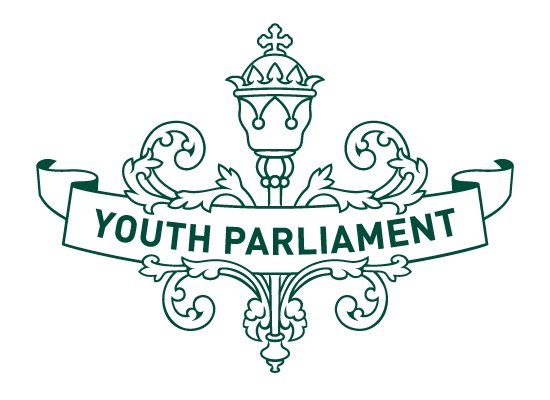
  
Youth Parliament 2016

Record of Proceedings:  
Transport and Industrial Relations Select Committee report





Transport and Industrial Relations Select Committee

**Inquiry into the barriers to young people entering employment across New Zealand workplaces and how these can be addressed**

**Recommendations**

The **Transport and Industrial Relations** Select Committee makes the following recommendations to the Government:

that it subsidise a programme which reduces the risk for employers taking on apprentices

that it provide information for school leavers on apprenticeship and trade opportunities

that it provide education to school students on driver education, CV writing, interview skills, entrepreneurship and other essential life skills

that it provide an online digital hub of job opportunities available exclusively to young people, and make existing digital hubs more accessible

that it encourage school careers advisors and local business communities to strengthen links with each other

**Introduction**

In 2013, New Zealand’s youth unemployment rate was 16.3 percent. This is similar to the Organisation for Economic Co-operation and Development (OECD) average of 16.2 percent. Youth unemployment levels increased significantly after the Global Financial Crisis (GFC) in 2008. In New Zealand, there has been a small decline in the youth unemployment rate in recent years but the rates are still significantly above pre-GFC levels.

Unemployment can affect young people’s well-being and increase the risk of poor life outcomes. These outcomes include isolation from society, less money to spend on essentials such as food, housing, and healthcare, and increased uncertainty leading to delays in developmental markers such as leaving home and starting a family.

**Education**

Education is important in building a competitive and productive economy and helping young people develop the skills to reach their potential. Leaving school early and low levels of educational achievement increase the risk of a young person having poor labour market prospects. The Government’s Better Public Services Target aims to have 85 percent of 18 year olds achieving NCEA Level 2 or an equivalent qualification by 2017. The NCEA Level 2 rate for 18 year olds was 81.2 percent in 2014, compared with 78.6 percent in 2013, and 77.2 percent in 2012.

For people who leave school early there are services which aim to re-engage them in education. The Youth Service provides support for 16 to 18 year olds who are not in education, employment, or training (NEETs). The Youth Guarantee provides foundation education to achieve NCEA Level 2 or the equivalent to help young people move to further education and participate in the workforce. Count Me In focuses on re-engaging 16 to 18 year old Māori and Pacific students in education and helps them to achieve NCEA Level 2.

We heard from VIBE, a youth health and support provider, which expressed concern that the Youth Service, Youth Guarantee, and Count Me In services only focus on high-needs people between the ages of 16 and 18. We agree that a greater age range should be adopted for these schemes, and allowance should be made for people with a greater range of needs.

**Young people at risk of poor outcomes**

The Treasury has identified characteristics which are linked to young people at risk of being on a benefit for at least five years from the ages of 24 to 34. These risk factors are: having a Child Youth and Family finding of abuse or neglect, being mostly supported by benefits since birth, having a parent with a prison or community sentence, and having a mother with no formal qualifications.

An assessment of the welfare system shows that young people who enter the benefit system at a young age have a higher risk of remaining on a benefit long-term. About 75 percent of future welfare costs for existing clients are for people who first entered the benefit system under the age of 20.

We were concerned to hear that barriers to employment are often systemic and start from an early age. We recognise that for some families unemployment may be inter-generational. We heard that early intervention may be necessary for some young people. For example, giving parents access to education, employment, or training opportunities will help the outlook for children growing up in their care. Another example is when people are struggling with NCEA at age 15 or 16. We heard that it is likely that they need greater support earlier in their education. We agree that information and support needs to be provided at a younger age. We encourage giving primary school children access to resources and letting them know what educational and employment opportunities are available to them, with a particular focus on what they are passionate about and what their strengths are.

**Employers’ perceptions of young people**

Young people, with little work history, can be perceived by employers as a higher risk than experienced older employees. An Australian survey of employers found that they were looking for employees with positive, work-focused behaviours rather than a specific skill set. Employers also considered volunteer work, work experience, and training as a way for young people to show employers that they are keen and willing to work.

We heard that employers often have incorrect perceptions of young people. We were interested to hear about a database in Dunedin of employers who promote themselves as youth-friendly. We believe that this could be replicated in other parts of New Zealand. We support a national initiative on youth-friendliness in the workplace to let employers know what is involved in hiring a young person. This would include advice to employers on how to train, manage, and mentor young people, employers’ obligations and employees’ rights.

**Skills not matching available jobs**

Since 2009, despite a relatively high unemployment rate, employers have found it difficult to find skilled labour. Young people need to develop skills which are matched to labour market needs. This includes addressing shortages in areas like information and communications technology and the science, technology, engineering, and mathematics (STEM) subjects which are needed for innovation and economic growth. We suggest that schools should review their curriculums annually to ensure that they are responsive to local labour markets.

We heard that there also needs to be a focus on ensuring that there is education and training in areas that are expected to grow. In the past few years there has been work to improve how tertiary education supports the labour market and students’ study decisions. The “Moving On Up” and “Occupation Outlook Report” publications have provided information about potential wages and employment opportunities for students.

We heard that there are often gaps between the education provided and what employers need. We were concerned to hear about young people being unable to find employment opportunities after training under the Youth Guarantee scheme. We agree that funding for educational opportunities should be more targeted so that young people can find employment opportunities after leaving education.

**Partnering with employers**

The Ministry of Social Development partners with employers to encourage businesses to employ unemployed young people. We were interested to hear about The Warehouse’s Red Shirts Programme. The Red Shirts in Schools Programme, in partnership with 220 secondary schools across New Zealand, supports students to gain skills in customer service, communication, personal presentation, product knowledge, and team work. The Red Shirts in the Community Programme, in conjunction with the ministry, supports NEETs to gain workplace skills and experience. Both programmes allow participants to gain 20 credits towards NCEA Level 2, while the Red Shirts in the Community Programme awards 20 credits toward the achievement of the New Zealand Certificate in Retail. We were pleased to hear about the success of the programme, with an average of 82 percent of participants coming off a benefit after the programme. We commend The Warehouse for the work they have done and encourage other employers to follow this model.

**Apprenticeships**

Apprenticeship systems, which are seen as a pathway from school to employment, have worked in countries such as Germany, Austria, Switzerland and Denmark. This has kept youth unemployment low and placed a large number of school leavers in jobs. “New Zealand Apprenticeships” are formal work-based training programmes which lead to careers in a range of areas. They are open to anyone in New Zealand aged 16 years and over.

Vocational Pathways is a tool used to help students identify industries where they may wish to work and the types of learning required to work in them. This helps teachers to plan learning programmes and support students to make appropriate learning decisions in school and tertiary education.

We heard that there is the need for apprenticeships. We recommend that the Government subsidise a programme that would reduce risk for employers taking on young people as apprentices. We also recommend that better information be provided to young people about the types of apprenticeships and trade opportunities available.

**Training and skills**

The Government subsidises several programmes that provide employers with an incentive for employing young people. The Gateway programme provides subsidies to employers who employ high-school students, and the Flexi-Wage subsidy is for businesses that employ young people on a benefit and helps with their training costs.

We urge the Government and industry to work more closely together to give young people an opportunity to prove themselves and gain meaningful work experience. A coordinated approach could provide strong incentives for employers to take on younger workers. This could include greater education and additional support to the existing Gateway and Flexi-Wage schemes. We also encourage employers to provide support to young people in employment. This would include advice on issues such as workers’ rights and updating skills.

**Focus on Māori and Pacific youth**

We heard that, in the Hutt Valley, 33 percent of young people between the ages of 15 and 24 are Māori or Pacific. However, about 65 percent of the caseloads of Youth Service coaches consist of Māori or Pacific clients. This shows that a greater focus on providing specific support to Māori and Pacific communities is needed to address the unequal outcomes and increase equal opportunity. We agree that employers need greater awareness of cultural diversity.

**Access to transport**

Access to transport is a barrier to young people gaining employment, particularly outside the larger cities. We were interested in whether any subsidies are available for young people who cannot afford a driver’s licence. We heard that some Rotary clubs have programmes to teach young people to drive and give them access to cars. We support the suggestion from a submitter about a national programme whereby people could apply for scholarships to gain their licence. We recommend to the Government that driver education should be provided in schools with the opportunity to earn credits. We suggest that these classes are opened up to young people who are no longer attending school.

**Online digital hub**

A Kapiti Chamber of Commerce survey found that 40 percent of employers use word of mouth and 20 percent use referrals in employing people. We were concerned that this may be a barrier to young people finding out about employment opportunities. We recommend that the Government develop an online digital hub, exclusively for young people, to show what employment opportunities are available. We also recommend making existing online digital hubs more accessible. We suggest that these sites are promoted on social media.

**Work Ready Passports**

We were interested to hear about Work Ready Passports which are used in the Kapiti region. Young people are given a Work Ready Passport with a checklist which they get signed off as they complete work placements or work experience. Participants are required to appear before a panel twice a year to have the information verified, before receiving a passport stamp. We support and encourage this initiative being rolled out in other regions.

**School-based services**

We consider that CV writing and preparation for a job interview are important skills for young people. We believe that these, along with other essential life skills, should be introduced to the education system so that all young people have the same opportunity to learn these valuable skills. We recommend to the Government that it provide school students with CV writing and interview training, with opportunities for credits. We suggest that this is made part of the school curriculum with opportunities for credits.

We endorse the Young Enterprise Scheme and other similar programmes, and would advocate the promotion of this for all secondary school students. We encourage the

Government to consider making business studies a compulsory subject at junior school. Business studies would cover essential knowledge such as basic budgeting, consumer rights, entrepreneurship skills, and business management.

We also believe that there needs to be better interaction between school careers advisors and local business communities. We recommend to the Government that it encourage school careers advisors and local business communities to strengthen links with each other.

**Appendix to the Transport and Industrial Relations Select Committee report**

**Committee procedure**

The committee met on 19 and 20 July 2016 to consider the inquiry. The committee received and heard three submissions. Evidence was heard from Shari French, The Warehouse Group, Liz Koh, Kapiti Coast Chamber of Commerce, and Kerry Leggatt and Neill Ballantyne, VIBE; and advice was received from the Ministry of Social Development.

**Committee members**

Teresa Lee (Chairperson)

Dani Clements-Levi

Jia Dua

Callum Findlater

Haven Henare-Heke

Vivian Huang

Stephen Jones

Gabriella Keys

Christopher Oleva-Tanuvasa

Alofa So’olefai

Emily Woodhouse

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