



Objective:

We wanted to see the impacts of post-school vocational education and training on wellbeing outcomes and the labour market.

This study assesses the return on investment for training by analysing employment, income, benefit receipt and wellbeing outcomes for learners. The results are mapped to each industry group of the six Workforce Development Councils (WDCs). Muka Tangata WDC is responsible for the people, food and fibre industries of Aotearoa New Zealand.

Method:

The study was restricted to qualifications at levels 1-7(excluding bachelor's degrees), and on domestic learners who graduated in 2012.

This research uses data from the Integrated Data Infrastructure (IDI)¹ to follow a cohort of 110,262 domestic learners who graduated in 2012. It examines labour market and wellbeing outcomes at two, five, and ten years post-graduation, using relevant New Zealand Standard Classification of Education (NZSCED) codes² mapped to each WDC. Outcomes are compared with those of individuals without vocational education post-school qualifications to highlight the benefits of vocational education and training.³

Cross-sector Insights:

- **Higher qualifications lead to better outcomes:** Learners with higher qualification levels tend to earn more and rely less on benefits.
- **Working in a related industry pays off:** In general, graduates who work in industries related to their field of study often earn more than those who work in unrelated industries.
- **Prior and further study:** Most learners had already received a qualification in the 5 years prior, and many go on to uptake further qualification.
- **Growing trend of self-employment among learners:** The share of learners who receive income from self-employment over time increases steadily for all WDCs.

1 - Disclaimer: Access to the data used in this study was provided by Stats NZ under conditions designed to give effect to the security and confidentiality provisions of the Data and Statistics Act 2022. The results presented in this study are the work of the author, not Stats NZ or individual data suppliers. These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) and Longitudinal Business Database (LBD) which are carefully managed by Stats NZ. For more information about the IDI or LBD please visit <https://www.stats.govt.nz/integrated-data/>. The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.

2 - This study uses the detailed NZSCED codes rather than the qualifications that Muka Tangata is responsible for to enable trend analysis. There is no historic mapping of the Muka Tangata qualifications to enable us to compare with historic trends.

3 - The comparison groups were constructed to control for characteristics such as gender, age, location, and employment history to provide a fair comparison.



Labour Market Outcomes:

Those who complete a food and fibre qualification have better labour market outcomes than a matched comparison group - **higher earnings, greater wage progression, and reduced benefit receipt:**

- **Graduates with higher qualification levels experience greater earnings.** For instance, Level 4 Horticulture and Forestry graduates consistently earn more than individuals with no post-school qualifications two, five, and ten-years post-graduation. In particular, Level 4 Horticulture graduates earn around **\$7,000 more** annually ten years after graduation, while Forestry graduates earn approximately **\$15,000 more**.
- **Employment in an industry related to one's field of study is generally associated with higher earnings, though this varies by sector.** For Forestry graduates, this holds true, but for Agriculture graduates at levels 5-7, higher earnings are found in non-related industries. Horticulture and Veterinary sectors show mixed outcomes.

Level 2-4 Forestry graduates working in a related industry earn over \$20,000 more and have a substantially lower rate of benefit receipt at two, five and ten years compared to those in unrelated industries. In 2014, only 5.7% of Forestry graduates working in the industry received benefits, compared to 32.4% of those who did not enter the industry. This trend continued in 2017 (6.9% vs. 21.8%) and 2022 (7.5% vs. 23.5%).

- **In 2014, only 2.6% of Level 2-4 Agriculture graduates were on unemployment benefits,** compared to 4.5% of those without post-school VET qualifications.

Wellbeing Outcomes:

Those who complete a food and fibre qualification have mixed wellbeing outcomes compared to the matched comparison group of non-learners:

- Completers in the Horticulture and Seafood industry groups filed fewer work-related ACC claims.
- Learners in the Agriculture, Forestry, and Seafood industry groups had less contact with the mental health system, while learners in Horticulture had more contact relative to non-learners.
- There were mixed findings for unemployment benefit receipt. Two- and five-years following qualification completion, learners in Agriculture and Horticulture received fewer unemployment benefits. However, learners in the Seafood industry group received substantially more unemployment benefits compared to the comparison group (nearly twice as often).
- Crime and victimisation outcomes were higher for learners in Seafood, with no appreciable or consistent differences for learners in other industry groups.