



**CORE GROUP MEETING
1st JULY 2009**

Present

Mayors Alistair Sowman, Brendan Duffy, Dale Williams, Frana Cardno, Gary McPhee, Jono Naylor, Len Brown, Les Probert, Maureen Reynolds and Peter Tennent.

Apologies

Mayors Bob Harvey, Kevin Winters, Lawrence Yule, Malcolm Campbell, Malcolm Macpherson, Penny Webster, Tim Shadbolt, Tracy Hicks and Wayne Guppy.

Dale Williams welcomed everyone to the meeting and asked for feedback on the situation in their districts. Common concerns were:

- Only one year renewal of contracts for YTS, Youth Support Projects
- Loss of Enterprising Communities, Adult Community Education and Enviro Schools funding
- Mixed messages from government – seem to be stopping preventative work and are working in silos again, while talking about collaboration
- Sponsorship more difficult with less funding available from business and also philanthropic Trusts
- Increase in youth unemployment
- More companies having difficulties
- People coming home from overseas – not on benefits yet but adding to the difficulty of young people getting jobs
- Small towns just surviving
- Food banks being used by those in employment not just beneficiaries
- Short term issues will become long term if preventative work is cut
- Community expectations of support not being realised
- Dairy farmers not spending
- No new jobs being created in small rural communities
- People fearful for the future

PARTNERS SESSION

Peter Conway - Council of Trade Unions

Treasury forecast is gloomy with unemployment predicted to 780,000 by 2010 – already tracking up – 47,000. 47% of the increase is in Auckland. CTU is looking at where jobs can be created so support the home insulation scheme. We need to invest in what's good for now that will be good for the future – e.g. environment work, housing - building in conjunction with Local Government, government procurement, infrastructure, but also need skills investment in people. Temporary employment schemes need to be back on the agenda – e.g. expansion of Taskforce Green.

Government has some good initiatives – 9 day fortnight, retention of apprentices, but are small and will not solve the problems. Acknowledges that the fiscal outlook is tough. Need active labour market support for those transitioning into work or new jobs – do something better than just offering the dole. Have no detail on Government intentions around Youth Guarantee and the Skills Strategy.

- Next budget will be even tougher
- Need to prioritise actions
- Make do with what we have
- Look for other funding sources – e.g. borrow for a recovery fund
- Follow the money – i.e. around infrastructure.

Moerangi Vercoe – Industry Training Federation

Some concerns over funding in budget. Lost CPI increases for Industry Training Organisations. Youth Guarantee a priority in working with TEC. Will need to wait and see the impact of the decreases in literacy funding. Increase in the time allowed for continued funding for apprentices to 12 weeks is appreciated. Training numbers have gone up in the last quarter but decrease in core trades numbers. Some ITO's are needing to use their reserves. Some bigger ITO's have increased support e.g. BCITO - working with displaced apprentices and ECITO has put together 1million dollar recession package. Working on supply and demand with industry having more say in the links.
New Chair is Kevin Bryant – Agriculture ITO.

Samantha Seath – Economic Development Agencies of New Zealand

Every region is different but all working on initiatives with secondary schools and linkages with the labour market. Seems like a lack of coordination of programmes from government agencies and so EDANZ is looking at how they can work in partnership more. Schools business links are occurring within a number of EDA's and need to share this information more. Concerned about the number of people who do not complete their tertiary education – currently 54%. Part of this could be that better career information is needed before students embark on tertiary study and build career path for jobs of the future. Some regions do have jobs now. Concerned about Enterprising Communities funding loss. If we think everyone should be earning or learning we need to cut the barriers to participation. One good example was a programme where young people start off by experiencing eight trades and gradually decide which one they will pursue in the long term.

Phil O'Reilly – Business New Zealand

NZ is not as bad as some other countries. But we have fiscal constraints that don't allow rescue packages as seen in Australia, Britain and the US. Some businesses are still doing OK. Those people becoming unemployed are those with low or no skills, Maori, Pacific Island, young people and those in manufacturing, South Auckland and small communities. This is of concern because we don't want them remaining unconnected to the labour market. Not sure about job schemes but it is a conversation we need to have. Key actions are:

- Job retention
- Connectedness
- Skills
- Transition – building new jobs

The Taskforce has:

- Capacity to coordinate
- Moral power/persuasion
- Local knowledge
- Local leadership

Phil suggested that Mayors call together a Local Employment Action Group with the major employers and other key agencies in the district. Business NZ is working with the security and change steering group which is chaired by MSD and has participation from DoL, CTU and the Auckland Chamber of Commerce. He is not sure of the current status of this group. Concerned that the Government doesn't appear to have a clear plan. Trying to minimise unemployment but not taking a coherent view of the key factors like skills and connectedness – e.g. didn't lift the cap on polytechnics. Need to spend more on skills in a recession. We have the opportunity to do better:

- Have a coordinated view of sharing apprentices
- Increase local polytechnic and school links
- Ensure local employer linkages
- Share our own best practice

Dale thanked the partners for coming, noting many commonalities particularly that we need long – term investment not short term thinking.

OFFICIALS MEETING

Present

Mayors Alistair Sowman, Brendan Duffy, Dale Williams, Frana Cardno, Gary McPhee, Jono Naylor, Len Brown, Les Probert, Maureen Reynolds and Peter Tennent.

Apologies

Mayors Bob Harvey, Kevin Winters, Lawrence Yule, Malcolm Campbell, Malcolm Macpherson, Penny Webster, Tim Shadbolt, Tracy Hicks and Wayne Guppy.

Mayor Dale Williams welcomed the group and updated them on the work of the Taskforce. He noted the action plan and the need to get clear about responsibilities. He said that there was a lot of insecurity around in communities and that there needed to be better communication between Officials and the Taskforce as to what was happening within their agencies. Communities were concerned that cuts to community funding was removing the glue which held communities together. We need better coordination and more flexibility around how we proceed and apply the funds available.

Agency Reports

Department of Internal Affairs

Anne Pomeroy

Work behind the scenes around collaboration and the central/local government interface. Facilitate the process but don't have an active role in the work. An example would be the Enderly community in Hamilton where DIA acted as an advocate with a range of Government agencies to get a coordinated approach to the renewal project for the suburb.

Ministry of Social Development

Karen McDonald

Working hard to divert people to other opportunities rather than the benefit. Increasing resources to the front line. Loss of 200 jobs in national office to free up resources to employ more at the front line. Trialing new service model where there is extensive up front investment before people become long term beneficiaries. Looking closely at what services to purchase, focusing on skills training. Making sure there is attachment to the labour market wherever possible. Catherine McNulty also spoke about the redundancy support package and asked for Mayors help with communicating what was available to firms. It is important to get the information to businesses early. Mayors were happy to help with this.

Career Services

David Bradbury

Restructuring to align the resources to service delivery. Key target is the youth group. There will be a communication package about the changes.

Tertiary Education Commission

Richard Elwin

Pressure on rolls at polytechnics. Currently working on the investment process for 2010. The ITO's have been given extra funding to deal with redundancies – up to 12 weeks before funding ceases rather than 6. Will be aligning with the Youth Guarantee but not sure of any details yet.

Ministry of Economic Development

Roger Wigglesworth

Pleased with the good transparent action from local authorities around the cycleway. There is some positive news about consumer and business confidence rising. MED focusing on getting business more viable and competitive.

Te Puni Kokiri

Nita Kerepeti-Ikin

Working on project with the Taskforce covering three areas of research, mentoring and supporting communities. TPK also has local and regional initiatives and working on Maori Economic Development Strategies in a number of areas. Local communities want a voice and to be part of the solution. In response to a question from Mayor Len Brown about Marae development, Nita agreed to get information to Jan to forward to all members of the Taskforce.

Department of Labour

Felicity Bollen

Committed to keeping Local Authorities informed despite the loss of the regional labour market function. Still working on Government procurement issue. Have also been working on the Pacific Skills Strategy and raised whether Ministry of Pacific Island Affairs should be on the Officials Group. Also working on seasonal work action plan with the Hawkes Bay, Nelson/Marlborough and Otago/Southland regions. Suggesting to the Minister ways of engaging students with the labour market – perhaps through seasonal work. Working with Housing NZ (Tamaki project) using apprentices to work on state housing.

Ministry of Education

Kathy Phillips

Working on Trade Academies – had 113 expressions of interest, for the five academies per year which were announced in the budget. Currently evaluating the proposals and have short listed nine. Also working on school based trades within some schools and looking at dual enrolment with tertiary and vocational training providers. Alternative education review nearing completion. Kathy will provide information to Jan to circulate. Kathy also agreed to feed back the difficulty some Mayors had in engaging with their local principals and whether MoE could help with this.

There was a general discussion about how the Officials and Mayors were working and Mayors noted that they would like input into policy changes and decisions before they were made so they could reflect back what the impact of the decisions would be. There also needed to be better communication with Regional Commissioners. Mayor Len Brown noted that we may need to re-visit work schemes – perhaps increase Taskforce Green numbers and subsidies. Local Government can help with this. He said 70% of those under 25 in Manukau are nowhere and he was committed to getting to these young people. Mayor Dale Williams noted that perhaps we needed to fund some communities directly to achieve better outcomes. A Mayor's first priority is to their people. Mayor Brendan Duffy noted that frustration leads to negativity.

MINISTERS MEETING

Present

Ministers Hon. Paula Bennett, Hon. Gerry Brownlee, Hon. Anne Tolley and Hon. Kate Wilkinson

Mayors Alistair Sowman, Brendan Duffy, Dale Williams, Frana Cardno, Gary McPhee, Jono Naylor, Len Brown, Les Probert, Maureen Reynolds and Peter Tennent.

Officials A number of departmental and ministerial advisers were also present at the meeting.

Apologies

Mayors Bob Harvey, Kevin Winters, Lawrence Yule, Malcolm Campbell, Malcolm Macpherson, Penny Webster, Tim Shadbolt, Tracy Hicks and Wayne Guppy.

Minister Paula Bennett welcomed the Mayors and gave an update stating that we are in exceptional times where we have to do more with less and that the Government was not going to throw money at problems to make them go away. She said she was astounded at the levels of individual and community dependency on Government.

Funding for programmes must fit with priorities. She has a youth focus to avoid creating future problems. The Government's plan from the budget was to keep the credit rating, retain jobs and focus on infrastructure. There may be a need for some specific targeting to achieve this. In response to a question about the Community Response Fund, she said it was for essential social services which are experiencing higher need but had reduced funding due to fall in Philanthropic income. It was not intended to replace Enterprising Communities which had been discontinued so more funding could be used to increase support for getting people into jobs.

Mayors Dale Williams and Frana Cardno expressed their concern about the loss of community funding from such programmes as Adult Community Education, Enviro Schools and Enterprising Communities noting that these programmes were the glue for communities, offering preventative solutions. Another concerning factor was that the Taskforce had no idea that these programmes were being lost and had no way of informing the Government of the impacts of their loss. Mayor Dale Williams said that at this time communities were fearful and fragile and that there needed to be a much higher level of communication between the Government and the Taskforce on these issues.

Minister Anne Tolley noted that this was the Government's first budget and she realised the communication could be better. However the funding decisions made would not be reversed. There is still

\$124million allocated to ACE but this would be refocused to literacy, language, numeracy and foundation courses that lead to employment. School based funding is cut, but funding for REAP and community organisations would remain the same. She further noted that the average age of ACE participants was 46 and the Government's priority is youth. This was a tough decision but she considered it necessary at this time.

Minister Anne Tolley spoke briefly about the youth guarantee and that there would be a limited rollout this year (1100 places) with the aim to be fully operational by 2011. Providers would be funded extra for pastoral support. She had talked with the Maori Party and there would be some focus on Maori but likely to be a pilot. She also spoke of the Trades Academies, five of which would be funded in this financial year. She had been intensively lobbied to lift the cap on numbers in Polytechnics but this would be too costly – a 1% lifting of the cap would result in a cost of \$12million so the cap has remained at current levels. However, she would be watching the implications of this closely. Also have specific training for Maori youth mainly through Te Wananga Aotearoa.

Minister Gerry Brownlie said that the Heat Smart programme was progressing well and would like to partner with Councils. This could be through publicity and in some cases subsidy schemes. He urged Mayors to talk with ECCA who are running the programme. There is a lot of interest and demand would probably outstrip providers ability to respond in the short term. He further noted that N.Z. was not feeling the recession to the extent that others were. We had entered the recession earlier than other economies and so were in a different position. However, we are still significantly worse than Australia. The focus of MED was keeping businesses profitable and people in work. There is some change to the Trade and Enterprise grants offering more flexibility. Big employers were having difficulty and many were asking for Government assistance. Overall the outlook is improving but we need to focus on what we do well which is generally the land based industries.

Mayor Brendan Duffy asked about a specific programme in his district which Minister Anne Tolley said she would follow up.

Minister Paula Bennett questioned whether discussing individual projects was the best use of this meeting and Minister Anne Tolley said that it was a challenge to look through thousands of programmes, many of which she suspected were duplicating. She believes the Ministry of Education has a strong role to play and she was looking for the appropriate mechanism to do this.

Mayor Len Brown asked about Youth Transition Services which he saw as critical in his area. Minister Paula Bennett said there was a commitment to YTS but there was a need to take things a step further to ensure job opportunities and work in the community. She was also concerned about the 15,000 students who will be needing holiday work at the end of the academic year.

Mayor Jono Naylor was critical of the silo mentality within Government agencies where decisions were made with a short term view which actually led to long term problems. The challenge was to see what was underpinning programmes and hold on to the long-term view.

Minister Paula Bennett acknowledged that view and would work more closely with Mayor Dale Williams to improve communications. She would write to him explaining the Government's position on youth employment.

Mayors Len Brown, Jono Naylor and Dale Williams noted that they needed a level of detail and for Government to clarify priorities so they could add value to the meeting.

Minister Anne Tolley urged Mayors to look at what is working and move forward.

Minister Kate Wilkinson said we needed to look after businesses and that she would like to hear of initiatives around the labour portfolio that were working and what was not working. She had had positive feedback about the 90 day trial period, for example.

Minister Paula Bennett ended the meeting by saying that letters from the Taskforce are taken seriously and that she wants the country to come out looking better and to do that we would need to get back to working harder and digging deeper.

CORE GROUP MEETING

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After a general discussion about the previous meetings it was agreed that there needed to be more preparation time before the Ministers Meeting and that we needed a mechanism with Government which allowed input before decisions affecting communities were made. It was decided that to facilitate better discussion *the November meeting would be held over two days 12.00noon on 18th to midday on the 19th.*

It was further decided that we would have a conference call between meetings for administrative and discussion purposes.

Previous Minutes

Accepted as true and accurate account.

Moved Jono Naylor

Seconded Frana Cardno

Accounts

Approved.

Moved Peter Tennent

Seconded Frana Cardno

Contracts

It was agreed that all current contracts would be rolled over until the end of August when the new budget was completed after the AGM.

Moved Peter Tennent

Seconded Frana Cardno

AGM

The format for the AGM would remain as in previous years with the presentation of the Annual Report and Accounts by the Chair with supportive comments from other members. All Mayors would be emailed about the membership of the Core Group. Minister Hon Paula Bennett would be invited to speak at the AGM.

Taskforce Support

After discussion on the increased pressures coming on the secretariat it was agreed to use \$10,000 from reserves for a support fund which could be used by the executive officer to contract help when needed.

Moved Peter Tennent

Seconded Gary McPhee

Credit Card

It was agreed that the Chair Dale Williams should open a Taskforce Credit Card to prevent double handling of accounts for Chair's work.

Moved Gary McPhee

Seconded Peter Tennent

Job Summit Priorities

Mayors reported back on their priorities. *Jan to write summary report for the appropriate Mayor and Minister.*

Industry Training Graduations

After a general discussion about Sally's contract and the need to increase participation it was suggested that some Mayors would be able to personalise the invitation to potential graduates which may help attract more participants. Jan will pass this suggestion on to Sally. *Jan to discuss the coordinator contract with TEC and come back to the Core Group when decision over funding is known.*

PRESENTATIONS

Department of Labour

Monique Dawson

Within the Government priorities a labour market strategy is critical. The department is focusing on what's happening that is good. Those hardest hit are the textiles and manufacturing sectors. A lot of how business reacts is about confidence. Treasury forecast is the most pessimistic with unemployment over 10%. DoL think it could rise to 6.5% and stay there. Unemployment currently is exactly matched to the economy. However the economy is currently cushioned by the primary production – if that collapses it will mean real trouble. At this point they are holding their own.

The difference now from previous recessions is the increase in youth unemployment; however Maori are not being hit as severely as in the past due to increasing skill levels. Smart businesses are still growing e.g. the food sector.

The Department has a sector focus, particularly Dairy, Meat and Advanced Food Production. There is a high level of engagement with sectors although still some regional focus. Although the Labour Market Knowledge Manager positions have been disestablished there will still be regional labour market information available. Currently working out the best ways to provide this. There are two new roles in Auckland and the South Island – Auckland working on the new governance model and Canterbury focusing on ICT and support for the seasonal work. The restructuring is to achieve better outcomes for the department and they are thinking about holding a labour market road show and also one covering the regional tools developed over the last year.

In response to questions about the youth report for Local Authorities Monique said this was being discussed and *Felicity Bollen said she would get back to Dale and Jan on this*. The Department has just produced a report on the knowledge economy.

It was interesting to note that older people were now picking up apprenticeships and so the department was looking at how to manage the labour across the country. Monique's presentation is on the Taskforce website or available from Jan.

Ministry of Education

Karen Sewell

Karen spoke about the Youth Guarantee but also noted that it was critical for NZ to do better on early childhood which would stop many of the problems occurring.

There is a review of Alternative Education which is still in consultation phase and Mayors could comment. Karen will send out the documents.

Youth Guarantee

Limited numbers in 2010 but would be fully funded and rolled out in 2011. This will not replace existing programmes and could provide for dual enrolment at tertiary institutions and schools. The initial programmes will be provided by tertiary education providers for a certain number of full time equivalent places.

Karen undertook to work with the Education Chief Executives group to ascertain what information would be useful for the Taskforce. she also agreed to raise the issue of information flow to YTS at the principals representatives meeting.

With facing the current fiscal crisis Karen said that she needed to make decisions around what we value – prioritise actions and do the basics better. Mayor Frana Cardno said using the Mayors would maximise that communication. Karen said that education agencies were working well at the national level and she was very open to communicate with the Taskforce and /or individual Mayors.

Tertiary Education Commission information
Youth Guarantee

Mayors Taskforce for Jobs Update

3 July 2009

The Youth Guarantee is intended to increase the educational achievement of 16 and 17 year olds by providing them with improved access to study towards qualifications at levels 1-3 on the NQF in tertiary education, and improve transitions between school, tertiary education and work.

Youth Guarantee will:

- Have a limited rollout in 2010, in response to the recession and the increase in youth unemployment, with wider implementation from 2011
 - In 2010 there will be places for approximately 1,100 equivalent full-time students (EFTS)
 - Will be nation-wide provision, with EFTS allocated to high performing providers on a basis of regional need.
- Be provided by selected providers including Institutes of Technology and Polytechnics, Wānanga, Private Training Establishments and other tertiary education providers;
- Provide a range of vocationally focused programmes for 16 and 17 year olds on a fees free basis
- Focus on 16 and 17 year olds who would otherwise not be engaged in education, employment or training, but are ready to study towards a full qualification;
- In 2010, target those 16 and 17 year olds who would have entered the workforce in previous years, but are now unable to find a job;
- Ensure young people face similar incentives to access education in either tertiary education or secondary school (including access to student allowances but not student loans);
- Be supported by new careers advice and guidance initiatives delivered by Career Services.

Please note that a number of matters are still to be confirmed including the final allocation model, total funding and operational details. The TEC expects to be outlining these details in the next few weeks. For any queries please contact Richard Elwin, ph (04) 462 5242 or richard.elwin@tec.govt.nz.