

**National Conversation  
about work**

# **Bay of Plenty Regional Report**



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## Introduction

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The Bay of Plenty stretches from the base of the Coromandel Peninsula in the west to Cape Runaway in the east. The region is bound by the Kaimai and Mamaku Ranges in the west and extends inland to the sparsely populated forest lands around Rotorua, Kawerau and Murupara. The Bay of Plenty has population of 257,379 at the last census, and is the fifth most populous region in New Zealand. The proportion of the population who identify as European is roughly that of New Zealand as a whole, at 67%, however the region has a much larger proportion of Māori than New Zealand as a whole. Māori are 27% of the population of Bay of Plenty compared to 15% for all of New Zealand.

The region is dominated by the city of Tauranga and Rotorua district; large towns include Whakatane, Kawerau and Te Puke. Agriculture and tourism are the region's two main industries, with the geothermal region around Rotorua being a popular tourist destination. Tourism in the Bay is highly seasonal and weather dependent. One tourism operator said “Sunny days are money days for us”. Taupo was not visited during this engagement but will be included later in the National Conversations.

The area is forested and has extensive agriculture. The climate is nearly tropical, being both humid and warm most of the year. Notable crops are kiwifruit, apples, avocados and timber. As with most of New Zealand, sheep farming is common. However, many farms have converted to dairying in recent years.

The median age of people in the Bay of Plenty is slightly older than the New Zealand average, and while there are slightly more people over 65 than the rest of the New Zealand population, there are also slightly more young people (under 15) than the rest of the population. The Ministry of Social Development reports that 35% of the population of the Bay of Plenty are under the age of 25. In the Bay of Plenty more people over 15 than the New Zealand average have no formal qualifications and slightly less people have a post-school qualification than the rest of the population. There are some sub-regional differences in educational attainment. School leavers

in Tauranga and the Western Bay of Plenty attain NCEA level 3 and above at about the national average.

### Employment

The unemployment rate for Bay of Plenty up to the year June 2009 was 5.2% compared to the national average of 5.0%, according to the Household Labour Force Survey. The labour force participation rate is 64.7% for the year to June 2009, compared to the national average at 68.6%.

According to the last census the median income for people 15 years and over in the Bay of Plenty is less than the median for New Zealand as a whole. A higher proportion of the population in the Bay of Plenty have an annual income of \$20,000 or less compared to the national figures. A smaller proportion of people than the national figures have incomes over \$50,000.

Several participants referred to limited opportunities relating to commercial development as a barrier to growth in Rotorua. We were told that developers were not prepared to develop on leasehold land and that Māori were not prepared to sell land. It is too early to tell what the impact of recent Treaty settlements will be on economic development in the region.

The Commission visited the Bay of Plenty in August. At the time of our visit kiwi fruit were being packed. Winter is a low season for tourists in the area and although direct trans Tasman flights into Rotorua had been announced, the flights had not started. Some work sites including paper mills and Mighty River Power were shut down for maintenance during the week of our visit.

## Process of engagement

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The Commission met with 120 people in 24 different engagements - with employers and/or employees from key regional industries and with a range of local groups who expressed an interest in participating. The Commission is keen to include “new voices” in the National Conversation about Work and so we have sought meetings with groups not heard from before. This regional

summary report is the outcome of discussions with individuals and groups in the Bay of Plenty region.

Reports are compiled after each regional visit. Participants were given the opportunity to comment on the draft report before publication on the NEON website ([www.neon.org.nz](http://www.neon.org.nz)) and on the project website ([www.haveyoursayaboutwork.org.nz](http://www.haveyoursayaboutwork.org.nz))

The final national report will amalgamate the observations and insights from the sixteen regional reports. It will also incorporate information collected through other forms of engagement such as on-line submissions and meetings of national bodies. Interviews were held with Te Puke Times and Rotorua Daily Post.

The following groups and individuals were participants in the Bay of Plenty region:

#### Local government

- Kevin Winter Mayor Rotorua

#### Economic/Community Development Agencies

- Richard Kinzett Priority One Tauranga
- Helen Stewart Kawerau Enterprise Agency

#### Business Organisations

- Max Mason CEO Tauranga Chamber of Commerce
- Roger Gordon CEO Rotorua Chamber of Commerce
- Gerard Casey President Eastern Bay Chamber of Commerce

#### Tourism and Hospitality

- McDonalds Tauranga
- Tamaki Tours
- Nephi Prime Tauranga Moana Māori Tourism
- Skyline Skyrides Rotorua
- Gary Dickman General Manager Sebel Trinity Wharf
- Graeme Crossman CE Kiwi360

#### Horticulture

- Apata Centrepac
- Zespri International

#### Health sector

- QE Health Rotorua
- Matua Lifecare Tauranga
- Disability Resource Centre Trust Whakatane

#### Energy sector

- Trustpower
- Mighty River Power

#### Community Groups

- Unemployed Workers Advocacy Group Rotorua
- Rural Women Bay of Plenty
- Wyn Hunia, Kawerau Conservation Corps

#### Education

- Te Whare Wānanga o Awanuiārangi
- Morella Rogerson Metal Tech Education
- Inia Curry Youth Worker Kawerau

#### Other Businesses

- Port of Tauranga
- Foodstuffs
- Des Ngaheu Mountain View Rigging Scaffolding and Labour Hire

The usual format of the meetings is to introduce the project, 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 do you like about working here?
2. What would make a difference for you to achieve equality at work?

These questions were followed by a general discussion about equality and fairness at work and what is 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?

We also asked people about the effect of the recession on employment and the labour market in the region. Following our observations from other regions we are now also asking about business resilience. We are interested in exploring the characteristics and strategies of businesses that are managing their way through the economic downturn.

## **Weathering the recession in the Bay of Plenty**

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The recession is having variable impacts on the Bay of Plenty. Some parts of the tourism industry are particularly hard hit, depending on the nature of the business offered and the consumer market in which they operate. Generally the Bay of Plenty tourism market is heavily seasonal, with higher demands in summer and during school holidays. We were told that demand from domestic and transTasman visitors had improved, while visitor numbers from Japan, South Korea, UK and the US were well down. The downturn in health tourism was estimated at 50%.

Demand generated by business conventions had also reduced. "Conventions are the easiest thing to cut off budgets, it's the first market that went in the recession" a manager in the tourism/hospitality sector told us.

Because of the high variability in demand at the best of times, accommodation and hospitality businesses rely on casual staff to manage fluctuating demand. Casualised jobs are being lost. Households relying on casual employment are especially vulnerable to lost income.

There was considerable volatility in some industries over the last year. Forestry we were told was "suicidal" due to low demand last year and this year the industry has experienced the biggest

demand for timber in years. The concern was the demand came from China which “could just as easily turn it (demand) off”.

We were told that in a recession all the old discriminations such as ageism, sexism and racism, come to the top. Employers want to “employ New Zealand’s next top model, everyone else can’t get a look in”.

A number of businesses mentioned changes to the way cleaning was being managed. One hotel has contracted out cleaning, “dollar for dollar it is cheaper to do the cleaning in house, but this way I don’t have to spend my time on hiring”. Other businesses mentioned that they had expanded jobs to include cleaning responsibilities where previously this had been done by dedicated cleaning staff.

In the rural sector, farmers are less likely to employ staff. “Mum and Dad have gone back to the shed” we were told. Women were either going back onto farms to provide additional labour or were working off the farm to bring in additional income. Some family owned kiwifruit orchards were “picking as a family. Younger family members didn’t have work so we decided to pack ourselves.” Preconceived ideas about orchard work and horticulture as a sunset industry are changing. People are now realising there is a career path for them in the industry.

Business people in Tauranga said that the biggest single impact was the downturn in the housing sector and the downstream effect of that. Layoffs had occurred including apprenticeships. Construction businesses had lost building work but had moved to renovation work. One businessman said that he just had a record month.

In Kawerau we were told that local employment had contracted from 6,000 jobs to 1,000 over the years since Kawerau was created as a mill town in the 1950s. This is attributed to technology improvements and changed ownership of local industries. One Kawerau participant said that he thought that tangata whenua should be preferred for employment in the town and contracts for service should go to local businesses. He said “I wish people in Kawerau were fair, big companies are closing their doors on tangata whenua”.

Lack of disaggregated information about the labour market was frustrating. Currently data was only available for the whole of the Bay of Plenty. "It would be useful to have disaggregated labour data. We would make better decisions if we had that information and it would increase productivity", a business leader said.

We were impressed by the employers we spoke to who were finding ways to maintain employment during downturns in business. One strategy was to broaden the range of tasks people might do, so that alternative work was available when an employee's usual work was not required. One manager told us that he was proud that he didn't lose (ie make redundant) one single staff member and that he had made sure that staff were employed a minimum of thirty five hours a week so that they could pay their bills. "If you don't do that people leave," he said. A number of managers lead the change to multi-tasking from the top.

In addition to job redesign to include a greater variation of tasks in a job, resilient businesses are those with sound financial management and market knowledge. One businessman made the point, during boom times "you don't need financial literacy as much, in a recession you need to know how to watch your pennies."

Initiatives to support small businesses include a mentor scheme facilitated by the Tauranga Chamber of Commerce that has put 82 mentors (half of whom are retired or semi-retired business people) in touch with small businesses. The Rotorua Chamber of Commerce has run a series of seminars for members about 'Strategies for Getting through these Times' which had been well received. Business mentorships were also promoted in Rotorua. Kawerau Enterprise Agency (KEA) has compiled a comprehensive list of useful contacts for businesses.

We were told that more support for business start ups would be helpful. People starting in business need to have numeracy and literacy skills, financial literacy is very low. "It scares the hell out of me" a local business man told us. Business mentors available through the Trade and Enterprise scheme are available after six months and earlier access to mentors is recommended. We were told that mentoring for Māori business start ups, made available through Te Puni Kokiri had recently been cut back.

The Tauranga Chamber of Commerce are running a 'Committed Optimist' campaign to "build on the growing optimism in the community and help drive economic recovery". The Chamber noted that business confidence had doubled in the last three months and that there were other signs of recovery. As we travelled around the region we noticed a marked difference in the economic vitality in the Western Bay of Plenty including Tauranga in contrast to other parts of the region.

Employers and business groups also talked about the tension between managing the immediate needs of business at the same time as ensuring the long term future. Concern was expressed in Rotorua that "a lot of capability has left the area" which would prove to be a "challenge when we move out of the recession".

## What do people like about their work?

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### Good employers: what do employees value?

A significant number of the employees we met expressed enthusiasm for their work and in their workplace and found it a lot easier to answer the question "What do you like about your job?" than "What is one thing that would make a difference?".

Typically, these workplaces were preferred workplaces in the district. They received frequent unsolicited queries about job opportunities, a large number of applications for jobs when there was a vacancy and low staff turnover.

Features of these workplaces included:

- *A pride in the service or product.* This was expressed in a variety of ways. Employees providing health and disability services all referred to the reward they experienced in making a difference in the lives of their clients. "We want to make sure their time with us is quality time" a carer in the aged sector told us. One person in the tourism sector said that they were always working with people who were happy because they were on holiday. One group of employees said that the work culture was dominated by a passion for the industry. "This is a product we're really proud of," an employee said.

- *Recognition of effort.* While pay is a crucial element of rewarding people for their work, additional expressions of valuing staff are much appreciated. One care worker said “Financial gain is what gets us into the job. It’s the warm fuzzies, making a difference in people’s lives, that makes us stay”. Sometimes recognition of effort is material, for example bonus systems and overtime provisions.
- *Non-hierarchical work cultures.* Staff frequently mentioned open access to decision makers, and personal autonomy in their job was also appreciated. One person told us “for a big organisation (70 staff) is not very hierarchical, it’s very laid back.” Another person said of his workplace “no-one was above or beyond you”. Humour was frequently mentioned in this context, which reflected a sense of give and take, and a relaxed atmosphere.
- *Camaraderie and community in the workplace.* In many of these preferred workplaces reference was made to the sense of family within the organisation. One person said “156 people work here there’s not one of them I wouldn’t sit down with over a cup of coffee”. This sense of community included a shared sense of responsibility toward sick family members or other demands. One man said “they could be your children” and fully supported people going home if their children were sick. One migrant worker said “I’ve never once felt like a newbie”.
- *Flexibility in regard to work hours and work patterns.* We heard that flexibility in these companies involved give and take between employers and employees. At one workplace we heard of an unusual variant on flexi time, which worked for them. Employees could start work at 6:00 am, 7:00am or 8:00am, and do an eight hour day. It was possible to vary start times throughout the week. Working from home was available in a number of industries visited and for a number of work roles. In one workplace, which operated 24/7 everyone was supplied with a laptop. “We might finish at 5pm but the rest of the world haven’t”
- *Confidence that problems would be resolved.* A number of people responded to our question about what they thought needed to change by telling us that in their experience if anything needed to change then it would. There was a process for improvements in the workplace and their experience was that the process worked.

At one large worksite visited a staff committee have initiated a number of workplace improvements as a result of their approach to problems at work. "If there is a problem there is a facility to discuss it and solve it", we were told. It's not rhetoric here; it's the reality of the company"

Issues are raised either through an annual survey of staff or by direct approaches to the staff committee "If people can't talk to their manager about an issue they can come to the staff committee", we were told.

Initiatives developed by the committee include an anti bullying programme which emphasises clear guidelines on unacceptable behaviour "We won't tolerate uncivil behaviour", for example "talking about people behind their back is not acceptable". A DVD has been made to support the programme.

The staff committee have developed a comprehensive wellness programme, and flexible work hours and work patterns are available for new parents, including fathers. The committee has gained permission from the company board to facilitate the provision of a childcare facility and is well on the way to having a child care centre close by the workplace.

- *Variety.* Many people told us that no day was ever the same and they enjoyed the challenge that this entailed. This variety was provided in many different ways. People in the tourism /hospitality sector enjoyed meeting people from all around the world, from different cultures and speaking different languages.
- *Career opportunities.* Not only did employees talk about opportunities for career advancement but also opportunities to try other sorts of jobs. Access to professional development including payment of course fees and/or paid time off to study was also much appreciated by staff. Opportunities for job growth were available in a variety of workplaces. Employees said that skills were noticed: a great work ethic or a talent for a particular task or they could approach managers and say "I'm interested in .... any chance (of getting into that job /line of work)?" Comments included "If I

get bored I get real tutu, every day is different I never get bored”.

- *High work demand.* Many of the employees in these workplaces talked about how hard they worked. One person said “they get their pound of flesh and I get my pound of flesh out of them.” Another said that he had come from an industry in which you were “never fast enough and never cheap enough. What I appreciate about (my current employer) is that you are valued.”
- *Values that fit.* Māori working in Māori owned or Māori run enterprises appreciated the cultural values in which they worked. One person we spoke to said that he did not have to explain (culturally significant) things in his current employment. In my previous job “I had to explain how culturally I work, how I live, here everyone else is on the same page”. People with a commitment to environmental concerns also appreciated working in a company that shared their values.

### **Good employers: what do employers value?**

- *Attitude.* A number of employers especially those providing a service which required interaction with the public talked about making sure they hired people with the “right attitude”. This seems to have two main components, reliability (ie coming to work on time every day) and being pleasant and welcoming to customers. Two employers in particular talked about the importance of customer satisfaction with their interactions with staff. Employees “need to leave their bad hair days behind” when they come to work, one employer said. Assistance for people who were experiencing difficulties in their life that impacted on work such as bereavement was available.
- Flexible work hours are paid back in loyalty and staff availability when work demanded additional or irregular hours.

## Issues

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The following issues were raised by both employees and employers alike. They have been grouped by themes:

- Job security
- Education and career pathways
- Youth unemployment
- Skill shortages
- Low pay
- Seasonal work and benefit system
- Health and safety
- Working hours
- Childcare
- Paid parental leave
- Family businesses
- Recruitment

### Job security

While concerns about job security have heightened for many working people in the recession, job insecurity is a fact of life for many workers employed in seasonal employment and other sectors with fluctuating demand for products and services. One group we spoke to said that skill was required in managing a variable income and that people need help in learning how to “spread their income”. Other people had multiple income streams to help smooth out peaks and flows.

Forward planning can be difficult for people employed in precarious work. We were told about three backpackers who had to make a decision about whether to stay in the area because their rental contract needed to be renewed but who were uncertain how long their current employment might last. Some people manage seasonal fluctuations by organising alternative and supplementary employment.

One of the tensions for employers to manage was whether or not and when to hire new staff again as business picked up. One tourism operator told us that staff were under big pressure and working too many hours but he was reluctant to commit to hiring

new staff because he wasn't sure that the upturn in visitor numbers would be sustained.

The consequences of job insecurity are, most obviously, fluctuations in household income but feelings of anxiety and diminishing sense of self worth also have an impact. One manager told us that communication was critical. She said that the raft of rumours in the workplace was unsettling for staff and when someone was called to a meeting, people would ask "Are you going to fire me? And workmates would ask, "Are you gone?"

At one meeting we heard about a young disabled woman who had recently lost her part-time job. The flow on effect for both her and the people around her was profound. Her distress at the loss of meaningful employment and the high level of anxiety this provoked meant that she required a much higher level of support than she had required previously.

Job insecurity also leads to people seeking to work as many hours as they possibly can to maximise their income. For health and safety reasons, managers had to monitor safe levels of working time. "We make sure that we have a dedicated night shift and make sure that people are not working through the day as well. People try to do that".

One employer worked with a labour hire agency to assist continued employment for people working in his business. He would advise the agency when people with particular skills were going to become available so that alternative employment could be arranged for them.

Workers who have full time permanent jobs also experience job insecurity. Employees described unease during work-place change: "You don't like to go through it when you don't know what's at the end", said one participant. In the health sector, insecurity of funding and the struggle to get long term contracts had an impact on workforce planning and employees' sense of security. This had an effect on individual financial planning – "you tend not to book up major credit debts."

## **Education and career pathways**

One of the barriers to employment identified was access to education. Several people we spoke to aspired to work as

professionals but could not afford the three or four years tertiary study required. One father currently raising his child on a Domestic Purposes Benefit had been able to study to be a nurse via the Training Incentive Allowance. Changes to TIA policy have meant that he can no longer afford to study. He also talked about other beneficiaries who were part way through teaching qualifications who had abandoned their studies as a consequence of changes to the scheme.

Other people, working in jobs paid at or just above the minimum wage felt the cost of tertiary study put their aspiration to become nurses out of reach. Discussion ensued about the advantages and disadvantages of hospital based training.

At another workplace, we were told that “allied health registration is a zoo”. Overseas trained clinicians could not get licensed because they had a three year qualification and registration requirements in New Zealand demanded four year qualifications. A health professional said “Perfectly well trained physiotherapists (from other countries) are being employed as fitness instructors” because their qualifications are not recognised. “Yet even in the downturn we can’t get staff.” In this workplace much more flexibility in the acceptance of qualifications was sought.

This view was not universally shared. One group told us that they supported Filipino registered nurses to work towards New Zealand registration. This group said that training was very different from New Zealand standards and that it was important to have the skills. For example they said aged care experience was an important component of New Zealand nursing training.

The issue of qualifications was discussed in a number of workplace engagements. In some industries visited, qualifications were seen as critical and the absence of qualifications was the major (and only barrier) to employment. One manager said “We hire on quals, you could be Martians so long as you had the right quals.” This meant that local people who did not have qualifications were not employed, and staff were recruited from out of the area, either from other parts of New Zealand or recruited internationally. In Kawerau for example this has created a culture of “haves and have nots”, between locals and people from other places.

In other sectors, opportunities were available for people who did not have qualifications but who had other qualities. One workplace sought “practical people who know how to interact with people” They’ve got to have that “people spark” a manager told us. One group felt that despite attaining qualifications and the necessary skills for employment they experienced difficulty gaining employment because of who they were (ie gang affiliated.)

A number of workplaces enabled employees to move around in different roles and this was valued as an opportunity to pursue different interests and for career development. “There is no capped ceiling, no, you can’t go there, the opportunities are endless” a hospitality worker told us, another said “I started here (in the company) because my pocket money came to an end, I never imagined that twenty years later I’d own my own business and have 350 employees”.

Staff from businesses in which senior management/owners had come from the “shop floor” or had started up the company themselves frequently expressed a desire to own their own business and had an expectation that this was within their reach. It was apparent that staff were not only inspired to follow in the footsteps of their managers but that staff were being mentored albeit informally to aspire to become business owner /operators. In one workplace visited everyone was expected to have a learning and development plan which included key accountabilities and expected behaviours to reach their goals. Plans were not necessarily related to work performance but could include personal development goals such as learning to drive.

Partnerships with local tertiary institutions to address skill shortages was seen as a helpful strategy but the process was described by one employer as phenomenally slow and that the level of bureaucracy required to get a course off the ground was “silly” The presence of tertiary education in the area was seen as important, both in terms of providing the means to develop a skilled workforce but also to support research. Partnerships with local businesses also provided work experience components for courses and guest lectures.

The economic downturn has led to an increase in demand for tertiary education. Unfortunately institutions have to turn students away because of funding caps. Institutions have been told that

going over funding caps will incur punitive measures. Several business and community people argued for increased funding for tertiary education to assist young people into sustainable employment. One business leader told us “It would have been a good investment to use the surplus capacity (ie job losses) to increase capability that would have created an advantage”.

Lack of access to broadband internet services is a barrier to opportunities for supplementary income in rural communities. Telephones and postal delivery have always been hugely important for communication in rural communities and now, internet connections are just as important.

## Youth unemployment

The consequences of youth unemployment were discussed in several engagements. One group advised us that youth unemployment did not show up in unemployment benefit statistics because 16 -17 year olds were not eligible for the unemployment benefit and 18-19 year olds “don’t like going to WINZ” and if they do are told “don’t come here”. The consequences were that unemployed youths were “bludging off their Mums on the DPB”

The recently announced scheme for employers to take on young workers was viewed as a “drop in the bucket” by one participant and he suggested that a “21<sup>st</sup> century PEP (Project Employment Programmes) scheme” was needed to create jobs. “Life on the couch is not that exciting” he said.

Youth unemployment was especially difficult in communities in which demand for semi-skilled and unskilled work had reduced, such as Kawerau. Young people with little or no qualifications were faced with the dilemma of staying in the community where they had whanau support or leaving to find work. Public transport to nearby towns where there was the possibility of work was not available.

Ongoing education was seen as one way to assist young people into jobs. “Getting a ticket” was seen as an important step in creating sustainable employment. However, educators working with at risk youth found it hard to motivate them. “Trying to light their fire is the most difficult thing” an education provider told us “I would love to see something that would motivate these boys.” A community worker suggested reviving the “old Māori trade training

– that worked well”. We also heard about the success of army style boot camps for “two lads who came back with their shoulders back and willing to engage in conversation. The transformation was remarkable.”

Concern was expressed that successful schemes such as the Youth Transition Service in Rotorua were under threat. Insecurity of funding was problematic and the process of retendering every three years was seen as time consuming. One adviser felt that the key was developing networks between schools, the private sector, government departments and tertiary education to develop career pathways.

One employer argued that rather than putting money into “paying kids to be unemployed” funding needed to go into supporting and training young people into employment. He suggested a partnership between government and employers so that if a business had two trades-people then they would also have to take on an apprentice, with the government funding the first two years. This employer felt that young people needed to develop life skills, the ability to talk to people generally and customers specifically as well as trades skills.

The role of secondary schools was mentioned by several participants. Early leaving from school was a significant barrier to work opportunities. We were advised that the area has a high drop out rate. It was felt that keeping young people in school until Year 13 or until age 18 would assist young people into employment.

Changes to secondary schools would be necessary to make this a reality however. Suggestions included: better resourcing to meet the needs of “non-academic kids”, life skills, money management and entrepreneurship. It was felt that young people from low income families got trapped in a vicious circle of low expectations and schools could assist by boosting self esteem, confidence and a “higher opinion of themselves.”

“Employers look for work experience, so young people can’t get a job” we were told. It was felt that opportunities to build work experience whether through education courses that included a work component or mentoring schemes would be helpful.

One of the outcomes expected from recent Treaty settlements is the further development of Māori tourism. We were told that this presented a viable option for young Māori who were currently unemployed. A Māori tourism adviser suggested work experience to explore career options for rangatahi who enjoyed the outdoors. He told us of being with one tourism operator in a kayak in the middle of the bay who said to him “Welcome to my office.” The adviser told us that a “young guy would be blown away by that.”

## **Skill shortages**

Attracting health professionals to rural practices has long been a difficulty for rural communities. A scheme in which doctors were sponsored to come to a rural area has been successful. Doctors were provided with accommodation and they and their families were supported in the community. The possibility of this scheme being expanded to include dental services was being considered by the community.

Voluntary or funded support services that enable older rural people to age in place are in short supply and as a consequence “rural ladies can’t stay out in the country” because the necessary supports are not available.

Providing accommodation for seasonal workers was a challenge for one business we spoke to. Available accommodation was expensive and the process of applying for the necessary consents to build accommodation on site under the Resource Management Act was perceived to be a barrier. The Recognised Seasonal Employment (RSE) scheme was said to be essential to the kiwifruit industry. “We need labour that want to do it, that will turn up every day.” Recent media stories about exploitation of migrant labour was discussed in one kiwifruit site. We were told “KGI (Kiwifruit Growers Institute) have done a marvellous job of squeezing out the rat-bag contractors who were employing illegal workers and exploiting them.”

Recent changes to the skilled migrant scheme have had an impact. One manager in the tourism /hospitality sector told us “until you can give us proper local replacement don’t take away our good people”. He said that recruitment and retention of staff was his biggest challenge. “Training new staff – basic induction kills our labour budget”

## Low pay

People working in the health and disability sector described a starting rate just above the minimum wage. In order to make ends meet staff picked up extra shifts and worked up to 50 hours a week. We were told that “you have to watch people” to ensure they don’t work more hours than that. Health workers in the private and NGO sector earn significantly less than those in District Health Boards (DHBs). A senior nurse in the private and NGO sector was paid the same as a new graduate nurse in a DHB. Pay rate differences were estimated at over \$5 an hour. Pay differentials between the public and private providers were driven by funding differences to the two sectors.

Managing on a single income is becoming more difficult, especially when income derives from a low paying job or from a benefit. Rising electricity prices do not just have an impact on the ability to keep warm, but also on the cost of cooking. We were told “Fish and chips are cheaper” once the cost of shopping and cooking are factored in. Being cold with an inadequate diet both have health costs, such as respiratory illnesses like asthma. Rents are also going up and maintenance is not being done on rental properties.

## Seasonal work and benefit system

Benefit abatement regimes when people undertake seasonal and/or casual work was seen by a number of participants as a barrier to employment. This was particularly acute when the season included periods without work. One group suggested that income from seasonal work could be spread across the whole year for the purposes of determining benefit levels. Another group discussed the problem of lack of income support when there was a gap of a few weeks between work being available. “People can’t get help straight away, there needs to be an immediate emergency benefit between work stopping and starting again”.

## Health and safety

A number of people discussed health and safety issues. No-one disputed the need to provide a safe and healthy workplace. For some employers compliance with health and safety processes were considered to be onerous and involved too much paperwork. “Spending additionally on compliance doesn’t allow money to be redirected to staff” one employer said.

In particular, documenting near misses was singled out as unnecessary and ineffective by two employers. In other workplaces, the requirements in regard to near misses was viewed as a helpful part of continual review of potential hazards and assisted in their goal of achieving a zero lost time accident rate. “I think they’re (near miss records) important, they help you identify your concerns and help you establish a trend or a pattern” said a self-described ‘health and safety Nazi’.

Several of the workplaces visited operated twenty four hours, seven days a week. This was acknowledged as being hard on families. Fatigue caused by disturbing sleep rhythms takes getting used to and some people can’t make the adjustment. A shift pattern designed to minimise sleep disturbance had been devised by one company. Employees worked four twelve hour days on and four days off. The four days on were worked as two night shifts, a break of twenty four hours and then two day shifts. “The reason we designed it was it doesn’t bugger up your body clock”. One person found that after the night shift he would stay at work and “chat to a couple of guys for a while” and this helped him readjust.

In two of the workplaces visited, we were particularly struck by the level of commitment to health and safety by the health and safety officers and the degree to which that commitment was supported by co-workers. One woman responsible for health and safety said that she was “pretty passionate” about it and had successfully made the case to be based out on the floor rather than be office based because she needed to be “out where it was happening”. She said that shared responsibility for keeping each other safe had now become routine.

## Working hours

Not all workplaces and work requirements could provide the working hours that employees preferred and that was accepted by staff. For example, health workers were required to start at 7am in residential care facilities in order to be available for busy periods such as breakfast. However day care centres started at 7:30 which created an unmet demand for a later start time. In another workplace the number of available staff constrained flexibility. “If things turn to custard it would be great if you had someone on standby – someone in the cupboard, that would be good but it will never happen”.

A number of workplaces have informal arrangements in which workmates “work it out between ourselves.” If someone wants a day off then “we can make it happen, you know if it comes to your turn then it will happen for you.” These workplaces provided autonomy to employees to manage their own work arrangements and there was a high degree of trust between workers.

The work demand from peak times of a number of businesses was a challenge for families. A manager in the hospitality sector told us “our busiest time is Christmas, and we work at weekends, people, families want to get together, our biggest challenge is time with family.”

The working break legislation was mentioned by one employer as a problem when shifts were shorter than the standard eight hour day, he said that people who worked a six hour shift were now entitled to a half hour unpaid break and two paid fifteen minute breaks, and that people employed for three hours also had a break. He was finding it difficult to manage break times and had needed to introduce more people to ensure service cover.

## **Childcare**

Lack of early childhood centres in rural communities leads to innovative solutions. We heard about beds in the front of the ute, intercoms between the shed and home and children accompanying their parents while they worked. “Children have real experiences – it builds resilient children.”

## **Paid parental leave**

One father said that two weeks paid parental leave on the birth of a child for fathers would be great. He also proposed six months PPL for mothers followed by six months PPL for fathers. This would enable mothers to return to work and for fathers to be primary caregivers early in a child’s life. Lack of eligibility for paid parental leave for those engaged in seasonal work was raised. Despite continuous employment, parents who are not employed by one employer during the eligibility period miss out on receiving PPL.

## Family businesses

The advantages and challenges of employing whanau were discussed in a number of Māori and Pakeha businesses. Expectations were said to be higher in a family and we were told that it is “easier to growl because it’s family” and when there was a disagreement you could “hug and make up.” However when disciplinary issues came up or when redundancies were necessary it was “really hard” when family was involved. People worked hard to get family members into other jobs. Maintaining the boundaries typical in conventional human resource practice was much more difficult in family businesses. The work ethic for a family business was different one business owner told us. “You don’t have a clock in, clock out mentality, but do it (work) as long as it takes to work.”

## Recruitment

Several employers mentioned the cost of making poor employment decisions, based on their experience of hiring someone who interviewed well and “looked good on paper”, but who subsequently turned out to be unsuitable. For this reason they supported trial periods and argued for an extension for smaller businesses. Farming families said that they felt vulnerable when they employed somebody. “If you are a couple and you add one person to the household then you need to be able to get along” a farmer said. It was felt that current employment law did not fit rural communities. These employers were not aware of existing mechanisms for including work sampling as a selection tool. However an on-the-job evaluation as part of the selection process was being used successfully in one work site visited.

## Conclusions

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We are developing a comprehensive picture on the characteristics of being a good employer in response to our question to employees “What do you like about working here”? We fully realise that we are more likely to gain access to worksites that have good working relationships with staff than not, and that the workplaces we visit may not (and are not intended to) be a representative sample. However it is extremely helpful to identify best practice and to hear from employees what is valued.

Youth unemployment is a significant concern. There is a need to build capability and sustainable employment for young people; especially those at risk. The importance of education pathways to decent and sustainable employment and to address skill shortages is particularly acute as the demand for low skilled and unskilled labour diminishes or is only available in precarious work.

The recession has highlighted the variability of business skills in companies. Access to business advice in particular for start ups is needed.

Significant sectors of the economy rely on casual and seasonal work. Variations in demand for labour are a feature of these sectors in boom times and in the recession variations are accentuated. This has a major impact on household incomes, business viability and labour supply, both in the short and long term.

## Recommendations

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- Youth employment strategy. Cross party commitment to a national youth employment strategy. A multipartite approach which includes government, unions, employers and the education sector with a ten year framework to avoid a piecemeal approach that is subject to the vagaries of the three year election cycle.
- A specific focus on Māori employment outcomes as the issue of youth unemployment is particularly acute for Māori youth.
- Business skills development. Mentoring for business start ups is supported by the provision of funding from the Ministry of Economic Development.
- Benefits and precarious work. Review the benefit abatement regime across the year to ensure the fullest possible labour market participation by those working in seasonal and casual work.
- Good employer advice. The Human Rights Commission in partnership with employers develop a register of best practice good employer advice.