

1 – Aims and use

The Strategy seeks to achieve sustainable employment, and improve equity for groups that consistently experience poor labour market outcomes – in line with the Government’s Employment Strategy 2019.

This Strategy will inform national and regional decisions about the Ministry of Social Development’s public employment services. Investment changes signal a high level direction for the Ministry’s investment to shift to overtime. The Strategy provides significant flexibility – regional and local context, including labour market conditions, will need to be considered when making investment decisions.

Investment principles set expectations about how different factors should be considered when making investment decisions.

The Strategy provides further general guidance and analysis to inform considerations about promoting equity for population groups that consistently experience poor labour market outcomes.

The Strategy is being published to inform the public and stakeholders about MSD’s direction, and to invite feedback and discussion.

2 – Investment changes and benefits

At the core of the strategy are four investment changes MSD will consider:

- A**  Increasing the cost-effectiveness of its job placement investment.
- B**  Increasing the overall share of investment in cost-effective programmes with work readiness components, particularly training – including for investment targeting young people, Māori and Pacific peoples.
- C**  Increasing the share of investment targeted towards women, older workers, and those over 45 on Jobseeker Support – Health Condition and Disability (JS-HCD), particularly through investment in cost-effective programmes with work readiness.
- D**  Increasing the share of investment in evidence-based interventions to support disabled people, including those with health conditions, into employment.

Together, these changes are intended to:

Improve outcomes overall by improving the cost-effectiveness of our investment and focusing more on work readiness.

Promote equity for young people, Māori and Pacific peoples, by ensuring that the investment directed to these groups is better targeted towards achieving sustainable employment outcomes, through a focus on work readiness.

Promote equity for groups that currently receive considerably less investment compared to their representation in the benefit population (women; older workers; disabled people, including those with health conditions) by increasing the total share of investment in these groups and improving the targeting and effectiveness of that investment.

3 – Investment principles

Our employment investment portfolio overall should:

Principle 1

Deliver value for money in improving social and employment outcomes, informed by the available evidence. Social and employment outcomes include:

- Intergenerational outcomes.
- Outcomes based on other relevant Government priorities, such as child poverty reduction.

Principle 2

Informed by the available evidence, be expected to:

- Improve Māori outcomes in partnership with Māori (in line with Te Pae Tata).
- Help achieve equity for groups that consistently experience poor labour market outcomes, as defined in the All-of-Government Employment Strategy 2019.

Principle 3

Support MSD’s commitments under Te Pae Tata by providing opportunities to realise iwi and Māori development aspirations.

Principle 5

Be responsive to future economic, social issues and priorities. Taking advantage of opportunities, and responding to challenges, presented by the future of work.

Principle 4

Support MSD’s commitments under Pacific Prosperity, in particular by helping building partnership with Pacific communities.

Principle 6

Promote innovative approaches to supporting people into employment, and help grow our evidence base.

Each employment investment decision should:

Principle 7

Be informed by the available evidence and prior experience and, where evidence is lacking, consider innovative approaches that will improve our evidence base.

Principle 9

Align with MSD’s labour market role and strategic direction – Te Pae Tawhiti, and wider government service provision; and be feasible to implement.

Principle 8

Deliver long-term value for money, taking into account the wider benefits and costs to the whole of society.

Principle 10

Aim to apportion and target investment based on current evidence and information about:

- The level and type of support that individuals need.
- Labour market opportunities.