

The Jobs Letter

No.161

14 February 2002

Essential Information on an Essential Issue

KEY

STATISTICS THAT MATTER

SKILLS SHORTAGES

GOVERNMENT'S EMPLOYMENT
PROGRESS

CHANGES TO BENEFIT
ABATEMENT RATES

FEWER STUDENT
ALLOWANCES

STUDENT LOANS FOR
INMATES

SPECIAL BENEFITS STILL
HARD TO GET

HOLIDAY PAY CHANGES

WORKING IN BRITAIN

MICHAEL YOUNG

DIARY

3 January 2002

A study by the Wellington Downtown Ministry finds a lack of consistency in the way Special Benefits are administered from one Winz district to another and that only one in 20 people who could qualify for the Special Benefits actually receives one.

6 January 2002

Minister of Education Trevor Mallard dismisses reports of a huge shortage of secondary teachers as a "massive over-reaction". Mallard says the 10% shortfall in teacher numbers at the end of the school year had been consistent with the two previous years. But Secondary Principals Association head Tom Robson says the large number of resignations received after the end of the term were not included in Mallard's figures. Robson says that if the community was aware of the extent of the teacher shortages it would be very alarmed.

- The latest employment statistics show rises in both the rate of unemployment and the rate of employment. This reflects a growth in the number of people entering the workforce and a rise in the number of "discouraged" people re-entering the labour market. We include our regular *Statistics that Matter* summary in this issue. Some highlights:
 - Unemployment rose in the December quarter from 5.2% to 5.4% This was the first increase in unemployment in six quarters but the rate is still lower than it was at this time last year.
 - The increase in unemployment has been borne by Pacific Island people and Maori. Unemployment among Pacific Island people it was up from 8.2% to 9.9% and for Maori it was up from 12.3% to 12.9%.
 - Unemployment declined for European/Pakeha from 3.8% to 3.7%. At the end of 2001, unemployment rates for all ethnic groups were lower than they had been at the end of 2000.
 - Youth unemployment increased slightly and, at 14.8%, young people are the group worst affected by unemployment.
 - Employment grew by 0.9% or 16,000 jobs, nearly all of them full-time. The number of new jobs is only just above the 14,400 working-age people who joined the workforce over the quarter. Statistics NZ attributes much of the employment gain to the 9,200 immigrants who settled in NZ this last quarter, most of whom are presumably working.
 - A greater percentage of people of working age are now actively seeking work. The labour force participation rate is now 66.4%, a 14 year high, and indicates that more people were being drawn into the paid workforce. The male participation rate was 74.2% while the female rate was 59.0%.
- New Zealand's skills shortages continues to make news. The central branch of the Employers and Manufacturers Association says that despite increasing numbers of people joining the workforce over the last 18 months, the lower North Island is suffering from "chronic skills shortages". In greatest demand are engineers, industrial electricians and mechanics. Recruitment agencies say that part of the reason for the shortage is the mobility of the workforce. When job opportunities dried up in NZ over the past two decades many skilled NZ'ers were lured overseas to work where they were very well paid.

The Labour Department's Geoff Bascand agrees that skills shortages are a problem but he says that the rising number of apprenticeships and the turnaround in immigrant numbers will continue to improve the situation. A Labour Department survey found that 25% of employers had difficulty finding skilled staff this last quarter, down from 39% the previous quarter.
- The government has released a progress report on its employment strategy. The original strategy outlined six goals which it said had the potential to minimise persistent disadvantages in the labour market and maximise the number of jobs and the level of earnings. With *Employment Strategy: Progress to Date*, Minister of Employment Steve

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8 January 2002

Jet engine maintenance company Christchurch Engine Centre is no longer aiming to cut staff numbers. There had been talk of more redundancies to follow the lay-offs made in November but a spokesperson now says that job cuts are no longer on the company's agenda.

9 January 2002

Japan may be poised for the largest banking default in history that could have an enormous impact on the world economy. The American Enterprise Institute for Public Policy Research estimates that Japanese banks have a net worth of negative \$US1,000 billion (one trillion) which, it says, constitutes a systemic risk to the global economy. The Japanese secretary-general Taku Yamasaki says the government would bailout the financial sector if necessary.

10 January 2002

By December last year, 42% of the long-term unemployed who found work during 2001 had re-registered as job seekers. Act MP Muriel Newman says the figures indicate the emergence of a new underclass of people who cannot hold a place in the workforce. Associate Minister of Social Services Ruth Dyson says the figures are misleading because they include people who had re-enrolled as unemployed for short periods.

Job vacancies in Australia decreased by 1.9% in the three months to November, the fourth consecutive quarterly fall. Economists say that the new figures indicate a weak, but not collapsing, Australian job market. Job ads in Australia increased 2.2% over last month but are still 17.9% lower than at the same time last year.

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The building and construction sector is expecting substantial growth this year as immigration reverses its trend from losing residents to gaining them. During the last few years NZ has been losing about 10,000 people per year but new residents are now out numbering those leaving by about 2,000 per month. Business forecasters BIS Shrapnel says the improving economy will continue to fuel immigration growth which will flow on to more jobs in the building sector.

Maharey gives an overview of what has happened with employment and unemployment from July 2000 – December 2001, and points to where the government is going with employment policy in this election year. The Good News: the number of unemployed people and the unemployment rate are at 13 year lows and unemployment is now lower in every district than it was at the beginning of last year. This has been achieved while the government ran a budget surplus and contained inflation, the economy grew at 2.2% and wages grew by 3.4%. Employment rose and unemployment fell for all ethnic groups.

Concerns: Maori unemployment is still over three times that of the European/Pakeha rate and Pacific Island unemployment is well over twice the European/Pakeha rate. Over the last ten years there has been an increasing percentage of young people leaving school with no qualifications and the report highlights that people with no qualifications are overly represented in the unemployment figures. Some 9,000 young people left school with no formal school qualifications between 1999 and 2000 and up to 20% of 15-19yr olds have low or no formal qualifications. For Maori this lack of qualifications is up to 38% of school leavers and for Pacific Island people it is 27%. The relationship between a lack of qualifications and unemployment is illustrated by the fact that 49% of registered job seekers have no qualifications ... a figure that reduces significantly for people with qualifications.

Maharey: "Key aims for the future are to sustain the current rate of employment and economic growth, further reduce unemployment levels and develop an economy that encourages people to participate. New Zealand's competitive advantage will relate in large part to our capacity to generate new ideas and to use these ideas to create innovative products and services across the entire economy. This transformation can only be achieved with a creative and adaptive workforce, fostered through an education and training system that is flexible enough to address the needs of both the current and the future workforce.

Addressing skills improvement forms the bulk of what the government sees as the work it front of it. The report concludes that education and workforce training, beginning with Early Childhood Education and continuing with literacy and numeracy and on to developing higher levels of generic skills are now government priorities. The report also identifies improvements were needed in aligning training resources to industry needs, attracting ex-patriot NZ'ers back home, assisting communities to generate their own employment opportunities and creating opportunities for groups who are over-represented in unemployment figures.

Employment Strategy: Progress to Date: July 2000 — December 2001, download from: <http://www.executive.govt.nz/minister/maharey/employment-strategy-update-feb02.pdf>

- The government will be easing the abatement rate schedule for people earning money while on the domestic purposes or widows benefit from August this year. Currently Winz deducts any extra income from benefit payments at 70 cents on every dollar. But the new regime will abate that extra income at just 30 cents and hopes to create a greater incentive for people to take on part-time or low-paid work. A spokesperson for Steve Maharey says the current benefit abatement rates are a poverty trap that keeps people on benefits rather than helping them move into paid

(continued on page six)

STATISTICS THAT MATTER

ONE IN NINETEEN PEOPLE OFFICIALLY UNEMPLOYED IN NZ

OFFICIAL NUMBER OF UNEMPLOYED IN NZ

Dec 2001

105,000

Seasonally Adjusted

OFFICIAL RATE OF UNEMPLOYED

Dec 2001

5.4%

OR ONE IN 19 PEOPLE

Seasonally Adjusted

RISE IN NUMBER OF UNEMPLOYED IN LAST THREE MONTHS

Sept 2001 — Dec 2001

5,000

DROP IN LAST YEAR

Dec 2000 — Dec 2001

2,000

PEOPLE REGISTERED AS JOBSEEKERS WITH MINISTRY OF SOCIAL DEVELOPMENT

(Formerly WINZ)

Dec 2001

191,541

UNDEREMPLOYED

Dec 2001

113,600

(workers who are employed part time but would prefer to work more hours)

GLOBAL

SPAIN	12.9%
ITALY	9.3%
FRANCE	9.2%
GERMANY	8.0%
CANADA	7.7%
OECD Average	6.9%
AUSTRALIA	6.8%
UNITED STATES	5.6%
JAPAN	5.5%
NEW ZEALAND	5.4%
BRITAIN	5.2%

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 December 2001.

NORTHLAND	9.1%	or one in 11 people
AUCKLAND	4.6%	or one in 22 people
WAIKATO	6.0%	or one in 17 people
BAY OF PLENTY	7.7%	or one in 13 people
GISBORNE-HAWKES BAY	6.8%	or one in 15 people
TARANAKI	5.9%	or one in 17 people
WANGANUI-MANAWATU	5.1%	or one in 20 people
WELLINGTON	4.8%	or one in 21 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	4.0%	or one in 25 people
CANTERBURY	4.9%	or one in 20 people
OTAGO	4.1%	or one in 24 people
SOUTHLAND	4.9%	or one in 20 people

EMPLOYED

NUMBER OF PEOPLE IN JOBS IN NZ **1,842,000**

Dec 2001 Seasonally Adjusted

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS

Sept 2001 — Dec 2001

16,000

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR

Dec 2000 — Dec 2001

41,000

SECTORS WITH A RISE IN EMPLOYMENT IN THE LAST YEAR

HEALTH & COMMUNITY SERVICES, WHOLESALE & RETAIL TRADE, AGRICULTURE, FORESTRY AND FISHING, MANUFACTURING, CONSTRUCTION, TRANSPORT, STORAGE & COMMUNICATION

SECTORS WITH A DROP IN EMPLOYMENT IN THE LAST YEAR

BUSINESS & FINANCIAL, EDUCATION

FULL-TIME and PART-TIME

of the "Employed" statistics

	FULL -TIME	PART-TIME
MEN	901,000 (89%)	110,800 (11%)
WOMEN	537,800 (63%)	311,100 (37%)
TOTAL	1,438,800	421,900
OVERALL %	77%	23%

GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 25,000

GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 16,000

REGIONS

REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS

Sept 2001 — Dec 2001

BAY OF PLENTY
CANTERBURY
OTAGO

REGIONS WITH A RISE IN UNEMPLOYMENT

NORTHLAND
AUCKLAND
GISBORNE / HAWKES BAY
WAIKATO
TARANAKI
WANGANUI / MANAWATU
WELLINGTON
NELSON / MARLBOROUGH /
TASMAN / WEST COAST
SOUTHLAND

A SPECIAL SUPPLEMENT TO

THE JOBS LETTER

13 FEBRUARY 2002

ONE IN ELEVEN PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF JOBLESS IN NZ
Dec 2001

183,600

OFFICIAL RATE OF JOBLESS
Dec 2001

9.0%
OR ONE IN 11 PEOPLE

RISE IN NUMBER OF JOBLESS IN LAST THREE MONTHS

Sept 2001 — Dec 2001

9,700

RISE IN NUMBER OF JOBLESS IN LAST YEAR

Dec 2000 — Dec 2001

2,000

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

13 FEBRUARY 2001

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	15.8%	..... or one in 6 people
AUCKLAND	8.2%	..... or one in 12 people
WAIKATO	9.2%	..... or one in 11 people
BAY OF PLENTY	12.1%	..... or one in 8 people
GISBORNE-HAWKES BAY	11.1%	..... or one in 9 people
TARANAKI	10.3%	..... or one in 10 people
WANGANUI-MANAWATU	8.0%	..... or one in 13 people
WELLINGTON	7.5%	..... or one in 13 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	6.9%	..... or one in 14 people
CANTERBURY	8.6%	..... or one in 12 people
OTAGO	10.8%	..... or one in 9 people
SOUTHLAND	7.8%	..... or one in 13 people

AGE and LONG-TERM

YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS 14.8%
Dec 2001 one in 7 young people

MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS 2.8%
Dec 2001 one in 36 mature people

LONG-TERM UNEMPLOYED (OVER 6 MONTHS) 26,800
Dec 2001 26% or one in 4 of the unemployed

LONGER-TERM UNEMPLOYED (OVER 2 YEARS) 7,100
Dec 2001 7% or one in 15 of the unemployed

VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS) 2,300
Dec 2001 2% or one in 46 of the unemployed

THE SCHEMES

Figures from Ministry of Social Development (formerly WINZ), Skill NZ and Youth Affairs

TASKFORCE GREEN	1,258
JOB PLUS	7,960
JOB PLUS MAORI	232
JOB CONNECTION	331
ENTERPRISE ALLOWANCE	188
ENTERPRISE ALLOWANCE WITH CAPITALISATION	446
TRAINING OPPORTUNITY SCHEME (TOPS)	7,618
YOUTH TRAINING (SKILL NZ)	5,100
LIMITED SERVICE VOLUNTEERS (ARMY)	104
CONSERVATION CORPS	785
YOUTH SERVICE CORPS	140
ACTIVITY IN THE COMMUNITY (still counted as unemployed)	3,100

PARTICIPATION

LABOUR FORCE PARTICIPATION RATE
Dec 2001

Seasonally Adjusted

66.4%

up from 65.9% last year

RACE

MAORI RATE OF UNEMPLOYMENT
Dec 2001

12.9%

OR ONE IN EIGHT PEOPLE

PACIFIC ISLAND RATE OF UNEMPLOYMENT
Dec 2001

9.9%

OR ONE IN 10 PEOPLE

NZ EUROPEAN RATE OF UNEMPLOYMENT
Dec 2001

3.7%

OR ONE IN 27 PEOPLE

The Jobs Letter

MICHAEL YOUNG 1915-2002 — SOCIAL ENTREPRENEUR

- Michael Young, one of Britain's foremost social entrepreneurs, has died aged 86. Lord Young of Dartington leaves behind dozens of institutions and charities which he either was founder, or played a major hand in creating—including the Consumers Association and the Open University. He was an innovative and progressive thinker in political and social policy. At the end of World War II, at the early age of 29, he drafted the 1945 Labour Party manifesto "Let Us Face The Future", which helped bring Atlee's reforming Labour government to power.

Young chose not to go into politics himself, but instead marked out an innovative path for himself in social research and community enterprise. He was once described as a shaman who sowed "dragons teeth", then moved on while great organisations sprung up in his stead. When interviewed by the author Charles Handy in 1999, he simply remarked: "I can't stop thinking of what appear to be worthwhile ideas. They seem so obvious."

His many dragon seeds have included starting the Advisory Centre for Education, which provided information on education issues (1960); the National Consumer Council (1975); the University of the Third Age, or U3A (1982); the Open College of the Arts, which taught practical arts by correspondence (1987); the National Association for the Education of Sick Children (1993); a Family Covenant Association, for promoting a secular form of Baptism (1994); and the School for Social Entrepreneurs (1998).

Young often turned personal experience into new opportunities for social action. While in hospital with cancer, he devised the idea of the College of Health (and with his sense of provocative fun, he originally called it the Association of Trained Patients). While organising the funeral of his wife, he saw the need to improve the training of funeral directors, and so he established the National Funerals College. When he discovered that Bengali patients at the London Hospital were unable to explain to doctors what was wrong with them he launched a telephone exchange offering instant translation services. His energy seemed unstoppable, and even into his late seventies he was publishing books and creating even more organisations.

- Young's views on education were often controversial, and heavily influenced by his time spent as a young man at the alternative school at Dartington Hall. The school was based on the philosophy of Rousseau who held the belief that all children were born gifted in one way or another and needed only

to be fed and watered, like plants, for their gifts to grow.

In his later years, Young proposed that schools, instead of educating the young, should become "living laboratories for research" with the research being carried out by pupils and teachers alike, with parents allowed in to help. He also proposed an "Open School", which pupils could leave at any time after the end of their primary schooling, after which they would be asked to learn at home, or at work under supervision at something socially useful, until they felt the need to go back to more formal schooling.

"Were we to evaluate people, not only according to their intelligence and their education, their occupations and their power, but according to their kindness and their courage, their imagination and sensitivity, their sympathy and generosity, there would be no overall inequalities of the sort we have got used to."

— Michael Young, Lord Young of Dartington

- In 1958, Young wrote a bestseller in which he invented the term "meritocracy". The Rise of the Meritocracy was a satirical history of British Society from 1870 to 2033, and argued that the modern school system established a pecking order which was even more divisive than the old class system — because it divided people by IQ instead of by wealth.

His view was that a meritocracy simply produced a change in the pattern of inequality ... yet in the end, a fundamentally unequal society remains. He believed there are certain human rights that shouldn't be distributed on the basis of merit. These include health care, education and police protection ... which today are much more easily available to the rich.

Young had meant the term "meritocracy" to point towards an undesirable elitism. But many political leaders, such as current British PM Tony Blair, seem to have never read the book or failed to realise it was a satire, and continued to give speeches advocating the meritocracy as a good thing. Last year, Young wrote an article in the Guardian saying he wished Tony Blair would stop using the word.

Young explained: "It is good sense to appoint individual people to jobs on their merit. It is the opposite when those who are judged to have

The Jobs Letter

merit of a particular kind harden into a new social class without room in it for others.”

“Ability of a conventional kind, which used to be distributed between the classes more or less at random, has become much more highly concentrated by the engine of education. A social revolution has been accomplished by harnessing schools and universities to the task of sieving people according to education’s narrow band of values. “

“With an amazing battery of certificates and degrees at its disposal, education has put its seal of approval on a minority, and its seal of disapproval on the many who fail to shine from the time they are relegated to the bottom streams ...”

Young argued that the elite, in a meritocracy, tend to feel they are much more entitled to the privileges they enjoy. This breeds a dangerous arrogance. Young: “They believe, as more and more of them are encouraged to, that their advancement comes from their own merits, and they deserve whatever they can get. They can be insufferably smug, much more so than the people who knew they had achieved advancement not on their own merit but because they were, as somebody’s son or daughter, the beneficiaries of nepotism. The newcomers can actually believe they have morality on their side ...”

Conversely the underclass in a meritocracy is made to feel more deserving of their misfortune. This breeds hopelessness. Young: “It is hard indeed in a society that makes so much of merit to be

judged as having none. No underclass has ever been left as morally naked as that.”

- In a speech “Equality and Public Service” published in September 2000 by the Fabian Society (www.fabian-society.org.uk), Michael Young restated his egalitarian vision:

“Were we to evaluate people, not only according to their intelligence and their education, their occupations and their power, but according to their kindness and their courage, their imagination and sensitivity, their sympathy and generosity, there would be no overall inequalities of the sort we have got used to. Who would be able to say that the scientist was superior to the porter with admirable qualities as a father, the civil servant to the lorry-driver with unusual skills at growing roses?”

“A pluralistic society would also be a tolerant society, in which individual differences were actively encouraged as well as passively tolerated, in which full meaning was at last given to the dignity of man. Every human being would then have equal opportunity to develop his or her own special capacities for leading a full life which is also a noble life led for the benefit of others as well as the self.”

— “Equality and Public Service” Speech to Sociology Section, British Association for the Advancement of Science, 11 September 2000 by Michael Young (Published by the Fabian Society www.fabian-society.org.uk) full paper available on the internet at http://fabianseval.poptel.org.uk/document_store/Doc25.html

DIARY

14 January 2002

Michael Young, Lord Young of Dartingham, 1915-2002. Social Innovator.

Air NZ is to close its reservation call centres in London, Vancouver and Los Angeles. The company did not say how many jobs would be lost overseas but an additional 39 full-time staff would be employed in Auckland to do the extra work.

15 January 2002

In the monthly ANZ survey, job ads in New Zealand increased by 0.7% over last month but are still 6.6% lower than at this time last year.

The Ford Motor Company says it will cut 23,000 jobs as it closes five of its North American plants over the next few years. This number is on top of the 12,000 workers it laid off last year.

work. The scheme will initially cost millions but is expected to save the government money in the long-term. These changes to DPB and widows abatement rates may foretell similar changes across other benefits in the future.

- Three quarters of tertiary students did not receive a student allowance in the year 2000 because their parents’ income was too high. Two years earlier, 34% of students had qualified for allowances but now it is less than a quarter, including only 24% of Maori students.

NZ University Students Association (NZUSA) president Andrew Campbell says that it is not that families are wealthier now but that the family income eligibility threshold for the student allowance has not moved along with wages since it was introduced ten years ago. A family whose income is low enough to make them eligible for a Winz accommodation supplement and community services card may still earn above the income threshold for the student allowance. If they jointly earn above \$28,080 per year, parents are expected to financially support their tertiary student children.

Student groups throughout the country are calling for allowances to be paid to all students, as borrowing to pay for living costs is a big contributor to the mushrooming student debt. A survey commissioned by the NZUSA found that student debt rose by 18% between 1998 and 2000 and tuition fees rose by 21%. Student debt it is growing by \$1 million/day.

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16 January 2002

Investment firm Merrill Lynch cut 15,000 jobs or 20% of its workforce last year.

18 January 2002

The Immigration Service says it is on-track to meet its skilled migrant targets. Government policy says that 60% of the 45,000 people projected to arrive as immigrants must have business or other work skills and the Service says it is exceeding that percentage so far this year.

21 January 2002

The number of overseas students in NZ has doubled since 1999 and last year this group brought more than \$1 billion dollars to the NZ economy. About 45,000 foreign students came to NZ last year, 80% were from Asia.

Airlines around the world have cut 400,000 jobs since the September 11 attacks. Many airlines have cut between 15% and 23% of their staff.

Peter Turnbull of the Cardiff University Business School alleges that airline managers are using the September 11 events as an excuse to drastically restructure of their companies without the customary consultation with staff.

23 January 2002

Tranz Rail announces 60 jobs will be cut from its Lower Hutt locomotive workshop and nine from its Dunedin facility.

30 January 2002

The adult minimum wage is to rise with the cost of living by \$30 to \$8/hr. The youth (16-17yrs) minimum wage will now be pegged at 80% of the adult rate rather than at 70% and the adjustment will see a one-off \$1/hr rise in the youth rate to \$6.40/hr. The training minimum wage, for adults being trained on the job, will be paid at the same as the youth rate. The minimum wage is paid to about 5,500 adults and 6,900 young people.

2 February 2002

Boosted by the biggest increase in government spending in over a decade and a rise in consumer spending, the US gross domestic product expanded 0.2% ... officially lifting it out of recession.

- Alliance Party leader and Deputy Prime Minister Jim Anderton also criticises the student loan scheme saying it punishes people for obtaining the skills that New Zealand so vitally needs, and he reiterates the Alliance Party's call for free tertiary education. Anderton said that if the country is to become a knowledge economy then much more money needs to be spent on tertiary education and the taxpayers must understand this and be prepared to meet the cost.

Student allowances and the student loan scheme are already becoming election issues. Minister of Tertiary Education Steve Maharey announced that the government would be releasing a discussion paper on reform options for the loan scheme in May. But he warns that the government is not in a position to scrap the scheme or to throw more money at tertiary education.

Association of University Staff president Grant Duncan says he is concerned that the government is concentrating on student support issues but does not seem to be addressing overall resourcing. Duncan says it is time the government substantially increased its investment in the quality of university education. Duncan: "Making university education more financially viable for students is only one side of the coin. The question of student loans cannot be considered in isolation from the question of university funding as a whole."

- National Party's Maurice Williamson admits that his government "got it wrong" on tertiary education funding. Williamson has put forward two remedies to alleviate the burden of the student loan scheme: he would reduce fees for courses in subject fields experiencing skills shortages, and he would gradually write off the debts of students who stayed in NZ and worked. NZUSA's Andrew Campbell is sceptical of Williamson's solutions, saying they would only help people who were already doing well and would discriminate against those who go overseas to get valuable experience.
- Prison inmates are now eligible to take out student loans to pay for their tertiary education course fees. Steve Maharey says that extending loans to inmates provides them with further employment opportunities once they are released and this is expected to reduce re-offending. Maharey says inmates could mitigate the financial burden of the loans by not having to borrow to pay for their living costs and accessing hardship grants.
- Research by the Wellington Downtown Ministry has found that one out of 20 people who could qualify for a Winz Special Benefit actually receive one. The study also finds significant inconsistencies in the number of Special Benefits granted from one Winz office to another with the spread ranging from one in two benefits granted in Kapiti to one in 150 in Te Kuiti.

Special Benefits are available to people who suffer financial hardships that meet specific legislated criteria but are unable to pay for them. Downtown Ministry director Kevin Hackwell says the study shows that tens of thousands of the poorest households in the country are missing out on benefit entitlements.

Ministry of Social Development chief executive Peter Hughes agrees that the research raises serious questions that need answering.

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DIARY

3 February 2002

Verizon Communications, the largest local telephone company in the US, cut 16,000 jobs last year.

5 February 2002

The number of skilled immigrants admitted to NZ will be increased by 3,500 this year. Minister of Immigration Lianne Dalziel says the government is extending the residence approvals because of the pressures from applications.

6 February 2002

Student Job Search reports that 26,700 students have been placed in employment to date this summer, a 13.6% increase on last year. Almost 3,500 of the students have been placed in full-time jobs for four weeks or longer.

8 February 2002

The Southland Needs You campaign filled about 60% of the one hundred-odd vacancies it advertised in November last year with Southlanders getting most of the jobs. 25 people from beyond the province got jobs through the promotion.

Editor

Vivian Hutchinson

Associates

Dave Owens

Jo Howard

Rodger Smith

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

Hughes says the Ministry is committed to administering benefits consistently and that a working group was being set up to investigate the claims and will report back by the middle of the year.

- The Palmerston North Poverty Action Group threatens to publish names and photographs of about a dozen local Winz staff which the Group says are mean-spirited, exhibit inappropriate behavior and tell claimants they are not entitled to income support when they are. Spokesperson Ian Ritchie says that after three years of trying to get Winz service improved, the Action Group is frustrated with the lack of progress.

Government and the Public Service Association officials condemn the Group's threat. Ministry of Social Development chief executive Peter Hughes says that identifying individual staff members whom the Group says provide poor service would endanger staff. PSA national secretary Richard Wagstaff says that identifying staff who were simply doing their job amounts to a violation of privacy and will threaten their safety.

- The Holidays Act is to be amended but the minimum number of weeks of annual leave will not be altered. Sickness and special leave entitlements remain at five days per year but can now be accumulated to up to 15 days. Bereavement leave of up to three days will be in addition to, rather than included with, the sick leave entitlement. People required to work on a statutory holiday will now be paid time and a half of their ordinary pay (rather than their ordinary rate) and staff must still be allowed a day-off in lieu.
- Britain is reviewing its working holiday visa entitlements for young NZ'ers and other Commonwealth citizens. NZ'ers aged to 26yrs may currently be granted two-year visas to live and work in Britain on the provision they do not work in their own profession. The scheme was aimed at young visitors filling casual jobs in the British economy rather than young professionals wanting well-paid jobs to advance their careers or compete with qualified Britons. Spokesman for the British High Commission Bryan Nicolson says an announcement will be made in April that is likely to include some "tweaking" of the current scheme such as shortening the visa period from two to one years but also allowing people to legally work in jobs they are professionally qualified for.

On another side of the British immigration scale, people who have exceptional skills, experience or achievements and want to immigrate to Britain will soon be able to do so without finding a job first. The Highly Skilled Migrant Programme is a points system based on education, work record, earnings and education. If a person qualifies they will be allowed to live and work in Britain if they promise to make it their main home, continue to work in their field and support themselves and their families.

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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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The Jobs Letter — P.O.Box 428, New Plymouth, New Zealand phone 06-753-4434 fax 06-753-4430 email editor@jobsletter.org.nz
