

National Conversation about Work

Hawke's Bay Regional Report



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Introduction

The Hawke's Bay region encompasses the area around Hawke's Bay on the east coast of the North Island. The region is bound by mountain ranges to the west and north, (the Ruahine, Kaweka and Maungaharuru ranges) coast to the east and the Wairarapa to the south. From the mountains, the land steps down towards the coast, flattening out to become the Heretaunga Plains.

Hawke's Bay has a population of 147,783 at the last census. The proportion of the population who identify as European is 80% which is much higher than the national average. Māori are 23% of the population compared to the national average of 15%. (In the census people may identify as belonging to more than one ethnic group, hence percentages adding to more than 100). The vast majority (85.5%) of people in Hawke's Bay live in the urban areas of Hastings District and Napier City.

The area has a sunny Mediterranean climate and is one of the warmest and driest regions of New Zealand. Agriculture is strong and broad based, with an emphasis on pastoral farming and horticultural activities. Hawke's Bay has the largest area of land engaged in horticultural business activities in New Zealand with around 18,000 hectares, mostly on the flat and fertile Heretaunga Plains. This is complemented by an export-oriented primary food processing industry that includes both international and locally owned companies. Agriculture and Food Manufacturing (including beverages) account for 30% of the GDP of the region. Pastoral and horticultural farming and processing have long been the most significant industries in Hawke's Bay and vineyards and winemaking have grown in importance in the region since the 1980s.

The population is concentrated in the land between Te Mata Peak and the twin cities of Napier and Hastings. Together the population of the two cities are 126,000 which make it the fifth largest urban area in New Zealand. One participant argued that given the population base the area should be considered as a venue for (rugby) test matches. Other participants thought that Hawke's Bay should also have an international airport and a university. Central Hawke's Bay, south of Hastings is predominantly rural, dotted with

the townships of Waipawa, Waipukurau and Takapau. Southern Hawke's Bay is now called the Tararua district and is part of the Wanganui /Manawatu region.

A large earthquake in 1931 in the region resulted in major rebuilding of Napier and Hastings in the art deco style. Tourism in the region is focussed on food, wine, sun and art deco architecture.

According to the last census, the median age in the Hawke's Bay region is 37.5 years, which is slightly older than the national average of 35.9 years. The region has more young people than the national average with 23% of the Hawke's Bay population being under 15 years. Over a third of young people in Hastings District and Central Hawke's Bay and 26% in Napier City are Māori.

The most common occupational group in the Hawke's Bay is labourer. Median incomes (half earn more half earn less) are lower than the rest of New Zealand according to the latest census. In Hawke's Bay 45% of the adult population (ie over 15 years) earned \$20,000 or less compared to 43% for New Zealand as a whole.

Within Hawke's Bay, Napier City has the highest proportion of youth with post school qualifications and the lowest proportion of youth with no qualifications. In the Hastings District almost a quarter of all young people have no qualifications and in Central Hawke's Bay just over a quarter have no qualifications. Between 5 -6% of young people in these areas have bachelors degrees or higher.

Employment

Department of Labour regional statistics combine Gisborne and Hawke's Bay. The unemployment rate for Gisborne/Hawke's Bay up to the year June 2009 was 7.0%, up from 4.9% the previous year. The national average for the year to June 2009 was 5%. According to MSD data unemployment is heavily concentrated in the 15-24 year age group. Figures for 2007 show that 13% of young people were unemployed, compared to 3.6% of 25 -44 year olds and even less 45-64 year olds. Labour force participation rate at 67.7% was only slightly below the national average of 68.6%.

The Commission visited Hawke's Bay in October 2009. The Wairoa district was visited in September, and is included in the

East Coast report. At the time, signs of economic recovery were being reported, but unemployment rates were still rising.

Process of engagement

The Commission met with 104 people in 22 different engagements - with employers and/or employees from key regional industries and with a range of local groups. 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 Hawke’s Bay 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) and on the project website (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.

The following groups and individuals were participants in the Hawke’s Bay region:

Tourism

- Art Deco Trust, Napier
- Hawke’s Bay Wine Country Tourism Association, Napier

Horticulture

- Mr Apple, Whakatu
- Pick NZ, Hastings
- Hawke’s Bay Fruitgrowers Association, Hastings
- Agworks Labour Supply, Te Awanga

Food processing

- Holly Bacon, Hastings
- Hawthorne Coffee Roasters, Havelock North

- Kintail Honey, Takapau
- Bernard Matthews Meat (Meat workers Union), Waipukerau

Local government

- Hastings District Council
- Venture Hawke's Bay, Napier
- Central Hawke's Bay District Council, Waipawa
- Mayoral Forum for Jobs, Waipawa

Community groups

- Deaf Aotearoa, Napier
- Tom and Pihoro Mulligan, Matahiwi Marae, Whakatu
- Tiare Ahuriri Pacifica Branch, Napier

Health sector

- Hawke's Bay District Health Board Programme Incubator, Hukarere College Eskdale
- Bridget Robson and Jordan Waiti, Te Rōpū Rangahau Hauora a Eru Pōmare, Otago School of Medicine in Wellington

Other

- Willy Ransfield and Natalie Rogers, Design Studios, Havelock North

Weathering the recession in Hawke's Bay

Unemployment has had an uneven impact in Hawke's Bay, as elsewhere. People in the Deaf community reported job loss through redundancies and enormous difficulty getting work or even an interview. This was not helped by the absence of a resident sign interpreter in Hawke's Bay and recruitment processes that disadvantaged those for whom communication modes are different. We were also told that, as a result of cuts to Adult Community Education (ACE) funding sign language classes were under threat.

Young people are also hard hit. The youth population in Hawke's Bay has a higher percentage of Māori and Pacific peoples than other demographic groups and young Māori and Pacific peoples

are particularly vulnerable in the current labour market. Employers we met frequently expressed a preference for skilled and experienced workers. Lack of work experience and “basic work skills” is a barrier to employment for young people. Young people from the Central Hawke’s Bay Youth Council who were still at school told us that it was very hard to get part-time work in the district.

We observed some exciting and innovative programmes with a youth employment focus in Hawke’s Bay. Programmes developed by Hastings District Council in conjunction with Work and Income have enabled a number of hard to place youth to get into short term jobs that provide a positive work experience, build confidence, work skills and provide labour for much needed community projects. Young people in these programmes are seen in the community (by potential employers) as workers.

An outcome of the recession that is likely to persist is reluctance on the part of employers to take on new staff. We were told that business owners were “scared of hiring staff” for fear of getting it wrong.

Employers of seasonal workers said that rising unemployment had led to expectations that they would hire local people and that Regional Seasonal Employment numbers had been cut for the coming season. A number of employers anticipated labour supply problems in the coming season. A bumper harvest was expected but at the peak of labour demand, in March, there is a predicted shortfall of 2,500 workers.

The time required to recruit and get migrant workers in place is considerable (six months we heard) and so forward planning is essential. Employers told us that local labour of the standard needed for the work required is in short supply despite the numbers of unemployed. They need people who are reliable, consistent and willing to do the job. One employer said “It’s repetitive, boring, hard work and not particularly well paid, they’re (migrant workers) not replacing suitable New Zealanders.” He continued “WINZ tell us they have suitable people and they don’t.”

One work supervisor told us “you need to be physically and mentally healthy to do this work. It’s not fair to send people out to do the work if they can’t do it.” A number of participants in our

conversations emphasised the need to ensure that short term work placements are successful, especially for those people who are viewed as at risk in the labour market. “You have to make sure these guys have a good experience” said one. “It’s not good to fail” said another. A positive experience ensures increased confidence in applying for jobs and a sense of engagement in the workforce.

A number of participants talked about the lessons learned from the large scale lay offs of workers in Whakatu and Tomoana in the 80s and 90s. Job loss has had a profound and enduring impact on both communities and individuals. The long term health effects of redundancy on Whakatu and Tomoana workers were significant. Mental health impacts included higher levels of suicide and self harm. We also heard of increased rates of domestic violence. We were told that families broke up, and one participant told us that some men left for Australia and are still there. Many workers accepted jobs with poorer working conditions and lower pay.

Marae based tourism is one of the enterprises that have provided jobs and income into the area. Marae experiences are linked to other events such as waka rides. In the future links to visits to Cape Kidnappers gannet colony and/or winery tours are proposed.

Minimising the harm of redundancy includes providing information about entitlements and support available. This includes addressing the stigma attached to receiving benefits. We were told that a number of families suffered considerable hardship because redundant workers did not want to go on the dole. Support for the emotional devastation is also critical. (At Whakatu) “the support came late, local authorities didn’t realise, so they didn’t get behind it straight away, it took a while. At Tomoana we had a better idea. An important lesson was to make sure that if you are feeling down and out, talk to someone” a person from the area told us. Another was the risk associated with the reliance on one single large employer on predominantly Māori communities. We heard that another of the lessons of the Whakatu closure was: “don’t have all your eggs in one basket”.

We were told that employers also found the process of making people redundant very difficult. Some experienced considerable tension between their desire to show appreciation to long serving, loyal staff and their need to follow the proper process “by the

book.” This meant that employers felt constrained in rewarding loyalty.

As in other regions visited, “the recession has exposed some quite unsophisticated business practices” we were told. Subsequent to the job summit the regional economic development agency Venture Hawke’s Bay promoted a two part recession plan for the area. One part focussed on immediate needs such as providing Human Resources support and advice, help to refinance loans, help with renegotiating tax arrears and help with repositioning marketing and business plans. This support is provided by the Chamber of Commerce and the Napier City Council. One of the strategies used was to contact businesses as soon as rumours of lay-offs were heard and offer help. This has enabled Venture Hawke’s Bay to engage with businesses which up until now have not been involved with the agency.

Longer term interventions are provided by Venture Hawke’s Bay. One focus is to ensure that businesses (and the region) retain expertise so that they remain viable after the recession is over. “It is important to retain the critical mass of expertise” we heard “after a five year search for expertise they’re the last thing they (businesses) need to lose.” Other long term strategies promoted is the need to retain international connections to customers and to use down time to increase value through productivity gains. This might include research and development and the development of process or product innovation.

One participant said that it was easy to get people jobs when they already have jobs, so schemes that put people into work such as Taskforce Green and Community Max would assist them to obtain sustainable jobs when the recession eased.

Janet Takurangi at Venture Hawke’s Bay advocated an “eco-system” approach. She said that if an anchor company falls over it’s not 100 jobs that go but 400. If you “map the supply chain that supports the anchor company” you see how inter-dependent businesses are. This observation was echoed by accounts of the effect of the closures of Whakatu and Tomoana on other businesses. “In Whakatu lots of other businesses fell over.”

Reports on the impact of the recession on tourism in the area were mixed. It was estimated that tourism was down about 7% but

paradoxically some sectors were seeing an increase in accommodation requirements. We heard that operators were trying to hold prices and reduce costs so that profit margins could be held. Cost saving measures included laying off casual staff, business owners doing their own cleaning and not going away, which eliminated the need to put in a manager to mind the business.

Tourism operators said that part of the attraction of Hawke's Bay for backpackers was the prospect of seasonal work and that this was threatened by RSE workers employed for that work. They argued that if backpackers were not offered the work they wouldn't come to the area, which had a flow on effect of reducing the likelihood of return visits later and of families joining the backpacker for a while. It was recognised that there was a need to strike a balance between the needs of the various sectors of the regional economy, and given the importance of horticulture in the regional economy, surety of labour supply was critical.

Issues

The following themes emerged from discussions with people we talked to in the region:

- Mana mahi
- Discrimination
- Labour shortages
- Older workers
- Unemployed youth
- Skill shortages
- Work-life balance
- Child care
- Health and safety
- Secondary tax and part-time jobs
- Holidays Act
- Family business

Mana mahi

In previous regional reports, we have discussed what employees say about good employers and what makes for good employment.

These observations were repeated in Hawke's Bay in response to the question "what do you like about your job?" People in particular enjoy the camaraderie of their work colleagues. We heard from one older worker who works with a group of older workers (over seventy years old) who said that his work gang didn't need to work for the money but liked to work and enjoyed the companionship. Another person told us "my job is like my hobby".

Pride is an important part of job satisfaction. For some considerable pride is derived from having a job. A supported work provider said that the value of work to the disabled people who were her clients was huge, being able to say "I have a job, I go to work, same as everybody else", boosted self confidence and self esteem.

Another source of pride is the nature of the work itself. A young man who was employed in a task force green programme spoke of his pride in reducing waste in his city. A bee keeper asked whether after many years of working as a bee keeper whether he loved or hated bees said "bees are buzzy" and he and his colleagues then told us all what they enjoyed about the behaviour of bees. A small business owner told us how much she enjoyed the adrenalin rush of meeting Christmas order deadlines. Pride was also a feature of the Whakatu community in the days of the freezing works. "Work was everything. It brought a lot more resource into the community than family income. The Whakatu workers were proud of their kill tally. They were the top freezing works."

Being in work also builds confidence. Young people employed at the Hastings District Council through the Taskforce Green scheme talked about their increased confidence. One person said that what built confidence was that "they (council) have faith in us" and "we make them look good too."

Management skills continue to be highly valued when they are present and sorely missed when they are absent. One group of workers told us that good communication was vital. They made the distinction between "normal talk" and "big talk". Normal talk was seen as friendly and respectful. "Saying hello everyday" said one. A major workplace redesign without input from workers was viewed as particularly short-sighted and inefficient at one large workplace. This group said that they felt they had no input into decision making and communication happened only when things

went wrong. They said that the attitude of some of their managers was “You work for us and you do as you’re told.”

Discrimination

Deaf

People from the Hawke’s Bay Deaf community told us that they faced considerable difficulty accessing work. In the group of 12 Deaf we met, only three were in full-time work. The remainder were either unemployed or in part-time work (including seasonal employment) supplemented by welfare benefits. Typically work is at or near the minimum wage and there was support for policy and practice around progressive rises in the minimum wage rate in New Zealand. All were really keen to work but were finding that the process of applying for jobs was very disheartening. People wanted the opportunity to show employers what they could do and to have their contribution valued. Two of the Deaf we met told us that they couldn’t get jobs despite professional qualifications. “It was a waste of time getting qualified”, said one.

Access to employment and once in employment access to career progression is difficult at the best of times for Deaf people, the recession has exacerbated this. Some of the barriers faced by Deaf include: knowledge about employment rights in an accessible format; access to pre-employment guidance; communication problems at the interview; and employers’ concerns about health and safety which arise from lack of understanding.

We heard that Ministry of Social Development (MSD) do not fund work readiness programmes which Deaf we spoke to felt was critical to increasing their employability. It was suggested that a four week programme prior to starting at job would be helpful. Activities during that period could include orientation to the job itself, learning about the hearing culture, working with hearing colleagues, dealing with workplace issues, building confidence and EQ interpersonal skills. Lengthy time delays between applications for communication support and approval were frustrating especially for the self employed.

Assistance with developing CVs was also suggested. People said that without qualifications it was assumed that they did not have skills. They said that if skills were broken up and written down in

an interesting and inviting way then employers might understand what they could do. One man said “All they look at is what we can’t do, not what we can do.”

The public service Mainstream programme was discussed. We were told that although nine out of ten Mainstream placements do not lead to a permanent job it would be great if the scheme could be extended to local authorities. Work experience opportunities were eagerly sought. We were told that employers needed to give people a try and Deaf needed to ensure the placement was successful, “otherwise employers say (to each other) don’t employ Deaf.

A major concern of employers appears to be fear that lack of hearing created a higher level risk in terms of occupational health and safety. This belief was wrong, we were told because the deaf “listen with their eyes” and are just as aware (or more) of what is going on in their surroundings than hearing people.

The recruitment process is also a barrier. Job advertisements frequently require a phone call in response, which was difficult for Deaf. There is no resident sign interpreter in Hawke’s Bay and there are problems with the deaf relay system. On the rare occasions Deaf got short listed and interviewed for a job they needed to bring an interpreter with them to the interview. We were told that the interpreter was often seen as a “support person” by the interviewers and this was not received positively by prospective employers. On the rare occasions Deaf got short listed and interviewed for a job they needed to bring an interpreter with them to the interview. We were told that the interpreter was often seen as a “support person” by the interviewers and this was not received positively by prospective employers. There seemed to be a lack of understanding that interpreters are professionals and that their role is impartial in the communication process. This incorrect perception of the interpreter’s role created yet another barrier to job selection.

An interpreter from outside the region was available two days of the week and her services were called on for assorted tasks such as job interviews, medical appointments and legal communications. The effect was that communications were limited on days she was not available.

Communication support is critical. One woman told us “if you are in a wheelchair a ramp gives you access, my access is communication.” Yet, support such as someone to assist with telephone calls was not available which limits the opportunities for Deaf to not only access paid employment but also self-employment. Government support agencies came in for considerable criticism. A particularly frustrating experience was being told that someone would get back to you and then failing to deliver. Another was that support agencies should have a better understanding of Deaf culture than they do currently.

People with disabilities

A manager from a supported work agency told us that the hardest part of their work was finding work experience placements. “Some employers are very open to providing work experience to people with disabilities and others don’t want to know.” She thought that employers were fearful of the level of support required to make employment work, “if it’s too hard they can’t do it.” Effective strategies to overcome this reluctance included building relationships with employers so that they had the confidence that the agency would support the disabled employee and the employer to make the placement work. Ongoing support was particularly critical for people with mental health problems. This group are not the hardest to place in work but the hardest to keep in work. People become unwell and employers and employees need support to sustain employment.

An employer in a small to medium enterprise (SME) told us about the pastoral care provided to support employees who experienced periods of being mentally unwell. She told us that some of the things that helped were enabling employees take the necessary time off to attend appointments with health practitioners and understanding employees’ health needs.

The attitude of employers was important and what was needed was “getting employers to buy into the idea we’re a diverse community and employment should reflect that.” This view was expressed from disability groups and from Pacific women. We heard that uptake from government departments in the region of the Mainstream programme was disappointing, with “no government department in the region doing it well.” The Mainstream programme is designed to encourage the public service to employ disabled people. The placement is for two years,

with the first year's pay fully funded centrally and the second year half-funded with the rest of the cost met by the employing department.

Despite the high local demand for seasonal labour, funding to support disabled people into seasonal jobs was not available. This appears to be an unintended outcome of the emphasis on support into sustainable employment.

One migrant worker who contacted us during the visit said that despite her qualifications she was unable to get a job interview. She was convinced that this would not have happened if she had a more "kiwi-sounding name".

We were told that Pacific people were often overlooked for management and supervisory positions and this was possibly because "traditionally you don't put yourself forward". We heard that there "are a lot of strong Pacific women here" who are particularly prominent in the early childhood education sector but that visibility and recognition of those skills was not apparent. Pacific women told us that their experience of career guidance was to be told "what you can't do". If they voiced career aspirations they were told "you couldn't do that", that would be "no good for someone like you." While this negative expectation proved to be a spur for some to prove the career advisor wrong, for others there was concern for "kids whose confidence is knocked."

Despite abundant evidence that they had the necessary skills, experience and qualifications to take on governance roles, Pacific women we met struggled to gain positions on governance boards and committees. We have since learned that the Ministry of Pacific Island Affairs is launching new Nominations Service brochures and web-based video to support its work promoting Pacific leadership.

Preference for workers with experience has become more acute in the recession but is not new. A number of employers we spoke to are concerned about what they perceive as lack of "work readiness" in young people. Sometimes this was expressed as the "wrong attitude". On questioning the behaviours employers were looking for were reliability and consistency. Employers, not unreasonably, want workers who will turn up to work on time,

every day. However, some acknowledged that there are good and bad workers in every generation.

Some participants referred to age discrimination. We heard from several women in very different employment situations that they thought their employment options were very limited at this stage of their lives (mid forties).

In contrast one employer in response to our question about diversity in his workforce said “I don’t care if you are 80 or if you’re 16, Indian, Thai, Samoan, Tongan, I don’t care. What matters is if you can do the job.”

Labour shortages

A significant part of the labour market in Hawke’s Bay is seasonal, with fluctuating demand for workers. Tourism and horticulture/viticulture need more workers for certain periods of the year. For example, a tourism operator said that it was difficult to hire staff for 39 half days in order to cater for trade from cruise ships. Seasonal work attracts people with short term goals and so few New Zealand residents wanted to work this way. For example we heard about one fruit picker who had a goal of earning money for a home swimming pool. Another person said “I’d pick fruit to feed my family, but the moment I got a permanent full time job I’d be off.” It was felt that New Zealanders would be attracted into the industry with “higher value” permanent jobs.

There is considerable support for the Recognised Seasonal Employment (RSE) Scheme from employers. Based on information gathered from August 2008 and July 2009, only 814 of the approximately 3,000 workers who come through PickNZ are New Zealanders. We were told that prior to the scheme labour supply was less than optimal and that the scheme gave growers surety that the harvest and tasks such as thinning would be done at the right time. The “RSE scheme smoothed out the peaks and troughs of work demand.”

Employers of seasonal migrant workers and people associated with the employment of migrant workers expressed concern about an impending labour shortage for the next season. A number of employers aimed to recruit the same migrant workers each year. One employer said he was aiming for 75% return workers and that currently his return rate was 50%.

Many migrant workers save their money to send home. Remittances were often used for school fees and other costs of children's education. Others saved to accumulate enough money to get married and start a family. Other workers buy electronic goods and whiteware to ship home to their villages. Remittances are 40% of the GDP of some of Pacific countries" "If you work hard you can earn moon money" (as in astronomical amounts!) said one employer, "a good picker can gross over a \$1,000 a week, but you have to work for that kind of money". We were told that, because workers wanted to send as much money home as possible, they often spent very little on food which compromised their health.

Pastoral care of migrant workers has been raised as an issue in a number of regions. One strategy to ensure workers were well supported included making connections through sports, culture and church events with the local ethnic community. We heard that there was a paradox in that there was a high level of unemployment in the Pacific community in the Hawke's Bay and considerable numbers of Pacific migrant workers recruited through the RSE scheme.

While welfare policies included requiring compulsory medical insurance medical expenses were covered but not living expenses while a worker was recovering in the event of a major illness. Another difficult issue is employer's responsibility when employees face criminal charges. Workers are required to stay in New Zealand while they wait for criminal charges to be resolved but in the meantime they have no money if the work season has finished.

Joint ventures between employers in the varying sectors who require seasonal workers were mooted. Co-operation between pipfruit, stonefruit, kiwifruit and viticulture could ensure that work was available for a good part of the year and growers had a reliable supply of labour. Inter-regional co-operation in the migrant labour approval process would also assist. One employer suggested that employers "with a good track record" could be awarded preferred status, so that they didn't have to apply for permits each year. This would acknowledge the need for certainty in seasonal labour and the considerable investment is made in transport and accommodation for migrant workers in the area.

We heard differing accounts about the use of illegal workers in the region. In the past there has been a "culture of using illegal labour

inherent in the industry.” Workers can be illegally in the country or legally in the country but illegally working. Illegal workers were vulnerable to exploitation as they could be threatened with disclosure to authorities if they stepped out of line. Estimates of the number of “rogue labour contractors” varied between 10 -50%. There was agreement that there had been considerable improvement in addressing bad practice in the horticulture industry.

One business advisor observed that New Zealand was lucky, “we have two (population) bulges; we have a younger Māori bulge” as well as the baby boomers”. “But, she cautioned, we are not doing anything about demographic peaks and troughs.” Succession planning is an issue in many workplaces where the workforce is ageing. We heard that linking young entrepreneurs with older business owners as mentors was a strategy that helped transfer skills to the next generation.

Without a university Hawke’s Bay loses its bright young people we were told, even though it has EIT, the Eastern Institute of Technology. “They go away to university and don’t come back.” Eventually though “people in the forty plus age group return for the lifestyle and take the jobs young graduates would do.” In response, Venture Hawke’s Bay is building a relationship with Auckland University, to encourage young people into the area.

Older workers

A number of organisations employ older workers. The Art Deco Trust employs 140 volunteers, who work in the shop, are walk guides and assist with special events. Volunteers we were told were motivated by civic pride, fun and the opportunity to meet interesting people and work in an interesting environment. The Trust provided a generous petrol allowance and had no trouble getting and keeping volunteers.

“Grey gypsies” are an important part of the seasonal workforce. Grey gypsies are people who have “retired” and travel the country in camper vans. We were told that it was necessary to be reasonably fit to get the minimum wage on the piece rates in orchards and vineyards and if people don’t meet the minimum wage employers had to top up the piece rate. The physical demand of the work varied, handpicking fruit was seen as manageable for older workers by one employer while pruning was

seen as much more demanding and likely to be outside the capability of older workers. One supervisor of a gang of older workers, himself in his eighties said that there was “no risk to taking on older workers” because of their work ethic. “They want to work and they enjoy the company”.

Unemployed youth

Concern was expressed about changed funding to the Youth Transition Scheme. “There are high class providers (of transition services) in Hastings and Napier, but no funding.” “It’s important to get Māori input into training, if you show Māori how to do it, they can do it, but not when training is reading or literacy based”.

We heard that young Pacific peoples had difficulty finding employment. “Our young people do want to work, but they don’t know what is available and how to get work.” Pathways into work such as after school jobs were not taken by young Pacific peoples as working after school was discouraged. “A lot of our children are kept at home.” Pacific youth were more likely to “stay in the Bay with family” compared to young people from wealthier areas who move away to tertiary education and for “career moves”. Worries about incurring “huge debt” (student loans) inhibited further study.

Other barriers to educational achievement were discrimination and lack of support. Younger Pacific students need to counter the expectations that they will leave school and start earning. More mature Pacific students face the challenge of trying to manage study and community obligations. For example in the Samoan and Tongan communities, obligations to family and church can be very time consuming.

There are a high number of unemployed young people in Napier and Hastings and so the Hastings District Council in partnership with Work and Income have made the most of Taskforce Green and Community Max funding to create job opportunities for young people in the district. At the time of the visit 124 young people were in jobs in either Community Max or Taskforce Green funded projects.

The District Council identified that a number of community groups had work that needed to be done but did not have the infrastructure needed to employ people. As a consequence the council provides the employment infrastructure and is the

employer, while the community group is responsible for identifying the work programme and the young workers (against the required funding criteria). The idea to use this model for the Community Max funding came from positive experiences with Taskforce Green. There is also a training component to the scheme.

"It's no longer a placement scheme, the community and environment get help, young people get help" One young person told us "it's much better to be in work and not at home". Another said "it's great to get good references and experience on your CV." We were told it's "better for the government to fund employers to employ people than to pay the unemployment benefit."

We were told that during the six months on the schemes young people receive a wage and training opportunities such as assistance to learn basic skills and unit standards "plus tidying up around the edges", such as obtaining a driver licence, first aid certificates, chain saw qualifications and the like. After six months young people become "much more employable" and their visibility in the community as active working people enhances their opportunities for permanent work. "It's really important that young people have a positive first experience in the workforce, we need to make sure their first experience is a good experience" we heard.

One participant in our conversations felt that young people needed to become aware of the importance of work to community productivity, to understand what they contributed to a business and "how work works". Another said that young people were not "work ready" on leaving school. Work readiness included financial literacy and how jobs fit into the economy.

There was considerable support for a national youth-to-work scheme which supported all young people to transition from school to work. One work broker said that, at the moment young people can only access services when they leave school. She thought that an individual plan could include; career planning, job sampling and support into work. One participant thought that young people needed "much more actual experience before planning a career".

An employer said that project-based learning across the curriculum would introduce young people to real life situations and would help young people understand work better. She gave the example of children learning through putting in a playground at a local marae.

The learning incorporated maths, English, social studies and economics but most importantly helped them understand why and what they needed to know in seeing the project through.

Skill shortages

A number of sectors, such as health already have skill shortages which are likely to become more acute when the baby boomers retire. The average age of a nurse was 47 years in 2006 and the average age of farmers in 2020 is projected to be close to 60 years.

Hawke's Bay DHB has pioneered Programme Incubator which aims to inspire and mentor secondary school students into a career in health. The programme is especially designed to target young people from communities who are under-represented in health professions. The programme takes a whole health workforce approach. Year 12 and 13 students from lower decile schools with a high proportion of Māori and Pacific students experience six sessions of hands-on experiential learning which includes meeting various health professionals and hearing about their work-lives. Work experience in health is made available, which enables interested students to spend a day alongside a health professional. Currently there are 150 students, in Hawke's Bay alone, involved in Programme Incubator. The learning methodology is not to tell students about health careers but to be highly experiential in both the career and personal aspects.

Advice about scholarship opportunities is provided. The HBDHB assists students through providing vacation employment rather than provision of scholarships. Students can also choose to stay in touch electronically through purposeful designed online discussion forum boards.

We visited Hukarere College in Eskdale on the last day of classroom visits for Programme Incubator of the year. The students started the lesson, matching various actual medical devices with sort cards that required identifying the name and the purpose of the device. At the same time students used a wheelchair to experience what limited mobility might feel like.

The students met a range of health professionals who talked about and demonstrated their work. An occupational therapist asked a number of the students to attempt to take off their jumper, but with only one hand. This, we learnt was one of the challenges faced by some stroke victims who must learn different ways of achieving everyday tasks (occupations). Another person they met was a student nurse who had returned to education after becoming a young mother. She talked with pride about being a role model for her nine year old daughter. She also talked about working in a rest home and said that she loved working there “because you can make them (the residents) smile. The students were disarmed. “Oh, that’s so cool” said one.

The girls were asked about their career aspirations and advised about various scholarships that might be available to them. Health work experience for the following year was also offered and most of the class expressed interest in accepting the opportunity.

The DHB had identified 2020 as a critical year of workforce shortages and anticipated that young people needed to be recruited now to ensure sufficient recruitment and retention in the future. The need for Māori and Pacific health professionals in particular was also identified. Programme Incubator is now operating in five other District Health Boards.

One tourist operator said that it was difficult to attract really skilled chefs and front of house people. One of the issues identified was the need to pay more. “It’s an expensive economy” we were told, “people are trying to live on \$500-600 a week and it’s really hard, they get stressed and can’t enjoy their work.”

A business owner said that she had trouble getting skilled staff and her solution was to “skill them up” herself. Hiring during a period of low unemployment is more difficult “every now and then you make a poor choice, often that’s the labour market choices you have.”

Work-life balance

Several small business owners we spoke to talked about their decision not to grow their businesses. A business advisor also referred to people deciding that their business was “big enough”. Both the advisor and the business owners agreed that the decision was made to maintain a comfortable lifestyle. It was recognised that expanding the business would demand much more time and energy and a loss of the lifestyle they valued. One owner operator said “we’re happy to stay small, it’s life style for us.”

Another business owner told us that there were huge pressures on business owners and that it was difficult for small businesses to make flexible work hours and other working hours legislation work in practice. She told us that there were more than just workers in the equation. A couple with their own business told us that they took a 7 -10 day holiday every three years. “We get no income when we go on holiday.” Pip fruit industry representatives said that “this industry really cops the Holidays Act”, because 70% of public holidays fall disproportionately during the harvest period of November - April. This group felt that public holidays should be more evenly distributed.

Child care

A working mother who was also a small business owner said that she felt that child care should be a tax deductible expense. She said that entertainment could be claimed as a business expense but not child care and that this was an anomaly that needed to be addressed. We heard once again of the anomaly created when mothers on paid parental leave accrued annual leave. It is apparent that some employers are paying the accrued annual leave at current salary and others are paying the leave at the amount earned while on PPL (in effect leave without pay.)

Clarification about the requirement to provide breast-feeding facilities in all workplaces is required. The appropriateness of providing for breastfeeding in an orchard was raised with us by employers.

Health and safety

Employees in one of the workplaces visited in this region expressed considerable concern about health and safety. We were told “health and safety is a joke.” We heard that employees making

accident claims were directed to the company's own doctor, in order to minimise the accident record and therefore cost of workplace injuries to the company.

Another concern was the risk imposed by drug-impaired workers. In one workplace we were told that despite an extensive medical check prior to employment no drug clearance was required, neither were workers tested. One man said that he wanted to work in a safe workplace and that meant no drug-impaired drivers.

Secondary tax and part time jobs

Two of the participants in the region made reference to the disincentive effect of secondary tax on people with more than one part time job. One person said that his daughter had two and sometimes three part-time jobs "it's the secondary tax that kills her, it should be all one rate, there's no incentive." A new, bottom secondary tax rate was announced by the previous Government, due to come into effect on 1 April 2010. At the time Revenue Minister Peter Dunne said "secondary tax rates are not intended to tax income earned from two or more jobs more heavily than the same income derived from a single job."

The Minister's office has advised that "A new 12.5% tax code will be available from 1 April 2010 to more accurately withhold tax on secondary income. This amendment is contained in clause 52(1) of the Taxation (Consequential Rate Alignment and Remedial Matters) Bill which was reported back on 5 November."

Holidays Act

Employers in the tourism sector were unhappy with the Holidays Act and one described it as "ridiculous, confusing and fraught with tension." One told us that his restaurant had to put through at least 90 diners before costs were covered on Good Friday. The Holidays Act is currently under review.

Family business

A number of the small and medium size workplaces we visited were family owned and operated including businesses which had been in the family for generations. This raised issues of succession planning and the possibility that the next generation might not choose the family line of work. Alternatives included putting a manager in or eventually selling the business. In one

business we heard that occasionally inconsistent directions to staff between one family member and another could cause difficulties for staff, but this was recognised by the family and accepted as part of learning the business.

Conclusions

In our visit to Hawke's Bay we were struck by the need for certainty of labour supply to meet the demands of seasonal work. The economy of the region relies heavily on horticulture, viticulture and tourism. Timing in these industries is critical, for optimal quality of product. Lead in times to ensure adequate labour supply is lengthy especially when hiring migrant workers.

The high rates of youth unemployment, and in particular, Māori and Pacific youth unemployment is a tragic waste of human capital. However, we saw exciting and enterprising local government and state sector initiatives specifically targeted at this group. One of these initiatives, Hawke's Bay DHBs Programme Incubator is being replicated in other provincial regions. The Hastings District Council's innovative use of employment subsidies to assist local youth could well be taken up in other regions.

Rising unemployment rates in the global recession have been well documented. There are, however, invisible victims of the recession who may never find employment again. Disabled people are twice as likely to be unemployed as non-disabled people, regardless of the state of the economy. Those disabled people who have lost their jobs in the current downturn and who are older workers face both age and disability discrimination.

Recommendations

Hawke's Bay is the eleventh region visited during the project. Recommendations recorded in previous reports are not repeated here. A list of recommendations to date is available on the project website: www.haveyoursayaboutwork.org.nz

New recommendations which emerged during the visit are:

- The Mainstream programme extended into local government. This would encourage more employers to employ disabled people.
- Inter-regional co-operation in the migrant labour approval process. Joint ventures between employers from different sectors and different regions would be considerably aided by this.
- Child care costs become a tax deductible expense. The prohibitive cost of childcare would be removed as a barrier to the full and equitable participation of women in the workforce.

Good Ideas Register

We have also begun to compile a good ideas register, in the hope that these ideas are disseminated widely and adopted by other workplaces or regions. We will be adding the following initiatives to the list.

- Hawke's Bay District Health Board's Programme Incubator
- Venture Hawke's Bay's regional planning in response to the recession. The agency also prepares its own labour market and business data to enable deeper analysis of needs and trends.
- The unique partnership between Hastings District Council and Hastings WINZ to make the most of employment subsidies to provide youth with valuable work experience.