



BEEHIVE to BUSINESS
in partnership with Allen + Clarke

WITH HON. LOUISE UPSTON



Beehive to Business with the Honourable Louise Upston

Allen + Clarke Summary of the Key Takeaways

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Please note: This is *Allen + Clarke* 's interpretation of the key messages from the session. Whilst we aim to reflect the discussion as accurately as possible, some parts may have been interpreted differently to other attendees and the intended messages of the speaker.

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Foreword

In the recent Wellington Chamber of Commerce – Beehive to Business breakfast, the Honourable Louise Upston revealed significant shifts in welfare reform, employment strategies and tourism development that will impact organisations across Aotearoa New Zealand.

Her comments signal major policy changes ahead while highlighting immediate opportunities for businesses to engage with government initiatives. Whether your organisation operates directly in affected sectors or not, these changes will influence the broader economic and social landscape in which we all operate.

Minister Upston explicitly invited business collaboration, emphasising that recent policy initiatives have been "co-created with business, with the sector, for those who are doing the work, doing the mahi day in, day out."

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Welfare reform and employment priorities

Key points

- MSD paid approximately \$36 billion on welfare benefits and superannuation in 2023-24, with working-age benefit spending forecast to grow from \$8.69 billion to over \$10 billion in the next three years.
- 409,665 working-age people currently receive a main benefit – comparable to Christchurch's entire population.
- JobSeeker Support benefit recipients have increased from 120,000 in 2017 to 210,000 today, with 47,000 under age 25 expected to spend an average of 18 years on welfare.
- 227,000 children (one in five) live in households where a benefit is the main source of income – a 26% increase under the previous government.
- Recent reforms include a rights and responsibilities framework, traffic light system for benefit obligations, increased sanctions and more intensive case management.

Summary of the discussion

The Minister emphasised both financial and human costs of welfare dependency, stating: "It's the human cost that I lose sleep over." She highlighted the narrow financial gap between welfare and low-wage work after accommodation and childcare costs, making the transition to employment less attractive for many families.

Minister Upston indicated more significant welfare reforms are coming, stating the government "needs to be bold, brave and have big ideas" and would "have more to say about this in the coming months." She specifically invited businesses to share case studies where the gap between welfare and work income is problematically small.



Actions for organisations in social services and employment sectors:

- Connect with MSD to understand their employer support services, including subsidies, training support and work-readiness programmes that can reduce hiring risks when employing former welfare recipients.
- Document and share with government your experiences of the welfare-to-work transition gap, particularly regarding financial incentives, as this could directly influence upcoming policy development.

“I'm the biggest spending minister in the government. That's not a badge of honour.”

Actions for organisations outside these sectors:

- Review your recruitment processes to identify barriers that might exclude welfare recipients from consideration, such as requiring extensive work history or using language that discourages applications from those with employment gaps.
- Consider creating entry-level roles with flexible hours that could provide pathways for parents or those with health conditions transitioning from welfare to work.



Tourism and hospitality sector development

Key points

- Minister Upston outlined two clear priorities for tourism: increasing visitor numbers back to pre-2019 levels and increasing the number of New Zealanders working in tourism and hospitality sectors.
- The government has invested \$600,000 in regional tourism promotion benefiting the central region.
- Tourism initiatives are being co-created with business and sector representatives to ensure practical relevance.
- The Minister stressed the need for New Zealand to be more ambitious following her recent experience in India, calling for organisations to "absolutely unleash and think very differently" about addressing challenges.

“ Job number one, increase the number of visitors, get the numbers back to what they were in 2019. Job number two, increase the number of Kiwis working in tourism and hospitality.”

Minister Upston positioned tourism development within her broader vision of developing New Zealand's talent and creating opportunities for people to succeed domestically. Her approach emphasises the connection between tourism growth and employment outcomes for New Zealanders, targeting welfare recipients who could transition into tourism and hospitality roles.

Actions for organisations in tourism and hospitality:

- Engage with the new tourism investment programmes, particularly if you operate in regional areas where the government is focusing promotion efforts, by contacting your Regional Tourism Organisation to understand funding opportunities.
- Develop structured pathways and training programmes specifically designed for welfare recipients transitioning to work, focusing on flexible arrangements that accommodate those with caring responsibilities or health conditions.

Actions for organisations outside these sectors:

- Consider tourism and hospitality businesses in your supply chain or local area as potential partners for corporate social responsibility initiatives that could create employment pathways.



- Explore opportunities to incorporate tourism experiences into your business activities, such as team-building events or client hosting, to support the sector's recovery while strengthening your own organisational culture.



Disability and inclusive employment

Key points

- Of 210,000 JobSeeker Support benefit recipients, 91,000 have health conditions or disabilities (about 6.5% of working-age population) that temporarily impact work capacity.
- While "work-ready" JobSeeker Support benefit numbers are expected to decrease as economic conditions improve, those with health conditions and disabilities are projected to increase.
- The Minister emphasised focusing on incremental progress: "If they can work for five hours, that's a win. If we can move from five hours to 10 hours, that's even better."
- Long periods away from employment create significant barriers to re-entry, particularly for those with health conditions or disabilities.

What's on next?

We always have new things coming up. Check out our next events.

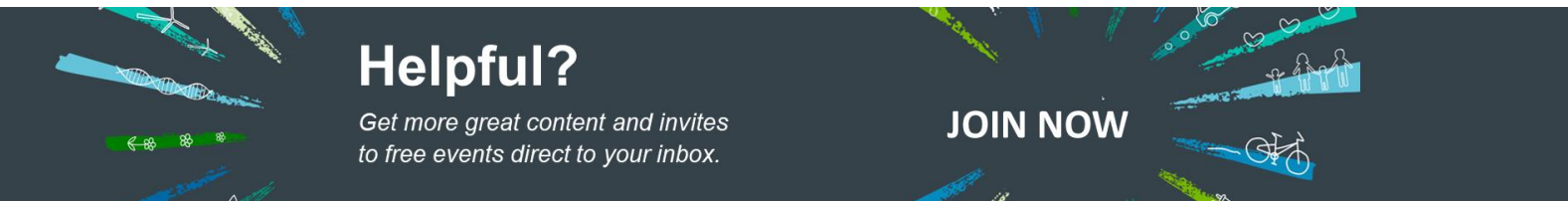
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Summary of the discussion

Minister Upston highlighted a success story about disabled people learning to be farm managers, praising employers who "took a risk" and were "willing to invest the time in a young person to look past what could have been seen as challenges and seen instead that person as a person of potential and opportunity."

Actions for organisations in health, disability or employment sectors:

- Develop and promote part-time and flexible working options specifically designed for people with health conditions or disabilities, with clear pathways for increasing hours as capacity develops.
- Create employer resources that highlight practical success stories and specific adaptations that have enabled disabled employees to thrive, focusing on capability rather than limitations.



Actions for organisations outside these sectors:

- Conduct an accessibility audit of your workplace, job descriptions and recruitment processes to identify and remove barriers to employing people with disabilities.
- Partner with disability employment specialists to develop a targeted work experience programme that creates pathways to employment while building organisational capability in disability inclusion.

“ My focus is absolutely on what people can do, not what they can't.”





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