

The Jobs Letter

No. 134

16 November 2000

Essential Information on an Essential Issue

KEY

STATISTICS THAT MATTER

UNEMPLOYMENT LOWEST FOR
12 YEARS

MAYORS MEET DEPT HEADS

MODERN APPRENTICESHIPS

UNIONS FOR JOBS

GOVT EMPLOYMENT
STRATEGY

SKILL SHORTAGES

DIARY

27 October 2000

GLG NZ, maker of the BBQ Factory gas cooker and the Kent log fire, is moving its production plant to Malaysia, with the loss of 60 Auckland jobs. The company says the move is the result of NZ's zero tariff regime, and a need to be nearer its major European markets. Chief executive Chris George says most staff made redundant have taken early retirement or found new jobs.

Brian Murphy, founder of mature employment agency Grey Skills, is selling up. Mr Murphy has helped many unemployed people over the age of 40 into home services work from gardening to painting. Grey Skills operates in Canterbury, Bay of Plenty and Auckland, but Murphy was hoping to see it established nationwide. He warns that government organisations are still not prepared for the employment problems that will come as baby-boomers get older.

28 October 2000

Commerce minister Paul Swain says the Government eventually plans to purchase all its goods through the internet. He says small businesses which do not move to e-commerce risk missing out on a significant amount of business. The Government buys \$5.4 billion worth of goods each year.

• The official unemployment rate has **dropped to 5.9%**, its lowest level for 12 years. The September figures show 37,000 more people employed compared to a year ago, and 86% of these new jobs have been **in full-time employment**. Our regular *Statistics That Matter* summary of the employment statistics is included in this issue of *The Jobs Letter*. Some highlights:

— The number of people unemployed has dropped by 3,000 or 2.6% since June and 16,000 compared to a year ago. The labour market participation rate has increased by 0.3% to 65.5%.

— Auckland accounted for about half of the overall growth in employment during the last quarter. Northland remains the highest region for unemployment with a rate of 8.7%, followed by Bay of Plenty at 8.1%.

• Deputy PM **Jim Anderton** says that the 5.9% level of unemployment compares well with the 6.4% rate predicted by the previous government in its *Pre-Election Economic and Fiscal Update*. He says that the difference means that **at least 10,000 more New Zealanders now have jobs**. Anderton: "In a decade in office, the National Party never brought the level of unemployment this low. Not only that, but before the last election they were still promising to keep unemployment higher than it is now under the Labour-Alliance Coalition..."

• Our Media Watch reports that most newspapers have treated the "good news" jobs figures **with some caution**. Economists interviewed in the media have questioned the jobs figures, noting that recent business surveys show firms planning to shed staff.

Examples: The Institute of Economic Research's quarterly survey of business opinion has more firms reporting a fall than an increase in staff numbers over the September quarter, and expecting further cuts. The National Bank's October business confidence survey finds almost as many firms saying they would be shedding staff as hiring over the coming year. ANZ Bank chief economist Bernard Hodgetts says that the latest jobs figures are "completely at odds with most other indicators of what is happening in the labour market".

Act's Dr Muriel Newman postulates that unemployment statistics reflect the state of the economy nine to 12 months earlier, as job growth or decline generally follows economic growth by this period. Newman: "While the overall statistics are a reflection of the strong economy a year ago, the current economic flatness is almost certain to see bleaker figures and a rise in unemployment during 2001."

• Opposition parties have also pointed to the ethnic figures in the last survey which show that, despite a marked improvement in job creation, the **Maori unemployment rate rose** from 13% to 14.2%, and Pacific Island unemployment went from 10.8% to 11.3%. National's Employment Spokesman Bob Simcock: "That hardly qualifies as closing the gaps! For both those groups there are also a growing number of people who have given up on even trying to look for work with Maori and Pacific Islanders described as "not participating in the labour force" rising in the last three months."

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VOICES

on the LATEST STATISTICS

"The fall in unemployment is very encouraging, particularly as the government is putting in place policies aimed at regenerating the economy and creating more jobs. It demonstrates that New Zealand has the base to build a sustainably growing economy, capable of producing sophisticated goods and services."

— Helen Clark, Prime Minister

"Today's figures suggest the policies of the Labour-Alliance Coalition are on the right track. The last time unemployment was this low I was still in the Labour Party ..."

"There are still serious challenges facing the economy which the Government has to address. No one in the Government will be satisfied yet. There is still essential work to be completed to create more jobs and rising incomes for all New Zealanders, particularly in the regions."

— Jim Anderton, Deputy Prime Minister and Leader of the Alliance

"The latest quarterly figures have reversed the negative trend of the first six months under Labour. However it will take a few more HLFS surveys to determine whether this represents a new improving trend, or a statistical hiccup. Either way, Labour still has a long way to go to match the 38,000 new jobs a year created on average for the eight years between September 1991 and September 1999 under National-led Governments."

— Bob Simcock, National Party Employment Spokesman

"The figures show there is more confidence in the employer community than is perhaps revealed in some confidence surveys..."

— Peter Conway, Council of Trade Unions economist.

"The increase in the unemployment rate for Maori and Pacific Islanders, in a quarter where official unemployment has fallen is a serious warning, and an indication that the Government's closing the gaps on Maori and the rest has achieved nothing despite a year of rhetoric."

— Dr Muriel Newman, ACT Employment Spokesperson

"This week's employment figure is so out of keeping with some other perceptions of the economy that it has already been suggested that it's a bung number. If it is genuine - and logic would seem to dictate that it should be more robust than your average business confidence survey - then it's extremely significant. It also calls into question exactly what it is that business confidence surveys measure."

"Good economic news is always tricky for Opposition parties, but National received it with some grace. Act's Muriel Newman, however, went through the extraordinary contortion of finding bad news in the numbers by highlighting the slight rise in Maori and Pacific Island unemployment. That that number should rise while overall unemployment falls is indeed cause for concern. But to see Act sounding the alarm over the Gap it has spent all year insisting doesn't exist and therefore doesn't require closing is a tiny bit rich, don't you think?"

— Russell Brown, *Hard News*

- Statistics NZ reports that employment in the Construction Industry has increased by 9,700 in the last year, and employment in Accommodation, Cafes and Restaurants is up 11,300. Employment fell by 13,400 in Agriculture, Forestry and Fishing.

A curious figure: The employment data also estimates that 8,000 jobs were created in the Education sector in the last three months. ANZ economists describe this as "implausibly large", especially when you consider this would be the equivalent of the entire staff of two to three large universities.

- The **Mayors Taskforce for Jobs** has met with seven **government departmental heads** at a special forum at the Wellington City Council on 3 November. The meeting is the last in a series of consultation forums that the Taskforce has held this year.

Next week, the Taskforce will meet again in Wellington to workshop strategies for their **local employment action plans**. The Mayors will be both challenging and supporting each other to pursue the Taskforce's first goal that, by 2005, no young person under 25 years will be out of work or training in their communities.

- The list of departmental heads who met with the Mayors Taskforce included: **Christine Rankin**, Winz CEO and **Ray Smith**, Winz National Commissioner; **Max Kerr**, General Manager of Skill NZ; **Sue Mackwell**, Senior Manager with the Ministry of Social Policy; **Roger Wigglesworth**, Ministry of Economic

(continued on page five)

ONE IN SEVENTEEN PEOPLE OFFICIALLY UNEMPLOYED IN NZ

OFFICIAL NUMBER OF UNEMPLOYED IN NZ

Sept 2000

111,000

Seasonally Adjusted

OFFICIAL RATE OF UNEMPLOYED

Sept 2000

5.9%

OR ONE IN 17 PEOPLE

Seasonally Adjusted

PEOPLE REGISTERED AT WORK & INCOME NZ

Figures unavailable

NOTIFIED VACANCIES

Figures unavailable

DROP IN NUMBER OF UNEMPLOYED IN LAST THREE MONTHS

July 2000 — Sept 2000

3,000

DROP IN LAST YEAR

Sept 99 — Sept 2000

16,000

GLOBAL

SPAIN	14.5%
ITALY	10.5%
FRANCE	9.6%
GERMANY	8.3%
CANADA	7.1%
AUSTRALIA	6.4%
OECD Average	6.5%
NEW ZEALAND	5.9%
BRITAIN	5.4%
JAPAN	4.6%
UNITED STATES	4.1%

STATISTICS THAT MATTER

OFFICIALLY UNEMPLOYED

The official unemployed rates are an internationally recognised figure for unemployment based on the Household Labour Force Survey run by Statistics New Zealand. These are the latest figures for September 2000

NORTHLAND	8.7%	or one in 11 people
AUCKLAND	5.1%	or one in 20 people
WAIKATO	6.0%	or one in 17 people
BAY OF PLENTY	8.1%	or one in 12 people
GISBORNE-HAWKES BAY	7.2%	or one in 14 people
TARANAKI	6.0%	or one in 17 people
WANGANUI-MANAWATU	6.5%	or one in 15 people
WELLINGTON	5.0%	or one in 20 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	4.6%	or one in 22 people
CANTERBURY	5.5%	or one in 18 people
OTAGO	5.3%	or one in 19 people
SOUTHLAND	4.9%	or one in 20 people

EMPLOYED

NUMBER OF PEOPLE IN JOBS IN NZ 1,784,000

Sept 2000 Seasonally Adjusted

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS 22,000
July 2000 — Sept 2000

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR 37,000
Sept 99 — Sept 2000

SECTORS WITH A RISE IN EMPLOYMENT IN THE LAST YEAR
CONSTRUCTION, WHOLESALE & RETAIL TRADE, EDUCATION, MANUFACTURING, TRANSPORT, STORAGE & COMMUNICATION, HEALTH & COMMUNITY SERVICES

SECTORS WITH A DROP IN EMPLOYMENT IN THE LAST YEAR
AGRICULTURE, FORESTRY AND FISHING, BUSINESS & FINANCIAL

REGIONS

REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS
July 2000 — Sept 2000

- NORTHLAND
- AUCKLAND
- BAY OF PLENTY
- TARANAKI
- WANGANUI / MANAWATU
- WELLINGTON
- NELSON / MARLBOROUGH / TASMAN / WEST COAST
- CANTERBURY
- OTAGO

REGIONS WITH A RISE IN UNEMPLOYMENT

- WAIKATO
- GISBORNE / HAWKES BAY
- SOUTHLAND

FULL-TIME and PART-TIME

of the "Employed" statistics

	FULL TIME	PART-TIME
MEN	855,200 (88%)	112,700 (12%)
WOMEN	514,200 (63%)	296,700 (37%)
TOTAL	1,369,400	409,400
OVERALL %	77%	23%

GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 32,600
GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 4,600

A SPECIAL SUPPLEMENT TO

THE JOBS LETTER

16 NOVEMBER 2000

ONE IN ELEVEN PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF JOBLESS IN NZ
Sept 2000

177,300

OFFICIAL RATE OF JOBLESS
Sept 2000

9.1%
OR ONE IN 11 PEOPLE

FALL IN NUMBER OF JOBLESS IN LAST THREE MONTHS
July 2000 — Sept 2000

10,000

FALL IN NUMBER OF JOBLESS IN LAST YEAR
Sept 99 — Sept 2000

27,900

THE JOBLESS FIGURES

According to Statistics NZ, the difference between the official "unemployment" figures and the "jobless" figures is that many of the people on the jobless measurement are available for work, but not actively seeking it.

The reasons for not actively seeking work range from people being discouraged because they lack the skills needed, or were the wrong age, or that the right work was not available in their area, or they were only looking for jobs in the newspaper. This measurement also includes those actively seeking work but not yet available for it.

A SPECIAL SUPPLEMENT TO

THE JOBS LETTER

16 NOVEMBER 2000

OFFICIALLY JOBLESS

"Those Without a Job and Wanting a Job"

These are the statistics that are more commonly used by community workers and employment activists in New Zealand because they more accurately reflect the people who are their concern or clients. These "Jobless" figures are also based on the Household Labour Force Survey run by Statistics New Zealand, but include a wider definition of unemployment, usually referred to as "those without a job and wanting a job" ... (see note in side panel).

NORTHLAND	13.5%	..... or one in 7 people
AUCKLAND	7.8%	..... or one in 13 people
WAIKATO	8.3%	..... or one in 12 people
BAY OF PLENTY	11.9%	..... or one in 8 people
GISBORNE-HAWKES BAY	14.3%	..... or one in 7 people
TARANAKI	9.7%	..... or one in 10 people
WANGANUI-MANAWATU	10.0%	..... or one in 10 people
WELLINGTON	8.3%	..... or one in 12 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	8.2%	..... or one in 12 people
CANTERBURY	8.6%	..... or one in 12 people
OTAGO	8.9%	..... or one in 11 people
SOUTHLAND	10.0%	..... or one in 10 people

AGE and LONG-TERM

YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS 15.7%
Sept 2000 one in 6 young people

MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS 4.4%
Sept 2000 one in 23 mature people

LONG-TERM UNEMPLOYED (OVER 6 MONTHS) 38,200
Sept 2000 34% or one in 3 of the unemployed

LONGER-TERM UNEMPLOYED (OVER 2 YEARS) 9,600
Sept 2000 9% or one in 12 of the unemployed

VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS) 2,500
Sept 2000 2% or one in 44 of the unemployed

THE SCHEMES

Figures from Work & Income NZ, Skill NZ and Youth Affairs
(as at the end of Sept 2000)

TASKFORCE GREEN	814
JOB PLUS	4,867
JOB PLUS MAORI	135
JOB CONNECTION	281
ENTERPRISE ALLOWANCE	132
ENTERPRISE ALLOWANCE WITH CAPITALISATION	322
TRAINING OPPORTUNITY SCHEME (TOPS) (Sept quarter)	8,008
YOUTH TRAINING (SKILL NZ) (Sept quarter)	5,503
LIMITED SERVICE VOLUNTEERS (ARMY/NAVY) (Sept quarter)	98
CONSERVATION CORPS	794
YOUTH SERVICE CORPS	126
COMMUNITY WORK (still counted as unemployed)	3,349

PARTICIPATION

LABOUR FORCE PARTICIPATION RATE
Sept 2000

Seasonally Adjusted

65.5%

up from 65.2% last year

RACE

MAORI RATE OF UNEMPLOYMENT
Sept 2000

14.2%

OR ONE IN SEVEN PEOPLE

PACIFIC ISLAND RATE OF UNEMPLOYMENT
Sept 2000

11.3%

OR ONE IN NINE PEOPLE

NZ EUROPEAN RATE OF UNEMPLOYMENT
Sept 2000

4.2%

OR ONE IN 24 PEOPLE

The Jobs Letter

DIARY

30 October 2000

Immigration Minister Lianne Dalziel says business migrants may be able to immigrate here with less money if they settle outside of Auckland. At present business migrants must invest between \$1 million and \$5 million depending on their age. She will look at whether the \$1 million limit is too high for investment outside Auckland.

1 November 2000

The Government launches its e-commerce strategy in Auckland. It says it will lead by example in its uptake of new technology, educate businesses and individuals in information technology, and create an economic and legal framework in which e-commerce can thrive.

Victoria University e-commerce professor Brian Corbitt says the Government's e-commerce initiative is 2-4 years behind the rest of the world. He is concerned about the 5 year time frame for policy, and says it should realistically be 18 months.

2 November 2000

Unemployment is at 5.9%, its lowest level for 12 years, according to Statistics NZ figures released today. See feature in this issue.

Swedish mobile phone company Ericsson and Wellington software company Synergy announce a joint venture to develop mobile Internet technologies, creating about 150 jobs.

ACT leader Richard Prebble challenges the Government to do a survey of what will attract talented people to the country.

Development; **Charlie Moore**, General Manager of the Community Employment Group (CEG) and **Geoff Bascand**, General Manager of the Labour Market Policy Group (LMPG).

The Taskforce meeting was chaired by **Jill White** (Mayor of Palmerston North), and also attended by **Mark Blumsky** (Wellington), **Garry Moore** (Christchurch), **John Chaffey** (Hurunui), **Tim Shadbolt** (Invercargill), **Franca Cardno** (Southland), **Basil Morrison** (Hauraki), **Jenny Brash** (Porirua), and **Yvonne Sharp** (Far North).

- One of the most publicly popular government initiatives this year has been the launch of the **Modern Apprenticeships programme** run by Skill NZ (see *The Jobs Letter No. 121*). The programme is aimed at young people under the age of 21, and engages a variety of organisations to offer co-ordination services to support employers in offering apprenticeship training.

At the Mayors Taskforce meeting, Skill NZ General Manager **Max Kerr** reported that the programme will provide 3,000 apprenticeship training places by 2002, and will cost \$4m this financial year, rising to \$12m in 2001-2.

Skill NZ has set itself strategic goals which are very similar to that of the Mayors Taskforce. The agency seeks to ensure that "... by 2005, every young person leaving school will have access to a range of further education and workplace learning pathways, and every adult in the labour market will have the opportunity to participate in education and training leading to nationally recognised skills and qualifications."

Max Kerr commented at the meeting that, in the early 1980s, **there were 25,000 New Zealanders in apprenticeships** ... although he doubted his agency would be able to reach such numbers today. His guess is that a realistic target would be about 10-15,000 apprenticeships. He says that while the concept of apprenticeships was popular with older generations, a problem is that apprenticeships haven't been promoted in schools as a viable pathway to further training and a career.

- The other obvious challenge will be **whether government will allocate enough resources** to Skill NZ in order for the training agency to reach its strategic goals. Even with an allocation of \$12m for 3,000 places (in 2002), the Modern Apprenticeships scheme will be very much the poorer cousin of the other Skill NZ schemes. The government financial allocations to Skill NZ for this year include: \$65m for Youth Training (aimed at people under 18 yrs with low educational qualifications); \$97m for Training Opportunities (for longer term unemployed people with low educational qualifications); and \$70m for Industry Training (mostly provided in the workplace).
- The **Trade Union Federation (TUF)** has proposed an initiative for industry and employment development called "**Unions for Jobs**". The plan would see unions support economic and regional development policies which promote job growth. TUF President Maxine Gay has taken her ideas to the Council of Trade Unions, and hopes to present a joint proposal to the Government within a couple of weeks.

Gay : " The Government needs to support workers and their unions to play a key role in this long-awaited economic reconstruction. Union officials and delegates are well placed to identify areas of job growth or barriers to growth in the firms and industrial sectors that they work in, to promote a job growth consciousness in their workplaces and communities and to provide early warning for firms in trouble."

The Jobs Letter

DIARY

3 November 2000

Nestle is closing its confectionery plant in Oamaru and relocating it to Australia, with the loss of 48 jobs.

5 November 2000

National's Economic Development spokesperson Max Bradford says the Government's regional development policies are failing to stop job losses in regional New Zealand. Bradford: "So far we know Jim's Jobs Machine has employed a whole bunch of consultants in Wellington, but families in the regional New Zealand have had news of job cuts."

6 November 2000

Jim Anderton argues that jobs are indeed being created in rural areas and across NZ, and some National MPs have acknowledged this. Anderton: I would suggest National get their line of attack right. Either there are 37,000 jobs in the new economy or there aren't."

Hawkes Bay earthmoving contractor East Coast Contractors is going out of business, with the loss of up to 103 jobs. The decision affects 50 jobs in Tauranga, 42 in Hastings and 11 in Gisborne.

Federated Farmers estimates there are 2,000 extra farm workers needed in the South Island alone, as the rural economy expands. Canterbury needs the most workers.

Deputy PM Jim Anderton's People's Bank could be up and running by the middle of next year. Anderton has secured the support of PM Helen Clark and Finance Minister Michael Cullen, who has approved financial support for the venture.

The Eastern Institute of Technology is to run a social work course that is free to Maori and Pacific Islands people next year. The course is part of a government programme to get more Maori trained in social services, and Skill NZ will pay the students' fees.

"Trade unions in New Zealand have had neither the history nor opportunity of consistent involvement in industry and employment strategies. This is markedly different to the role of unions in economic development in other parts of the world, especially Europe. It is in the interests of workers to ensure a growth in jobs, so that we move from a buyers' to a sellers' market for labour. Trade unions must ensure the jobs created by regional, economic and industry development policies are permanent and well paid, not casual and marginal."

• The TUF plan for "Unions for Jobs" has **six key objectives**:

— to ensure that unions are motivated, resourced and trained to play an active role in the Government's development and employment strategies

— to help to identify and to train trade union representatives on regional development, industry sector and employment promotion bodies and projects

— to identify appropriate regions, communities, sectors and firms that may require Government support

— to harness the knowledge and ideas of workers, delegates and union officials for job creation initiatives and input into wider regional and economic development decisions

— to help to ensure the outcome of Government initiatives and spending is good and sustainable jobs, and

— to liaise with Maori, Pacific, women's, unemployed, business, local government and other sector groups active in the Government's strategies.

• The government has just released a summary of its overall "**employment strategy**". The document entitled *Opportunity, Capacity Participation — Government Employment Strategy 2000* has been produced to bring together the myriad of government policies and programmes that impact on its employment goals.

Employment Minister Steve Maharey says that the strategy is about a "**whole of government**" approach in which "policies are mutually reinforcing across portfolios". Maharey: "The strategy is part of a process by which policymakers and those tasked with implementing policies are required to continually bring one question to the fore: What will this intervention do to grow the economy and grow jobs?"

• The document **contains no surprises** and comes with a fair dose of current public service jargon. It is essentially a summary of existing government programmes aimed at "minimising disadvantages" to people in the labour market and "maximising their potential" through education and training initiatives.

What is new is that the Cabinet has decided to put in place a **monitoring regime** to assess the government's performance against its overall employment strategy. In future, any major policy proposals that impact on employment will include a clear assessment for Cabinet on how the policies will affect jobs. Progress on government actions and initiatives will be reported on at the end of June and December each year, and the actual employment outcomes from the strategy will be reported at the end of September.

• A copy of the employment strategy document can be downloaded from Steve Maharey's ministerial website at <http://www.executive.govt.nz/minister/maharey/employment-strategy.pdf>

The Jobs Letter

DIARY

8 November 2000

Winz announces changes to the seasonal work rules to encourage more unemployed people to do seasonal work. Social Services and Employment Minister Steve Maharey says most beneficiaries who undertake seasonal work will have their benefits reinstated within 24 hours of finishing, and will be compensated for bad weather.

9 November 2000

30% of staff employed at the IRD's five call centres have quit in the last year. The staff have had a higher workload than expected because of the complexity and volume of calls.

10 November 2000

The Government wants to set up reciprocal arrangements with Britain and Australia to collect student loan repayments via the tax system.

The Social Security Amendment Bill is introduced to Parliament. The Bill removes all references to the National government's "community wage", reinstating the "unemployment benefit" and a non-work tested "sickness benefit". Unpaid community work will no longer be compulsory. Those with a sickness, disability or injury will no longer be tested for work capacity, and the income threshold for a disability allowance will be increased.

12 November 2000

Dame Margaret Bazley is to retire, and will step down as CEO of the Ministry of Social Policy next year. Bazley has headed the Department of Social Welfare and the Ministry of Transport, has held senior roles in health services and was a member of the State Services Commission.

- Federated Farmers in the South Island estimates that **2,000 extra farm workers are needed** as good weather and the low exchange rate create a rural boom on dairy, sheep and beef farms. The increased profitability on the land means that farmers who cut back on labour during several tough seasons are now looking to employ more staff. But many of the farm workers who had lost their jobs in recent years have found other work.

Federated Farmers general policy manager Gavin Forrest says that the usual reliance on local young people coming through and going to work on farms isn't keeping pace with the demand for staff. He says that part of the problem is that young people have a **poor perception of farming as a career**. Forrest: "There are some good wages and in the dairy industry there is a good career structure and the ability to become a sharemilker and own your own farm. But its not the first career option that leaps out at people. We don't believe farming is portrayed in a good light by many of the schools."

- The government's \$5m Sustainable Farming Fund is helping train farmers to be good employers, paying for a study of employment conditions on dairy farms and funding school visits to promote farming as a career. However, Agriculture Minister **Jim Sutton** says that more improvements could be made to rural employment conditions with better housing and more time off for young workers.
- The **Forestry industry** is another sector facing **staff and skill shortages** after laying off many workers during the Asian currency crisis in 1997. Simon Collins, in the *New Zealand Herald* Jobs Challenge feature series, reports that trees maturing in the next six years could transform the two regions with the highest unemployment.

But Collins says the industry is facing the consequences of **years of under-investment** in the roads required to get the logs to ports, under-developed opportunities in international markets, and a critical shortage of skilled labour, despite the forests being in regions "swarming with jobless workers".

- On the East Coast, where 2,800 people were unemployed in the last census, the amount of maturing wood available for harvesting will quadruple by 2006. With continued planting and 60 per cent local processing, the Forestry industry says 19,000 jobs could be created in the region by 2030, **almost doubling the region's present total employment**.

In Northland, where 5,000 people are unemployed, maturing wood available for harvest will more than treble by 2006 — enough to at least treble the region's 1,545 forestry and processing jobs.

Trainees working in forestry companies have doubled in the past four years and 41 apprentices have been signed up since late July under the new Modern Apprenticeship scheme. But Forest Industries Training chief executive John Blakey says "we are running into a bit of a brick wall in terms of getting people."

- In a hard-hitting submission to the Government, the East Coast Forestry Industries Group warns that if it cannot get trained workers through a proposed state-subsidised, fast-tracked scheme, it will **seek to import labour** from Fiji and the Philippines. The Forestry Group has asked the Government for \$1.9 million to subsidise the wages of 80 silvicultural trainees for six months.

The Jobs Letter

DIARY

According to research by IT education company Com Tech Education Services, money spent on online learning programmes is wasted. Com Tech's General Manager Steve Ross says corporates are adopting e-learning for cost saving rather than effectiveness. Ross: "We believe humans learn best from humans and that online learning is not an acceptable substitute for face-to-face training. Staff enthusiasm for this type of learning is low because it is mass personalised and a sterile and artificial form of communication. People are different, yet online courses are pitched to everyone in the same way."

13 November 2000

Auckland call centre company Teletech has put an offer to the Government which could see call centres built in areas of low employment. The plan calls for the Government to channel some of its call centre work through the regional call centres. Teletech employs about 350 people.

Green Party co-leader Rod Donald criticises police for buying their shirts from Indonesia to save money. He says that there is an irony in buying the shirts overseas because local unemployment contributes to crime.

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The Diary is sourced from our media watch of New Zealand daily and weekly newspapers.

Research sources for the main items in The Jobs Letter are available in our internet edition at www.jobsletter.org.nz

- Geoff Fisher, a former forestry trainer and forest manager in Rotorua, argues that "the market" has not delivered a favourable situation to the long-term interests of either investors in the forestry industry, nor the workforce. He says it is time for the forestry owners to **pay higher wages and create better career security**.

He notes that, at the rates of pay prevailing in 1999, a silvicultural worker might make as little as \$300 for a hard week's work adding value to plantations of radiata pine. He says that affordable wages for skilled workers should be closer to \$1,000 a week, while maintaining traditional rates of return on capital for forest owners.

Fischer says that, in the Forest Service era (pre-1987), "woodsman" (a skilled forest labourer) and "ranger" (a forest technician) were coveted career positions which offered security, exposure to a wide range of forest types and operations, and the possibility of advancement to senior management positions. But under the prevailing short-term contract system today, there is little variety, less security and no clearly defined career path.

- Visit our "Jobs Challenge" page at <http://www.jobsletter.org.nz/nzh2000.htm> for further links to articles in the *New Zealand Herald* special series.
- The recruitment agency Morgan & Banks says that **Wellington** is facing a "**massive shortage**" of **information technology (IT) skills** which will be exacerbated by news of a multi-million-dollar joint venture between Ericsson and Wellington software company Synergy. About 100 of the 150 new jobs in the venture will be based in Wellington, but the recruitment agency says that rapid growth in Wellington's IT and telecommunications sectors has outstripped the local labour supply. Many of the workers will have to be brought in from other cities around NZ, and from overseas.

Morgan & Banks Wellington manager Paul Jury is also pointing to **pay rates as a problem** in attracting and retaining staff. He says, at the top end of the market, pay rates in NZ are often less than half of what skilled workers can earn overseas. The challenge for Wellington is to sell its lifestyle to IT workers "... because the income is often not as attractive."

- "Second Chance" jobs in the US. The United States is going through its longest stretch of economic growth ever — nearly ten years and counting — and the unemployment rate is at 3.9%, a 30-year low. American employers are so desperate for workers that they are now going out of their way to **recruit people they wouldn't normally consider** — ex-convicts, former gang members and recovering drug addicts. The *Associated Press* in Chicago reports that an increasing number of employers are posting fliers in halfway houses and offering college tuition reimbursements. Some companies, like the United Parcel Service, even have recruiting vans that roam city neighbourhoods in search of applicants. And among the more popular methods of recruitment are "**Second Chance**" **Job Fairs**, organised by state and private agencies, where employers are linked to hundreds of job seekers who are also ex-offenders.

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To develop and distribute information that will help our communities create more jobs and reduce unemployment and poverty in New Zealand.

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