

## OUR WORKFORCE

### The New Zealand labour market 2004/05

The New Zealand labour market has improved considerably over the past five years, with large increases in the number of people in work and large falls in the number of people unemployed (especially long-term) and under-employed; plus, these gains were shared across most groups.

#### Participation and productivity

- The labour force participation rate jumped from 65.1% in the June 2000 quarter to 67.7% in the June 2005 quarter, which is the equal highest on record.
- Labour productivity growth has averaged a moderate 1.2% per annum over the last five years.

#### Employment

- Employment has risen by 272,000 people or 15.2% between the June 2000 quarter and the June 2005 quarter to a level of 2,065,000.
- Most growth has been in full-time work, 30 hours or more per week, which rose 16.6% or 230,000 people over this time period.

#### Skill shortages

- There was a significant easing of skill shortage indicators in the June 2005 quarter. It is unclear why it occurred or whether it will be temporary.
- A net 45% of firms had more difficulty finding skilled staff, down from a net 60% in the previous quarter and a net 61% at December 2004 (the highest since the series began in 1975); a net 26% of firms had more difficulty finding unskilled staff at June 2005, the lowest figure since March 2004 and down from an all-time high of a net 49% in the previous quarter; 24% of firms said a shortage of labour was the main factor limiting expansion at June 2005, down only slightly from the 30-year high of 26% of firms last quarter.

## Unemployment

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- ∴ Unemployment has fallen by 39,000 people or 33.3% between the June 2000 quarter and the June 2005 quarter to a level of 78,000.
- ∴ Long-term unemployment is now much less of an issue than it was five years ago. Between June 2000 and 2005, the number of people unemployed for more than six months has fallen 64%, compared with a short-term (six months or less) unemployment rate reduction of 20%.
- ∴ All regional council areas had a fall in their unemployment rate during the last five years, with those regions having the highest rates in 2000 tending to have the largest falls. All 12 regions are now at or below 5%. Northland dropped sharply from 8.8% in the year to June 2000 to 5.0% in the year to June 2005.

## Māori and Pacific peoples

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- ∴ The unemployment rates for Māori and Pacific peoples have fallen sharply in the last five years.
- ∴ The Māori unemployment rate fell from 14.2% in the year to June 2000 to 8.7% in the year to June 2005, the lowest since the Household Labour Force Survey began in 1986.
- ∴ For Pacific peoples, the unemployment rate fell from 12.5% to 6.7% over the same five years.

## Under-employment

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- ∴ Under-employment has fallen sharply, with the number of part-timers wanting to work more hours falling from 115,600 (28% of part-timers) in the year to June 2000 to 80,900 (18% of part-timers) in the year to June 2005.

## REDUCING INEQUALITIES IN OUR WORKFORCE

Improving access and  
reducing inequalities for  
disadvantaged groups

### OUR STRATEGIC OUTCOMES IN REDUCING INEQUALITIES ARE:

Improved labour market participation,  
greater access to sustainable employment  
opportunities and reduced unemployment.

Addressing the barriers to employment and  
increasing incentives to find employment for  
disadvantaged groups.

### Our contribution

All areas of the Department's policy advice and service delivery broadly contribute to addressing inequalities for disadvantaged groups. Our Labour Market and Employment Strategy, for example, focuses both on the wider labour market and on reducing inequalities by improving outcomes for disadvantaged groups.

Those who are disadvantaged in accessing job opportunities tend to be those with no or low skills. A high proportion of these are Māori and Pacific peoples, and also youth, people with disabilities, new migrants and sole parents. Improving labour market participation and reducing the unemployment rates of these groups are therefore important challenges for us.

In meeting this challenge, the Department works closely with economic development agencies, regions and sectors in partnership with other departments, agencies and labour market organisations. A good example of this is our lead role in the implementation of the Pay and Employment Equity Plan of Action in the public service, public education and public health sectors.

### The Government's vision

The key goal of the Government's Sustainable Development for New Zealand – Programme of Action, 2003 is to: "Reduce inequalities in health, education, employment and housing". More specifically, to: "Reduce the inequalities that currently divide our society and offer a good future for all by better co-ordination of strategies across sectors and by supporting and strengthening the capacity of Māori and Pacific Island communities"; and "Ensure that all groups in society are able to participate fully and to enjoy the benefits of improved production".

This is a whole-of-government policy encompassing both social and economic initiatives. It aims to reduce disadvantage and promote equality of opportunity in order to achieve a similar distribution of outcomes between groups, and a more equitable distribution of overall outcomes within society. This includes supporting and strengthening the capacity of Māori, Pacific peoples, women, youth, migrants, refugees, people with disabilities, and others. It also aims to ensure that public services are of high quality and responsive to the needs of different groups, and that new policies support this.

## KEY ACHIEVEMENTS

### Whole of workforce

See pages 36-37.

### Women in the workforce

The female participation rate is up to an all-time high of 60.9% in the June 2005 quarter.

The labour force participation rate for women has risen gradually over recent years.

The participation rate for women still remains relatively lower than for men, as women generally undertake more unpaid work and bear much of the responsibility for child-care.

Women with caring responsibilities, particularly for children, form the largest group who face significant barriers to participating in work. When making decisions about work, women often make trade-offs between different objectives, such as accessing the benefits of work and meeting their caring and wider social responsibilities. The Department's objective is therefore improving the range of choices that parents have about work, and enabling them to make choices that lead to the best outcomes for them, their children, business and the community.

Paid parental leave is aimed at enhancing the work-life balance and improving job security for mothers, by providing income assistance to enable adequate leave to be taken. The duration of paid parental leave will be extended from 12 weeks to 14 weeks in December 2005, and will provide new entitlements to employees who have been with the same employer for more than six months.

This year we drafted best practice guidelines 'Breast-feeding in the Workplace', which includes information and ideas about how businesses might accommodate the special needs of breast-feeding employees.

The Department continues to provide administrative, advisory and research support to the National Advisory Council on the Employment of Women. The Council's role is to advise the Minister of Labour on matters relating to the employment of women, make representations and submissions to public

## WORK-LIFE BALANCE

### Synthesising work and lifestyle



● HELEN DOWN – *Synthesis Marketing*

### When Helen Down stepped out of the corporate tower she made a deliberate decision to establish a business that would give her the work-life balance she craved.

"After 15 years of corporate management and international business travel I wanted to establish a business that allowed me to fully utilise my professional skills, while also providing me with the flexibility to be fully involved in family, my sporting interests and community life," she says.

Synthesis Marketing was established on Helen's 20-acre semi-rural lifestyle block in Upper Hutt, and specialises in providing small and medium sized businesses with professional marketing advice and services. Synthesis helps businesses achieve long-term sustainable growth by applying practical and effective marketing philosophies and processes. She's created a company based on part-time, flexible hours, where none of her employees works more than 30 hours per week. Despite this, the company has experienced 100% yearly growth since its inception in 2001.

Helen believes that working part time has huge professional advantages for companies and individuals. "You build in work efficiencies everywhere," she says. "You prioritise your work better, are more focused, and your concentration is more acute. You concentrate on the things you are expert at and naturally do the things that are most beneficial and profitable for the business and your customers. Everyday you make sure you are concentrating your efforts where you are going to make the biggest impact."

The flexible hours work extremely well for staff and customers also. Though they work semi-regular hours, staff always have the option to work from home or to come in at evenings or weekends when necessary.

“ We tend to attract business people who are also efficiency-focused and balancing demands on their time and resources. Our flexible approach is a real attraction for them. - HELEN DOWN ”

## OUR WORKFORCE

### He's no spring chicken but he's a big help on the farm



● NEIL SAVAGE

∴ Former bank branch manager Neil Savage had never worked on a farm before Kairanga Poultry employed him as a general farm worker.

Neil took early retirement at 55 in 2001 because work stress was playing havoc with his blood pressure. The effect of his new job on his health and wellbeing has been dramatic – his blood pressure plummeted, and his dizzy spells stopped, and he's also lost over 20kg.

The Mature Employment Support Agency in Manawatu put Neil forward for the job when the farm was looking for extra staff to build a large new poultry house. He was given a three-month contract and he worked out so well that he was offered a permanent position.

"Neil is a good worker," says Kairanga Poultry Farm owner and managing director, Jim Collin. "He's a fellow who's deeply interested in his work. Life is never dull on a chicken farm. He gets on well with everyone, always turns up on time, works at his peak, and pushes on when he has to.

"Neil's interest in motorbikes and engines led to him becoming interested in the engineering systems on the farm. We have a development programme here – there's a lot of engineering work here to keep him interested."

Neil is now considering doing an eight-week evening course in light engineering so that he can do welding on the property. When he first left the bank, Neil worked as a self-employed garden maintenance and home handyman. He also did a part-time contract job as assistant groundsman at a school. A year down the track, he got his forklift and heavy traffic licences.

“I was under huge pressure at the bank to perform. Now I'm much more relaxed. I get physically tired rather than mentally tired. I really enjoy everything I do. – NEIL SAVAGE”

bodies, and to widely promote the dissemination of information on the employment of women.

The Council has identified four priority areas of work: pay equity, work-life balance and childcare, enterprise development (particularly for Māori and Pacific women), and education and training. This year, the Council was represented on the Government's steering group (led by the Department) charged with developing a policy programme to promote a better balance between paid work and life outside of work.

#### Māori and Pacific peoples in the workforce

Despite exceptional improvements in employment and participation rates in recent years, Māori and Pacific peoples continue to have relatively high rates of unemployment and low rates of labour force participation. These groups represent an increasing proportion of the future workforce. Helping to maximise the potential of this future workforce is an essential part of the Department's core business. The Department is developing partnerships with Māori and Pacific organisations to increase productivity and achieve better labour market outcomes, as well as build Māori and Pacific responsiveness within the Department.

The Young Employees' Project is a planned series of conflict resolution workshops for Māori and Pacific youth in employment. The Department has been consulting with Youth Law about how best to encourage participation in the workshops. Connections have also been made with the Department's Young People in Employment Project; however the primary focus remains with Māori and Pacific youth.

#### Māori employment and participation

The Māori unemployment rate fell from 14.2% in the year to June 2000 to 8.7% in the year to June 2005, the lowest since the Household Labour Force Survey began in 1986.

The Department's Māori Strategy includes five key strategic goals:

- Establish active relationships with other government departments to ensure a co-ordinated approach to achieving Government's key goals for Māori.

- Design products and services that will be effective in building Māori social and economic development.
- Increase the Department's capability to support Māori social and economic development.
- Develop direct linkages with Māori to achieve long-term sustainable relationships.
- Develop flexible and responsive policy and operational processes to ensure Māori participation.

These goals align with the Government's key goals for Māori and provide a framework through which policy development and service delivery meet Treaty of Waitangi obligations and respond to Māori needs, while including Māori in the process.

The initial focus of our Māori Strategy is to build on the collective experience, knowledge and skills of the Department's staff and their Māori networks. By concentrating on internal capacity, the aim is to increase the Department's capability to improve our work in Māori communities, our ability to support Māori development, and to increase our understanding of Māori issues.

In working with Māori communities, our key focus this year continued to be a regional approach involving staff from across the Department. This practice has proved successful in responding to the preference of Māori communities for dealing with the Department as a whole.

A good example is our joint pilot with ACC and the Fire Service to explore ways of supporting marae to improve their practices in relation to emergency procedures, health and safety and employment relationships. Continuing our successful series of workshops at Pungarehu Marae (Wanganui), in August 2004 we co-ordinated a three-day workshop on dispute resolution and the accompanying tikanga. The workshop was well attended by a mix of provider, community and private sector organisations, and proceedings were made available for others within the Department to develop their own models.

Throughout the year, we met with the Kōhanga Reo National Trust to identify opportunities for collaboration. A series of educational programmes have been planned specifically for kaimahi of kōhanga reo. Workshops on good employer/employee relationships and minimum codes of practice will run over the coming year.

### Pacific peoples employment and participation

The Pacific peoples unemployment rate fell from 12.5% in the year to June 2005 to 6.7% in the year to June 2005.

The Department's Pacific Strategy aims to ensure we provide the best possible assistance, information, support and advice to Pacific peoples and communities. Key outcomes sought include:

- building strong internal networks and links with the Pacific community we serve, to help inform and influence our approach to how we work, and to inform policy development
- to be recognised as a mainstream agency that is a leading-edge provider of labour market policy advice and service delivery to Pacific peoples.

As with our Māori Strategy, it is recognised that, in order to achieve these outcomes, we must focus on increasing Pacific awareness participation in our own workforce.

The Pacific Division, which is part of the Department's Workforce group, is developing a strategy to determine specifically how best to respond to the needs and aspirations of Pacific peoples, build links with Pacific communities and provide labour market advice and services to Pacific peoples.

This also underpins the Department's contribution to the work led by the Ministry of Pacific Island Affairs to build the capacity of Pacific communities.

On the immigration front, we made changes to the requirements of the Samoan Quota and Pacific Access Category this year to help ensure all available places – including those unfilled in the previous two years – were taken up in 2005

and future years. The changes substantially increased demand for places, with almost 3,000 Pacific people approved for residence this year. These schemes give Pacific peoples with an appropriate job offer the chance to apply by ballot for permanent residence in New Zealand. We also developed partnerships with employers to assist successful quota applicants to find jobs in New Zealand in areas of skill and labour shortage such as horticulture, bus driving, meat processing, care-giving and roadworks.

The Department's commitment to working proactively with Pacific peoples was demonstrated through participation in Pacific events. This included representation at the annual Pasifika Festival at Western Springs, Auckland, in March 2005.

Other activities included working with Pacific community organisations in community training in immigration policy and procedures, and assisting in strengthening the organisational capacity of Pacific groups.

### **People with disabilities in the workforce**

The Department's Disability Strategy supports the Government's New Zealand Disability Strategy, which aims to enable the full participation in society of people with disabilities, by removing barriers to participation in society.

Our Disability Strategy has three goals, focusing on the Department as an employer (see page 50), as a deliverer of services, and as a provider of operational advice and policy.

It has four key areas which contribute to better labour market and employment outcomes:

- Improving the quality of participation in work
- Developing a skilled and adaptable workforce
- Lifting the quality and productivity of workplaces
- Improving our understanding of labour market issues and trends.

Our work in this area includes:

- education and training on disability issues

- mainstream programmes and Workbridge Service
- building and location accessibility
- ensuring website compliance with e-government strategy
- building and strengthening networks with disability groups.

Our vision is for the Department to support the full participation in the labour market of people with disabilities.

Achievements this year include contributing to the review of inequities between disability-specific supports funded through different government agencies. We also provided legislative support for the currently delayed Disabled Persons Employment Promotion Amendment Bill and developed a monitoring and evaluation framework for Pathways to Inclusion, vocational services supporting people with disabilities.

We also contributed to the Pathways Update report provided for the Associate Minister of Labour's six-weekly meetings, including work done by labour inspectors to assist in the transition to Pathways to Inclusion. This work involves advising sheltered workshop providers on their employment relationship with the people in the workshop and, where appropriate, working with them to issue under-rate workers' permits (now known as minimum wage exemptions).

We also contributed to the development of a number of resources for facilitating the employment of people with disabilities, including:

- a list of frequently asked questions for the Employment Engagement Workstream Employer Summit in March 2005
- publishing information on the costs of injury – further work in this area is planned
- research, in partnership with Treasury, on labour market outcomes for recipients of ACC earnings-related compensation, subsequently published by Statistics New Zealand.

## OUR WORKFORCE

### Focus on abilities helps garden business to thrive

An accessibility audit of 61 Department of Labour premises was done last year. All buildings leased or refurbished by the Department must now conform to the minimum standards set out in our Disability Accessibility Audit Tool. A national Departmental Premises Policies and Standards document (which refers to the Disability Strategy) is under development.

The Department has 12 active websites (see pages 160-161). New websites are developed in compliance with e-government guidelines for accessibility. Most existing websites are assessed for compliance on an ongoing basis, with non-compliant material converted to compliant html or, if appropriate, archived.



● HORTICULTURAL SERVICES

#### Employing people with disabilities, who wanted work but couldn't find it, is behind the success of Wanganui landscaping business Horticultural Services.

The business continues to grow, and now has 26 staff working from Taupo through to Wellington – 70% of whom were hired through Work and Income.

Director Graeme Musson employs several people with disabilities, including two deaf workers, one of whom has only one arm. While he initially did this out of empathy, it also proved to be an effective strategy for business growth.

When Musson needed a new worker he remembered a council worker he had seen working: "This guy had only one arm but he was doing a really good job. He stuck in my mind." Musson contacted him through Work and Income and discovered he had recently been made redundant, and also that he was Deaf.

"When I employed him he was so pleased to get a job he had tears in his eyes," says Musson. "To see him in action is fantastic. He's fully motivated and on the go all the time. He communicates with all the residents and they love him to bits."

He is thoroughly impressed with the work of his two workers with a disability. They do extra work because they feel such loyalty to the business.

Horticultural Services was subsidised to take on the two men for the first six months of their employment. Musson is currently employing another worker with one arm for a trial period.

“As a result of my time on the dole, I know what it's like for people getting up in the morning with no purpose in life – you get an inferiority complex and lose your dignity.” – GRAEME MUSSON.