

The Jobs Letter

No. 119

6 March 2000

Essential Information on an Essential Issue

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CALLING PICKERS

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8 February 2000

A change in policy at Winz caused an extra million dollars worth of food grants to be paid out last month. Winz staff were instructed on Christmas Eve to approve all food grant applications until the end of January because of the potential financial strain beneficiaries faced from Christmas and Y2K issues. Consequently, Winz payment of food grants cost the department \$1.04m more than the \$1.6 million it spent on food grants in January 1999.

9 February 2000

Thousands of students have received student loan contracts with incorrect information on it. Student Union President David Penny says that Winz will now need to prepare for as many as 22,000 students calling their 0800 number. Penny: "It remains to be seen if they can cope. We are feeling nervous about the reliability of student income and the potential for hardship in the student population over the coming weeks..." Associate Social Services Minister Ruth Dyson says the latest mistake was outside the control of Winz staff, and had been caused by a computer upgrade done by outside contractors, who had accepted the blame.

10 February 2000

Extra jobs are expected to be created in Hawkes Bay after global food giant Heinz Wattie announces it will close its only

- A group of mayors from throughout New Zealand have met in Christchurch to establish a "**Mayors Taskforce for Jobs**". The taskforce hopes to be a national focus for mayors concerned about the **future of work and livelihood** in their communities, and the mayors plan to meet regularly to co-operate on employment initiatives.

The core group of the taskforce is: Garry Moore (Christchurch), Derek Fox (Wairoa), Sukhi Turner (Dunedin), Jenny Brash (Porirua), John Chaffey (Hurunui), Tim Shadbolt (Invercargill) and Jill White (Palmerston North). Other mayors who have expressed support are Claire Stewart (New Plymouth), Mark Blumsky (Wellington), Bob Harvey (Waitakere) and Don Riesterer (Opotiki).

- The mayors point out that New Zealand has passed the year 2000 deadline for many of the goals set in the report of the 1994 Prime Ministerial Taskforce on Employment. Christchurch Mayor Garry Moore says that the 1994 taskforce described unemployment as "New Zealand's greatest challenge" and "... they felt that by the year 2000 it was entirely feasible for us to ensure that no-one in New Zealand would be out of work or training for longer than six months."

Moore: "Six years later, unemployment is still very much with us, with nearly 200,000 people still jobless in our communities. The call for people and organisations to become more effective over these issues continues to be one of the key demands of this new century. The Mayors' Taskforce for Jobs is a way that we are renewing our public commitment to addressing these issues."

Moore says that the mayors involved in this initiative are most concerned about the **long-term trends on work and income** in their communities: "Our communities are based on livelihood ... yet we seem to be creating a society that continues to have no need for the work of a large number of people. This Taskforce is affirming that there is no justification for the waste of New Zealanders through unemployment. There needs to be an organised sense of leadership about the future of work and livelihood and we must create more opportunities for our children's children..."

- Moore argues that the jobs of the future will certainly be coming from new business opportunities. However, he believes that future employment will also be driven by "our collective choices to **value the new work** that needs to be done". Moore: "This will require a shift in thinking about what we value and mayors can play **an important governance role** in leading these choices on behalf of our communities..."

The objectives of the Mayors Taskforce for Jobs are:

- to provide a national focus on the jobs issue by co-operation among mayors concerned about employment issues in their communities,
- to share "best practice" on what can be achieved on employment at the local level,
- to create local and national forums to address the "big picture" of trends of the issues of income and work.
- to link with imaginative private sector initiatives that are addressing unemployment.

The Taskforce will be launched at a special meeting in Christchurch on 6—7 April, and all mayors throughout New Zealand are being invited to attend.

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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factory in Japan and transfer production to two local Heinz Wattie sites. The company will export an extra 1500 tonnes of food from NZ in the next two years.

11 February 2000

Social Services Minister Steve Maharey rejects the idea of work-testing older beneficiaries. Maharey says he would like to develop a range of options to help mature workers back to work.

12 February 2000

Victoria University will cut 30 staff in response to declining government funding and a drop in enrolments.

13 February 2000

Social Services Minister Steve Maharey announces changes to the student loans scheme which will benefit low-income, part-time students. The income threshold at which part-time students qualify for a full interest write-off will rise from \$14,768 to \$24,596, effective from January 1st this year.

14 February 2000

Former State Services Commissioner Don Hunn will head the Ministerial inquiry into Winz. State Services Minister Trevor Mallard says the review will focus on Winz core responsibilities, including whether the objectives in establishing the department are consistent with the government's mandate for improving social policy performance. Issues such as the department's strengths and weaknesses, the quality of its business plans and issues of style and culture will also be addressed.

16 February 2000

Canterbury University reports problems with students unable to complete enrolments because Winz was not providing some students with loan authorisations needed to pay fees. Colleges of Education in Auckland, Wellington and Dunedin have also reported similar difficulties.

18 February 2000

Steve Maharey announces that the interest rate on student loans for the 2000-2001 tax year will be frozen while the government reviews the way the rate is struck.

- Opposition leader **Jenny Shipley** challenges the government to match the National Party's own performance in creating jobs and bringing down unemployment. Speaking in the first parliamentary debate of this year, Shipley says that the government should be judged on how it handles "... an economy which is in good shape."

Shipley has challenged the government to deliver 1,808,960 people in work by December this year; 1,846,920 by December 2001; and 1,875,390 by December 2002. She says that unemployment was 6.3% at the end of last year and had been dropping an average of 0.5% since September 1991. Given this trend, Shipley says she expects the Labour/Alliance government to have unemployment rates down to 5.6% by September 2000, 5.1% in Sept 2001, and 4.7% in Sept 2002. Shipley: "National left an economy that would definitely achieve those targets if no major changes were made to the economic policy framework. We will hold Labour accountable for continued good economic performance..."

- A strongly-worded government memo **banning the use of consultants** is being sent to all state agencies, according a report in the *National Business Review*. The *NBR* says that ministers have been instructed to write to their departments telling them that the coalition government does not want them to hire outsiders, and highlights the preparation of policy proposals as a particular "no-go zone". The ministerial letter reflects the desire within the cabinet to go back to developing "core competencies" within the state sector after the Winz debacles.

NBR's Ray Lilley says that the crackdown could wipe out whole divisions of Wellington's professional firms, and see bureaucrats taking on extra staff to do the work they usually farmed out. Lilley: "The Wellington consultancy community is panicking about losing massive amounts of revenue. Some Wellington firms, such as KPMG and Consultus, have built whole practices around lucrative government contracts and the consulting community is anxious about how it will survive..."

But there may be a **silver lining** to the government's change in policy: some consultants may find themselves turned back into state servants again.

- New Zealand urgently needs an **adult literacy strategy**, according to Skills NZ's briefing papers to the incoming government. The papers quote a 1997 international adult literacy study which shows one quarter of adult NZ'ers and three quarters of unemployed as having reading and writing skills below the level deemed necessary to be productive and effective contributors to the workforce.

The briefing papers also highlight major problems with the future **employment prospects of NZ young people**. Based on 1996 census data, one quarter of all 16 and 17-year olds and one third of all Maori in the same age group are not in education or employment ... which Skills NZ says puts them "at risk of failing to make a successful transition from school to adult life". The department says that this age group has no prospects of improving their circumstances without sustained interventions such as **youth training**.

(continued on page seven)

DEBATE

MAIDEN SPEECHES

The new parliament welcomes three new MPs who have extensive backgrounds in community employment issues and social services. **PAREKURA HOROMIA** was formerly the general manager of the Labour Department's Community Employment Group. **JOHN TAMIHERE** was the chief executive of Maori urban authority Te Whanau o Waipareira Trust, and **SUE BRADFORD**, a veteran activist, has been involved in the Auckland Unemployed Workers Rights Centre and the Auckland People's Centre.

In this special feature, we present edited highlights from their maiden speeches to Parliament.

PAREKURA HOROMIA

(Labour — Ikaroa Rawhiti, Associate Minister of Maori Affairs)

- I had an interesting upbringing. I grew up in a beautiful village called Mangatuna near the pa with my whanau, surrounded by the love and support of my kuia and koroua. It was a predominantly Maori community rich in culture — the culture of Ngati Porou, Te Aitanga Hauiti.

My life experiences are varied — as varied as the people I represent in Ikaroa Rawhiti. I have been a fencer, shearer, scrub-cutter, and printer. I have also worked in the upper levels of bureaucracy, which I am now finding quite handy. My past has made me the person I am today. I am the proud father of three sons and one mokopuna, I consider myself privileged in that I have worked with all sorts of people, nationally and internationally, and now I am an MP.

As a Maori member of Parliament I have a dual responsibility: a responsibility to my people and to the wider public. Unfortunately, when we look at the statistics for the people I represent the picture is bleak. We feature disproportionately in negative statistics. Hohua Tutengaehe used to say that Maori people are the most “reviewed” people in the world. There are reviews on reviews. So we do not want any more reviews. We need to get on with the action.

- Education is the starting point for closing the socio-economic gaps. Although some mainstream educators are making a difference, others need to get their act together. They must strive to get more Maori to achieve, starting with early-childhood education through to tertiary education, and they must do it with their Maori communities. Too many Maori are dependent on State handouts, and we see families

into their third generation of unemployment. There are solo mums struggling to feed their kids. There are far too many young Maori men over-represented in the penal system.

I have known what it is like to get paid regularly. Sadly, there are not too many Maori who know the joy of a regular income. Maori are the ones often hardest hit in times of lower economic growth. In communities with high levels of unemployment and benefit dependency, people generally experience unemployment as just one aspect of broader social and economic difficulties.

“Maori people are the most “reviewed” people in the world. There are reviews on reviews. So we do not want any more reviews. We need to get on with the action...”

— Parekura Horomia

- In respect of Maori economic development we have to address several issues, especially in the regions where business has been unable to provide the jobs that are needed. I think of the East Coast and I think of the Tai Tokerau. The Maori economic base is generally tied to fishing, forestry, and farming. Jobs in these industries have fallen because of new technologies and restructuring. This has had a severe effect on the livelihoods of our rangatahi and parents.

Community development is about local solutions to local problems. It is about bottom-up development tailored to local needs. It is about partnerships between the government, businesses, and communities. It is about a holistic approach. It is about communities having more capacity to deliver and do things for themselves in the fashion that they want and need. It is about developing leaders and entrepreneurs. It is most certainly about testing innovative ideas, and, more certainly for Maori, it is about allowing space, giving them time to settle down and do what they want to do. There are many hard working volunteers in communities with no shortage of good ideas about how to make things better for their people. Community development is about working in true partnership.

- With a few exceptions, the Public Service appears to me to lack an infrastructure to support Maori communities. Job losses have been the result of a right-wing ideology that has not helped our people. The devolution model, which assumes that the market is ready and has the capability to meet demand, has not improved the status of Maori. That has not happened under successive governments.

Over the last 10 years the devolution model, based on the contracting out of services, has been used extensively. It is a process in which the terms of contract and compliance procedures are dictated by the purchasing agency, often with little or no input from the provider or the larger community that the provider is meant to service. From a Maori point of view, it is a process that makes it easy for purchasers to impose their own definitions of the Maori world on

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Maori communities and to force those communities to comply with those definitions. Albeit we have a matrix of dysfunctionality within Maoridom. I want to impress upon this house that there are a lot of Maori who do know what they want, who do know what they need, and are more than able and capable, given a fair chance, to do just that.

- Let me go back a few years to the time when I was a schoolboy. I vividly recall walking to school barefoot with my several brothers and sisters. Every day, whatever the weather, we walked 5 kilometres to school and back. Although this may not have been unusual for Maori children at that time, there was a certain irony about this journey for me. Every day we would watch the empty school bus drive past us and our other whanau to collect the pakeha kids who lived half a kilometre from the school and take them back to Tolaga Bay. This bus would pick them up, turn round, and drive back.

As a child, the bureaucrats who made these decisions mattered little to me then. All I knew was that I had to walk and that the bus was leaving me and rest of my whanau behind. I used to dream of being picked up by the school bus, but as I grew older I and the others became more resilient. We went from wishing the bus would stop to thinking that if it did stop we would not hop on.

I relate that story because it is often said of Maori that “we’ve missed the bus”, but in many cases Maori have not even had the opportunity to get on the bus. The irony in all of this is that now, as an Associate Minister of Education, responsible for school transport, I am not only riding in the bus but I am helping to drive the bus, along with my ministerial colleagues — Mr Samuels, Mr Mallard, and Mr Maharey. Rest assured, that as one of the drivers I am going to stop that bus and pick up a lot of Maoris on the journey forward.

JOHN TAMIHERE

(Labour — Hauraki)

- I stand today and rejoice in the prowess of my people. I want to sing their song. I am proud to represent the Hauraki constituency—the Hauraki heartland and whanui. They are the jewel in the eye of Auckland, Hamilton, and Tauranga. They surround these great metropolitan blocks. They will lead the nation in regard to aquaculture. They will determine tourism on their terms, and they will play a significant role in restructuring community services as we might know them under the policy upon which we were elected.

The average age of my constituents is 22 years. They are young, they are vibrant, and they must believe in themselves. I am always amazed at the prowess of my people, and I am extraordinarily proud of them—they delight me. I am not proud of their prison rates, of their hospitalisation rates, and of their being first fired and last hired. But I am proud of my people because I know their potential—it is latent, it is innate; and it has been suppressed. The true yardstick and measure of this nation’s success will be based on the Maori pendulum as it swings awesomely forward.

- When one understands our negative indices, one understands the huge frustration. No longer can we tolerate that others merely feast at our failure. Who are they and what are they? Well, they are large, vested public service-related organisations at the moment — that continue to give us streams of advice. In locking us up like this, they have led, over the course of 20 to 30 years, a tremendous degradation in our communities. When someone is managed and their failure is managed, they are robbed of their ethic, their ethos, and their responsibilities to themselves, to their children, and to their families.

Over the last 15 years we have been governed by people who know all about inputs and outputs, but nothing about outcomes. I reiterate that 80 percent of my people are under the age of 40 years. There must be a different way of managing our people, rather than using the criminal justice system.

“No longer can we tolerate that others merely feast at our failure — the large, vested public service-related organisations that continue to give us streams of advice. They have led to a tremendous degradation in our communities.”

— John Tamihere

- I have been critical of those outside our communities, but I also have been equally critical of those within our communities. I will not have the few feast in the name of the many. Merely to chant “whanau, hapu, and iwi”, and not to deliver on it, is not good enough. New communities are rising in dynamic Maori Auckland. Te Whanau o Waipareira and Manukau Urban Maori Authority are as real in the hearts, minds, and souls of urban Maori as are iwi. This is not a competition. This is a reality.

What will Maori provide to this nation in this new millennium? It will be Maori definition and Maori points of differentiation that will ensure that Kiwi goods, Kiwi services, and Kiwi products are high-priced, niche-marketed, value-added, and, above all, identifiable. For example, some clown called kiwifruit Zespri. That name has nothing to do with this nation. In the knowledge-based industries, branding will be quite important in regard to the goods, services, and products that we produce, and our people can provide that definition.

For example, a Maori team will participate in the 2000 Rugby League World Cup in Great Britain. They will double worldwide viewership, to 250 million people. They will excite people about our nation. Their merchandising capacity will be enormous. They will drink not Powerade, Gatorade, nor Coca Cola; but the pristine, clear spring water pumped off Maori land into bottles processed by Maori people. Today we do not value ourselves enough. We can walk downtown here today, and watch the social climbers drink Chernobyl-tainted Evian. We do not value our own products enough, therefore nobody else will. If we do not value our people enough, no one else will.

To progress that thought, I mention to members that a Maori band will release its album in Great Britain. It will feature in the London top forty. As our grandfathers had in the 28th Battalion, we have a wonderful name in the European Community. Never have we been allowed to explore it. The rugby league team will do us justice and do us proud. It will operate with distinction, regardless of the rugby Nazis that run the Hillary Commission, regardless of our being locked out of schools that do not allow us to play our code, and regardless of local authorities not giving us amenities.

I state quite clearly that the producer boards are another example of how we get locked out. We produce 15 percent of the nation's meat. At no time have we been woven into the economic matrix. At no time have we been given the right to enter into middle management, and upper management, in order to develop our own professionals through the industry. If the country continues to use us and abuse us, it will lose us. We have a blood right and a constitutional right to progress ourselves. It should not be suppressed.

- Good government is about rationing scarce resources and prioritising where to place spending. Every pistol purchased, every frigate purloined, and every F16 pushed down our throats, on the basis of jingoism driven by Jurassic Park junkies, cannot be sustained. We are not a nation with a large war chest. If we look at the deficit, we see that it is a sunken chest.

Good government is about seeking new priorities. My people cannot feed off frigates. They cannot feed off F16s. They need education. They need health. They need housing. I am here to advocate on behalf of the people of East Tamaki, not East Timor. What greater armoury can we grant to a people than, by educating them, to allow them to be discerning, informed participants so that they can nurture their democracy and understand the true fruits of liberty? I am pleased I am in a party that has a great regard for that prioritisation.

- Many people get into this debate on the left and the right of politics. It is a meaningless debate for us. It is bankrupt, because, at the end of the day, we have been left right out of everything! I am proud to be part of a Labour Government led by a Prime Minister who has been decisive and incisive. A Government, contrary to popular belief, is not ideologically driven, but it must unravel the ideological purity that hammered the spirit of our land. Any attempt to define our programme as leftist is based on bankrupt, historical logic. We will do what is right for our people. It might be a bit left and a bit right in the old way of thinking about things, but it will be right and good and work.

I have spoken on behalf of my people. I take this seat that they have richly and graciously bestowed on me. Let it be known, from this day forward, that the young, vibrant, and powerful communities of Auckland Maori and Hauraki whanui will have a voice.

SUE BRADFORD

(Green — List)

- I am honoured to stand here today as one of the first group of Green MPs to be elected in our own right to what has now become a more truly representative House of Representatives. I will do my best to honour the Green vision of ecological wisdom, social justice, non violence and democratic decision-making during my time in this place.

I also bring with me to this House another set of experiences and hopes. Since I was 15 I have played an active role in many struggles, ranging from the anti Vietnam war movements of the late 60s, through to the struggles for womens and gay liberation, against apartheid, and for a nuclear free Aotearoa. More recently, the last sixteen years of my life have been dedicated to working for the rights of unemployed people, beneficiaries and low income workers.

I stand on my record, and do not seek to run or hide from my past. I see no shame in having been on the front line of movements which have lead to many positive changes. There are times in the last 16 years when I have sat in a cell or courtroom and hoped that one day, my dream of a job and a living wage for all in this country would come true, just as, for example, the dreams of ending apartheid in South Africa, and New Zealand becoming nuclear free also came about after long and honourable histories of struggle by many ordinary people.

- Many friends have asked why on earth I would want to come to Parliament, when there is so much work still to be done in the community and on the street. There is work to be done everywhere, and I remain committed to the groups and people from which I come. But I also felt that I had had enough of battering my head against brick walls and lines of police, including outside this very building. For 16 years I and others have been putting up many constructive solutions to unemployment and poverty, in theory and in practice, only to be marginalised and demonised.

No one ever wanted to listen to us seriously, even after some of us - people like John Tamihere and myself and others - have been part of setting up organisations which have proved in practice the capacity of unemployed and low income people to take back some economic and political control, creating jobs and providing services for tens of thousands of people. We have learned from the bottom up that ordinary people do have the skills and strength to develop our own organisations, and to create real, alternative solutions.

So in the end, out of sheer frustration, I figured that I had to take the plunge, and come here to try and get some real changes happening at Government level too.

- I am here on a mission. Unemployed people and beneficiaries have had enough of being treated like dirt, taking the blame for every problem in society. Previous Governments have institutionalised another form of apartheid in departments like Winz, where a culture of contempt underlines dealings with so-called customers as well as with hard pressed frontline staff.

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I am here to do everything I can to turn this around. We need immediate relief of poverty in this country, including a radical overhaul of Winz and the whole benefit system, and a commitment to progressive increases in the minimum wage. The compulsory work for dole scheme known as "Community Wage" or "Community Work" can and should end tomorrow. We should look at restoring the universal family benefit, acknowledging the needs and rights of those who have the courage to bring children into the world in an overwhelmingly child-hating society.

We should also start seriously researching the implications and possibilities of some form of Universal Basic Income which has the potential to replace the whole shattered and inadequate apparatus of the old welfare state.

It's time that we put the blame for overdependency on the State directly where it lies - on those who use unemployment and inadequate income support systems as tools of deliberate economic strategies. And we should also examine why dependency is OK for some, and not for others.

- I want to work with this Government to try and create a climate in which genuine community economic development can flourish, for a country in which people increasingly take control of their own economic lives through the dignity of work, and through income support systems which don't punish and pauperise those at the bottom of society.

There are many solutions to unemployment, but above all we need a Government commitment to moving away from managing poverty and forward to ending it. We need to provide an environment which releases the skills and energies of people in our communities so that we can find solutions, not just continue to pour money into researching and managing the problems.

We need direct and indirect investment in employment creation, leading to real jobs at real wages, not make work or work for the dole schemes. We need to look at how we can get more capital back into local areas, which is one reason I am dedicated to the development of an effective community owned banking system within the coming year.

- The "public" needs to be put back into "public service". We need imaginative, skilled public servants like Bill Sutch, people with passion and intellectual vigour, who are smart and caring enough to work well and with respect alongside people in the community, local government and business sectors.

There is no need at all to continue with this strange concept that the taxpayer should have to pay \$240,000 plus salaries to people from the corporate world to run Government departments when there are competent people from all sectors who are dedicated to a genuine public service, whose skills and energies we could be using for half the price and twice the competence, in many cases.

To the eternal disgrace of this country Maori unemployment continues, as ever, to run at at least three times the rate of Pakeha joblessness. We are seeing raupatu number two taking place under the guise of capitalist development, while simultaneously the country as a whole continues to allow the

sell off into overseas ownership and control of vast tracts of our economy. I will be doing everything I can to try and turn back this second wave of colonisation, while acknowledging that we have yet to deal fully with the consequences of the first. I do not intend to run away from these issues, but hope to be part of continuing to work with colleagues and friends inside and outside this House towards a truly decolonised Aotearoa, with all that that implies.

"We have learned from the bottom up that ordinary people do have the skills and strength to develop our own organisations, and to create real, alternative solutions..."

— Sue Bradford

- At all times the question I try to ask myself is "whose side am I on - in whose interest do I act?" Some in the previous Parliament (not to mention many previous Parliaments) seemed to forget this as soon as their feet entered these doors. I hope never to forget what I've learned, from many different parts of my life — locked up in Mt Eden womens remand wing ... turned away by Social Welfare after waiting for 6 weeks for my benefit to come through because they'd lost my file ... rejected for jobs in my chosen profession because I was a solo mother with twins ... and most of all, seeing at first hand the realities of life for so many others who had none of my advantages.
- There are two New Zealands living side by side right now — one of poverty and addictions, unemployment, guns, alcohol, abuse, sickness, despair and suicide — the other of people who have nice clothes and high-paid jobs and cars and know little and care less about the rest. And even in Queen St or Lambton Quay if you care to look you'll see people picking up cigarette butts, begging for cash, sleeping out, lost and often crazy - and I hope sometimes you'll ask yourself: is this New Zealand the way we want it?

We must do something fast about housing, for all those without adequate homes. We must do something even faster for people who suffer from the many forms of mental illness. The recommendations of report after report have been ignored by successive Governments — we must turn this around now, and acknowledge that as a society we will never be safe or whole, until the people who have the least are also safe and whole, with adequate health treatment, housing, jobs and education.

I call on people who share these goals, including other MPs in this House, to have the courage to make some fundamental changes to the processes and the policies of Government. I know there are those of you who share our ideas and visions - I am keen to work with you across party lines to help this country for the better and to prove that a positive version of MMP can work.

Sources — Maiden speeches First Session, Forty-sixth Parliament, NZ House of Representatives, Hon Parekura Horomia (Associate Minister of Maori Affairs) 15 February 2000; John Tamihere (Labour-Hauraki) 10 February 2000; Sue Bradford (Green-List) 9 February 2000.

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DIARY

20 February 2000

Air New Zealand is set to take over Ansett Australia, after buying News Limited's 50% share in the airline. The Australian Services Union, which represents workers in the airline, says that thousands of jobs will be shifted across the Tasman. The union believes that up to 2,000 jobs in administration, finance, IT and engineering in Ansett will shift to New Zealand, and the multiplier effect could see a further 5,000 jobs in Australia effected by the sale.

21 February 2000

About 59,000 families living in state houses will get cuts in their income-related state rentals by the end of the year. The move is expected to cost about \$100m and will affect about 45,000 beneficiary households and up to 14,000 working households.

24 February 2000

Act alleges that government Maori MPs want to replace Maori Affairs Minister Dover Samuels. Act leader Richard Prebble reports on Wellington rumours that eight out of ten Maori government MPs have asked that associate minister Parekura Horomia take over the portfolio.

The Inland Revenue is under-resourced and will ask the government for more money, according to the department's retiring commissioner, Graham Holland. His comments come as the IRD is making 600 staff redundant during restructuring.

25 February 2000

Dover Samuels says that the replacement coup rumours have probably been spread by Richard Prebble. He says that, with three associate ministers "of course everyone wants to be captain", but he had not heard of any planned mutinies. Helen Clark has restated her support for Dover Samuels, and Parekura Horomia has also "wholeheartedly" backed his minister. Horomia: "Any outside attempts to undermine us will not get any traction ..."

27 February 2000

Embattled Winz boss Christine Rankin says she vows to obey the frugal approach of the new government. She says that Winz has ruthlessly combed through its internal administration to meet the government's frugal approach to management, and its stated aim of restoring a public service ethic.

- Last year *The Jobs Letter* reported on the research of Massey **Professor David Thomson** (see No.105), which suggested that full-time work has been very rapidly disappearing for people aged 45 and over. Thomson based his trends in figures gained from the 1996 census data, and predicted that up to 40% of the mature labour force could lose their full-time work early in the next century.

Social policy researcher **Paul Callister** was skeptical of this scenario of gloom for mature workers, and has recently put together data from the Household Labour Force Survey (from Statistics NZ) which challenges the Thomson research, and shows a picture which is **nowhere near as gloomy** as Professor Thomson presents. Writing to *The Jobs Letter*, Callister says: "I have now recalculated David Thomson's data and have found that he used a rather unorthodox methodology for the 1996 data that I think over-states the loss of work for both men and women."

The newer Statistics NZ figures show that since the mid 1980s the proportion of people aged 45-64 in employment **actually increased**. Even more surprising, from the early 1990s to the end of the decade the proportion of people in full-time work in this same age group also increased. In the early 1990s around 55% of this age group worked 20 hours or more per week. By 1999 this had risen to around 63%.

(see graph).

- Callister says that if you visit the average workplace and you are now more likely to meet an older worker than 15 years ago. So why have some commentators been suggesting that work, and particularly full-time work, has been disappearing for older workers?

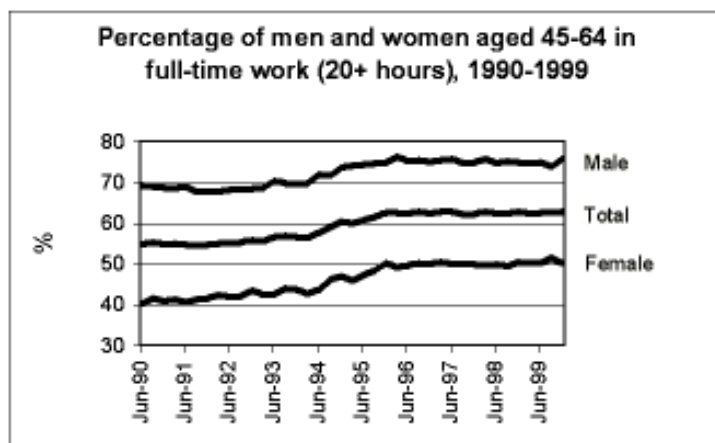
From the 1970s until the early 1990s **there had**

indeed been a decline in full-time employment amongst males aged 45 and over. The decline was particularly marked from the mid 1980s due to economic restructuring with Maori and Pacific Island men hard hit by job losses.

Callister notes that some commentators suggested that this loss of work would continue. But the latest data from Statistics NZ shows that full-time employment for men aged 45-59 stayed more or less stable over the whole decade, while the proportion of men aged 60-64 in full-time work actually increased. By the end of the 1990s, just over 84 percent of middle-aged men (45-54) were in full-time jobs.

Callister: "This is certainly less than the 1970s and is problematic for those men who would prefer to be working full-time. However, it is not a statistic that supports a wholesale disappearance of work for this age group..."

"Many older workers have been made redundant and there is certainly a group whose future prospects are bleak. For some older males, particularly those with little formal education, it is almost impossible to find a new job with similar pay and conditions to the one they lost. Some cannot find any other work, especially if they live in economically depressed regions of New Zealand. Older low skill women also face major barriers in the job market. As for young workers, education is now a critical factor in employment. For example in the mid 1990s, men in the 60-64 age group who held a university qualification were twice as



Source: Statistics New Zealand, Household Labour Force Survey

The Jobs Letter

DIARY

Rankin: "This government has a no-frills approach, and we have gone through it and made sure there are no frills to anything. When we have a conference, we make sure there is not a single thing that could be frilly."

28 February 2000

About 35,000 NZ'ers, or the population of a small city, is departing NZ for Australia each year. PM Helen Clark describes the exodus as "shameful", saying many of them are highly skilled.

Clark is to visit Australia next week and is expected to strike a deal with Australia regarding the \$200m Australia spends on dole payments to NZ'ers.

29 February 2000

The government says it will cut bonus payments to state sector bosses if they don't meet objectives for Maori development. The move is one of a raft of measures drawn up by cabinet on how to close the gaps between Maori and non-Maori.

Lingere giant Bendon has laid off all its 235 staff at its Hamilton factory after failing to find a buyer for the plant. The plant will close on March 31st.

The government announces that the Ministry of Commerce will be renamed the Ministry of Economic Development and will oversee Industry NZ, a new crown entity that will develop and deliver industry and regional development programmes. Jim Anderton will run the new ministry, which he describes as a "jobs machine".

Editor

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likely to be working than men with no formal qualifications. These well-educated people also generally had long-term work prior to age 60 and above average income."

For more information, see "The myth of disappearing work" by Paul Callister February 2000 (in pdf format) available on the Jobs Research Website at <http://www.jobsletter.org.nz/jbl11900.htm>

- **Hawkes Bay apple growers** say that a labour crisis in the district is blackening a bumper harvest. The head of the Pipfruit Growers of NZ, Hastings orchardist Phil Alison says that **1000 jobs could be filled** "in a matter of hours" with most orchards desperately advertising for pickers. Allison says that millennium celebrations and events such as America's Cup has sucked from the Hawkes Bay the usual backpackers, overseas students and seasonal workers.

A spokesman for Employment Minister Steve Maharey says that Winz staff could be directed to find pickers from other regions, but growers will have to help with travel costs and accommodation. Phil Alison also says he has called on the government to open the doors to Pacific Islanders and Asians to help pick the crop in future seasons.

Alison **denies that pay is a factor** in the staff shortages. An average rate in the area is \$8-9 an hour gross, but 80% of the pickers are on higher contract rates which could see the best pickers earning over \$300 gross a day.

VOICE

on the WINZ INQUIRY

"Some matters are so self-evident that no time, money or effort need be wasted on them. Such is the case with the \$130,000 inquiry into Work and Income New Zealand being carried out by Don Hunn, a former State Services Commissioner. Mr Hunn will advise the Government whether Winz is set up and managed satisfactorily and whether its culture is satisfactory. If any confirmation were needed that each question will surely be answered with a resounding "no", it came with the student loan debacle which erupted just as, the wide-ranging review was being announced.

"Winz's wretched performance speaks for itself. Any inquiry should have accepted those failings as a starting point and focused on how the department could be deconstructed or reformed with the minimum fuss and cost, so that benefit and employment services are again of an acceptable standard. [...] The delays in processing student loan applications suggest, perhaps even more seriously, a deep-seated systems failure and incompetence. The episode is final proof, if any were needed, that the merger has failed.

"Perhaps Winz was too unwieldy; maybe the lack of clear strategy and petty jealousies between former Social Welfare and Department of Labour officials fatally undermined it. Certainly, branding exercises seemed more aimed at staff morale than the benefit of the department's clients. Whatever the reason, it is clear the union has failed — like many a corporate takeover before it. The task now is to repair the damage.

"Labour Party policy is to split Winz into welfare and employment arms. This, it says, will ensure a stronger focus on jobs. Labour would also retain Winz's name. That is probably a mistake even if, as it points out, millions of dollars have been spent rebranding the department.

"It is to be hoped that this inquiry will, even if indirectly, advise the Government of the best way forward. That might be Labour's proposal. More probably, it will involve the axing of Winz and the resurrection of the Employment Service and Income Support. Such a scenario would see Ms Rankin take her chances in applying for a job with either of the services. It would also acknowledge that the name Winz now ranks so low in public esteem that there is no way back."

— from "No way back for wretched Winz" *New Zealand Herald* editorial 21 February 2000