - Managing a social protection system to provide social and financial security (such as income support for redundancy, accidents, or health deterioration) to address hardship, as well as effective employment programmes to upskill and support people into paid employment.
 - Regulating the immigration system, which determines (for example) the extent to which firms can access migrant workers and the conditions that apply to employing migrants in different circumstances.
 - Developing and providing labour market information and intelligence to allow labour market participants (including learners, education providers, workers, and firms) to plan for a changing environment and shifting patterns of labour demand and supply.
8. Direct responsibility for these roles sits across multiple portfolio areas, including Social Development and Employment, Workplace Relations and Safety, Immigration, ACC, Education, and Tertiary Education and Skills. It will be important to ensure that the different market regulatory systems affecting the labour market are fit-for-purpose and work together well in supporting business performance and achieving the Government's wider goals.

Annex 2: Key stakeholders

Table 8: Key Employment portfolio stakeholders

Entity	Key contacts
Business and worker/union	
BusinessNZ	Chief Executive: Kirk Hope Manager, Education, Skills and Immigration: Rachel Simpson
E tū	National Secretary: Bill Newson
Employers and Manufacturers Association (Northern)	Chief Executive: Brett O'Riley
First Union	General Secretary: Dennis Maga
New Zealand Council of Trade Unions	President: Richard Wagstaff Secretary: Melissa Ansell-Bridges
Public Service Association	National Secretaries: Kerry Davies and Duane Leo
Māori	
National Iwi Chairs Forum	Co-Chair, Pou Tangata: Dame Naida Glavish Co-Chair, Pou Tangata: Rahui Papa
Regional Skills Leadership Groups⁵	
Taitokerau	Co-Chairs: Toa Faneva and Harry Burkhardt
Tāmaki Makaurau	Co-Chairs: Robert Reid and Awerangi Tamihere
Waikato	Co-Chair: Brendon Green Co-Chair and Reference Committee member: Keith Ikin
Bay of Plenty	Co-Chair: Turi Ngatai Co-Chair and Reference Committee member: Donna Perese
Tairāwhiti	Co-Chair: Richard Searle Co-Chair and Reference Committee member: Alex Hawea
Hawke's Bay	Co-Chairs: Erin Simpson and Tania Eden
Taranaki	Co-Chair: Anaru Marshall Co-Chair and Reference Committee co-Chair: Charlotte Littlewood
Manawatū–Whanganui	Co-Chairs: Katarina Hina and Oriana Paewai
Wellington	Co-Chair: Mhirangi Hollings Co-Chair and Reference Committee member: Glenn Barclay
Marlborough	Co-Chair: Jennifer Moxon Co-Chair and Reference Committee member: Corey Hebbard
Nelson Tasman	Co-Chairs: Ali Boswijk and Justin Carter
Te Tai Poutini West Coast	Graeme Neylon and Lisa Tumahai
Canterbury	Co-Chair and Reference Committee co-Chair: Liz Brown Co-Chair and Reference Committee member: Karena Brown
Otago	Co-Chair: and Desiree Mahy Co-Chair and Reference Committee member: Karen Coutts
Southland Murihiku	Co-Chairs: Pania Coote and Bernard May

⁵ Each of the 15 RSLGs has two co-Chairs, one nominated through an Expressions of Interest process and the other selected in consultation with regional iwi and Māori. Co-Chairs were appointed in June 2021 for a period of up to three years. Some co-Chairs are also part of the cross-RSLG Reference Committee.

Annex 3: Funds and appropriations

Vote Labour Market: Budget Structure

Five Ministers are responsible for appropriations in Vote Labour Market. As of October 2023, for 2023/24:

- The **Minister for Social Development and Employment** is responsible for appropriations totalling \$20.6m, primarily for the operation of Regional Skills Leadership Groups and the provision of employment information and facilitation services (see page [28](#) for detail).
- The **Minister for ACC** is responsible for appropriations totalling \$2,222.2m, primarily to cover the estimated cost of injury prevention, claims processing, medical services and social rehabilitation for claims on the Non-Earners' Account and for treatment injuries.
- The **Minister of Immigration** is responsible for appropriations totalling \$578.3m, primarily for the provision of immigration services, including assessment and processing services, settlement and integration of refugees and integrity and security of the New Zealand immigration system.
- The **Minister for Workplace Relations and Safety** is responsible for appropriations totalling \$225.6m (including \$4.6m capital), primarily for the provision of employment relations services and work-related health and safety services.
- The **Minister of Health** is responsible for one multi-year appropriation with \$21.2m allocated within it for 2023/24, for the provision of border support services from MBIE to Customs New Zealand to support the Traveller Health Declaration System.

The lead minister for Vote Labour Market (see below) also has overall responsibility for a multi-category appropriation (MCA) of \$28.4m to provide Policy advice and related services to Ministers in the areas of ACC, Income Insurance, Employment, Immigration and Workplace Relations and Safety – this amount relative to each portfolio is reflected in the totals above.

MBIE is responsible for administering Vote Labour Market.

During the course of the financial year, each minister with responsibility for appropriations within the Vote receives:

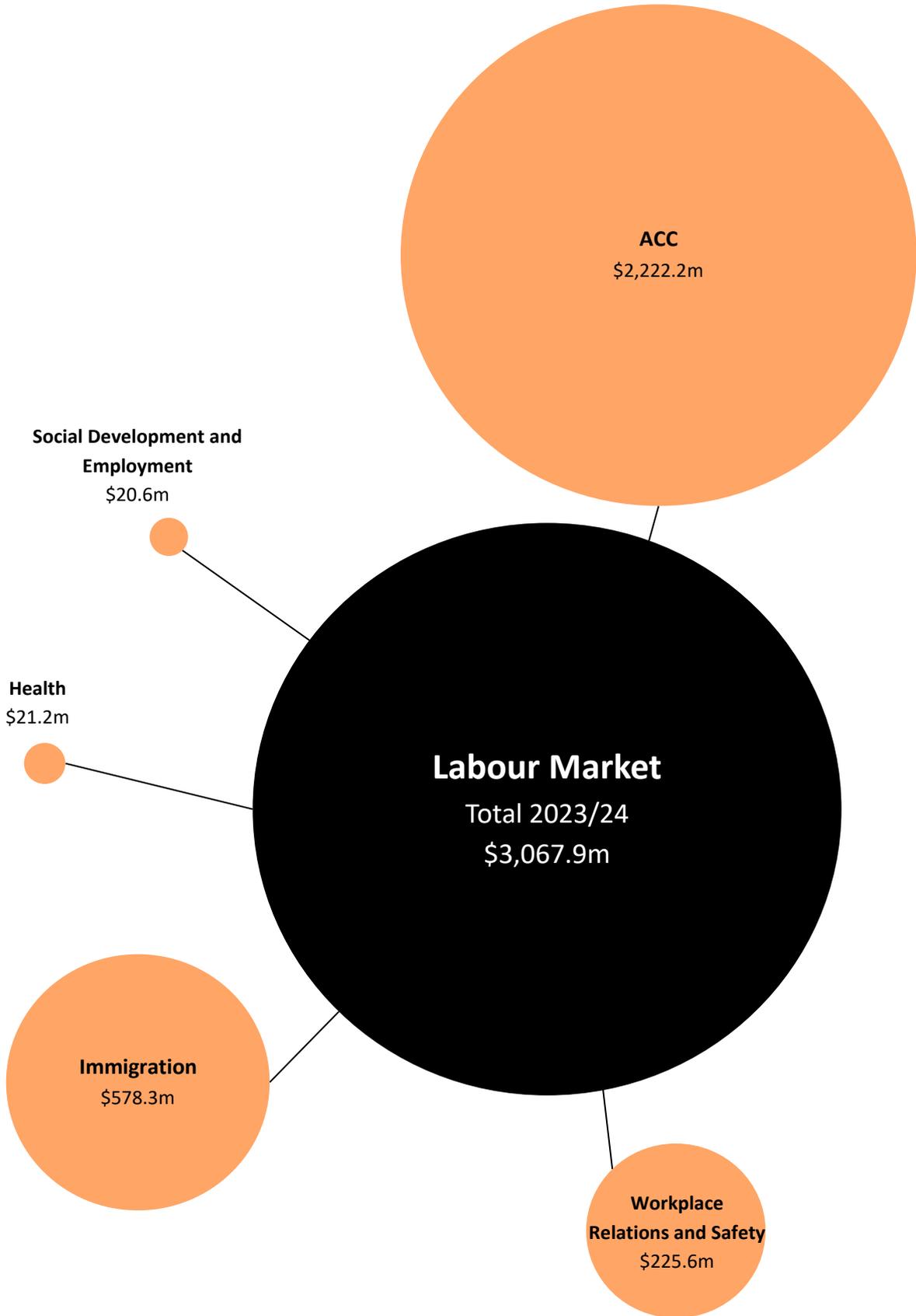
- October and March Baseline Updates
- In-Principle Expense and Capital Transfers, and Retentions of Underspend (June)
- Estimates and Supplementary Estimates (Budget documentation, April)
- Select Committee Estimates Examination material (July)
- Preparatory material ahead of the Estimates debate (usually August) and Annual Review debate (usually May) in the House, if required.

Vote Lead Minister

For administrative simplicity, one Minister is usually selected to take overall responsibility for the final submission of Budget-related documentation for each Vote. For Vote Labour Market, the responsibility has historically sat with the Minister for Workplace Relations and Safety or the Minister of Labour. The Vote Lead Minister is also named as the technical owner of the Policy Advice and Related Services MCA, but for practical purposes decisions on each category are usually delegated to respective portfolio Ministers.

Vote Labour Market 2023/24 appropriation totals

The diagram below sets out the total for Vote Labour Markets 2023/24 appropriations using preliminary October Baseline Update figures.



Employment-related appropriations

9. The Employment portion of Vote Labour Market totals \$20.6m of departmental funding:
 - \$11.47m for *Regional Skills Leadership Groups*, which supports the 15 RSLGs to identify local skills needs, coordinate local action to resolve those needs, and provide insights to central government to inform labour market policy.
 - \$3.03m for *Employment Sector Analysis and Facilitation*, which funds:
 - The Sector Workforce Engagement Programme, which provides a coordinated government response in partnership with industry to address labour market issues and develop local workforces in sectors heavily reliant on low-skilled migration.
 - Supporting activities such as labour market modelling and the development of labour market tools.
 - \$4.07m for *Policy Advice and Related Services to Ministers - Employment*.
 - \$2.04m for *Policy Advice and Related Services to Ministers - Income Insurance*.
10. A further \$0.70m of non-departmental funding is provided through Vote Business, Science and Innovation to support the operation of the Future of Work Tripartite Forum.
11. A briefing on MBIE's funding and finances has been provided to you separately.

Annex 4: Labour Market tools produced by MBIE

MBIE produces several tools and reports providing useful labour market information:

- **Employment Key Messages** – this is a monthly report to provide information on the state of the labour market to the Minister’s office. A data dashboard is also provided in the report to complement the key messages with visualisations of economic and labour market data relevant to the report.
- **Quarterly labour market statistics snapshot** – this is a quarterly release that provides a snapshot of key labour market statistics from the Household Labour Force Survey, Labour Cost Survey and Quarterly Employment Survey. The snapshots are provided to the Minister’s office on the day of the quarterly labour market statistics release in February, May, August and November, accompanied by an aide memoire which provides key insights on the New Zealand labour market.

The quarterly snapshots include four ‘slices’ of the labour market statistics, for each of the general population, the Māori population, the Pacific Peoples population and the Asian population. The Asian population snapshot will be replaced by one for ethnic communities in 2024.

Previous snapshots can be found here: <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/labour-market-statistics-snapshot>.

- **Jobs Online** – there is a monthly data series release and a quarterly report on changes in the online job advertisements from four internet job boards – Seek, Trade Me Jobs, Education Gazette and Kiwi Health Jobs.

The Jobs Online monthly series and previous quarterly reports can be found here: <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/jobs-online>.

- **Regional Economic Activity web tool** – this web tool, which is also available as a mobile app, allows users to find and explore extensive information on New Zealand’s regional economies.

The web tool can be found here: <https://www.mbie.govt.nz/business-and-employment/economic-development/regional-economic-development/activity-tools>.

- **Migration data explorer** – this web tool lets users drill into migration data.

The data explorer can be found here: https://mbienz.shinyapps.io/migration_data_explorer.