

The Jobs Letter

No. 122

26 April 2000

Essential Information on an Essential Issue

KEY

MAYORS TASKFORCE
FOR JOBS

YOUTH UNEMPLOYMENT
EMPLOYMENT RELATIONS BILL
NURSING SHORTAGE

DIARY

23 March 2000

Prison authorities in Hawkes Bay tell orchardists they will have to give them more lead-in time if they want inmate labour to help pick fruit next year. Acting manager of the Hawke's Bay Regional Prison John Jamieson says his facility was asked by the fruit-growers for labour to pick fruit but could not comply because supervisory staff were already committed to other work.

Few Hawke's Bay orchardists have used a Winz scheme to train unemployed people to pick fruit for the dole plus a top-up in wages.

Students organise a march through Hamilton to protest the continuing problems students are having in receiving their allowances and loans. Heather Lyall of Fightback! says thousands of students still cannot buy books or pay rent. As the end of the first term nears, Winz reports that 24% of student allowance applications and 13% of student loan applications have not been finalised.

24 March 2000

Nine people are working on a scheme aimed at improving health and living conditions in Otago, South Auckland. The workers go door-to-door giving residents advice on things like vermin control and how to approach landlords to get maintenance done. Otago Health, Winz, Housing NZ and the Manukau City Council jointly support the scheme.

• Half the Mayors from around New Zealand have met in Christchurch to launch the **Mayors Taskforce for Jobs**. At the end of the meeting, the thirty-one Mayors set themselves the leadership challenge to help their communities achieve two employment goals:

— that, by 2005, no young person under 25 years will be out of work or training in our communities.

— that, by 2009, all people in our communities will have the opportunity to be in work or training.

• Although the Taskforce was initiated by **Christchurch City Mayor Garry Moore**, and strongly supported by his fellow “metro” Mayors from Dunedin, Wellington and Hamilton ... the forum drew a strong attendance from Mayors in rural and provincial New Zealand.

The Mayors report that there are “huge expectations” on the Labour/Alliance government at the moment ... and that this will require a “**robust long-term partnership**” with local government for their shared objectives in employment to be achieved.

• Wairoa Mayor **Derek Fox** says that, being Mayor of a district with about 45% unemployment, and a community where 60% of the population have an income of under \$10,000 a year, it was only natural for him to get involved with the Mayors for Jobs initiative. Fox: “I’m not looking for handouts. I believe we have genuine employment possibilities in Wairoa, and I’m looking for partners to bring those possibilities alive...”

Palmerston North Mayor **Jill White**: “As Mayors we have the privilege and responsibility of taking on a leadership role ... I see the Taskforce for Jobs as giving Mayors the opportunity to work together to bring about change in this key area of our communities well-being.”

Dunedin Mayor **Sukhi Turner** says the Taskforce meeting struck a strong consensus, and the Mayors were challenging each other to “rise above politics” for what they considered was **the most pressing issue facing the country**. Turner: “We are fed up with ideology and the Westminster style of argy-bargy. We must be issues-based and pragmatic.”

Turner says that while city and district councils, private businesses and community groups had been working together on employment in their regions ... **central government had been a missing link** in the partnership needed to boost job opportunities. Turner believes that the change in government has signaled a change in attitude which gives confidence that progress can be made on these issues.

• Some of the issues raised at the Taskforce meeting include :

— the need for economic development and employment initiatives to recognise the importance of community economic development and community ownership.

— the need for an extensive re-building of the not-for-profit sector in our communities.

— the urgent need to devise programmes which address Maori and Pacific Island employment rates.

— the need to give young people assurances about the future and retain them in our communities.

The Jobs Letter : ESSENTIAL INFORMATION and MEDIA WATCH on JOBS

EMPLOYMENT, UNEMPLOYMENT, the FUTURE of WORK, and related EDUCATION and ECONOMIC issues

The Jobs Letter , P.O.Box 428, New Plymouth, New Zealand. ph 06-753-4434, fax 06-758-3928, email editor@jobsletter.org.nz

The Jobs Letter

DIARY

26 March 2000

Employment Minister Steve Maharey releases a 1999 Winz report on the Community Taskforce works scheme, which he says was suppressed by the previous National government. The Community Taskforce was the model for the Community Work (work-for-the-dole) scheme, and Maharey says the suppressed report supports his intention to dump the later scheme. The report shows that beneficiaries on the Community Taskforce were less likely to get work, and the scheme may have decreased the number of real jobs available. Many sponsors using Community Taskforce became dependent on it to get their work done, and Maharey says the main beneficiaries of the scheme were the organisations, not the workers.

Legislation ending the Community Work scheme will be introduced into parliament later this year.

28 March 2000

The government announces it will lower the income threshold for people to be eligible for a Community Services card. The change is designed to see that pensioners will still be eligible for subsidised health care after their pensions increase in April. While the change affects 5,500 pensioners, Minister of Health Annette King says that the lowered threshold will mean that an extra 48,000 other low-income earners will now qualify for subsidised health care.

Up to 50 students occupy Victoria University's registry building overnight in support of "free education for all".

29 March 2000

Students also demonstrate at the registry offices of Auckland and Waikato universities in support of free education. In Auckland, students burn effigies of vice-chancellor John Hood and Winz CEO Christine Rankin but police disrupt the students' plans to spend the night. At Waikato, students do stay overnight in the registry building.

- **So what do the Mayors actually plan to do?** A core-group of fourteen Mayors is forging an action plan which will stimulate greater collaboration between Mayors on local employment initiatives. The participating Mayors are also setting up smaller networking groups to challenge each other on progress, and to share "best practice" in job and training programmes. They also plan to work with local employment co-ordination groups to focus on their first goal: that no young person under the age of 25 years will be out of work or training.

For the rest of this year, the Mayors Taskforce will organise a series of **national forums to generate public dialogue** on employment issues, and consult on the "bigger picture" facing the future of work and income in New Zealand today. With this in mind, the Mayors hope to meet and consult with Winz, Education Ministry and Labour Department CEOs, Maori and Pacific Island community leaders, and the NZ Business Council for Sustainable Development. The Mayors also plan to meet with government employment and training Ministers to discuss longer-term strategies of co-operation, and establish joint funding.

- Christchurch Mayor Garry Moore believes that the Mayors Taskforce for Jobs could create an important vehicle to promote **strong partnerships between central and local government, community groups and the private sector**. Moore: "We all need each other in our towns and cities throughout NZ and our leadership role is to get everybody talking and, to the best of our ability, co-operating. This will mean bringing unusual groupings together from time to time. We will have to challenge our lateral thinkers throughout the country. We will have to encourage both private and public entrepreneurs to be courageous. Without courage our economy will not grow ... and without leadership that courage will not be fostered."

- **Jim Anderton**, The Minister of Economic Development, attended the final session of the Taskforce meeting (along with **Ruth Dyson**, Associate Minister of Social Services and Employment). He endorsed the call for "partnership" and outlined the Labour/Alliance government's plans for the **\$100m fund for economic development** which will be targeted at the regions (see *The Jobs Letter No. 120*).

At a later press conference, Anderton used the example of Southland's **Topoclimate South programme** to illustrate his partnership approach. The Topoclimate South programme aims to provide essential information on Southland soils and climate which will take the guess-work out of developing alternative land use opportunities in the region. Southland interests had already put in substantial funding to the programme, which they say has the potential to generate new enterprises with as many as 20,000 new jobs. Anderton says that he and PM Helen Clark were "absolutely committed" to this sort of initiative, and announced that the government will soon make a grant to the Topoclimate programme. Anderton: "Every region has opportunities and ideas which will benefit in the same way..."

- The Taskforce meeting received letters of support from **Steve Maharey**, Minister of Social Services and Employment, and **Paul Goulter**, Secretary of the Council of Trade Unions. Both letters remarked on the need to address the economic framework behind our unemployment levels. Paul Goulter writes that the Council of Trade Unions was extremely concerned that Westpac Trust in their February issue of *Economic*

(continued on page five)

VOICES

MAYORS TASKFORCE FOR JOBS

“If there is one issue which crosses over all others in our society it is that of the right to employment. I consider it to be THE social justice issue of our time. All the work is not done and we must find new methods to find people meaningful occupations. We will have to redefine the meaning of work. It will be different from what we have known in the past. That is our challenge. If we shift our employment figures we move a lot of other negative statistics in our society.

“I have become involved in the Mayors for Jobs because the time has passed for us to sit on our hands at Local Government and wait for Central Government to come up with all the new ideas on employment initiatives. We live with those who wander our streets searching for their opportunity to experience the dignity of work. Can we sit by any longer?”

— **Garry Moore, Mayor of Christchurch**

“Those in the positions of influence and power have the moral duty to put all their energies together to look for solutions to this pressing need in our society. The Mayors Taskforce for Jobs is such an initiative. We will need to work purposefully and collectively to change the environment of

hopelessness and the acceptability of perpetual unemployment in our society.

“Our work as Mayors puts us in an extraordinarily privileged position in our communities. A position that gives us intimate knowledge of our own back yard. We need to garner this information to bring about opportunities to find constructive partnerships and synergies with various citizens and organisations to address the very important issue of unemployment ...”

— **Sukhi Turner, Mayor of Dunedin**

“I do not want to see unemployment at any level as a permanent feature of NZ society as we enter the 21st century. It devalues the worth of people. I look forward to sharing information with other Mayors on what works and what doesn't and doing some lateral thinking on this issue. We are in unique situations as Mayors in knowing the make-up our cities and districts — the needs, strengths, weaknesses, opportunities etc. — in ways that few others do.

“Work will still continue here in Porirua City and the region regarding business investment, employment creation, improving economic growth etc. However I look forward to explore the big picture and longer term issues — where are we heading in ensuring employment opportunities for our young people and the whole area of the interrelationships between income generation, the value of employment to the individual and society and the changing nature of work in the 21st century. It is a very much a local and national leadership issue.”

— **Jenny Brash, Mayor of Porirua**

WHO IS INVOLVED ?

Core Group

Garry Moore (Christchurch)
Derek Fox (Wairoa)
Sukhi Turner (Dunedin)
Jenny Brash (Porirua)
John Chaffey (Hurunui)
Tim Shadbolt (Invercargill)
Jill White (Palmerston North)
Graeme Ramsey (Kaipara)
Basil Morrison (Hauraki)
Frana Cardno (Southland)
Mark Blumsky (Wellington)
Claire Stewart (New Plymouth)
Pat O'Dea (Buller)
Alan Dick (Napier)

Other Mayors at the Christchurch Launch

Chris Lux (Thames-Coromandel)
Craig Brown (Whangarei)
John Vickers (Rangitikei)
Michael McEvedy (Selwyn),
Duncan Taylor (Waitaki)
Mary Ogg (Gore)
Gerald Hope (Malborough)
George Wood (North Shore)
Jim Abernethy (Kaikoura)
Noel Pope (Tauranga)
John Leadley (deputy, Ashburton)
David Owen (Waimate)
Ian Bowman (deputy, Timaru)
Tom Robinson (Horowhenua)
Maureen Reynolds (Tararua)
Russ Rimmington (Hamilton)
Bill McIntosh (Central Otago)

The Jobs Letter

“Ironically Invercargill has the lowest unemployment rate in New Zealand. It is ironic because we are also the fastest declining city in Australia or New Zealand. People are leaving the city because there are no jobs. Although there is growth in the four main cities (and Queenstown) most of provincial New Zealand is in decline. Having been a Mayor in West Auckland for six years I know the millions of dollars that Auckland required to develop its infrastructure, yet here in Invercargill we have a brilliant infrastructure that is totally under-utilised. It just seems such a waste.

“I am delighted to be part of the Mayors Taskforce for Jobs so that we can find out how other cities are tackling this problem, and also develop strategies for national campaigns that will initiate more work for all New Zealanders...”

— **Tim Shadbolt, Mayor of Invercargill**

“Our councils have been pre-occupied in recent years with fighting electricity and roading reforms and potential reforms to water and sewerage services. We took our eye off the ball of jobs, when we should not have had to...”

— **Russ Rimmington, Mayor of Hamilton**

“Many Mayors have told central government that provincial areas are struggling, and more councils are having to be enterprising in employment and tourism in an effort to turn things around. But we’ve been doing it on our own, with no help from successive governments.

“Our New Plymouth District surveys show that our local issues are actually Central Government issues. Transport, employment, health, education, and safe communities are all concerns for our residents across our rural and urban areas.

“I believe Local Government is one of the most dynamic dimensions in the quality of life for New Zealanders today ... The Mayor’s role as advocate, facilitator and co-ordinator plays a vital part in the social cohesion of our communities.”

— **Claire Stewart, Mayor of New Plymouth**

“We are slowly learning how environmentally damaging waste is, and are exploring how to change our view of what we currently call waste, into a perception of a resource to be used. Similarly, I do not believe that we can afford to waste the potential of one single member of our cities or districts.

“We need to use our imagination and creativity to find new employment areas which deserve to be valued and paid accordingly. Environmental protection, community development and the performing arts are possibly areas where we could start looking...”

— **Jill White, Mayor of Palmerston North**

“I am absolutely committed to the development of an effective partnership between central and local government to address unemployment. The government can do so much in getting the macro and micro level policy environment right. But in the final analysis an effective strategy must involve a partnership between us, and in my opinion it will require us to reexamine the traditional roles of central and local government as we develop that partnership ...”

— **Steve Maharey, Minister of Social Services and Employment, in a letter to the Mayors Taskforce for Jobs**

“When I am asked, will New Zealand solve unemployment?... I like to turn the question around, and ask, has New Zealand in the last century ever solved unemployment? The answer to this second question is: yes. We’ve done it before, and we are certainly capable of doing it again...”

— **Jim Anderton, Minister of Economic Development, speaking at the Press Conference after the Mayors Taskforce for Jobs**

“Of course there are going to be many new business opportunities, and hopefully these will also be in the regions. But new business opportunities will not be the only drivers of future employment.

“The jobs of the future will also come from us valuing different things. They will come from the acts of community and cultural leadership that have the capacity to make choices for a common good. These jobs will not come from acts of economics or business development as we traditionally know it ... these jobs will come from acts of governance.

“This is why I see Mayors and local authorities being in the front-line of our future employment strategies — because you are the people with the “commission” to express this different sense of what we value.

“The job-rich areas of the future will emerge in two main sectors: The first sector contains the jobs that come from choosing to look after one another better. The second sector contains those jobs that come from choosing to look after the earth better. Both these sectors are very rich in terms of job potential. These sectors are not driven simplistically by market desire. They are driven by the governance choices that communities make through their leaders ... choices that inevitably find their way to your tables as Mayors...”

— **Vivian Hutchinson, from his keynote speech to the Mayors Taskforce for Jobs**

The Jobs Letter

DIARY

30 March 2000

The Bendon factory closes with 235 Waikato workers being made redundant. Bendon announced late last year it was moving its manufacturing operations to Asia.

1 April 2000

A number of legislative changes take effect including tax rate increases for high-income earners, an increase in superannuation, changes to the student loan scheme and the removal of private workplace insurance.

Five thousand people march in Greymouth to protest the government's decision to stop native-timber logging on the West Coast. The government has offered \$100m to the three district councils and regional council to compensate for the loss of industry. The crowd was good natured but two of the speakers, Regional Council chairman, John Clayton and Labour MP Damien O' Connor, were booed and hissed when they suggested that while they supported sustainable management of Coast resources, the government's \$100m offer to the West Coast was "essentially" a good offer. The crowd chanted "stick it, stick it". Grey District Mayor Kevin Brown says the people's message is clear: they want jobs, not handouts.

The proposed merger of NZ's two largest general insurance companies, State Insurance and NZI, is expected to cost 500 jobs.

3 April 2000

The government looks set to drop the age at which the minimum wage applies to adults. Labour minister Margaret Wilson and Youth Affairs minister Laila Harre say the age will drop from 20yrs to 18yrs, and the change will take affect from July, when the Modern Apprenticeship Programme begins.

Most of the 141 mill workers at Coats Spencer Crafts in Mosgiel are made redundant as the company sells its knitting yarn operation and begins to shift its craft distribution centre to Auckland.

6 April 2000

The Mayors Taskforce for Jobs is launched by 31 Mayors in Christchurch. See *feature in this issue*.

Overview described the 6.3% unemployment rate as "worryingly low". Goulter: "In fact in the last ten years the number of jobless has grown from 175,900 to 222,200 people, and the number of under-employed has increased from 48,800 to 148,600. Unemployment is an issue which should concern every New Zealander..."

Steve Maharey says that the assumption on the part of policymakers that there is a "**natural**" rate of unemployment is "... one of the more disturbing aspects of the policy orthodoxy over the last decade." Maharey: "In some quarters these sentiments surface when we are told that the present level of unemployment is as good as it gets. The Labour-Alliance coalition government totally rejects assessments of this kind ... and I am delighted to be the Minister of Employment in a government that is committed to once again making employment the centre-piece of its programme..."

- Vivian Hutchinson, editor of *The Jobs Letter*, was invited by the Mayors to give a keynote speech at the Taskforce meeting. This speech has been published on the internet at <http://www.jobsletter.org.nz/vivian/mtfj2000.htm>

- The move by the Mayors Taskforce to set their first goal **on getting young people into work** or training should find support from the Act Social Welfare spokesperson **Dr Muriel Newman**. Last week, Dr Newman also raised concerns over the number of young New Zealanders who are out of work. She released figures, received in answer to a parliamentary question, which show there are around 60,000 registered unemployed young people between the ages of 18 and 24. The figures also show that — almost 1,000 young people aged 20 to 24 have been registered unemployed for over 4 years.

— about 5,300 teenagers aged 18 to 19 have been out of work for over 1 year, and 650 of these teenagers have been unemployed for more than two years.

Dr Newman: "It is almost certain that most, if not all, of these young people have never had a job; they have gone straight from school on to the dole, and that is a recipe for disaster ... These young people must be the key target for welfare that doesn't just pay and forget but connects them with training, education, work skills and jobs. Four years on the unemployment scrap heap at the start of a working life means a tough road to get yourself a job. Action to get these forgotten young people on to schemes is essential."

- The Act party is taking a lead in the opposition to the government's **Employment Relations Bill**, which is due to come into force on August 1st, replacing the ECA or Employment Contracts Act. Act leader Richard Prebble is hosting a series of seminars in Auckland, Wellington and Christchurch to explain the Bill to employers, before submissions on the Bill close on May 3rd .

- Just before Easter, Labour Minister **Margaret Wilson** released hundreds of pages of Cabinet documents and policy advice on the Employment Relations Bill. The previously confidential papers, released under the Official Information Act, show that Treasury and the Labour Department **have both raised serious concerns** about the controversial legislation, warning of increased strike action and job losses.

The Bill seeks to "re-balance" NZ's industrial relations framework by giving greater weight to the role of unions and "good faith" bargaining in the workplace. But Treasury says the Bill shifts the bargaining power in favour of employees, and **employment costs will increase**. Treasury: "Such cost increases could work against the employment growth the government is seeking..."

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DIARY

10 April 2000

Cabinet decides that existing NZ tariffs are to be frozen at current levels for the next five years or until our trading partners come in line with our tariff levels. Acting Commerce minister Trevor Mallard says legislation will be introduced to stop the tariff cuts the previous government scheduled for 1 July.

13 April 2000

The Serious Fraud Office says it has found no evidence of fraud by Waipareira Trust in regards to Health Funding Authority money that was banked in an Aotearoa Maori Rugby League account. SFO director David Bradshaw says the money was paid in in error and was corrected.

14 April 2000

The International Monetary Fund and World Bank officials from the world's ten most industrialised nations meet in Washington DC. Thousands of people also arrive in Washington to protest the policies of these financial organisations ... in a mobilisation similar to last year's Seattle WTO protests.

20 April 2000

Will British PM Tony Blair take paternity leave when Cherie, his wife, gives birth? She says she'd like him to, but he isn't so sure the country can run without him. The question stirs up a debate in Britain on work and family obligations.

Editor

Vivian Hutchinson

Associates

Dave Owens

Jo Howard

Rodger Smith

The Labour Department also warns that the Bill could compromise the government's other social and economic objectives. Although it is likely to improve workplace fairness and justice, the Labour Department says "... there is a risk that an increase in wages for unionised workers will lead to lower levels of employment and a consequent increase in unemployment."

Minister Margaret Wilson told *The Dominion* that several of the concerns raised in the documents have already been addressed in the legislation. She said the Treasury suffered from a "narrow" view of the world, and some of the Department of Labour's assumptions were based on "spurious evidence".

- **Will CEG find new life?** A spokesperson for Steve Maharey says that a decision about what will happen to the Community Employment Group (CEG) will be announced at the end of this month, after the release of the Hunn report on Winz. Most of the regional management of CEG were made redundant last year, and its functions were drawn under the control of the Winz Regional Commissioners.

Employment Minister Steve Maharey has previously said that the shift of CEG to Winz was done without adequate consultation, and this will be reviewed in the Hunn report. It is possible that CEG will be put back into the Department of Labour or be included in Jim Anderton's new Economic Development Ministry.

- The **shortage of registered nurses** in NZ has reached "crisis level" according to health practitioners. Residential Care NZ, representing 550 hospitals and rest homes, says that senior rest-home nurses and hospital nurses risk burn-out by doing additional duties to cope with chronic staff shortages. The problems: the nursing workforce is aging, fewer people were taking up nursing as a career and graduating nurses are being lured overseas by better money.

Ian Powell, of the Association of Salaried Medical Specialists, says his members experience the effects of the nursing shortage daily. He says the problem comes from the attempt to commercialise public hospitals where nurses have been regarded as "a balance sheet liability rather than an invaluable asset." He also says that student loans act as a disincentive for newly qualified nurses to stay in the country.

- Meanwhile, representatives from a leading Texan hospital have come to New Zealand in the hope of enticing **up to 100 NZ nurses** to work in the US private healthcare system. Deanna McKinney, of the Covenant Health System, says the severe nursing shortage in the US makes it impossible to recruit enough staff locally, and has forced the company to look outside the US for workers. The Texans are offering salaries that are well over double what nurses would earn in NZ.

Jo Wallis of Geneva Health International (formerly Lampen Healthstaff and Medstaff International) has offices in Auckland and Wellington and London, and is handling the recruitment for the Texan hospital. Wallis: "Worldwide, there is a growing shortage of trained nurses. New Zealanders still have the reputation of being able and willing to turn our hands to whatever is required - which makes us highly sought-after internationally. Add to that the excellent reputation of our training programmes and there's no doubt that many of our international clients would be more than pleased to see a squadron of Kiwis in their hospitals..."

ISSN No. 1172-6695 Produced by the Jobs Research Trust. Visit our internet website at <http://www.jobsletter.org.nz>

Subscriptions (for 22 letters, incl GST) paper. posted edition \$79, emailed Acrobat (.pdf) edition \$66, emailed raw text edition \$55

The Jobs Letter, P.O.Box 428, New Plymouth, New Zealand, ph 06-753-4434, fax 06-758-3928, email editor@jobsletter.org.nz