The Pipeline of Potential

How New Zealand can better connect businesses with untapped local talent

Institute for Democratic and Economic Analysis (IDEA)

July 2025 // Report Summary

I.D.E.A.

Executive summary

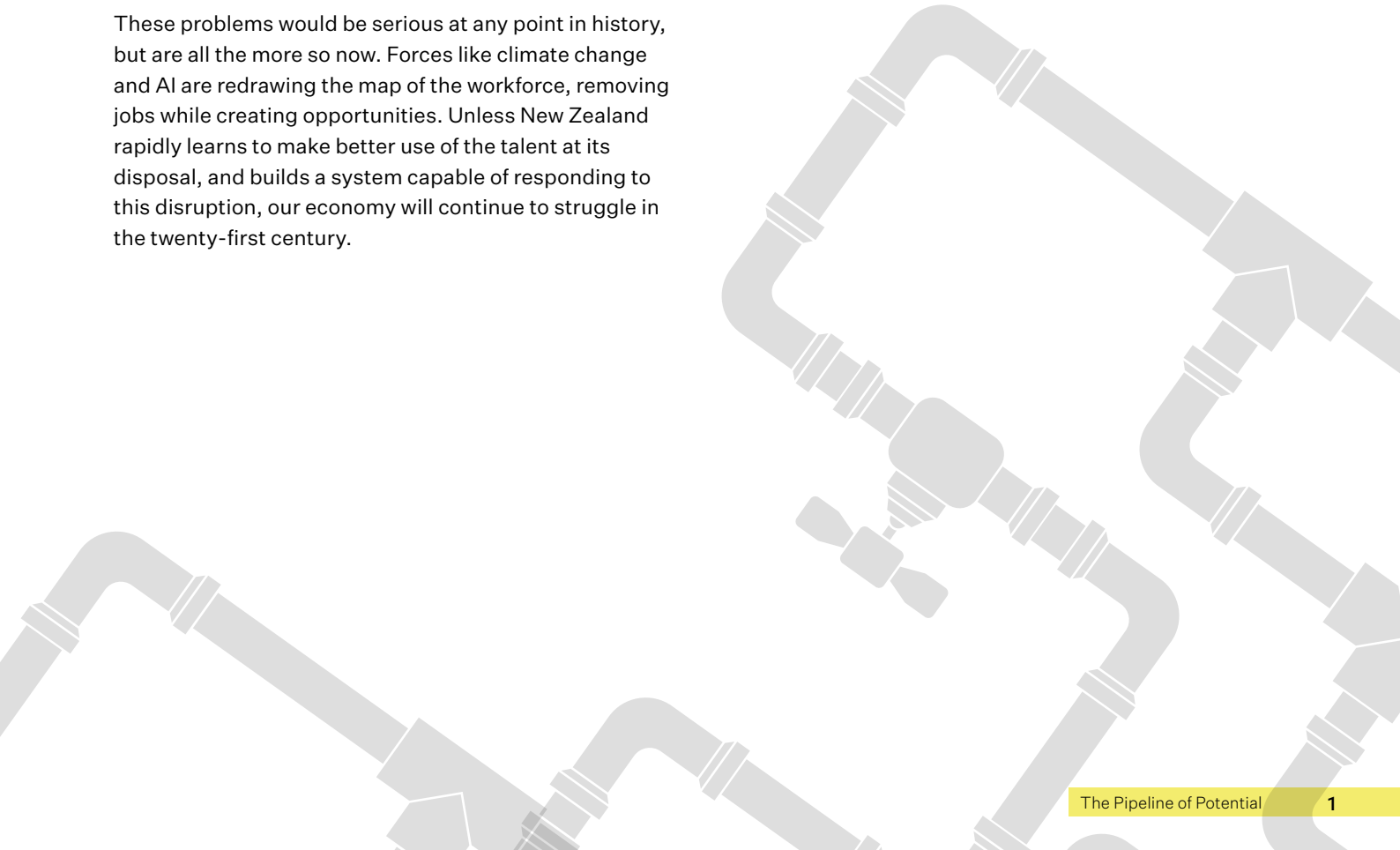
One hallmark of a successful economy is its ability to connect employers seeking staff with individuals seeking work. Our labour market should provide businesses with a pipeline of potential – hence this report's title.

Too often, however, this connection is missed. In good times, firms struggle to find suitable and highly skilled staff. And jobseekers are poorly supported by a system that invests roughly half as much in them – in training, pastoral care and other welfare-to-work schemes – as the typical developed country would. The pipeline of talent, in short, remains blocked.

The damage this does to the New Zealand economy is significant. Companies struggle to reach their potential; productivity is reduced; talent is left unused. The unemployment rate and the benefits bill are both larger than they should be, and too many people face economic exclusion.

These problems would be serious at any point in history, but are all the more so now. Forces like climate change and AI are redrawing the map of the workforce, removing jobs while creating opportunities. Unless New Zealand rapidly learns to make better use of the talent at its disposal, and builds a system capable of responding to this disruption, our economy will continue to struggle in the twenty-first century.

Fortunately there are investments – in training, wage subsidies and other jobseeker supports – that could be the building blocks of a new, more dynamic economy. These schemes connect employers with jobseekers, enhance the latter's skills and capabilities, provide firms with work-ready staff, and boost employment and incomes. A strategic use of these investments could unblock the pipeline of talent and, in so doing, unlock the potential of Kiwi firms held back by a lack of skilled staff.



The situation

Around 5.1% of the labour force – 150,000 New Zealanders – are unemployed.

More broadly, 'underutilisation' – which includes people wanting more hours – affects 400,000 individuals. Separately, around 400,000 people are on one of the three main benefits, including 120,000 who have been on Jobseeker Support for more than one year. Of those in work, 35-50% experience a significant skills 'mismatch', being either over- or under-qualified for their job. Business groups frequently place skills and labour shortages high on their list of economic concerns.

Supporting the shift

To aid the transition from welfare to paid work, most developed countries invest significant amounts in active labour-market policies (ALMPs).

These include **job brokering services** connecting jobseekers with vacancies, **vocational education** and training, mental health and other **pastoral care, wage subsidies, start-up grants and public-sector job creation.** These schemes aim to create a pipeline of potential staff with the skills that local employers need. They typically lift participants' chances of **finding work by 5-12 percentage points** – e.g. from 50% to 62% – and **increase earnings by around 17%.** Large investments in ALMPs are associated with big falls in unemployment.

These schemes can also help limit the effects of economic turmoil, investing in jobseekers' education and retraining during downturns then connecting them to work opportunities in upturns. By raising incomes and taxes paid, and reducing welfare payments, such schemes can pay for themselves over the medium-term, quite apart from the wider social and economic benefits they bring.

400,000

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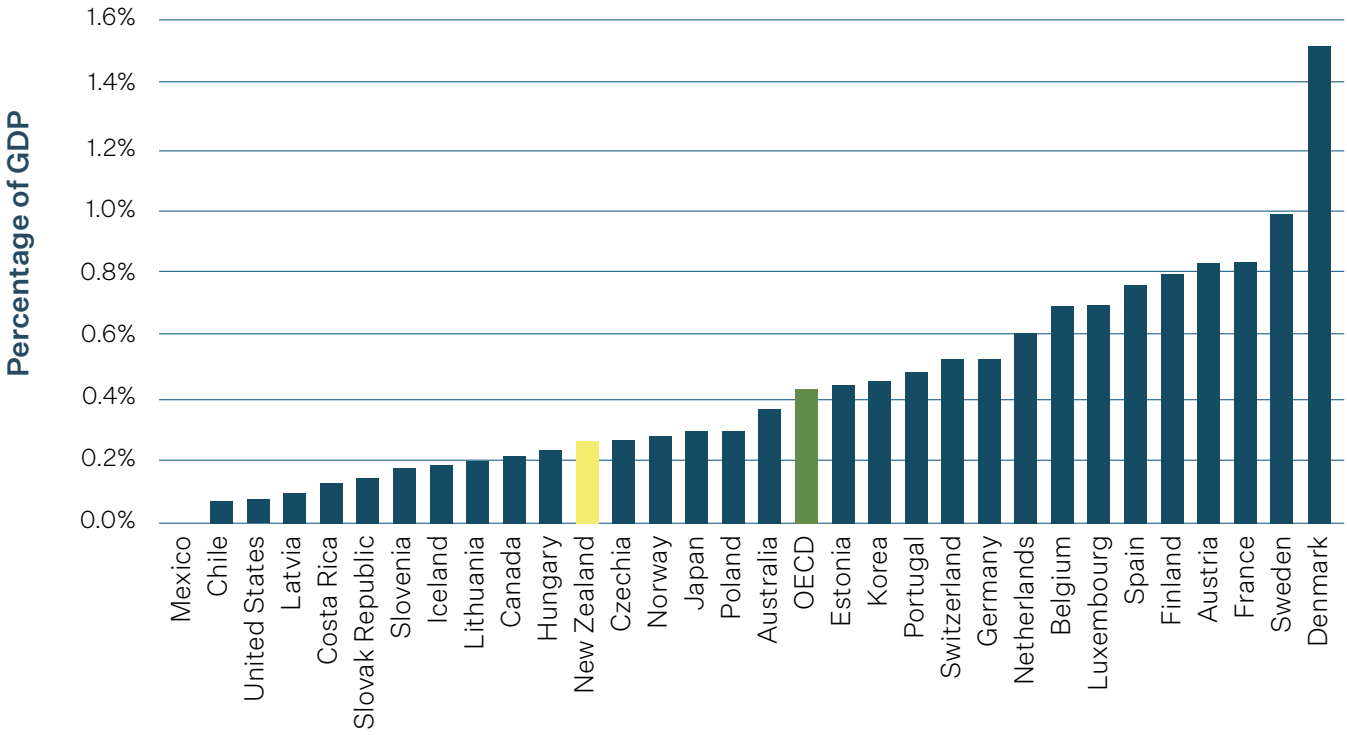
What New Zealand does

New Zealand, however, invests half the developed-country average in these schemes, leaving both firms and jobseekers under-supported.



Other weaknesses of our welfare-to-work system include:

- too few schemes that explicitly aim to connect employers and jobseekers;
- an overstretched system in which Work and Income case managers are supposed to support an average of 110 jobseekers each;
- variable experience and training among those staff, meaning they struggle to adequately understand industry needs and screen applicants for positions;
- a reported failure to adequately assess jobseekers' histories, skills, aspirations and needs;
- a corresponding failure to build them a tailored package of training and other supports to maximise their potential;
- too few holistic schemes that would help the most disadvantaged jobseekers deal with multiple challenges, especially in mental health; and
- an overall welfare-to-work system that, although it contains valuable individual schemes and evaluates those schemes carefully, can be disjointed and duplicative.

Our recommendations

If New Zealand businesses are to innovate and grow, we must ensure they have a pipeline of highly skilled employees.

In this report, we suggest multiple innovations that could help jobseekers become part of this pipeline, creating a workforce responsive to the needs of Kiwi firms. Running through these recommendations are several themes: investing in the welfare-to-work system's core capacity, building closer connections between employers and jobseekers, matching the right people to the right jobs, funding more multifaceted interventions, and giving beneficiaries a tailored pathway to employment. This could be summarised as moving from 'basic' to 'bespoke' services.

Our 10 key recommendations are as follows.

1. Connecting employers and jobseekers

The welfare-to-work system needs to better involve employers and jobseekers in designing schemes, fund more 'community connectors' who can link both groups, and use better screening to provide firms with more suitable candidates.

2. Better profiling of jobseekers

We should continue the government's move towards providing more detailed and thoughtful assessments of jobseekers' skills and needs, and drawing up comprehensive 'job plans'. This could be supported with a common assessment tool, better technology and training, and lower caseloads for Work and Income staff.

3. Providing more holistic support

Completing the rollout of Individual Placement Support – a successful scheme that embeds employment specialists in community mental health teams – would be one key way to provide more multifaceted support for jobseekers facing multiple challenges.

4. Supporting staff redeployment

In mass redundancy situations, 'community connectors' should be employed to help people find new work, and employers and unions should be funded to prepare their staff for economic and technological change.

5. Preventing workforce churn

To address low job-retention rates, and give firms a better chance of holding onto good staff, more support should be trialled for jobseekers post placement into work, and more attention given to matching people to the right job.

6. Freeing up NGOs to deliver

Short-term, inflexible contracts are constraining NGOs' ability to support people into work, and failing to put either employers or jobseekers at the centre. Greater freedom to deliver – with tight accountability – could transform results.

7. 'Community commissioning' of youth services

Some great schemes support youth employment, but their impact could be multiplied – and public funds better used – if these schemes were more coordinated. Joint bids from NGOs, councils and Māori providers could put communities in charge of delivering results.

8. A Circuit-Breaker Job Guarantee

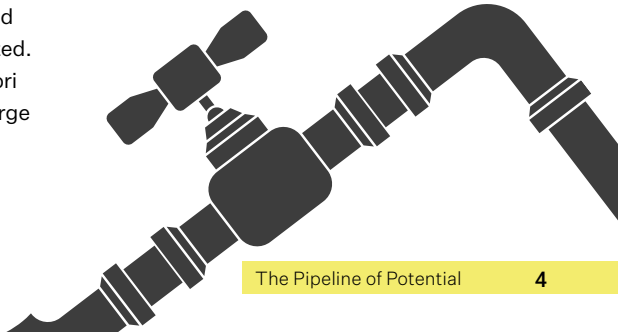
Building on successful overseas models, New Zealand should offer a guaranteed job placement – in either the private or public sector – to any young person at risk of long-term unemployment, thereby boosting their CVs, work skills and earnings prospects.

9. Helping jobseekers help each other

New Zealand should copy the European 'Launching Pads' schemes that have massively lifted beneficiaries' employment rates. These schemes bring jobseekers together, under the supervision of a trained job coach, to share life lessons, build self-esteem and develop plans for employment and entrepreneurship.

10. Lifting our investment rates

Given the evidence of ALMPs' effectiveness, and the need to fund the initiatives outlined above, New Zealand should set a medium-term goal of doubling its investment in this area to match the developed-country average.



The Pipeline of Potential: Two key initiatives

1: A Circuit-Breaker Job Guarantee

Various countries have implemented some form of a 'Youth Guarantee', in which any young person who has been unemployed for a significant period is offered work-readiness training and then a time-limited placement either in a private-sector job, a job created in a public agency, or a state-funded NGO or council position.

The idea is to intervene positively in a young person's life, offering them a placement where they can form an attachment to the labour market, develop work-based routines and habits, learn on the job, and bulk out their CV. The placements are time-limited, so they do not try to substitute for permanent private-sector employment; they are also typically part-time, so the young people have the opportunity to simultaneously search for that permanent private job.

Often these schemes focus on placements in the state or NGO sector, so that they are not subsidising private firms in a way that might advantage them against competitors. The public sector can create jobs directly – as in New Zealand's Jobs for Nature scheme, which employed people to work on environmental projects during the pandemic – or it can subsidise NGOs and local councils to carry out the placements.

Europe's Youth Guarantee was deemed to have played a "transformative" role in reducing European youth unemployment by 1.7 million people over seven years. A similar scheme, called the Future Jobs Fund (FJF), operated in the UK from 2009-11. Employers were required to provide support for young people to move into long-term sustained employment. An evaluation of the scheme found that FJF participants were 16% less likely to have remained on welfare than non-participants, and 27% more likely to be in unsubsidised employment.

The evaluation estimated a net benefit to society of approximately £7,750 per participant.

Such results give reasonable confidence that a similar scheme would have positive impacts in New Zealand. To distinguish it from the Youth Guarantee training courses already offered here, it could be called something like a Circuit-Breaker Job Guarantee. And it could be offered, in the first instance, to the approximately 4,800 young people aged 16-24 who have been unemployed for more than one year. It would make sense for it to be offered by existing providers with a strong track record of working with young people on schemes like He Poutama Rangatahi, of which it might in fact constitute a logical extension.

As a rough guide to costs, the gross per-participant cost of the FJF, if adjusted to 2025 prices and converted into New Zealand dollars, would be around $20,000. That would imply a gross annual cost of the scheme of around $100 million, of which the state could expect to recoup half in the first two years, outweighed in any case by the wider social benefits.

1 https://employment-social-affairs.ec.europa.eu/policies-and-activities/european-employment-strategy/youth-employment-support/reinforced-youth-guarantee_en.

2 'Impacts and Costs and Benefits of the Future Jobs Fund', Department for Work and Pensions, November 2012.

3 Statistics New Zealand, personal correspondence, April 2025.

2: Building solidarity among jobseekers

Several European countries have had success with a scheme that translates as Launching Pads for Employment and Entrepreneurship. The scheme brings together jobseekers, supervised by a highly trained job coach, to work towards education, training or employment. The scheme addresses the isolation often experienced by jobseekers, and brings them into an environment where they can pool their knowledge, brainstorm ideas, and develop plans.[4]

The programme prioritises people unemployed for more than six or 12 months, as well as younger jobseekers and women. There are also Launching Pads for groups such as jobseekers over 45 or those seeking work in specific sectors such as the renewable industry.

The Launching Pads are highly structured, and participants commit to meeting 3-5 times a week for an average of five months. They have four main objectives:

- Fostering personal development: restoring self-confidence through mutual support;
- Improving the employability of participants: providing job-search assistance, skills assessment, analysis of local labour markets, networking, personalised action plans;
- Encouraging entrepreneurship: identifying and developing entrepreneurial skills, generating and developing business ideas, and drawing up business plans; and
- Establishing networks of connections: creating contacts with employers, professionals, entrepreneurs and experts.

Since the programme began, more than 730 Launching Pads have been implemented in Spain alone, helping more than 19,000 jobseekers. The cost of a five-month Launching Pad has been estimated at between €30,000 and €40,000 – roughly €1,000-2,000 per participant. An evaluation of the Launching Pads estimated they increased participants' probability of finding a job by 21 percentage points, as well as improving the quality of the jobs found. Another evaluation found that for every €1 invested, the programme generated €2.80 in wider social benefits.[5]

We believe the Launching Pads' basic principles are transferable, and jobseekers responded enthusiastically to the proposal during our research. We were heartened by reports from providers like He Poutama Rangatahi that their programmes already had similar qualities, suggesting the potential to build on something local, rather than wholly import a new model.

A variety of delivery models would have to be explored. A full-scale version of the Launching Pads could be trialled here, perhaps as an initial tranche of 10 at an approximate cost of $1m. They could be commissioned as a service from NGOs with community links and track records of delivering similar schemes. In addition, a Launching Pad-style element could also be added to the community commissioning IDEA envisages for local youth employment services. These could be akin to Launching Pads specifically for young people, adopted not as a stand-alone scheme but as an extra element that current providers – for instance those delivering HPR – could incorporate. This could be a more efficient and less disruptive form of innovation.

4 Sienkiewicz, Ł. (2022). Assessment of the effectiveness of active labour market policies in crisis and post-crisis situations, European Training Foundation.

5 Sofia Dromundo, Marius Luske, Michele Tuccio, Innovative approaches to tackle long-term unemployment, OECD Social, Employment and Migration Working Papers No. 300, Nov 2023.

Michelle Blau

Fair Food, an Auckland NGO that rescues three tonnes of food a day and distributes it to those in need, has recently got into the work-skills world. The charity's general manager, Michelle Blau, says they saw "a big need" to help their volunteers take the next step. "They are volunteering as a way to restore their wairua and get into a mindset for employment," she says. "We were looking at our volunteers, and thinking, there's all this talent, why is it not getting used?"

Their own research showed "a gap between CV skills and job coaches and all the bureaucratic elements of employability, and actual work skills. We thought that was a gap we could absolutely fill." In Fair Food's nine-week programme, the first iteration of which started last October, the participants learn warehousing and manufacturing skills. Everyone leaves with some kind of accreditation, be it in forklift driving, general health and safety, or food safety and hygiene.

The programme runs once a week, from 10am to 2.30pm, the first half dedicated to learning new skills and the second half to practising them. In between, participants get a hot lunch and extra food for the week. The instruction leans into Fair Food's natural strengths: working safely around trucks, using tail lifts, dealing with forklifts, and using a commercial chiller and freezer. It also covers "all things pallets", Blau says: things like using a pallet jack and scales, and learning how to stack and wrap a pallet.

The participants range in age from 15 to post-60. "They aren't getting traction in finding work. They're all spinning their wheels, just for different reasons." Of the 30 to have completed the training so far, as many as half are either ineligible for state assistance, or reluctant to apply for it – people who have moved here with a partner who is on a work or student visa, for instance. "They are people who are incredibly skilled," Blau says, citing the case of a man with a Masters of mechanical engineering currently doing "very precarious shift work".

Hands-on training and work experience can break down multiple barriers to employment, she adds. "How do you get a job if you don't have anything on your CV? Everyone wants you to magically have three years on your CV! Our programme gives them [participants] lines to fill in on their CV."

The current welfare-to-work system is dysfunctional in many ways, Blau believes, especially when it pushes people into applying for multiple jobs they are unlikely to get. "Looking for work is a really agonising experience. It doesn't do anything for your confidence ... From my experience, it actually does harm, because the more jobs you apply for and don't get, the less good you feel about your employability."

The Fair Food programme, by contrast, "is just reminding people of what they are good at". Such support is all the more important when the standard Work and Income services are "just woefully inadequate. The case managers don't have time to do anything except compliance. All they are looking at is, how many jobs have you applied for?"

Meanwhile, MSD's Find a Job portal, where employers list work opportunities, is "so inadequate. None of our people who have used it have ever got a reply." A job listed as being at a grocery store might turn out to be at a liquor store, for instance, or a 'full-time' position might end up involving casual overnight shifts. "Which is it? Because [if it's the latter] you can't send a single mother there."

More generally, Blau thinks, the system responds poorly to jobseekers' individual needs. "Not everyone can do a 45 hour per week job. Lots of people are very talented and employable, but take seizure medication, for instance. They will be great employees, huge value for money, but need days off. We have to do a lot of work at our end to find things that work for people – the rare things that will work for them." Some of the trainees, she adds, "may be perceived as unemployable, but that's only because the system sees them that way. No one is looking for them to get into employment, except me – and themselves!"

Fair Food currently runs the programme using its own funds, but with state support could do it "at such a bigger scale", including an advanced version, potentially running for longer than nine weeks, which could help people get things like forklift and driver's licenses. Fair Food also has deep community links, interacting constantly with businesses and other NGOs as it goes about rescuing and distributing food. And it is "relentless" in its advocacy for its trainees, Blau says. "Fair Food are nothing if not hustlers. We are always asking, 'Where do you get people for that [position]? Would you mind if we introduced you to someone?' ... We work with our networks, and tell people, 'Don't advertise that job! We will send you good people.'"

For its own part, Fair Food hires "almost exclusively out of people who are unemployed. And our staff are fabulous! People who have done it hardscrabble can walk and chew gum, you know? The level of adaptability and creativity, and the amount of gumption that is present ... It's powerful. It gets the job done."

Nicky Austin

As the manager of the Katikati Community Centre, Nicky Austin helps run the Poutama – Pathways for Rangatahi scheme, part of the wider He Poutama Rangatahi programme.

The scheme works with 16-24-year-olds who are at risk of going onto the benefit or "going down the wrong track", Austin says. Four intakes a year go through an MSD-funded, 13-week course that teaches them a wide range of employment, behavioural and life skills. The programme is overseen by several staff: a youth career coach, who brings 20 years' experience in education; a youth employment coach, who holds strong relationships with local firms; a part-time youth development coach with a specialism in mental health; and a part-time chef who is also a kaumatua at the a local marae.

Some of the young people just "come in off the street", while others are referred by parents and grandparents; the programme also has good relationships with local high schools.

Referrals also come through via Corrections, MSD, Oranga Tamariki and Te Runanga o Ngai Tamawhariua. The Poutama team pick up the young people every morning and drop them off in the afternoon, having provided breakfast and a hot lunch along the way.

On the first week of the course, the young people have a go on the high-rope course in Tauranga, where – taken out of their comfort zone – they start to learn skills for dealing with challenging situations. Back in Katikati, the Poutama offices "very, very quickly become a safe space for them … a safe space to start making some change. They can download, talk about their issues with every single one of the coaches. There's a huge amount of positivity."

That positivity is needed because many of the young people "are so confused and feel like there's nothing out there for them", Austin says. "When they come to us, it's like a whole paradigm shift, this idea of going into work. They have just got absolutely no idea what that involves: how that feels, how to achieve that, what it might mean."

In the Poutama programme, the young people take part in classroom-based learning, including writing CVs and carrying out mock interviews. The Poutama team have close relationships with the local Toi Ohomai Institute of Technology and Waihi's Pacific Coast Training Institute; young people might take part in training there while the Poutama team are hunting them out post-training opportunities.

The programme also puts on an employers' day, where the young people get to meet representatives of local firms. And in the last two weeks, they have paid work experience placements, often at a packhouse sorting local produce. "Low-level jobs are so important in teaching them what it is to actually work – and how much it sometimes sucks!"

Contrary to popular belief, there are often "lots of jobs" going in the Bay of Plenty, Austin says. A packhouse in Mt Manganui was recently looking to employ 100 forklift drivers, jobs that paid $28 an hour and required just two certificates – health and safety, and forklift driving. But, given these jobs often involve 10-hour days, "You have to train them [the young people] in how to work hard, especially if they've never held down a job of any type before."

Austin's success metrics include overall numbers – an 80%-plus hit-rate in getting young people into further education, employment or training – and individual stories. "One boy we placed at FCL [Earthworks] – he was absolutely over the moon."

Another, largely illiterate young man, who initially hadn't been on track, eventually got a full-time job as a security guard. His verdict, Austin says, was, "I didn't want to work, but they [the Poutama team] wore me down and wore me down, and now I'm so happy that I got a job."

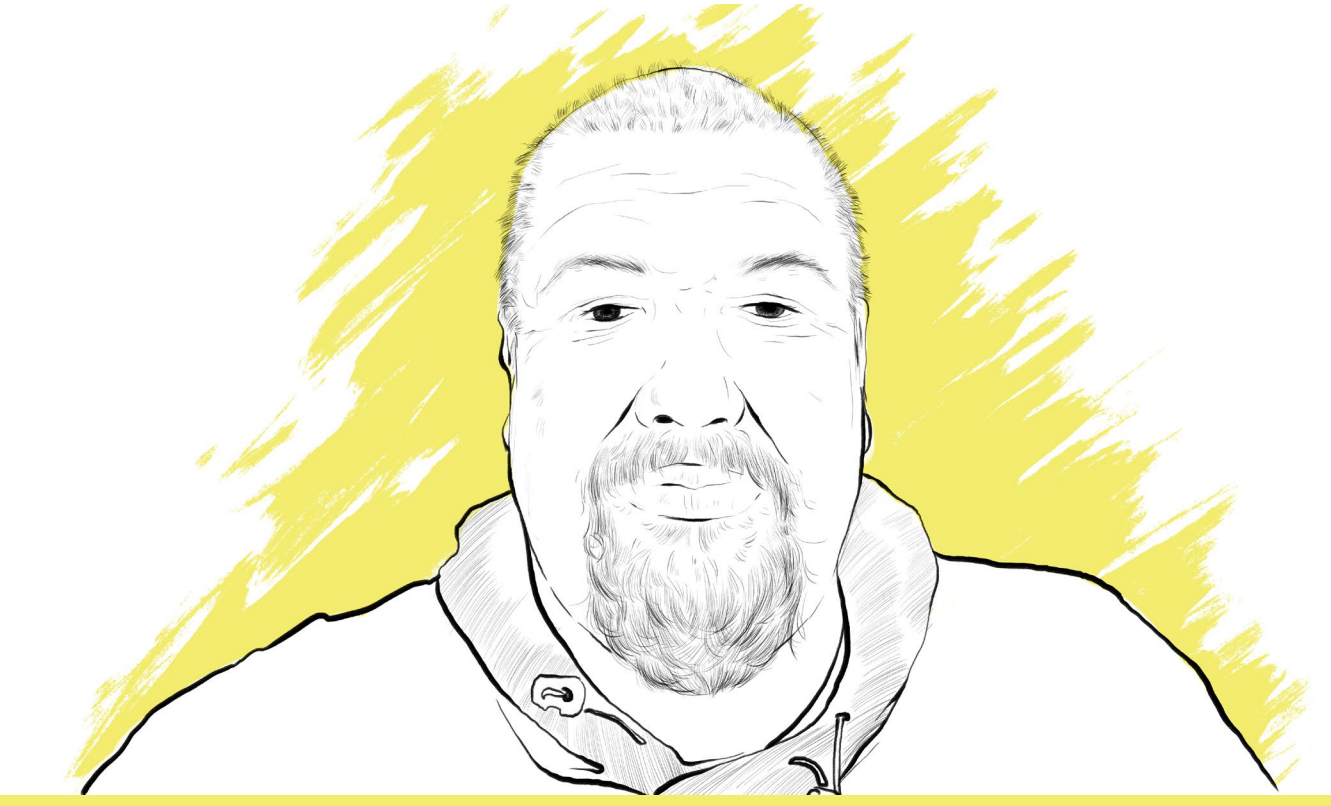
Austin isn't averse to the stick as well as the carrot: she sees a role for sanctions for those who turn down job offers they should be taking up. Nonetheless she has no time for the idea that these young people just need a kick up the backside, as some commentators argue. "That wouldn't work in any shape or form. There needs to be an underlying understanding of what it means to not want a job."

In general, if young people say they don't want to work, "It's because they don't know how. It's so terrifying. They've had no coaching, guidance, mentoring … Many of them are growing up in households that are workless, or have parents who are living with addiction, or [they] have been brought up by older siblings.

Then there are other situations where the parents are so busy they're not doing the mentoring. They think that it [the work ethic] happens by osmosis, and it doesn't."

The 13-week classroom aspect of the programme might ideally be longer, Austin acknowledges, but still achieves "some really significant changes", especially because her team are contracted to provide a year's worth of pastoral care. "Two years [of pastoral care] would be beneficial, absolutely no question. But of course that would cost money." She also sees scope to bring similar programmes together and reduce duplication. "I think NGOs are well placed to deliver," she says. "We could absolutely expand our genre [of provision] and do a really great job."

Stories & case studies: 3



Ash Jones

Ash Jones works as a site manager and health and safety coordinator for Fotheringhame Contractors, an earthmoving firm based in Katikati. Over the last dozen or so years, at Fotheringhame and before that construction firm Downers, he has made a point of training up staff. At Fotheringhame, he says, “We decided to hire unskilled local people, so we could grow our skill base [locally] and give staff opportunities in the business. It’s a feel-good factor in the community.”

The firm has worked with various NGOs, and as of this year started taking young people from the Poutama programme (see previous story). The Poutama team, he says, “have been amazing”, screening each intake to determine which young people are ready for a work placement.

Fotheringhame have just taken on a 16-year-old from the Poutama programme. “He knows nothing, which is what we expected, but he’s keen to work, and keen to learn some new skills and knowledge and go somewhere in life. As an employer, we are here to help him along with that, as long as he turns up to work each day and just gives it 100% effort.” All Jones expects of young workers, more generally, is that they report for work “every day, on time, and with a good attitude. We’ll teach them the rest.”

Fotheringhame, he adds, “is a community-oriented business, and it’s our way of giving back to the community”. But it also makes financial sense. “There is a business advantage for us, in the fact that if we do this, we get a lot more loyalty and a lot less turnover of staff. It’s a win-win for everybody.” And that includes the long-term trade-off for the business. “It does cost us more money in the beginning, but we feel we get the benefit of it after 6-12 months.”

At that point, the extra skills gained by the young people – through the traffic management, health and safety or other training the firm pays for – make them more productive workers. One young man, whom the firm is putting through a drain-laying apprenticeship, has only been with them two months. “If we can see promise in a certain area, we’ll help them grow.”

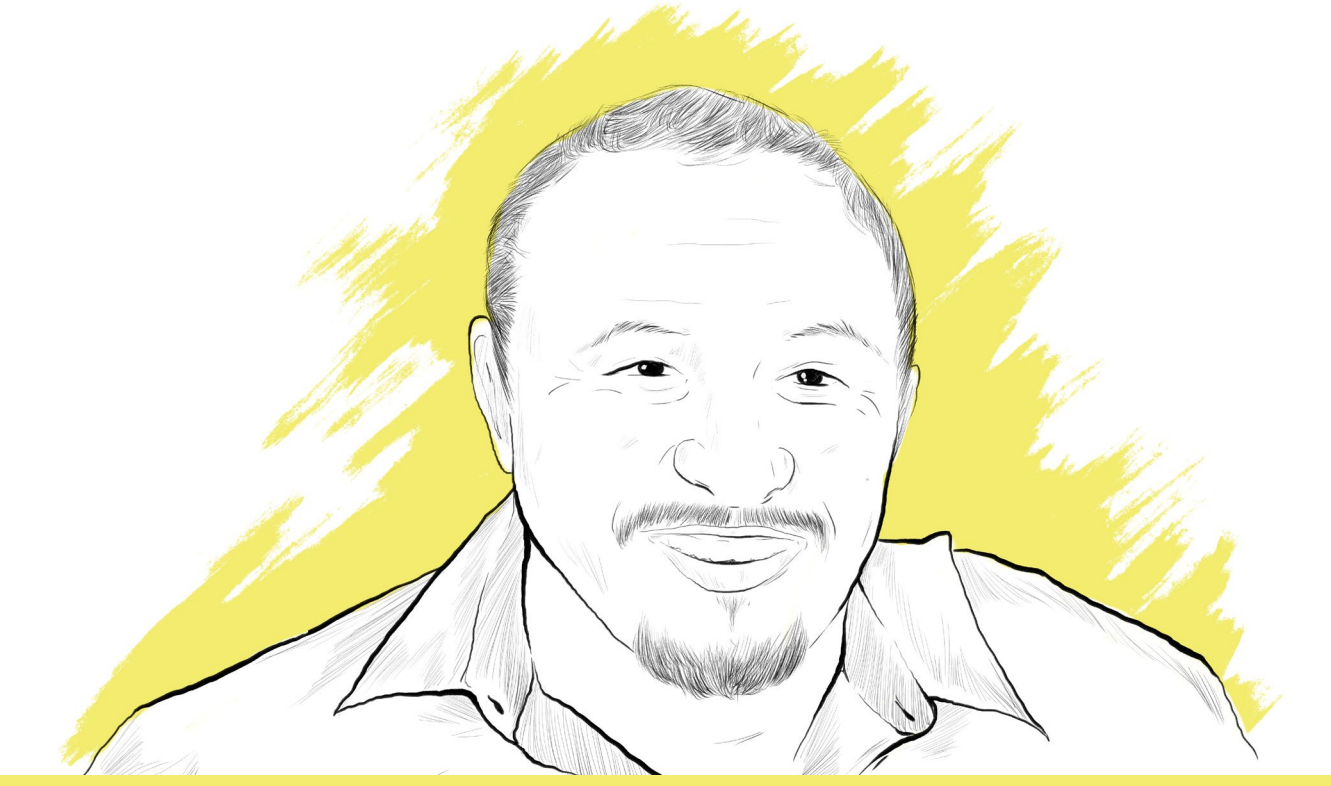
Typically, the biggest stumbling block – apart from lacking a driver's licence – is attitude, Jones says. "In the nicest possible way, the reality is that a lot of these young ones that are looking for work don't actually understand what looking for work means. They talk a really good story, but with the life they have been growing up in, they have never seen mum and dad go to work every day." As a result, their initial enthusiasm for the job often wanes after the first month and they just "chill out", thinking the wages will keep being paid. "They don't know how to manage money. They don't realise that they have to keep coming into work every day."

Most of Jones's young workers have come right, though. He estimates that three-quarters of the young people he took on at Downers stayed with the firm, and the success rates are even higher for the current crop in Katikati. One young worker, who started with the company two years ago as a 16-year-old, is now handling a $200,000 excavating machine. "They can move up very fast," Jones says. "It sounds pretty crazy! But he's capable of it, and we trust him. We keep putting time into him, and he keeps excelling."

To ensure the firm reaps the rewards of its investment, Fotheringhame does bond its young people for the length of their apprenticeship, if that's the path they go down. Otherwise, Jones says, young workers are treated "exactly like any other staff" – who might, after all, move to another company. "We invest in our people," he says.

Even so, there are limits to what the firm can do unaided. Jones would like to see greater support for companies to put young workers through the more expensive forms of training. If there are subsidy schemes for which his company would be eligible, he hasn't been made aware of them, he says. "There needs to be something where we can help them [young workers] to get into the trades and upskilled a little bit more easily." Otherwise, he says, "The cost is very, very high, and I can understand why a lot of businesses hold back on training and apprenticeships … I think government assistance somehow, in some way, would be very helpful."

Stories & case studies: 4



Arnold Lomax

Arnold Lomax's official role at Wel Tec, a Wellington region polytech, is to help the carpentry cadets find job opportunities. "But I do all these other things as well," he says. Those "other things" involve locating whatever barrier may lie in people's way and then removing it.

Often the cadets might not have a car but need to travel to work. Fortunately for them, Lomax has a friend who runs a car yard. "He says, 'If they've got a job and a restricted licence, they can grab a car for $50 a week.'" Equally, if someone needs housing, Lomax finds them housing. When you get "everything else" right in someone's life, he says, they're much more likely to show up to work.

How does he do all this? "Just through contacts." Arnold is part of the legendary Wainuiomata rugby league family – which boasts multiple Kiwis representatives, not to mention union convert Tyrel Lomax – and he's deeply embedded in his community. "I know a lot of people. I know a lot. I use the [Lomax] name," he says, laughing.

It's not just cadets he helps, either. Lomax has close contacts at the Remutaka Prison, and assists ex-inmates to reintegrate into society and find employment. This extends even to people who were put away for crimes like murder. "It's not my job to judge what people have done in the past. It's my job to judge them now." If they're ready to be helped, he helps them.

Of one ex-inmate, Lomax says, "He was lacking a bit of guidance where he was living. He needed someone to believe in him and support him through." Lomax found him a job in a firm that later closed down. "The guy [who owned the company] rang up, said, 'He's a good guy. Can you find him another job?' I found him another job."

In his job, Lomax says, "Mentoring is big. It's big. You get to understand people, you get to know them." He also becomes a surrogate parent to young people who don't have much – or any – parental support. Talking to a class of 16 teenagers recently, he was "shocked" to learn that only two of them lived with both their parents. "That's just so sad. That's one of our biggest issues."

Knowing the employers is also "really important" in his line of work. He spent something like eight years as Wel Tec's first employment broker, connecting students to local companies. In that time, he estimates, he probably put about 3,000 people into jobs.

Although employers sometimes voice concerns about the quality of vocational education, Lomax doesn't think that's the issue. "The training is there. It's there. But at the moment, our biggest issue is we are selling a false narrative." The narrative in question is that, in the current job market, training automatically leads to work. Lomax has around 30 apprentices searching for jobs, but just placing two of them into employment each week is a good result currently. "Under Labour, I was putting 10 into work a week."

His old motto used to be: "'Do the course, get a job.' But I can't say that anymore. Maybe, 'Do the course, get set for better times.'"

Lomax recently checked what had happened to 22 carpentry students who graduated in March last year. Twelve of them, he discovered, had left for Australia. One, a woman in her 30s, hadn't been able to get a job here, so she'd gone to Perth to help build prefabricated housing for miners.

In a country where even basic labourers are paid $30 an hour, this young woman – Lomax says – was on something like $60-70 an hour. Meanwhile the Australian government is pouring tens of billions of dollars into infrastructure, and there are roughly 7,000 construction jobs currently advertised. No wonder people are moving there, he says.

New Zealand Post

The Just Transition programme, a joint initiative between the union E tū and New Zealand Post, is designed to help the postal workforce through a period of immense change.

Former E tū organiser Joe Gallagher, now working in the maritime sector, says the programme's genesis was the 2022 closure of Auckland's Ovato printing plant. To help the 150 workers being made redundant, he decided to connect them with other local employers who needed staff. "I went on TV and said we were going to organise a jobs fair. I kind of got overwhelmed by the response from employers calling me – my phone rang for 24 hours! Then I organised the job fair. It was like speed dating."

Not only was the job fair successful, the broader idea – helping staff find new work rather than go onto a benefit – seemed a sound one. So Gallagher pitched the concept to New Zealand Post, who "ran with it and made it flourish", in the words of current E tū organiser Chris Rigby.

The programme got labelled Just Transition, a phrase that's normally associated with global heating but which, Gallagher says, "has a connection to any industry that's facing change". The programme's test case was the closure of a Post subsidiary, Contract Logistics, in which 80 people were being made redundant across two sites in Auckland and Christchurch.

Staff were surveyed about the supports they wanted, whether it be to learn new skills, retrain for a different career, or be redeployed within their industry. The services then offered included three on-site job fairs, financial advice sessions, and CV and interview clinics. The collective agreement ensured staff were given $800 each to pay for courses and other transitional initiatives. MSD's Early Response team ran work transition sessions, literacy and numeracy classes were organised, and "lots" of staff signed up for forklift and truck licence courses, New Zealand Post's Liz Martin says.

The Just Transition team also pulled together a committee with representatives from MSD, MBIE and other departments connected to training and active labour-market policies. Rigby says: "We got them in the room and focused on what they could do for the workers – what vacancies were they aware of, connecting people up with local businesses that had work going, bringing them [employers] in and promoting them to the workers".

The process, he adds, was about "providing additional support to help them on the next stage of their working life. People feel more confident when they are being supported into that … [Whereas] with a normal redundancy process, it's, 'Here's some money to help you on your way, bye!'"

At the end of the process, 40 Contract Logistics staff had secured work elsewhere, and 20 went into tertiary study. Everyone else, Rigby says, had retired or was otherwise in "a situation where they wanted to be". A staff survey returned an 8.7 out of 10 average engagement score for the Just Transition process, and during the subsidiary's wind-down absenteeism fell and productivity increased.

The Just Transition relationship is underpinned by the fact that New Zealand Post has been unionised since the nineteenth century, Rigby says. "It's part of the furniture." For her part, Martin says it's about "working collaboratively, and having a genuinely positive and constructive relationship with the union".

After Contract Logistics closed, a similar process was run when the Post's Manawatū mail sorting centre was set to be wound down, affecting 70 staff. There, the on-site job expo "was probably the most valuable activity", Martin says.

New Zealand Post is also looking forwards. Another staff member, Jody Bloomfield, is working with employees who are at risk of future redundancy as mail volumes decline, trying to ascertain what skills they might need in that transition. Their main requests, she says, are for help with digital capability, financial literacy, and practical skills like truck and forklift driving.

Foundational elements like literacy and numeracy have also been assessed. Half the Christchurch staff were found to have literacy gaps, Bloomfield says, while three-quarters of the South Auckland staff had gaps in either literacy or numeracy.

New Zealand Post is now working to improve those foundational skills. Funding for this work comes from the Tertiary Education Commission and MBIE, even if the administrative cost of reapplying for short-term funds, and the lack of joined-up government, can be frustrating. Overall there is "definitely" a positive outcome for New Zealand Post, Bloomfield says, and the organisation is firmly behind the process. "There is a commitment at the leadership level to do this. It comes right from the top."

Tyrone Clark

Tyrone Clark has set up barbershops, trained young people – and would like to upgrade his whole industry's curriculum.

Originally from the Waipā area, Clark moved to Australia as a 17-year-old to play professional rugby league, then got into cutting hair after injury derailed his first career. That led to a return to New Zealand and the establishment of his first Cutthroat Brothers shop in Te Awamutu in 2020. "I had a vision to open a barbershop, just to create jobs and income," he says. "We realised there's not that many trained staff … So how can we create great staff? And that led me to think, what if we could access funding to allow us to train our own staff?"

Under a contract with the Ministry for Social Development (MSD), Clark was training ten young barbers a year, the funding covering three trainers, tools and set-up costs. That contract has come to an end, but he's looking to sign another with MSD, and is exploring other funding options.

The whole of the first year's intake found employment, he says, meeting a key funding criterion. The Cutthroat Brothers empire now extends to four barbershops, including one in Hamilton, and he plans to soon open a fifth in Christchurch. Crucially, four of those five barbershops will be owned by graduates from the training programme. "That was the whole pathway vision, creating opportunities, so it isn't just, 'Congratulations, see you later.'"

The plan is also for three of the five barbershops to carry on the training programme. In the original Te Awamutu outlet, the trainees have mainly been local youths aged 16-24. Many of them "realise they have a talent in barbering because they cut hair in the toilets at school, as you do … and at [age] 19-plus, they are looking for an opportunity."

One trainee had been couch-surfing before they started at Cutthroat Brothers. Others have grown up in "a culture of alcohol and drugs, all that background", but Clark says he just cares "about the person". And what is often holding back that person is their life skills. "Some people don't have those attributes that employers are looking for … It's about people skills, turning up to work on time, being prepared for work … talking to clients, being well-mannered."

What makes the training work? Firstly, it's hands-on: "They are seeing the results in what they are doing. They're getting confirmation that it will really work." Secondly, Clark and colleagues provide "continuous support" to the trainees.

Thirdly, few people are better placed to mentor the trainees than someone who's been there, done that. "I myself come from the same background, that drinking culture, alcohol, all that,"

Clark says. "That was a normal part of life [for me]. But then you have kids – I've got five kids – and realise you don't want that for them."

He is, as a result, "pretty straight up [with the trainees] from the start". He tells them: "I wrote the book of lies, bro, so you can't lie to me. I'd rather know you are hungover than have you lying to me that your daughter is sick."

He knows he's got it right when trainees confess they "normally" call in sick a lot but, in this job, "really want to come to work". That gives him confidence "that the environment we have is working, is positive … We're building that trust from the get-go."

Clark's interest in training also stems from a frustration with the state of the current curriculum. It tends, in his view, to see barbering as just a component of hairdressing. Meanwhile, the setting in which it is taught can be "really outdated … like a high-school classroom".

In conjunction with one of the workforce development councils, he had been seeking NZQA accreditation for his own barbering curriculum, inspired in part by what he learnt in Australia. The councils were abolished by National, however, and the curriculum plans have "hit a wall". Still, there's potential in a curriculum that Clark believes could "go national" and be taught in other barbershops. "I have my own personal goals, and part of that is being a role model, having the intention to help others."

Stories & case studies: 7

Mahina Leong

Mahina Leong and her husband run a small courier company in Taranaki. Currently boasting six staff, the firm is around 15 years old. Along with those not on struggle street, it has taken on people others might not – some who have been sleeping in their cars, had a "blotchy" life record, or otherwise experienced difficulties.

Leong is at pains to say that she and her husband aren't "such great Samaritans" or anything like that. "It's more like, why not give it a go? We both believe in trying to make the playing field as level as possible, because we both come from slightly un-level backgrounds! We don't like a lot of disparity between people – that's the value-driven side of things."

The work isn't easy, she adds: "It really is very routine work – loading and unloading in all weather." But if people are willing to give it a go, the firm is willing to give them a go.

Homelessness is a recurring theme in the lives of the people who come looking for work. Leong lists them off: some were sleeping in their vehicles, some were just "not well-housed", some were in transient renting situations.

That, of course, makes it hard for them to retain employment, even in a firm that pays more than the Living Wage. "Housing is absolutely key," Leong says. For instance, she knows a man who's sleeping rough and who tells her "that he would love to work, but when you can't get yourself washed and spruced-up, if you've been living with your dog in the bush for 18 months, it's hard to find the circuit-breaker." Leong says the social exclusion is profound. "It does something to the soul. These people aren't in any meaningful way included in the life many of us are privileged to lead."

Often these people are dealing with abusive partners, family tragedies and mental health struggles. “It’s the accumulation of things that becomes overwhelming for people who have already begun so far back from the starting line.”

Occasionally, when they have had trouble recruiting, Leong has asked for referrals from Work and Income, and a couple of those people have become employees. But she has noticed significant turnover among the Work and Income staff, be they case managers or work brokers. “Often staff move on and contingencies for clients appear not to have been addressed,” she says. “The continuity gets lost.” In addition, the staff seem “so overworked that they don’t always follow up appropriately – they don’t tie up the loose ends”. This has an “immediate and at times irrevocable” impact on jobseekers’ prospects.

Leong has also encountered Work and Income jobseekers turning up for interviews because they feel required to do so, not because they want the job. “One chap said, ‘I don’t know what I’m doing here … They make us go for these things. I’ve got no interest whatsoever [in the job].’ I said to the work broker, ‘There’s no point for me to come in, if people aren’t interested in the kind of work we have to offer. So please don’t put them forward.’ If they don’t want us, we don’t want them.”

Pushing people to accept anything and simply chucking them into jobs isn’t the right approach, Leong adds. “This may make data, numbers or whatever look good from an institutional perspective, but for those who want to find, via employment, a real livelihood, this isn’t going to work. They will come in. They won’t stay. And you will have trained them, which takes time, money and effort. A loss all-round.” A better approach, she thinks, would be to say, “Let’s find what you’re interested in, what you might really want to stick at – and let’s watch you grow.”

Stories & case studies: 8

Dylan La Roche

Sometimes people just need someone on their side. That was the experience for Dylan La Roche, a Levin 26-year-old who, a couple of years ago, had been on Jobseeker Support "for a while" as he struggled to find work. "It's me being young," he says. "I wasn't looked at [because of] the experience and that. They just wanted more experienced people. So I was struggling big time to try to find a job."

Work and Income only provided a "once over lightly" service, and didn't explain matters clearly, he says. But it was in the local Work and Income office that he met Tammie Metcalfe from the Mayors' Taskforce for Jobs. Straightaway, Dylan says, "she was texting me about all the different jobs I might like to do … She was applying for jobs for me, like she would text me every couple of days." The contrast with the standard Work and Income approach was stark, he adds. "Tammie would actually go out and help me look for a job, rather than say that I need to do this and need to do that."

Metcalfe found a possible job at local gardening firm Green by Nature, established that the firm would be willing to take on someone younger, and helped La Roche prepare for the interview. She even offered to take him up to Palmerston North for the drug test the firm required, so that he didn't have to pay the petrol costs.

In the end he got the job, and is still there two years later, doing a variety of gardening tasks around local towns like Foxton, Shannon and Waikawa Beach. He's already had some training – in health and safety and related issues – and is more generally learning on the job. "I'm more reliable. They can just give me a job and I go at it now." More detailed horticultural training will follow once he has spent more time with the firm – something he hopes will lead to "a big step up from what I'm currently on".

The full version of the report is avaliable at **www.ideainstitute.nz**

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