

The Jobs Letter

No. 127

14 July 2000

Essential Information on an Essential Issue

KEY

UNDER-20 AND OFF THE DOLE

PAUL HAWKEN
IN CHRISTCHURCH

AFTER HUNN

SKILL SHORTAGES

DIARY

20 June 2000

Steve Maharey announces the government's response to the Hunn Report (the Ministerial Inquiry into the Department of Work and Income). He wants an increased focus on employment from Winz and a greater regional flexibility in the department's approach and culture. Maharey: "This is the start of a fundamental change for the Department." (See feature in this issue)

21 June 2000

Student leaders are disappointed to learn that the government has earmarked only \$209,000 in extra funding for Student Job Search. They say that this "small grant", combined with a failure to restore the Emergency Unemployment Benefit (EUB), will see many students returning to campus foodbanks. APSU President David Penney says that the extra money will create some employment opportunities, but it falls well short of the money needed to assist the 20,000 students affected by the restrictions on eligibility to the EUB.

A group calling itself the Christine Rankin supporters group has announced its formation by sending an email to Radio New Zealand's Kim Hill show. The group says it will take a range of initiatives aimed at deflecting public criticism from Ms. Rankin. The group has adopted the Siouxie and The Banshees song "Christine" as its anthem.

- Deputy Prime Minister **Jim Anderton** wants to guarantee that **every New Zealander under 20 years of age is off the dole**. In a speech last week, the Minister of Economic Development said that instead of the dole, everyone under 20 who didn't have full-time work should be offered a place free-of-charge in education or vocational training, such as an apprenticeship.

Anderton: "New Zealanders often ask politicians to be a bit more visionary. I said one of the visions I have is of a fully employed New Zealand ... I don't understand why, as a nation, we don't pay young people as much for their education or training as we currently pay them on the dole. I am not saying that people should be compelled not to go on the dole, but there should be opportunities for training, education and work so that going on the dole is not the option that you have to take."

The Dominion reports that Anderton is presently drawing up policy proposals to guarantee that young New Zealanders do have such opportunities. The policies would include tertiary students and other under-20s in training being paid the equivalent of the dole.

Employment Minister Steve Maharey says that the Anderton proposals are **aligned with Labour Party policies**. Maharey: "What Jim's saying is consistent with Labour's point of view that young people ought to have options to be involved in work training rather than be on the dole..."

- Former Social Welfare Minister **Roger Sowry**, however, dismisses the proposals as "little more than wishful thinking", and would cost a "huge amount of money". Sowry: "Some things are just not affordable without another round of tax increases. I think the real point is that we've got an economy slowing, we've got unemployment in the regions starting to rise, and we've got a Minister of Economic Development looking at spending money rather than how we should create it..."
- The **nursing shortage** has forced the cancellation of operations in Wellington, while Auckland hospitals are **struggling to fill nearly 260 vacancies**. (Auckland Healthcare needs 195 nurses, South Auckland Health needs 44, and Waitemata Health needs 20.)
The New Zealand Herald reports that the shortage, particularly of experienced nurses, can be blamed on low pay, high student debt, lucrative job offers overseas, and high levels of stress. And the shortages are further compounded by a lack of junior doctors.
- Health Minister **Annette King** blames the previous government for the nationwide nursing shortage, saying it was told of the problem three years ago but did nothing about it. But what will King do? She is setting up a workforce advisory committee, yet expects this to take another three months to be established. King: "We know that there are some overseas countries we cannot compete with, and young people want to travel overseas anyway ... but there are certainly other issues, like conditions of work and student loans, that hospitals can look at."

The Jobs Letter : ESSENTIAL INFORMATION and MEDIA WATCH on JOBS

EMPLOYMENT, UNEMPLOYMENT, the FUTURE of WORK, and related EDUCATION and ECONOMIC issues

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The Jobs Letter

DIARY

22 June 2000

The Ministry of Youth Affairs is to expand the Youth Services Corps programme, with an injection of \$180,000. The Youth Service Corps is a 20-wk development programme that combines community projects with practical education and challenging recreational activities. It caters for 16-20-yr olds who have been registered as unemployed for over three months. The extra money will fund additional programmes in Auckland and Rotorua.

The Christine Rankin Impoverished Survivors' Independent Society (CRISIS) has been formed in Otago, in response to the Christine Rankin supporters group announced yesterday. The support group is aimed at students dealing with the fallout of Winz bungs. CRISIS spokesperson Ayesha Verrall: "Many of our members have had their loans or allowances delayed, had debt collectors set on them and struggled to make ends meet this year. So we also know that sometimes people just need support..."

23 June 2000

The consulting firm Morgan and Banks has found that practically all unemployed Chinese and Korean immigrants with IT skills could get jobs in NZ ... if employers got over their "xenophobic attitudes". The company criticises NZ firms for being unwilling to hire non-western staff, or absorb someone from a different cultural background by putting in some support structure.

27 June 2000

Scientists have completed deciphering the first draft of "the book of life"— the 3 billion chemical "letters" that spell out the human DNA genome.

INL newspapers have launched a major new website combining many regional newspapers, as well as the major dailies in Wellington and Christchurch. It can be accessed at www.stuff.co.nz. The new website also includes a revamped Jobnet database which covers situations vacant advertisements from all over NZ. This can be accessed at www.jobnet.co.nz.

- **Timber industry** leaders say that a **serious shortage of trained workers** is threatening their industry, and they want urgent steps taken to meet an expected huge increase in labour demand. The timber harvest is **expected to double** in the next ten years, and will require a 50% increase in the workforce.

Most timber companies report that they have their existing skilled workers at full capacity, and the labour shortages are in all areas, from logging teams to saw doctors. The companies fear that production could be seriously affected at a time when **overseas markets have picked up** and many trees are ready to be harvested — particularly in regions such as Northland, Gisborne, Wairarapa, Hawke's Bay, Marlborough, and Nelson.

- Forestry leader P F Olsen Ltd has put together an industry consortium's training proposal to put to government, which asks for **more assistance with on-the-job training**. Spokesman Peter Clark: "There is unemployment out there with people leaving school and doing nothing, except going on the dole, and this is a crazy situation with work being available and more coming up..."

The latest industry figures show that there are 9,000 people employed inside forests, and 5,500 of these are doing on-the-job-training. A skilled person can make \$500 net a week working on a forestry harvesting crew.

- The **Apparel and Textile Federation** are also warning of skills shortages ... in the same "rag trade" that has shed thousands of workers since 1987, when tariffs started to be removed. Last week, the Association organised a conference about the need to "redesign" the domestic industry to survive the challenges brought about by cheap off-shore manufacturing, as well as a lack of young workers coming into the industry.

Thirteen years ago, there were 18,000 workers in the industry, and today, after a rash of closures and the emigration of manufacturing plants such as Bendon's, just 8,400 workers remain. After these losses, the industry is now facing a serious training and education shortfall for **the next generation of workers**. Participants at the conference report that when they advertise for workers, the people they get are usually in their 40s.

- Industry specialists told the conference that, despite the recent emphasis on New Zealand's **high-profile designers**, we may have to accept that they are not going to create plenty of jobs for other New Zealanders. Federation head Paul Blomfield says that, while the government is keen to get people working and exporting, the problems of finding skilled machinists and technical and retail expertise will hamper the development of the industry — unless the situation is urgently addressed.
- A Taranaki couple have developed a totally new **organic method of tanning possum skin**, and have met with Economic Development Minister Jim Anderton to gain his support in developing the industry for their region. Environmental Products Ltd is run by Brett Power and Katherine White, who have spent five years on research and development and their business is now ready to expand to meet the growing world-wide demand for their products.

(continued on page six)

TRENDS

PAUL HAWKEN in CHRISTCHURCH

At the **REDESIGNING RESOURCES** conference, held in Christchurch last month, 200 invited business, government, science, arts and community leaders spent two days in presentations and workshops around the theme of *Natural Capitalism*.

The conference was hosted by the *Christchurch Employers' Chamber of Commerce* and the Christchurch-based *Recovered Materials Foundation*. It included presentations from Paul Hawken (co-author of the book *Natural Capitalism*), Ray Anderson (Chairman and CEO of the Interface Corporation, one of the world's largest carpet companies), and New Zealand Prime Minister Helen Clark (who shifted her weekly cabinet meeting in order to attend).

PAUL HAWKEN argues that the environment cannot be "saved" — nor can unemployment be "solved" — as long as people cling to the outdated industrial assumption that the best business strategy is to use more natural capital, and fewer people. He told the conference that moving the economy toward greater resource productivity can drastically reduce the impact we have on the environment, while at the same time creating more profitable businesses and increasing the overall levels and quality of employment.

Several members of the **MAYORS TASKFORCE for JOBS** also attended the conference, and took time for a special meeting with Paul Hawken to discuss sustainable cities, local government, and the employment advantages that come from following a *Natural Capitalism* agenda.

In this special feature, we give an *essential summary* of Hawken's comments from this meeting.

ON RE-IMAGINING CITIES

- I spend most of my time with corporations — yet the most interesting conversation for me is about "cities", and how to re-imagine them. The fact is that cities are the basic unit of sovereignty in the world — they always have been, and still are. Cities are where the rejuvenation, and all the juice, is happening ... they are where the most imagination is, and where the most impact on people is. In the next century, cities are where *social* entrepreneurship will be much more dynamic and interesting than business entrepreneurship.

- The largest corporate sector in the world is cities. It's not insurance, not energy, not transport, it's cities. And we forget that they are corporations. They don't have shareholders, but they certainly have stakeholders.

But cities are just so much larger in scope and size than any other corporate sector, and yet they are always seen as "other", and we don't include them with business. But, without exception, a city of 100,000 people is far more complex than a company that turns over \$100 billion in revenue. In other words your city is more complex than Royal Dutch Shell or Exxon or IBM or whatever.

"In the next century, cities are where social entrepreneurship will be much more dynamic and interesting than business entrepreneurship..."

— Paul Hawken

ON FLOWS, LOOPS AND LEAKS

- What all cities lack is the fact that they don't have a map of themselves. I don't mean a road map ... I mean that cities have no idea what their inputs and outputs really are. They do know perhaps about their water, energy and things that they have direct responsibility for ... but the fact is a city is a very complex organism indeed, and what they don't have is a map of their *capital flows*. Their capital flows are not just their natural capital flows, it's also the financial capital — all the forms of capital that are going in and out.

- Generally speaking, what you find is that cities range between *capital exporters* and *capital concentrators*. Cities that are capital concentrators, like Auckland, do very well. It doesn't mean they don't have problems, it just means that they have a surplus of cash. But many cities are in fact capital exporters and they have no idea why. They wonder why they have trouble maintaining their tax base, why the kids are leaving, why their education is faltering, why the housing stock is slipping, etc. And they wonder about this because they actually have no map of the capital flows in their city.

A city that is a capital exporter is just like an organism that is slowly starving itself. With people, it's called anorexia ... an anorexic eats just a little bit less every day than the amount of energy they expend and they slowly degrade as an organism. First they become skinny but later it's a real internal breakdown in terms of the organism until they die. Now, cities don't die that way but the fact is that the analogy is perfectly apt.

Whether cities are capital concentrators or capital exporters is something anyone can feel by looking at the revenues, or population demand, or housing stock or things like that. But in fact there is no map, there's no mechanism, software, or inventory that allows cities to really understand and measure their capital flows, and get to see the changes that are occurring.

The problems attendant on capital exporters or concentrators are very different. The problems of capital concentrators are growth and sprawl and noise and traffic and pollution etc. The cities who are de-capitalising tend to have crime and unemployment and drugs, poor housing etc. But whether a city is capitalising or de-capitalising, the fact is that in both cases the strategies to create a more healthy city and more jobs is to actually the same. The strategy is to *close the capital loops*, and to plug the capital leaks. That's why it is important to understand what the leaks are.

- If you had a meter somewhere that told you how many miles to the gallon every car in your city was getting per litre and you could see the amount of money that's being exported, say from Christchurch, every second. This is happening in terms of the car stock, in terms of petrol — putting aside any mention of damage to the atmosphere and pollution. This information would give you a picture of the true capital flow of what's going on in Christchurch. And you would be astonished.

The fact is the money goes through the dealer ... but it keeps going right out of this country to Japan, to the rest of the world. The fact that money is being transacted is a good thing — but the point is that the transaction doesn't come back to New Zealand very much. Maybe they buy some lamb, maybe they buy some wool ... but the fact is it is not coming back to you.

- So when mapping the capital flows in a city you are really starting to look and ask: Where is it leaking?

Where's all the money going? Where's it coming in too? And when it comes in — keep it. Keep it and have it turn around more there in your city. This will raise more real income. And the more people who are working, the better the tax base. And so you can actually lower taxes because your gross taxable revenues are going up. All this reinforces the kind of action that you want to take on behalf of social issues, environmental issues, and quality of life in the city.

- So a healthy city is one in which you look at all the capital flows and start to close the loops. A healthy city is like a healthy watershed. A healthy watershed receives water quickly, sucks it right up and releases it slowly. A sick watershed, whether it is forested or overgrazed, receives water slowly ... the rain runs right off because the sick watershed gives it up very quickly. A sick *economic* watershed — such as a city — doesn't accept money very quickly. It accepts it slowly ... and the money goes right out of the city the next day.

ON ENERGY RETROFITTING

- My colleagues and I have worked with cities to try to reverse capital flows. In the case of energy, we have worked with a town in the United States where they have hot summers and cold winters — so there was a lot of air conditioning in the summer and a lot of heating in the winter. It has a large population of people who were not that economically well-off, they could not afford the kind of housing stock that was well insulated and energy-efficient. A great percentage of their income was going out on their utility bills ... so of course that's money they're not spending on education, or on a lot of other things. Furthermore, the energy utility was not in their town, it was a nuclear utility 200 miles away and so that money was just gone ... it didn't come back to town at all. Again, that's an unhealthy economic watershed.

REDESIGNING RESOURCES

— *growing the economy while healing the environment*

Christchurch Conference Centre
25—27 June 2000

- What is *Natural Capitalism*? Hawken says it's what capitalism might become if its largest category of capital — the "natural capital" of ecosystem services — were properly valued. Many participants at the *Redesigning Resources* conference believe that this perspective will transform our fundamental notions about commerce and its role in shaping a sustainable future.

For a fuller overview of the principles of *Natural Capitalism*, see *The Jobs Letter* No.61 (available on www.jobsletter.org.nz), or visit the Natural Capitalism website at www.natcap.org.

- The Christchurch conference brought together six leading companies and organisations who agreed to be "case studies" in workshops on how these businesses could be redesigned under a natural capitalism agenda.

These included: The Warehouse (NZ's largest retail group), Macpac (manufacturer of outdoor and wilderness equipment), Landcare Research (a NZ Crown

Research Institute), Orion NZ (A national electrical network management company), the Christchurch City Council, and the Shire of Yarra Ranges (the largest metropolitan council in Melbourne, Victoria).

The workshops at the conference were challenging and creative ... and sometimes combative and argumentative. It's not every day that six major companies and organisations open themselves up to direct and frank feedback from a cross-section of business, government and community leaders.

But the *Redesigning Resources* organisers were clear from the outset that this conference was also designed to be a catalyst for action. At the end of the two-day workshops, these six "case study" organisations committed themselves to genuine progress on their own natural capitalism agenda. They drew up specific goals covering a two-year timeframe, and progress on these goals will be reported on in the *Resigning Resources* website ... soon to be online.

- The Mayors from the Mayors Taskforce for Jobs who attended the Christchurch forum included: Sukhi Turner (Dunedin), Garry Moore (Christchurch), Claire Stewart (New Plymouth), Jenny Brash (Porirua), Michael McEvedy (Selwyn), Jill White (Palmerston North), Tim Shadbolt (Invercargill) and John Chaffey (Huronui).

- What we did is we worked with a window company, to establish a factory that would be co-owned with the city. This company would retrofit all the substandard housing with thermal panes that were manufactured in the city and then installed directly. Actually this was cheaper than buying the windows through a dealer network, and it employed people in the city. The people whose houses the windows were installed in had to pay nothing. In fact they were paid five hundred dollars for the trouble and inconvenience of having all their windows replaced ... and also because the energy audit showed that the amount of money the customers were spending on energy was far greater than the cost of the retrofit even with interest payments.

- So now what you have is the people in the houses having better and more comfortable houses, and their utility bills were actually going down. The project was providing work in the town, and people who were jobless were now being trained. We were upgrading their skills, so that they would have skill sets that would be valuable after the town was retrofitted, which would take quite a number of years. So the “wins” went right across, because we were literally plugging the energy leaks — and closing the capital flow loops as well.

ON WATER AND CAR “PARKS”

- The Environmental Protection Agency (EPA) mandated the same city to build a secondary wastewater treatment plant. The EPA said that the water that was running off the streets was polluted, which it was, because of cars. But it was going into the Tennessee River, which meant the city had to meet the new Clean Water Act, which also meant they had to build a \$100 million secondary wastewater treatment plant.

Well, it was the last thing the city wanted. They wanted clean water, but they didn't want to spend \$100 million, and the last thing they needed was a higher tax rate. This is a city that had seen industry leave, not come ... and they were trying to make the city more attractive to business, not less attractive with higher taxes.

And so again they came to us and asked: “What would you do using natural capitalism?” We studied it and looked at it ... and then we asked them a question: How were you going to tax the businesses on their water run-offs? They replied that they were going to tax businesses by the square footage of roof and parking lots. This makes sense — the bigger the footprint, the bigger the water runoff, and the more you pay a fair share. But we thought about it and said: Well, we think you should tax the runoff *by the gallon*, not by the square foot. They asked: What's the difference? The answer is that the businesses have no incentive *not* to have a runoff. There's no incentive at all.

- We showed them a plan to retrofit all of the parking lots in town. They were all classic solid paved areas built with slopes starting in the middle and draining towards the edges so that the water would go to the streets and not leave the cars sitting in water.

What we talked about is retrofitting them with permeable or pervious paving which is used in industrial parks all throughout Europe. It is standard operating procedure over there right now — but somehow America never figured that out.

- At the same time we were doing work in the city on a design to make that part of the city into a botanical garden. This area in Tennessee is actually an area of

the greatest botanical biodiversity in the United States. So that seemed like a good idea.

What we suggested is making the parking lots — whether they be private or public — into “parks” that you park cars on. So not only was there pervious paving ... but we also put very tough resistant sedges and grasses in these tiles so that they take up a tremendous amount of water, and act to recharge the groundwater. And in all the medians and perimeters of the parking lots, we planted trees that were water-loving and fast-growing that also reflected the variety of trees that were once in the area. We actually named them — just like in a botanical garden

- The point is that if you did all this you wouldn't need a secondary wastewater treatment plant. This retrofitting of parking lots means you're not contracting to a big business in San Francisco to treat waste water in Tennessee. You're treating it right there using the ground, the earth, the rocks, the sand ... which basically filter what pollutants are all in the water. So then we asked businesses: If retrofitting your parking lots is cheaper than paying the taxes, would you do it? And they said: That's a no-brainer, of course we'd do it!

- This retrofitting is a classic local job scheme. It means you're giving people work over years and years of retrofitting ... and it is good work, they're making beautiful places. They're not just working in the streets and digging them up, which is okay, but I mean they're actually making beautiful places.

We suggested to the city that since they were going to pass a \$100 million bond anyway (for the secondary wastewater treatment plant) that had to be paid for in perpetuity... we suggested that they pass a \$10-15 million bond and this bond would be used to hire youth during the summer to maintain the parking lots — to trim the shrubberies, and the trees and the flowers and so forth, because this is when the trees grow the fastest, and you're gonna have to do some trimming work. So not only would you be employing in the summer the youth in the city, they'd also be learning the unique botany of the region.

ON JOBS IN SUSTAINABLE CITIES

- These examples give you a way of thinking about a city as an organism, how to think about the flows, how to imaginatively close the loops, plug the leaks, and how you create more jobs and you reduce taxes or don't raise them. You also employ more people in meaningful living wage jobs and you retain the money that the city has within the city.

The normal idea is that, if you want to create jobs... you've got to spend a lot of money. People usually need money to make jobs. But the fact is these examples are taking the money people were already spending on their cities and re-circulating it in an entirely different ways to create local employment.

And when you look at these examples, they end up with better cities to live in, they're better cities to walk in, they're better cities for business, and they raise property values. So again, the “wins” are so endless. It sounds ridiculous, but in fact as you can tell here that the solutions are cheaper than the problems as they existed. And yet you create jobs.

Source — Paul Hawken meeting with the Mayors Taskforce for Jobs, Christchurch Conference Centre, 27 June 2000

The Jobs Letter

DIARY

29 June 2000

The National Bank survey of business confidence shows that it has slumped to its lowest levels since the 1987 sharemarket crash.

The NZ Institute of Economic research says that the shortage of skilled workers in NZ is among the highest seen in the last 20 years. Director Alex Sundakov blames tax rises for sending "the best and brightest" overseas, and leaving behind a shortage of skilled labour.

The Auditor-General says that students will owe an estimated \$20 billion by 2024, and some could die of old age before paying off their student loans.

1 July 2000

Social Services and Employment Minister Steve Maharey has taken the government's "Closing the Gaps" message to the World Summit for Social Development in Geneva.

Plans for a deep-water port at Marsden Point, including new employment opportunities and a \$15 million boost for the Whangarei economy, are unveiled by Northland Port.

4 July 2000

Jim Anderton formally announces his "jobs machine" initiatives under Industry New Zealand. It includes a Regional Partnership programme, where individual regions can apply for up to \$100,000 each year for planning, and \$2 million for big initiatives. Regions have until the end of September to lodge expressions of interest.

Also announced is an Enterprise Awards Scheme which is aimed at helping entrepreneurs and small businesses fund the development of new ideas. Proposals will receive up to \$10,000.

The government is to allow public sector employees access to industry training funding. Systematic work-based training is currently not available across the public sector, and the policy changes will allow many Industry Training Organisations (ITOs) to be funded for this training.

Paul Williams, Executive of the Industry Training federation, welcomes the change in training policy. He reports that there has already been strong growth in industry training this year, and the ITOs are delivering considerably more training than was purchased

The couple say they **cannot cope with the demand** for their products ... and they point to the development potential of having a very large possum population in Taranaki, an abundance of empty industrial buildings to process the skins, and a ready supply of labour (Taranaki now has the highest unemployment rate in NZ).

Environmental Products Ltd is looking for investment or possibly a joint venture with the government. Anderton, who is keen on developing a NZ possum fur and skin industry, has instructed a senior official with the Ministry of Economic Development to investigate the "bankability" of the couple's proposal.

- Meanwhile, **the demand for possum fur has increased** to the extent that some commercial buyers are willing to pay \$70-\$100 a kilogram for it. Last year the top price was \$45/kg.

Fabric manufacturers are now **blending the fur with merino wool** to create lightweight but strong and soft fabrics. The process of weaving the short-fibre possum fur with wool was developed several years ago, but it has only been taken into serious production in the last couple of years. John Woodward of Mohair Fibres says that the demand for fabric incorporating possum fur was now consumer-driven. He says the new prices will increase returns to trappers and shooter to between \$3.50 and \$6 an animal, depending on the grade of fur sold. It takes about 10-15 possums to make 1kg of fur.

- **Community Work** (from the **Time Use Survey** conducted in 1999 by *Statistics NZ*). New Zealanders aged 12 and over spend an average of 14 minutes per person a day on unpaid work for community organisations. Maori most commonly work unpaid for leisure and recreation organisations and Maori-based organisations.

Eating and Sleeping. The Time Use Survey also reveals that teenage and adult New Zealanders spend an average of 8.6 hours per day sleeping and 2.2 hours eating and drinking. Those who spend less time asleep are 35-54 year olds who average 8.2 hours a day, while over-65 year olds spend more time both sleeping and eating. On average, New Zealanders spend the same amount of time asleep as Australians.

- **After Hunn.** Last month, the government announced details of its response to the Ministerial Inquiry into the Department of Work and Income (DWI, or Winz). Social Services and Employment Minister Steve Maharey hopes that **an increased focus on employment** and **greater regional flexibility** will mark a new beginning for the department.

Maharey says the new Department of Work and Income purchase agreement and the Chief Executive's performance agreement will together reflect the Government's expectations of the department. Maharey: "A line is drawn under the first 18 months of the Department of Work and Income. Now we move forward. The increased regional employment focus, moving the Community Employment function to the Department of Labour, improved services to Maori and Pacific people, and a more responsive organisational and public service culture ... add up to a significant new start."

As a first step, Winz Regional Commissioners will have to **introduce a range of alternate employment approaches** from 30 November this year, as part of the wider changes to service delivery in the future. Winz CEO Christine Rankin also has been required to **produce a "change management plan"**, to be presented to the Ministers of State Services and Social Services for their consideration by the middle of this month.

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DIARY

by the government. He estimates the additional training as being worth around \$2.4 million.

5 July 2000

Topoclimate South project manager Gary Hutchinson reports that the government has taken a 40% share in the mapping side of the project, and is looking to extend the work ... initially to Northland, Taranaki, the East Coast and Westland.

9 July 2000

The position of General Manager of the Community Employment Group, now under the Department of Labour, is advertised.

Winz clarifies their position on benefits to same-sex couples (see *Diary in The Jobs Letter No.125*). For the purposes of benefit entitlement, Winz still has no provision under legislation to treat people in same-sex relationships as couples. Nikki Douglas of Winz says that there will be no loss of a main benefit for same-sex couples.

Housing NZ however does recognise same-sex couples, and this means that the income of tenants and their partners (same-sex or otherwise) will be taken into account when calculating income-related rent. This will have a flow-on effect to same-sex partners' entitlement to accommodation assistance.

10 July 2000

At Local Government NZ's national conference in Christchurch, Mayor Garry Moore calls on government to "loosen the legislative straightjacket" that hinders councils. Moore says that councils have been "...trying to tackle increasingly complex issues from within the confines that hinder local government's ability to broker effective solutions. In plain English, its been hellishly hard at times to do the right thing at the right time."

At the conference, Local Government Minister Sandra Lee promises a rewriting of the Local Government Act in a way that will see city and district councils gaining more power to act on local issues. She also envisages empowering councils to require their trading enterprises to pursue social and environmental objectives, as well as commercial ones.

Some of the specific requirements the Ministers are now expecting from Winz include:

• **The "Culture" of the Department**

- Improve collaboration and consultation with key government agencies
- Commit to informing, involving and consulting with clients, stakeholders, local government, iwi, advocacy groups and other key community groups, both nationally and regionally
- Modify corporate and business language
- Continue the recently introduced probity programme to ensure that staff act prudently in spending taxpayer money, and that sound and frugal economic management is maintained
- The Controller and Auditor General will be asked to include a property audit in the next audit of DWI and include this information with his audit report for 2000
- Revise performance indicators to ensure consistency with the purchase agreement and the publish performance indicators and results on the Department's website
- To ease workload pressures, investigate the feasibility of a nationwide rollout of the Application Line pilot that allows clients to register and apply for entitlement through an 0800 number. Moving the bulk of the application process to the call centre allows case managers to spend more time with clients.
- Give Regional Commissioners immediate authority to move to specialised case management of work tested and non-work tested client groups if they consider that this will relieve staff workload.
- Improve ways for frontline managers to be informed of and discuss changes
- Improve the capability of staff to work effectively with clients and targeted groups.
- Provide better opportunities for staff to have their say.

• **Change Management**

- Strengthened collaboration through a Chief Executive's forum involving the Chief Executive of the Department of Work and Income, the Chief Executive of the Ministry of Social Policy (MSP), and the Secretary of Labour and their senior teams for information sharing and progress reporting.
- In respect of the Department's Maori Strategy, the Chief Executive of the Department of Work and Income will work with the Department of Labour (DoL) and Te Puni Kokiri (TPK) on monitoring progress of the agreed strategy.
- For implementation of the benefit advocacy group changes, the Chief Executive will work with the Chief Executive of MSP.
- An existing senior officials group will continue work on increasing the employment focus of the Department. This may be expanded to include officials from TPK and the Ministry of Pacific Island Affairs.
- The Ministers of State Services and Social Services and Employment will receive regular reports on progress, and after one year the Minister of Social Services and Employment will review progress made in implementing the two year plan to change the culture and approach of the Department and report back to the Government.

• **Employment Focus**

- Services better tailored to local needs (e.g. work brokers will be able to adopt a regional focus rather than a site specific one where this suits the needs of the region better)
- Specialisation of services to better meet needs of clients (e.g. greater understanding and knowledge of the needs of particular client groups)
- More appropriate service to client groups (e.g. provision of services by Maori for Maori, whanau case management)
- Partnerships with communities that maximise the collaboration/co-ordination between the department, other agencies and local community groups
- Increased community involvement in the direction and priorities of each region

• **Services to Maori and Pacific Job Seekers**

- Work with DoL and TPK to develop a strategy for Maori that is aimed at improving employment prospects for this group. Possibilities under consideration include:
 - specific "demonstration regions" focusing on achieving improvements in Maori employment and in Pacific employment
 - testing alternative forms of case management within Department of Work and Income designed to deliver services in a more appropriate manner to Maori and Pacific job seekers and to focus greater case management resources on the most disadvantaged job seekers.

The Jobs Letter

DIARY

11 July 2000

New Zealand Herald reports that thousands of NZ'ers are heading across the Tasman to cash in on jobs during the upcoming Olympics. Recruitment companies are hunting staff for everything from cleaning toilets to chauffeuring athletes. The NZ hospitality trade says it is bracing itself as chefs and other restaurant workers jump the Tasman to take advantage of the short-term vacancies during the September Games.

A new service providing grants, advice and mentoring for small- to medium-sized Maori businesses will be set up by the government as a part of its Closing the Gaps strategy.

12 July 2000

Forestry company Carter Holt Harvey is to mothball its Mataura paper mill next month, with the loss of 155 jobs.

The response from Auckland businesses to Jim Anderton's "jobs machine" initiatives has been overwhelming. Michael Barnett of the Auckland Regional Chamber of Commerce says that the North Island BIZinfo centres have run out of information packs and have had to hire extra staff because of the interest.

Rural teaching principals are overworked, and their schools are understaffed, according to the NZ Educational Institute. The institute's research shows that fewer teachers are applying for principal roles in rural areas, and most rural teachers are working an average of 60 hours a week.

Editor

Vivian Hutchinson

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- improving the capacity of Department of Work and Income staff to work with Maori and Pacific job seekers, beginning with an examination of current staff training programmes
- testing the contracting out of the full range of Department of Work and Income employment services to Maori and Pacific providers.

- Speaking on the TV1 Holmes show, **Christine Rankin** said she was **upbeat about the proposed changes** to the structure and direction of the organisation. She does not believe her responsibilities were diminished as she still has responsibility for 5,000 Winz employees. Rankin argues that the department has performed well in recent times, doubling the amount of people it put into work, despite "a very difficult 24 months." However, she admits there is "room for improvement."

Rankin told Holmes that she tries her best to **ignore the personal attacks** made against her in the media by politicians, students, and unemployed groups. She also says she would not refrain from wearing short skirts and long earrings ... as these matters are irrelevant to her performance.

VOICES

on the **GOVERNMENT RESPONSE to the HUNN REPORT**

" Under his leadership, Steve Maharey said that the culture of extravagance in Winz would go — nothing has changed. He said that Christine Rankin should go — yet she is leading his fresh start. He said that there would be a greater employment focus for Winz — yet the total employment funding for Winz remained static in the Budget.

" The key problem remains. The culture of WINZ and its ongoing problems will not change while Christine Rankin is in charge. It is like trying to relaunch the Fire Service afresh under Roger Estall.

— **Dr Muriel Newman, ACT Social Welfare Spokesperson**

" Steve Maharey should be embarrassed by his insipid response to the Hunn report on management structures within Winz.

" The only piece of new information Mr Maharey has provided as a result of the costly report is that he intends to give increased flexibility to WINZ's Regional Commissioners. That comes less than a week after he dis-empowered those Regional Commissioners by stripping the Community Employment Group away from Winz and placing it under the Department of Labour.

That move has stripped regional Winz offices of \$26 million in funding, and a significant tool for creating jobs locally..."

— **Belinda Vernon, National Party Work and Income spokesperson**

" The Government's response to the Hunn Report into Winz is on the right track. While there is much that needs fixing inside Winz, I am heartened that Steve Maharey has recognised the need for the department to work much more co-operatively with community groups and advocates of the unemployed. It is high time that beneficiary advocacy groups were acknowledged for the expertise and positive input they can have on helping to improve Winz policies and operations.

" The focus from Winz since its formation has been more on paying benefits than on finding jobs for people. I am pleased that the Community Employment function of the department is to transfer to the Department of Labour. The Community Employment Group, and the groups with which it works, have suffered immensely since it was restructured into the Winz conglomerate. I hope that this shift to the Department of Labour will revive and strengthen its potential to assist with grassroots community economic development and job creation projects ..."

— **Sue Bradford Green Party Social Services spokesperson**