

Summary of the sixth Welfare Working Group meeting, 3 September 2010

The Day

- Welfare Working Group business
- Options Paper
- Treasury presentation
- Lessons from ACC – David Caygill
- Youth, education and training – Stuart Middleton, Manukau Institute of Technology
- Employer perspectives

Welfare Working Group business

The Welfare Working Group (WWG) agreed the minutes from the fifth meeting (19 August 2010), discussed the action points and noted the correspondence received since the last meeting. Members did not have any new interests to note.

The WWG discussed the high level options for the Options Paper. The next steps are to refine the options and to develop examples of individuals to illustrate the options.

Treasury presentation

The Treasury gave a general presentation about the benefit system, with a focus on incentives, the economy and institutions. The Treasury emphasised the importance of both policy and institutional settings when assessing options for reforming the benefit system.

Lessons from ACC – David Caygill

The chair of the recent ACC stocktake, David Caygill, presented his thoughts about the relationship between insurance and welfare systems, in light of his experiences in reviewing ACC's performance and as a previous chair of the ACC board. ACC's actuarial funding model was noted as a key difference between its operation and the welfare system, giving ACC a strong rationale to undertake preventative measures. ACC's performance in reducing its long tail of claims was also discussed.

Youth, education and training – Manukau Institute of Technology

Stuart Middleton from the Manukau Institute of Technology (MIT) gave the WWG a presentation on the Tertiary High School concept, currently running at MIT in South Auckland. This programme identifies teenagers at risk of disengaging from secondary school, and provides them with an opportunity for vocationally focused schooling at a tertiary institution. This model provides flexible pathways for students – success at MIT means they can move onto getting a second year trade or associated qualification. Even though this initiative had students being enrolled in two institutions at the same time (secondary and tertiary) it only involved one set of funding.

There are 46 young people currently at MIT in this programme; the aim is to increase it to 320. MIT is also looking at replicating the model elsewhere in New Zealand.

Stuart noted that:

- one of the factors in success is a more active pastoral care role by the tertiary institution for these young people compared to its role for most tertiary students
- transport is one of the biggest barriers to students getting to MIT everyday
- there should be “porous boundaries” between the education and welfare system
- it is never too late to recover numeracy and literacy skills.

Employer perspectives

Three employers gave brief presentations about their participation in Industry Partnerships and other programmes aimed to assist beneficiaries into work. They also talked about employment issues more generally.

Ritchies New Zealand

Andrew Ritchie, director of Ritchies New Zealand, discussed his experience with training recruits for bus driver positions through an Industry Partnership with Work and Income.

Overall, he commented that the scheme worked well, but that it involved a big commitment from, and some cost to, the employer, which he was constantly evaluating. Part of the success of the programme was that it involved recruiting for an actual job rather than merely the promise of a job. Peer support from successful graduates is seen as an important part of keeping candidates committed to the programme.

Auckland Chamber of Commerce

Leah Gates from the Auckland Chamber of Commerce discussed a range of programmes the Chamber runs which aim to assist people into employment, including:

- the “New Kiwis” scheme for matching skilled migrants into positions;
- a programme to train sole parents as office administrators; and
- CadetMax, a scheme targeting at risk 16-19 year olds, giving them work experience and supporting them into jobs.

The “New Kiwis” scheme had been very successful. The success of the scheme for sole parents had been limited by the low financial returns from moving from a sole parent benefit income to a low wage job. Leah noted that the economic recession had made it more difficult to place people into jobs, while before the recession, skill shortages had been significant.

BUPA

Dwayne Crombie, CEO of BUPA, a large private health and aged residential care provider discussed BUPA’s Industry Partnership with Work and Income. He highlighted the need for Work and Income to refer candidates who are well-suited for the jobs they offer and are likely to stick with the job. Lack of self-esteem was a problem for many candidates, and mentoring and providing positive experiences is part of the training and support BUPA provided to overcome this. Candidates who previously had been Sickness or Invalid’s Beneficiaries had a very high drop out rate. Turnover of staff has dropped dramatically in the recession and now finding places for trainees was quite difficult.