



National Conversation about Work Taranaki Regional Report



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Introduction

The Taranaki region has a total population of 104,127 according to the 2006 Census. The region stretches from Waitotara in the South to Tongaporutu in the North. The landscape is dominated by Mount Taranaki in the centre of the region. The major town in Taranaki is New Plymouth, a port city in the north. There are three principal areas; New Plymouth, with a population of 68,898, Stratford with a population of 8,892 and South Taranaki with a population of 26, 484.

Other towns include: Waverley; Patea; Hawera; Manaia; Opunake; Waitara; Inglewood; Stratford; Eltham.

Data from the National Bank Survey of regional employment trends notes that Taranaki recorded the largest decrease in employment in the December quarter nationally, falling to a two and a half year low. However the region still has a lower unemployment rate at 3.5% than the national average of 4.1% according to the Household Labour Force Survey (HLFS).

At the time of our visit to Taranaki, the most up to date labour force data was the December 2008 quarterly HLFS. It is anticipated that these statistics do not fully reflect the impact of the worldwide financial downturn on the labour market. The labour force participation rate in Taranaki was 67.8% compared to the national average of 68.6%. A third of people aged 15 years and over have no formal qualifications compared with 25% of New Zealanders nationally. The region is particularly proud of successful efforts in addressing youth unemployment and was an early adopter of the Youth Transition Scheme.

A partnership between Tui Ora Limited and Venture Taranaki is taking a fresh and holistic view of the Māori business sector within the context of the Taranaki economy.

“In summary, Māori now have opportunities to take substantial strategic positions in key aspects of the growth and development of Taranaki. These include the oil and gas industry, the integrated dairy industry, training of people for growth and the social and urban development of New Plymouth and Taranaki.

Key industries in Taranaki are agriculture; dairy /meat processing; tourism, forestry; manufacturing, engineering and energy production (oil and gas). The Taranaki region is one of the world's largest exporters of dairy products.

Process of engagement

The Commission arrived in Taranaki at the end of the WOMAD (World of Music Art and Dance) festival weekend. We were struck by the vibrant atmosphere and over the week came to appreciate the spirit of entrepreneurship and creativity in the "Naki".

The Commission met with 287 people in 23 different engagements and travelled a total distance of 1115 kms while in Taranaki. The Commission sought meetings with employers and/or employees from key regional industries and met with a range of local groups who expressed an interest in participating. The Commission has also sought meetings with groups not heard from before and are keen to include "new voices" in the National Conversation about Work. The following regional summary report is the outcome of discussions with groups in Taranaki.

Regional reports are being compiled after each regional visit. Participants are being given the opportunity to comment on the draft report before it is published on the NEON website (www.neon.org.nz).

The final national report will amalgamate the observations and insights from the regional reports. It will also incorporate information collected through other forms of engagement such as on-line submissions and meetings of national bodies.

The following groups and individuals were participants in the Taranaki region:

Māori Business

- Tui Ora Limited

Community groups

- Chair of the TSB Community Trust
- New Plymouth District Positive Ageing Council
- Disabled Persons Assembly (DPA)

Economic Development agencies

- Venture Taranaki

Key Industries

- New Zealand Dairy Workers Union at Eltham
- Fitzroy Engineering
- Shell Todd Oil Services Ltd (STOS)
- Port Taranaki
- Taranaki District Health Board
- TSB Bank Limited, Hawera branch
- Tegel Foods

Education

- New Plymouth Boys High School
- New Plymouth Girls High School
- Western Institute of Technology at Taranaki (WITT)
- Practical Education Institute
- Migrant Workers
- Migrant Settlement Services

The usual format of the meetings was to introduce the project, sometimes by showing the DVD “Making a difference” followed by discussion. Meetings were about one hour long and were usually held in the workplace.

Conversations with employees were structured around the following key questions:

1. What would make a difference for you to achieve equality at work? And
2. How would this affect your family?

These questions were followed by a general discussion about equality and fairness at work and what was needed to effect the desired change. Typically these discussions elicited a wealth of personal stories about work, both positive and negative and highlighted a number of issues related to fairness at work.

Conversations with employers focused on key issues which included:

1. What are your most pressing issues related to employment?
2. Do you need assistance to improve EEO in your workplace?
3. What kind of assistance would be most helpful?

For the first time secondary school students were included in the National Conversation about Work. The Commission talked with Year 12 and 13 students as part of their Employment Skills, Star and Gateway classes. Career teachers and students were forwarded a set of questions to consider prior to the Commission meeting with them.

The questions included:

1. Are you working? If so, who do you work for?
2. How many hours do you work?
3. What do you like most about your work?
4. What do you like least about your work?
5. Have you had any problems at work? What were they? Where have you gone for help?
6. Would you access work-based information via the web if it were available?
7. What is one thing that would make work better for you?

In class, students were also asked what hourly rate they were paid, whether or not they felt this was fair for what they did and how their employment impacted on schoolwork. Students voiced their opinions openly and frankly.

Weathering the recession in Taranaki

Many people we spoke to felt optimistic about the region's performance during the economic downturn, relying on Taranaki's "can do attitude" to see them through. There were, however, contradictory views about the extent of the recession on the Taranaki economy and community.

An agency spokesman said that “technically the Taranaki regional economy is not in a recession as there have not been two successive quarters of negative growth in the province” and that “media coverage of the recession is fuelled by an Auckland centric focus” which is a challenge to maintaining regional confidence.

Elaine Gill, the chair of TSB Bank says “there is a recession in Taranaki and I think the effect of it is pretty wide spread. I think we are seeing a lot of results hidden. There are no large lay-offs but people are being laid off, and they are not being replaced, so there are fewer jobs out there.” Personal wealth had also reduced for some and the region’s dairy farmers were weathering lower payouts. The monitoring of job employment advertisements showed fewer jobs than the previous year.

Indicators of the region’s softening economy while the Commission was in the region included an increase in skilled professional and technical staff cold-calling asking about jobs at workplaces such as Port Taranaki and Shell Todd Oil Services Ltd (STOS), a slowdown in staff turnover, an increase in the number of women interested in returning to nursing and the lack of forward orders in the building and construction industry.

Increasingly the recession is being felt on factory floors around the region and is impacting on household income.

“The workers might not be able to identify recessionary trends but they can all see we’re not working as many hours as we were.”
Human Resources Manager

Workers in regional towns with only a couple of major employers also recognise the contribution those employers make.

“If it weren’t for Fonterra and a couple of others the town would be dead. They keep Eltham going”
Dairy worker

Issues

The following issues were prevalent in discussions with employers and employees and other participating groups. These have been grouped into themes.

- Unpaid work and volunteering
- Low pay
- Childcare
- Long work hours
- Skills shortages
- Education pathways
- Ageing workforce
- Management capability
- Māori employment
- Youth employment
- People with disabilities
- Migrant workers
- Health and safety

Unpaid work and volunteering

Older community volunteers in the Taranaki community spoke of the impending crisis they see around the unaffordability of undertaking unpaid work. They said social services which rely on volunteers are feeling the pinch; funding is drying up and the cost of volunteering is reducing the pool of volunteers. The costs for those on fixed budgets including the cost of petrol and vehicle maintenance meant people were losing the ability to contribute. The community would lose social capital and cohesion, as a consequence.

At the same time the need for social services which supplement government provision is increasing. Elaine Gill, Chair of TSB Bank suggested that volunteering might be a socially useful and purposeful activity on the 10th day of the nine day fortnight scheme. The corporate volunteering scheme, a joint venture between the Volunteer Centre and Venture Taranaki would be a useful model.

“It would be a win/win situation. The Community wins because struggling voluntary agencies are able to meet the increasing demands for their services, the Government wins because workers are picking up the social pieces, and workers win because they get the opportunity to spread their wings and learn new skills.”

Elaine Gill, Chair, TSB Bank

Low Pay

Branch bank workers who said they received low pay also felt that this impacted on family plans and were a disincentive for some returning to work. However bank management felt the pay was fair given the experience and job responsibilities of predominantly young staff.

Five women bank employees had taken maternity leave and all but one had returned to paid work. Many felt that the cost of fulltime childcare approximately \$270 per week meant that women earning low pay would probably not consider it worthwhile to return to fulltime work.

Participants believed that the level of care and responsibility they gave to people’s financial wellbeing deserved greater recognition and remuneration, an issue that has been addressed by the bank. According to one bank manager, an increase in base salary would also help with recruitment and retention.

“I think we’re very conscious about the level of service we provide so getting more money would help.”

Bank worker

While low pay was an issue for some workers others felt they were fairly paid and credited their union with negotiating good conditions for workers.

“I’m unskilled, I have public holidays off, I get five weeks annual leave and seven days sick pay, super and I take home about \$1100 a fortnight.”

Cheese factory worker

Childcare

Access to childcare is a significant concern for many workers in the Taranaki region. Cost, availability and constraints imposed by childcare centre opening hours were all raised during our discussions across a variety of industry sectors where women are working. The cost of childcare is prohibitive for those on low wages. Fulltime childcare at approximately \$270 per week was unaffordable for those on or close to the minimum wage and was a barrier to a return to full-time work.

Full-time workers also mentioned difficulties with managing the tension between opening and closing times of their childcare centre and start and finish times at work. This created a greater demand for flexibility at work.

“Because we’ve got a predominantly female staff, childcare is an issue and they need flexibility to cope with their families. One woman applying for a job told me there is a two year waiting list for childcare at the local centre and after school care is also an issue”
Human Resources Manager

Long work hours

Perspectives on long work hours differed with employees seeing them as an issue and employers labelling them business as usual and a norm in the sector.

One employee we spoke to worked 70 hours a week, while the group they were part of averaged 55 hours a week. A manager told us his staff worked 12 hour shifts and that this raised both health and safety and work-life balance concerns.

Long work hours were considered a health and safety risk by some employees. Staff told us that long work hours contributed to family conflicts and in one workplace was the reason for an unusually high divorce rate. Long work hours were an indication of staff shortages some said.

Long work hours, sometimes with travelling time on top, are chronic in some organisations. Some of those working extra long hours do so out of loyalty, because they need the money and

because it is an industry expectation. However, workers spoke of the negative effects on sleeping patterns, family relationships and social activity.

Some employers on the other hand considered long work hours to be part of everyday business and expected employees to work to the demands of the job. For example, shipping movements and cargo handling in the port require specific work patterns.

“We expect our staff to man up for peak times and to work reasonable over-time”.

Manager

We also heard that some students are working as much as 30 hours a week on top of their secondary school study. Arguably, this constitutes long work hours.

Skill shortages

Many employers are finding it hard to recruit appropriately skilled and experienced staff. The Taranaki health and engineering sectors in particular have turned to attracting and recruiting international talent to fill gaps.

“Recruitment and retention of clinical staff is one of our primary concerns”, a health manager told us. Like Tui Ora Limited, Taranaki District Health Board competed nationally and regionally for the same health professionals from a diminishing pool of good candidates.

We were told by a manager in the sector that in the engineering industry workers were “poached from rivals”, something that industry players were used to.

Venture Taranaki sees the need for New Zealand and the region to adopt over-arching strategies to ensure that sectors or markets were not “raiding each other”.

One production company manager supported a scheme trialled in Taranaki aimed at employers looking to see how to make the best use of staff and thought it could be revisited during the recession. In the “off season” staff from a meat works had worked at his food

production company during its peak season and while they had not earned as much as they had in the meat industry they already had valuable knife skills and didn't need retraining. The concept of sharing labour and employers communicating with each other about the labour pool might mitigate some of the effects of job losses in the region.

Educational pathways

The Western Institute of Technology at Taranaki (WITT) has recently resumed a traditional tertiary governance structure with a council after having spent some years in crown management. The institution's difficult financial position and the limited student pipeline from a regional population base are familiar challenges. The current funding models used in tertiary education means that WITT is often competing with private providers for popular courses in catering and hospitality, for example.

However, the need for a competitive tertiary education infrastructure has been identified as a "must have" for the region if it is to compete in the global marketplace.

["Taranaki needs a world class educational infrastructure."](#)
Venture Taranaki CEO

WITT's CEO Richard Handley acknowledged the challenge but says that WITT has a new and energetic governance body, committed senior staff and a number of new initiatives such as with the Rugby League Academy which fosters young men's interest in education. He says that there is an urgent need to convert the community's desire to retain and enhance WITT and the necessity of a tertiary institution in the region into the reality of student enrolments.

Taranaki is challenged with improving education and lifelong learning to retain students and better meet the needs of regional industry and to ensure it remains internationally competitive.

Traditionally the needs of second chance learners have been ignored. One education provider servicing second chance learners promotes itself around the accessibility of the learning process.

Staff felt that working for a family oriented business helped them contribute meaningfully to returning learners.

Courses that enable to people to return to higher education are a critical transition for people who have little or no secondary school qualifications. A high proportion of second chance learners enrolled with the provider are Māori and a quarter of their students are women who left school early to become mothers and are coming back into education. These students require specific and focussed support to ensure their success.

“It’s important to provide a safe environment for second chance learners. You need to make learning accessible, and make sure that staff can relate to students and don’t talk down to them.”

Manager Education Provider

The need for an improved IT infrastructure would enable innovative private educational providers to better access distance learners. There was a valuable transfer of skills from second chance learners who often then became role models and trainers for their families and whanau.

We were told by one participant that second chance learning was not always a pathway out of low paid work. It was suggested that students (and providers) needed to ask themselves if the qualification gained gave students marketable skills that enabled them to access decent paying jobs. Student debt also negatively impacted on low household incomes.

Secondary schools in the region were considered by many we spoke as highly successful for high academic achievers. However, there was concern for those of moderate or below average academic achievement who might fall through the cracks. Tui Ora CEO, Hayden Wano’s first hand experience of the Youth Transition Service in Taranaki was an eye opener he said. He supported the scheme because he feels that “some young people get assigned to the scrap heap, particularly Māori youth.”

Ageing workforce

The ageing labour market is a serious future concern for the Taranaki region and New Zealand. Venture Taranaki CEO, Stuart

Trundle believes that labour force succession planning is not sufficiently sophisticated enough to tackle the ageing demographics of the labour market. The ageing workforce means that there is a “black hole” between the current generation (of apprentices) and the baby boomer retirees who are “tired” of working.

Some individual sectors could be quite onerous on employees and some mature workers suffered from burnout and stress and they “would come to a point when they would vote with their feet and retire.” In one workplace employees talked about staff that had retired and had then been re-hired on more casual conditions of work because their skills and experience could not be replaced. Many were concerned with a lack of future prospective employees to fill gaps left by retiring older workers. In heavy industry workplaces, employees thought that older workers who “had been in the game for some time, would not be around for too much longer.”

A female participant at the Positive Ageing Council meeting said that the first generation of older women who had been in paid employment for much of their careers would soon be preparing to retire. Many would have the same issues around their self esteem being bound up with work that confront many men as they faced exiting from the workforce. Employers would have to think very carefully about whether they could afford large numbers of baby boomers to slip quietly into retirement.

Particular ageing sector groups such as general practitioners may have to work longer, past conventional retirement ages, and this may be “more of a necessity than a choice.”

The perennial issue of employers’ stereotypical attitudes to older workers without acknowledgement of the maturity, experience, institutional knowledge and mentoring potential that they bring to the labour market was identified by several participants.

Management capability

Employees in a variety of industry sectors such as food production, retail banking and health services universally recognised what they felt were excellent managers who were fair, approachable and had

good lines of communication. At one work site several employees said they had just hung on and not resigned because they knew that a good manager was returning from maternity leave.

Workers felt that their welfare and job satisfaction “depended on the manager”.

In one workplace a worker we spoke to was granted flexible work arrangements by her manager to care for her mother. Another worker in the same workplace was denied flexible work arrangements to care for her mother by a different manager.

Workers felt that management was sometimes remote and that the calibre of management was variable. This was an issue in many of the workplaces we visited. In one, employees told of a previous manager who was “always down on the floor”, whereas the current manager was only seen four times in five years where the actual work was undertaken.

Some felt there was unevenness in managerial development. Staff in one large organisation in Taranaki felt compulsory management training and mandatory refresher courses would improve the consistency of decision making and variability of managers. Frequently we were told “people don’t leave good jobs, they leave bad managers.”

“I’ve been here for 13 years and the culture of the place has dramatically improved in that time. By and large it is a happy hospital. A lot of outside surgeons and company representatives say that when they come into the hospital it feels like a happy hospital”

Health worker

At one site we learned of an example where there had been no permanent unit manager for a considerable time and this was unsettling for about 60 staff.

Māori employment

While there is no shortage of Māori entrepreneurship in the region some major Taranaki employers have very few Māori staff, and

even fewer in positions of responsibility, despite the greater number of Māori living in the region than the national average.

“Speaking as tangata whenua I am concerned about the lack of Māori staff. There is no clear recruitment policy out there.”

Hospital Worker

The participant said it was disappointing that Māori students were not aware of career pathways available to them.

One major Taranaki employer was aware it had low staff representation of Māori. It was part of the “classic company profile where Māori was under represented.” The employer was considering scholarships to bring in talent from iwi and hapu.

Hayden Wano of Tui Ora said he was concerned about the low levels of Māori entry to medical school. “We probably need to be intervening earlier in schools to ensure that students follow science and relevant subjects”.

Youth employment

We were surprised to hear that in some cases secondary students worked up to 30 hours per week either before or after school. One student worked between 5am and 8am every weekday before class. Though students reported no detriment to their performance at school, several had been told by teachers to reduce the number of hours they worked.

Secondary students who worked part-time earned between \$12 per hour, the (then) minimum wage, up to \$30 per hour in the case of one student who worked as a private music tutor. Students who earned the minimum wage rate or slightly higher were satisfied that this was fair pay for the work they did.

When we asked students if they had problems at work and if so who they turned to for advice we were told that they usually relied on their parents to advise them if they encountered workplace problems. Universally students wanted better access to plain English information about employee rights, qualifications, courses and career pathways. They were keen also to see on-the-job

video examples of young people at work on a dedicated youth employment website.

“My boss is a bully and picks on people and threatens you. I turned to my parents for advice.”

Student, part time worker

We also asked students what they liked most about work.

“Work is fun and enjoyable; I like the interaction with other people and getting to meet new people”

Student, part time worker

“I enjoy working in a team and working in a restaurant means I can meet people from all around New Zealand and around the world”

Student, part time worker

I like “the interaction with customers and learning about the clothes”.

Student, part time worker

People with disabilities

The Commission met with a New Plymouth disabilities group and disability support agencies. Mixed stories emerged of examples where some people with disabilities were well supported into and at work. Conversely there were other stories where people with disabilities felt let down and in some cases totally unsupported by agencies.

One participant was extremely “happy” with the level of support he received and viewed his work as essential to keeping a positive daily focus and being active. Another participant spoke of her struggle to keep her job as a consequence of being unsupported and having to educate managers about her disability. She found this very hard to cope with.

A number of agencies at the meeting suggested they were bound by government and legal constraints in what they could do to support people with disabilities. They suggested, however, that those who had good support systems around them fared better when they approached agencies for help. One disabled member

pointed out that agencies as well as other government mechanisms “helped and hindered” people with disabilities.

“ACC and OSH are disincentives for people with disabilities finding work.”

Disabled worker

Migrant workers

The Commission heard many positive stories of migrant employment in Taranaki workplaces during our visit. We also heard from Migrant Settlement experts of the traditional barriers to accessing work such as fluency in English language, no New Zealand experience, and a mismatch between the migrant’s qualifications and skill sets and New Zealand registration requirements that acted as barriers and not as facilitators. These issues are common to other provincial regions.

Of concern to employers was the integration of migrant staff into the workplace. English language issues were of primary concern, with one organisation enrolling its migrant staff into ESOL classes.

In general, though, employers were very happy with the calibre of skills and experience migrants brought to their organisations. One engineer described the welding skills of recent migrants as “exquisite.”

Media reports emerged the week after the Commission visited Taranaki about New Zealand workers losing their jobs and migrant workers retaining positions at a New Plymouth engineering firm. Stuart Trundle, CEO of Venture Taranaki said he was disappointed when xenophobic public statements were made about migrant workers that indicated that some still believed New Zealand should have “two categories of citizenship” and said there was danger in short term thinking about labour markets and supply and demand.

Health and Safety

Health and safety was identified by workers as an issue at some production sites where shoulder injuries and repetitive strain injuries were common. In one organisation workers felt the company had adopted a “tick box” approach to health and safety,

and spoke of several instances of pressure on local doctors to change certificates relating to the medical status of workers, and of inadequate training for new machinery in the factory.

Long service is a feature of some of the region's production work. Health and safety issues arise when workers in their 50s, 60s and 70s are undertaking repetitive, physical work, often standing for much of their shifts on concrete floors.

An emphasis on prevention and industry benchmarking was evident across the mix of industries in Taranaki, such as energy, oil and gas, the port, engineering and food processing. For example, STOS said the company insisted that its large contractor base aspired to, and met the same high health and safety levels as STOS. Because of this, visitors to STOS sites would not be able to distinguish STOS employees and contract staff.

Conclusions

- Taranaki has a unique regional character expressed by one manager we spoke to as “there is a good feeling about the ‘Naki. All the indicators are that it is going to be very tough but in the Taranaki we manage as well as we can and organisations and communities know we’re all going to have to work at it.”
- Pride in the strength of an independent bank, the city's cultural variety, its outdoor amenities including beaches and the mountain, is expressed through the community outreach of many major employers in the region.
- While skills shortages in health services, engineering and the energy sector have driven the labour market in the past there are signs that the global recession will impact negatively on job security.
- The challenge of developing the potential of Māori employment in Taranaki both in established major organisations where there are few Māori managers and employees and in Māori business. The economic profile report produced as a partnership between

Venture Taranaki Trust and Tui Ora Limited lists “training of people for growth” as a major future opportunity.

- Older volunteers spoken to in Taranaki believe that the global recession is impacting on unpaid work and its connection with paid work and with community spirit.
- The industry mix in Taranaki requires a world class training and educational infrastructure in a globally competitive labour market. Constraints include the lower population base and the impact of the current tertiary education funding model in regions with limited numbers of students, the challenges faced by the Western Institute of Technology, and the need to encourage second chance learning linked to decent work outcomes.
- This was the first region that the views of secondary school students were canvassed. While the statistic that 70% of young people working are also studying is well-known, we were surprised at the work patterns, including hours of work and start times, of young people in Taranaki.
- A universal request from employees across a wide variety of industries is for open, honest workplace communication delivered by managers who are fair and well trained. Good managers are almost the first thing workers talk about and poor managerial performance is also astutely recognised by staff.
- There are also issues that continue to be expressed in each region. They include: childcare; low pay; long work hours; migrant employment; access to employment for people with disabilities; ageing workforce and health and safety.

Possible recommendations for the final report

- Investigate corporate volunteering as a model for employers and employees in a recessionary climate that is forcing nine day working fortnights

- Promote the provision of relevant employment rights information for young workers in accessible and creative formats
- Invest in improved regional opportunities for manager training to ensure retention of skilled employees in a globally competitive labour market.