



Cabinet Social Wellbeing Committee

Minute of Decision

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Ministry of Social Development Employment Services: Confirming the Role and Direction

Portfolio **Social Development and Employment**

On 18 May 2022, the Cabinet Social Wellbeing Committee:

- 1 **noted** that the Ministry of Social Development (MSD) plays a key role in providing public employment services that, alongside financial assistance, help people move into and stay in work, through active labour market programmes that support employment, education, and training opportunities, and can change to respond to different needs and evidence of what works;
- 2 **noted** that most people can navigate the labour market using their own resources, however, some people face additional barriers that place them at greater risk of poor long-term labour market outcomes, such as long-term unemployment, underutilisation, and unsuitable work;
- 3 **noted** that over the past three years, the government has taken action to strengthen and expand MSD's employment services to better support people most at risk of poor labour market outcomes, and provide temporary help to people closer to the labour market so they can return to employment quickly;
- 4 **noted** that the Minister for Social Development and Employment is seeking to formalise MSD's ongoing role in providing employment services to people at risk of poor labour market outcomes through a clearer purpose statement and prioritisation approach;
- 5 **agreed** that the core objective for MSD's employment services is to help people at risk of poor labour market outcomes to prepare for, find, and retain suitable employment to improve long-term wellbeing;
- 6 **agreed** to the following prioritisation model for MSD's employment services, which aims to:
 - 6.1 refocus support on people with a high risk of long-term benefit receipt or who are part of other key priority cohorts who interact with the benefit system, whether they are currently on a main benefit or not;
 - 6.2 continue to support other people on benefit who have fewer barriers to employment, proportionate to their needs;
 - 6.3 support people in specific circumstances who are not on benefit and may be at risk of, or experiencing, poor labour market outcomes other than long-term benefit receipt, to be determined by future policy, legislative and funding decisions;

- 7 **noted** that the policy intent agreed here seeks to:
- 7.1 clarify MSD's role in supporting an equitable and well-functioning labour market, that also reflects the Crown's responsibilities under Te Tiriti o Waitangi to support good employment outcomes for Māori;
 - 7.2 continue to support MSD's shift towards providing proactive support to help people into sustainable and meaningful employment opportunities appropriate for their circumstances, including early intervention before they go onto benefit, and supporting sustainable outcomes for people who move into employment, education, or training;
 - 7.3 directly inform MSD's investment in employment assistance and prioritisation of its services in the short and medium-term, within existing appropriations, and support ongoing changes to MSD's future operating model, including frontline practice and decision making;
 - 7.4 align with other government work on employment support, such as:
 - 7.4.1 investment in MSD's Te Pae Tawhiti Transformation Programme to transform all major processes and underlying technology that provide income, employment, and housing support to seniors, students, and working-age clients;
 - 7.4.2 how to support people at risk of job loss, including those impacted by the potential introduction of the New Zealand Income Insurance Scheme as well as changes to support New Zealand's transition to a low emissions economy;
 - 7.4.3 s 9(2)(f)(iv) [REDACTED]

Rachel Clarke
Committee Secretary

Present:

Hon Grant Robertson
 Hon Kelvin Davis
 Hon Carmel Sepuloni (Chair)
 Hon Andrew Little
 Hon Poto Williams
 Hon Damien O'Connor
 Hon Kris Faafoi
 Hon Peeni Henare
 Hon Willie Jackson
 Hon Jan Tinetti
 Hon Dr Ayesha Verrall
 Hon Aupito Williams Sio
 Hon Meka Whaitiri
 Hon Priyanca Radhakrishnan

Officials present from:

Office of the Prime Minister
 Office of the Chair
 Officials Committee for SWC