

Submission to Prime Minister's Jobs Summit

By Nelson Tasman Chamber of Commerce

February 2009

Introduction

The Nelson Tasman Chamber of Commerce represents over 450 businesses in the Nelson Tasman region. All of our members have had the opportunity to submit ideas on how to create and retain jobs. Over 90 members discussed ideas at our luncheon on 20 February 2009 and a further 25 submitters have made direct suggestions.

Not all the suggestions forwarded to us will have the full support of all Chamber members, but given the importance of the issue, and the strong desire to ensure the voice of our region is heard, we have summarised these suggestions and forward them to the Summit for consideration.

The overwhelming feedback we have had both from our members and people in our region is a desire to work together and a determination to stay positive and solutions focused. Some of the ideas that came through require government investment or support. Many others do not. Some ideas are large in scale, others are more specific.

Businesses in our region are able and willing to face the current challenges and play our part in ensuring our future economic vitality. The Chamber recognises that the government will need to ensure any investment it makes is prudent and balances the cost of incurring further debt.

The key ideas from Chamber members include the need to:

- A. Invest in training and skills
- B. Invest in R&D
- C. Invest in infrastructure
- D. Invest in new technology and sustainability
- E. Develop new markets
- F. Support existing business advisory initiatives, such as Biz Info and business mentoring

Submission

A. Invest in training and skills

1. Invest in training and skills

There is widespread recognition that we need to boost industry training and lift the skills of our workforce. Training is needed for school leavers, for those mid career and for those in work

generally. There is support for the reintroduction of a scheme similar to the Access Scheme, where unemployment benefits were paid through an employer so that the person can benefit from being in work and receive training on the job and a business can continue to operate.

2. Cut down the barriers for skilled workers

Some Chamber members are frustrated by the current immigration procedures and timeframes which act as a significant disincentive to getting skilled workers here. Business needs to have a stronger voice in identifying skill shortages and we need easier immigration for those with the skills we seek.

3. Practical support to help workers get the skills and qualifications they need

Government can also work to help New Zealanders get the skills and training they need for specific jobs. One very practical example submitted to us was for the government to provide a grant for truck drivers who require a class 2 licence to cover the costs of that (we are advised that current costs are around \$1500 to get a class 2 licence and neither the transport industry or school leavers looking for work can easily afford to pay that).

4. Direct support to employers to keep skilled staff

Chamber members have identified the real risk that some employers will need to let skilled staff go in the short term but will need to re-hire those same skilled staff when the company's economic position improves. The risk is that the skilled staff are not available when needed which will hamper the company's ability to lift their performance. One solution put forward is for the government to direct the financial assistance payable to a person who will be made redundant (i.e. the UEB) to the workplace before the lay offs occur. This would enable those skills to stay onsite and ready for the inevitable upturn in the future. The details of such a scheme would need to be worked through, and it may be appropriate to limit it to small to medium sized industries employing staff with specific skills and to require businesses to demonstrate that without this support, they would certainly be making all or some of their staff redundant.

5. Specific assistance for school leavers

It will be important to keep young people motivated and in training so that when the work is there, we have a workforce willing and able to take it up. Suggestions include work based training and also creating opportunities for young people to help out with local body work projects. These young people could be supervised and have mentors which would create further job opportunities.

6. Ongoing support for current programmes

We are aware of a number of programmes with proven success records, for example Modern Apprenticeship Scheme, Workplace Literacy initiatives and Apprenticeship Literacy Schemes. These should continue to be supported and where possible expanded. Any particular issues should be ironed out to ensure these programmes are as effective as they can be. One issue with the current apprenticeship scheme is the cost to employers when apprentices are out of the workplace undertaking Off Job Training.

B. Invest in R&D

7. R&D

Chamber members recognise the need for more research and development. Our region, and New Zealanders in general, are great at good ideas and we need the support to turn those into commercial realities. Investment in research will also help lift productivity which leads to job creation.

The Chamber repeats its call for R&D tax breaks and believes a significant investment in the funding available for R&D would be of huge benefit to our region. Our region would particularly benefit from a boost to aquaculture R&D.

C. Invest in infrastructure

8. Roothing

The Chamber is supportive of the recent announcements regarding further investment in infrastructure and we believe more could be done. This region, along with many others, needs further investment in roading, broadband, water collection and sewerage treatment. Our local councils work off a relatively small ratepayer funding base and need the support of central government investment in these areas. The Chamber has already called for investment in roading in our region and the development of an alternative southern access. This access should be developed to take pressure (including congestion and pollution) off the iconic Rocks Road. This would also alleviate current safety issues on Rocks Road and enable us to develop this area for both tourists and residents of the wider region to enjoy.

9. Joint infrastructure projects

The Chamber also believes there is merit in looking at how central government can boost investment in other infrastructure projects such as Convention Centres and Performing Arts Centres. While we accept that it is easier for government to invest in areas where they have sole ownership (such as schools, hospitals and roads) investment in community assets will provide both an immediate and enduring boost to local economies.

D. Investment in new technology and sustainability

10. Invest in future productivity

The point was made that “there are any number of ‘Make Work’ schemes to stimulate the economy and help us out of the recession, but ...it is crucial that the make work schemes are an investment in future productivity, not on last centuries conventional wisdom”.

Suggestions for areas to develop include alternative sources of energy, energy conservation projects, developing Nelson as a Solar City and ensuring every house has solar panels for solar hot water.

The suggestion was also made that construction workers could be used to insulate and draft proof houses. This would provide work for this sector and reduce the costs of ill-health caused through poor insulation.

Other ideas included establishing a plant to turn fruit into ethanol for cars; local processing of recycling materials and waste; and creating glass and paper recycling plants.

E. Develop new markets

11. Off shore support for companies seeking to develop new markets

NZTE could provide greater assistance offshore to companies seeking to develop new markets. Businesses in our region would benefit from obtaining access to critical contact people and distribution points in off shore markets. NZTE staff can provide a vital brokering service – putting New Zealanders here in contact with the right people overseas and building and fostering relationships that will pay dividends in the future.

F. Support and advice for business

12. Support and promote Biz Info, Mentoring and Training

The Chamber supports the government's recent moves to boost existing business advisory services. Ensuring businesses can access information, advice and the skills they need is critical. This information will need to include workforce planning, performance and development as well as looking at ways to keep operating costs down and investment in the areas of highest return.

One new suggestion was for a service, run in conjunction with the banking sector, to help businesses get access to credit and provide the concentrated expertise they need to minimise risk to the bank and the business.

G. Support for other initiatives

13. Support existing regional initiatives and plans

Assistance could be given to Councils and EDA's to fund the initiatives and plans they already have in place. Assistance could also be given to bringing forward investment e.g. in sewerage treatment.

14. Use of innovative tourism campaigns

The Chamber supported a local innovative viral campaign, Get2Here, which ran over the summer months aimed at encouraging locals to become ambassadors for our region. People living here were encouraged to send e-cards encouraging everyone they knew to visit. An increase in effective and innovative campaigns like this are vital to ensure we can continue to employ the significant numbers we do in the hospitality and tourism industry in our region. Lessons could be learnt from what we understand has been a very effective Australian Hamilton Island campaign. Another suggestion was for Air New Zealand, travel agents and other related businesses to work more closely together to develop ideas on how to boost tourism and attract more visitors.

The suggestion was also made that we should look to explore new and emerging markets (such as South America) to increase visitor numbers and look at ways we can encourage tourists to stay longer.

15. Suspensory loan or grant for first home buyers

Consideration could be given to providing a boost for the property and building sector through a grant or suspensory loan for first home buyers to help stimulate the housing market.

16. Encourage and reward creativity

Our region is well known for its creativity. Support for our arts and creative sectors continues to be important as art, music, and events all play an important role in keeping people positive and helping people deal with difficult times.

It was also suggested that local incentive programmes could be run with prizes for people who come up with the best ways to improve the economy/jobs situation.

17. Developing the overseas market for organic food

One suggestion is that more could be done to develop the growing niche market for organic food. We have the space, as well as climatically strategic areas to support this industry.

18. Flexibility

Others have suggested flexibility regarding 4 day weeks (and the possibility of the fifth in training), job sharing, reduced working weeks, 3 month sabbatical on 30% pay rather than redundancy. We also received a suggestion for older workers to be given the option of retirement from the age of 60 – with the ability to draw New Zealand Superannuation and work part time on the same terms and conditions as beneficiaries.

Conclusion

As is clear from the range and number of ideas, there is a strong desire in our region to look for solutions and stay realistically positive.

The Chamber is committed to ensuring both our members and the wider community are kept up to date with progress made at and following the Summit. It is our view that the Summit is merely the first step and we look forward to being part of the ongoing dialogue and liaison.