

The Jobs Letter

No. 164

10 April 2002

Essential Information on an Essential Issue

KEY

STATISTICS THAT MATTER
2001 CENSUS

RAISING THE RETIREMENT
AGE

MATURE UNEMPLOYMENT

BLOOD SWEAT AND TEARS

DIARY

11 March 2002

The ANZ's job advertisements survey finds that ad numbers for February rose by 6.2% compared to January. This was the first rise in six months and but is still 4.7% lower than for the same time last year.

13 March 2002

The British Home Office has dropped its proposal to trim working holiday visas from two to one years for young NZ'ers and Australians going to Britain to work, according to British MP Austin Mitchell.

17 March 2002

The Auckland Chamber of Commerce is intensifying its efforts to help skilled migrants find full-time work. 40 businesses are being asked to take a qualified migrant on for three to eight weeks to help identify what extra skills and training they needed to make them attractive to NZ employers. Winz has agreed to pay the workers' wages during their placements.

Hundreds of thousands of people protest at the European Union summit meeting in Spain. The meeting agenda was focused on making the EU more competitive than the US by deregulating areas like transport, energy and job security.

Meat processing company Affco will lay-off 110 management and office staff. After these redundancies, Affco will have shed more than two-thirds of its head office and international staff over the last twelve months.

- Statistics New Zealand has released its "snapshot" of **work, education and income data** collected in the **2001 Census**. We include an essential summary of the latest figures in this issue of *The Jobs Letter*. The Census figures show:

- 1,727,271 people, or 61.6% of those aged 15 and over, were employed last year — compared with 60% in 1996 — and three in four of those were in full-time jobs.

- Youth unemployment remains a serious concern with 19.5% of the 222,645 people aged 20 to 24 drawing the dole on Census night.

- Young people aged 20 to 24 are also the most academically or vocationally qualified section of the population — with 86.5% having some qualification (compared with 65% of the 65 to 69-age bracket).

- One in three adults had tertiary qualifications, and one in eight had a degree.

- Although the largest occupational group was sales assistants, the most common field of study for after-school qualifications was nursing, where there were 58,170 graduates.

- The Census figures show that the vast majority of NZ'ers **live on low incomes** — only 1 in every 6 gets more than \$40,000 a year and 1 in 50 earns more than \$100,000 a year.

The median income for all NZ'ers was **\$18,500 a year**. This included income received from all sources, including wages, self-employment, benefits, superannuation, interest, dividends and rents.

The median number makes most NZ'ers look poorer than they really are, as this figure includes many people who are too young to work or are well past retirement age.

- One of the significant features of the Census figures is that there are also almost 200,000 people who are **working long hours** — at least 60 hours a week.

The figures: 575,715 people reported putting in at least 45 hours a week, of these, 193,116 said they worked at least 60 hours a week, and 54,108 said they worked at least 75 hours a week.

- These longer working hours in NZ reflect an international trend where people are increasingly choosing work over leisure.

According to *Financial Times* writer Richard Donkin, the average American now works **one month a year longer** than he or she did in the 1960s. The British are also working longer hours.

In his book *Blood, Sweat and Tears* (see review in this issue), Donkin warns that too many people are giving too much of their lives away to their paid jobs: "It is as if the world has become split into two societies — one with the means to enjoy leisure but not the time, and one that has the time but not the means..."

- The figures of long hours at work come as no surprise to **Ross Wilson**, President of the Council of Trade Unions. He says that many workers are

The Jobs Letter

DIARY

19 March 2002

An anonymous NZ businessman is researching a savings scheme designed to help parents, and other people, put money aside for children's future tertiary education costs. The scheme, which the *NZ Herald* says is likely to be called Able, may be put forward as an alternative to the student loan scheme.

21 March 2002

Small businesses added 20,000 jobs to the NZ economy last year while large businesses added only 11,000 jobs. NZ has one of the highest proportions of micro (less than ten staff) and small (less than 50 staff) businesses in the world — together these make up 99% of NZ businesses.

26 March 2002

Cutting taxes, scrapping the social welfare system and making individuals responsible for their own future is the answer to breaking NZ'ers dependency on the state, according to Peter Saunders, director of the Australian-based at the Centre for Independent Studies. Saunders says the tax money that goes on education, health and retirement support would be more efficiently spent by individuals purchasing their own services.

15,000 domestic purposes benefit eligibility decisions may be reviewed following the failure of Winz to amend its policy after a 1996 court case tightened the definition of "in a relationship in the nature of marriage". The court had concluded that "emotional commitment and financial interdependence" contributed to the definition of marriage ... points not taken on board by Winz. A report by barrister Frances Joychild says that between November 1996 and December 2000 benefits were cut off and repayments demanded when they should not have been. The government is seeking advice on whether reviewing all the cases is feasible and whether refunds might be paid to those denied their entitlements.

27 March 2002

400 jobs will go as Carter Holt Harvey cuts production staff and contracts out the maintenance at its Kinleith pulp and paper mill. Maintenance for the mill will be contracted out and 190 people are expected to be employed by the new contractor. After the cuts CCH will have 369 employees, down from the over 1,000 staff it had three years ago.

spending much longer at work than they want to ... and this comes at the expense of the overall **quality of their lives**.

Last year, the CTU biennial conference, attended by representatives of all the major New Zealand unions, unanimously endorsed a **"Get a Life!"** campaign, aimed at getting back a quality of life into work time arrangements. Wilson says the CTU will be co-ordinating a campaign across all sectors which will focus on achieving conditions like adequate time off, more "family friendly" provisions and reasonable working hours.

Wilson: "Employer expectations of workers routinely working 45, 50 and even 60 hours a week are leaving people with nothing left for their families, communities and themselves. Across the range of industries and jobs, union members are saying the same thing: "We are tired of giving our whole lives to work and we want to 'Get a Life'..."

- "Having the time ... but not the means", may become much more of a hot political issue this year as NZ'ers once again start to debate **how to support an aging population**.

Treasury has just released a working paper canvassing the benefits of raising the retirement age from 65 years **to possibly 67 or 68 years**. This may be necessary to counter what Treasury believes could become the biggest economic policy issue of the next 50 years — the rising costs of paying for a jump in the retired population.

The Treasury suggests that healthier and longer-living NZ'ers will mean that many people could work productively beyond age 65.

- In the next 50 years, the proportion of NZ'ers aged 65 or older is expected to **more than double** to 26% of the population, and the working age population is forecast to shrink. During this time, the cost of NZ superannuation is expected to increase to more than 8% of gross domestic product (GDP) by 2050, up from about a 4% level at present. Superannuation is paid out at 65% of the average wage for a married person and about 40% for a single person.
- In response to the Treasury paper, Retirement Commissioner **Colin Blair** says that increasing the pension age is one of the options that needs to be considered, particularly if life expectancy continues to increase. Blair: "I don't think it is something that NZ'ers need to lose any sleep over immediately. They can only plan based on a system that's in place now."

Both Labour and National parties **have backed away** from the issue by ruling out a change to the retirement age — at least for the foreseeable future. Finance Minister Michael Cullen says the coalition government's position is to secure the pension at current entitlements into the future by building up a capital fund to meet future costs.

- Even with the current age of retirement at 65 years, tens of thousands of New Zealanders are finding it impossible to **work right through to retirement age**.

The Census 2001 figures show us that the proportion of NZ'ers in full-time work aged 50 to 59 years is 59%. The proportion in full-time work aged 50 to 65 years is only 45%.

Tim Watkin, writing in the *New Zealand Herald*, points out that while mature unemployment levels have eased in the past six years, they are

(continued on back page)

CENSUS

WORK, EDUCATION AND INCOME

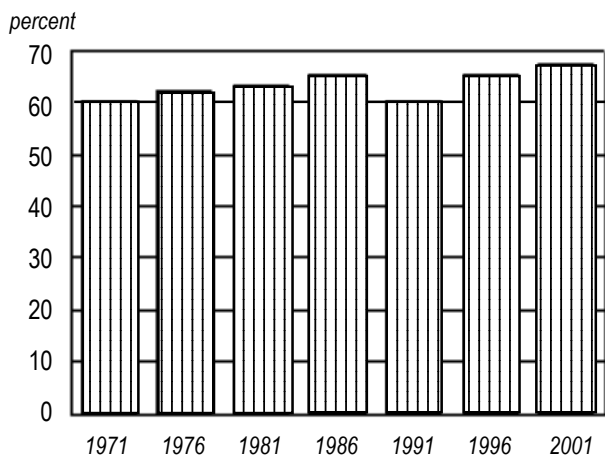
2001 Census Snapshot

(For the census usually resident population count aged 15 years and over.)

WORK

- 62 percent of adults were employed in 2001, compared with 60 percent in 1996.
- 3 in 4 of those working were employed full time.
- The number of people employed full time increased by 6 percent (75,351) from 1996 to 2001.
- The number of people employed part time increased by nearly 6 percent (21,108) from 1996 to 2001.
- Nearly 3 in 4 part-time workers were female.
- 1 in 3 adults (33 percent) were not in the labour force. This rate was 40 percent in 1971.
- The labour force participation rate was 67 percent.
- The most common occupation was sales assistant, with 85,530 people.
- The manufacturing industry had the most workers, with 1 in 7 (223,806).
- 1 in 6 workers in the agriculture, forestry and fishing industry were from the Waikato region.

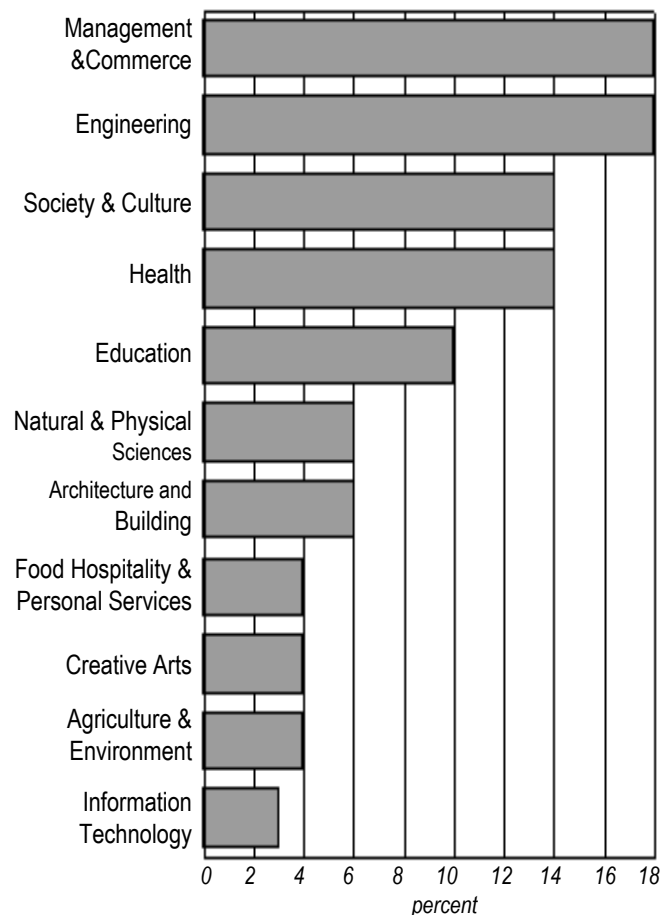
CENSUS LABOUR FORCE PARTICIPATION RATE



- 4 in 10 workers in the finance and insurance industry were from the Auckland region.
- 1 in 7 workers in the mining industry were from the Taranaki region and 1 in 8 from the West Coast region.
- On census day in 2001, 1 in 10 people worked at home, while almost 2 in 3 travelled to work in a private or company vehicle.
- On census day in 2001, 1 in 20 people walked or ran to work.

HIGHEST POST-SCHOOL QUALIFICATION

Broad Field of Study



QUALIFICATIONS

- There has been a drop in the number of people with no qualifications, from 1 in 3 in 1996 to 1 in 4 in 2001.
- School Certificate in one or more subjects (or National Certificate level 1) was the highest school qualification for most people, with 1 in 5 adults (517,830).
- 1 in 3 adults had post-school qualifications.

- 1 in 5 adults had a vocational qualification (such as the New Zealand Certificate of Engineering), while 1 in 8 had a degree as their highest post-school qualification.
- Nearly 1 in 5 adults in the Wellington region had a degree as their highest qualification.
- The most common field of study for post-school qualifications was nursing, with 58,170 people.
- The information technology field of study for post-school qualifications had 24,009 people.

INCOME LEVELS

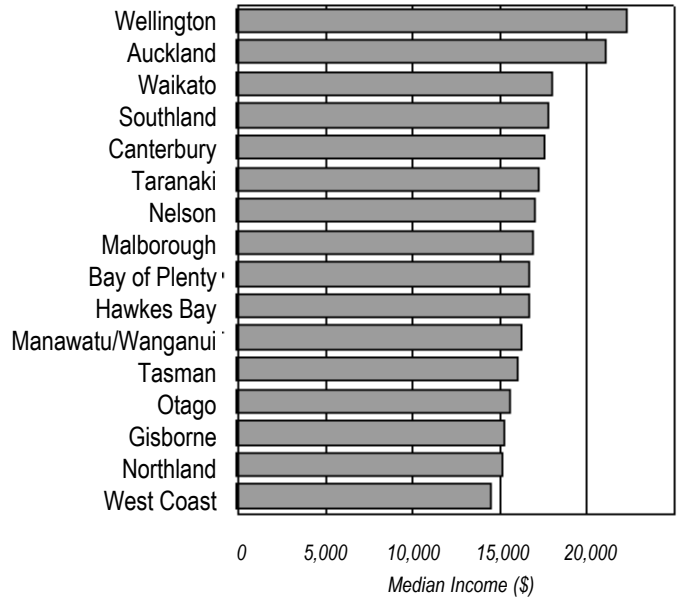
- The median annual income was \$18,500 for the year ended 31 March 2001.
- People in the Wellington region had the highest median annual income at \$22,400.
- The Wellington region had the highest portion of people earning an annual income of over \$100,000, with 1 in 25 people.
- The median income for males was \$24,900 – more than \$10,000 above that of \$14,500 for females.
- Males in the 40 to 44-year age group had the highest median income at \$35,900.
- The highest median income for females was in the 45 to 49-year age group at \$22,000.
- The \$10,001–\$15,000 income group was the most common, with 1 in 6 people (395,106).
- The \$30,001–\$40,000 income group had 1 in 8 people (311,598).

INCOME SOURCES

- Wages and salaries were the most common source of income, with nearly 6 in 10 people receiving income from this source.
- 1 in 6 people received income from self-employment.
- With changes in eligibility, the number of people receiving New Zealand Superannuation or Veterans Pension declined from 441,045 in 1996 to 419,964 in 2001.
- Nearly 1 in 6 people received income from New Zealand Superannuation or Veterans Pension.
- More than 9 in 10 people aged 65 years and over received income from New Zealand Superannuation or Veterans Pension.

MEDIAN INCOME

by Region



SUMMARY

- 6 in 10 people received income from wages and salaries.
- 3 in 4 of those working were employed full time.
- 1 in 3 adults had post-school qualifications.
- People in the Wellington region had the highest median annual income.



2001 Census Snapshot 3
 Work, Education & Income
www.stats.govt.nz

REVIEW

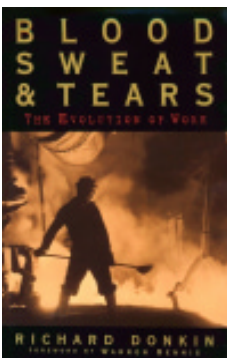
BLOOD, SWEAT and TEARS

WORK HAS CHANGED radically in nature over the centuries. Most of these changes have involved revolutionary steps — such as the agrarian and industrial revolutions — and have significantly influenced the way people live and behave. A third revolution is occurring now in the way we work and live, driven this time by new technologies ... and it is having an equally profound influence on our daily lives.

In *Blood, Sweat and Tears*, Richard Donkin, a leading writer for the *Financial Times*, presents a captivating history of work, from prehistoric times to the present day. He addresses the impact of slavery, organised religion, the time clock, child labour, unionisation, German and Japanese work styles, women on the factory floor, and current management trends.

This book points out that our work is driven not just by historical trends, but also by a combination of personal factors — our desires always staying one step ahead of our ability to afford them; our psychological need to define ourselves by our work; and an stitched-in work ethic, that continues to drive us long after the religion that spawned it ceased to be relevant.

Donkin challenges this work ethic that is driving more and more people to live lives subsumed by the demands of their employers ... and invites us to ask: why do we do it?



Blood, Sweat and Tears — the Evolution of Work

by Richard Donkin
(pub 2001 by Texere)
ISBN 1587990768

available from amazon.com

- Something has happened to the way we work, something far more fundamental than changes arising from deregulation and the easing of industrial relations legislation.

Once there was work, and what we understood as work was what we were paid to be doing. Today there is what we do, and sometimes the benefits to our employer of what we do are unclear. Sometimes it is difficult to think of what we do as work, and sometimes there seems to be so much work to shift that we feel overwhelmed.

Once we may have left our work behind. Today we take it with us with our mobile phones, our pagers, and our computers. Our working life is woven, warp across weft, into the texture of our domestic existence.

- The United States is witnessing the phenomenon of the working poor, people whose work provides them with insufficient income on which to live. At the same time there are chief executives of big publicly quoted companies who have seen their salaries and bonuses rise so much that they are earning 150 times more than their lowest paid employees. The redistribution of wealth is beginning to look like “trickle up” rather than “trickle down.”

The craziness is that some of these highly paid individuals are working such long hours they rarely have the opportunity to step outside their jobs and enjoy a moment's leisure. There used to be parts of our lives we could devote solely to play and leisure but these precious days, once sacrosanct, have been invaded by the new communications of the work place. So often today, play is no longer divorced from work.

- Charles Handy, the management writer, had predicted a portfolio society where people would live a kind of freelance existence bundling together bits of work rather than holding down a traditional job. This seemed a logical alternative to the job, driven by demands for an individual's expertise, but as any actor or freelance writer can attest, the portfolio does not help when seeking a mortgage on the strength of it.

Only those portfolio workers who can demonstrate consistent employment over several years are going to be regarded by lending institutions on equal terms with those who have so-called permanent jobs. The infrastructure supporting the way we work has not caught up with this technological revolution, placing extraordinary pressures on the working lives of those in temporary or short-term positions.

- Education, like the job, is due for an overhaul. The changing expectations of the job, indeed, will feed through to education providers. But education, like other areas of society, remains in the grip of social drag.

Teachers will still be needed to teach, but they may no longer stand, autocratically, in front of classrooms dispensing knowledge in syllabus-driven packages. The role will be modeled around the needs of the children.

- We may need to look to the Internet generation for a new work ethic. Unlike their Baby Boomer parents reared on a heavy diet of television, a new generation is emerging that immerses itself in the interactivity of the Web. Don Tapscott says that these children display different attitudes to their parents, rejecting the idea of conventional employment. “Every kid with a computer is creating his own radio station,” he says. “They want to share the wealth they create. Tell them you'll give them a job and a corner office? I don't think so. Offer them lifelong, full time exclusive employment? I don't think so. This huge demographic change is like a tidal wave. These kids are going to shake the windows and rattle the values of every company...”

- The most enlightened employers now understand the need for freedom in the workplace and are releasing their workforces from the tyranny of set hours, the strictures of managerial control, and the limitations of the fixed workplace. Many traditional businesses are struggling under such conventions. The static business that persists with traditional management-employee relationships and contracts will not flourish. Neither will the static employee. The best of these businesses will linger, of course. They may even merge and linger, continuing the pattern of corporate development among the giants of the late twentieth century; merge and linger like persistent weeds, like slavery itself. But they will have to take their place as unloved giants in a new corporate order, as their nimble offspring take wing and fly.

The alternative is to devolve their operations so that they resemble a federation of interests bound together by common values and a common purpose. A new generation of multi-skilled mobile employees will accept nothing less.

The Jobs Letter

DIARY

1 April 2002

Benefits, student allowances, superannuation and war pensions increase by 1.82%. For a single unemployed adult, this will mean a \$2.81 increase bringing the dole to \$157.37 per week.

3 April 2002

While the government says the average period for people being on the domestic purposes benefit is 3.7 years, DPB review campaigner Lindsay Mitchell estimates that period would be at least 6.5 years if it were calculated per person rather than per period on the benefit. Mitchell says that 25% of those currently on the DPB are on it for a second time and another 20% have been on it between three and five times. The official figure of 3.7 years is the average time a person is on the DBP each time they are on it.

4 April 2002

A Treasury paper says that allowing people to collect superannuation at 65 years, while they are still capable of working, offsets the potential economic gains their increased health and longevity presents. The paper promotes gradually raising the retirement age and argues that if the rate and eligibility for superannuation remain at the levels they are at now, the cost of the scheme will become unsustainable.

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

still cause for concern. Watkin: "As New Zealanders enter the last 10 years of a typical working life, their opportunity to save is falling. At an age when their parents would have been at the peak of their earning power, many cannot even find full-time work. The rules have changed around them ..."

- Latest official figures obtained by National MP Bob Simcock shows that about 33,000 people over 45 years are on the dole — **more than a quarter** of all unemployment beneficiaries. This includes nearly 18,000 people over 45 who have been on the dole for more than two years.

Simcock points out that these figures may well be under-stating the problem. Community groups have told him that the figures are just the "tip of the ice-berg", as many older people **refuse to register** for the benefit.

- Employment Minister **Steve Maharey** concedes that the government's policies aren't yet balanced to take account of the needs of older job-seekers as well as the young. He says that mature unemployment has received lots of attention in the past 18 months, but that's mostly been in the form of pilot programmes and studies.

Maharey: "We've done a lot of work on the Work and Income side, but we would admit that what it's taught us is more about what we need to do than what we've succeeded in doing. I think we'd front to that and say we've got to do more ..."

- Maharey told the *New Zealand Herald* that he had met the Winz National Employment Commissioner **Ray Smith** last month and told him: "I don't want more pilots. I don't want more thinking. I just want to be able to say to mature workers ... yes, things have got better."

Winz is expected to **announce new policies** within two months. And within "a matter of weeks", Regional Employment Commissioners will be presented with plans for combating mature unemployment so "we can start providing them with funding".

Maharey also says that mature job-seekers would **become a priority group** for Winz and the agency would be able to offer employers "concrete support so they will hire an older worker".

Maharey: "In two months [if you're a mature worker entering a Winz office] you'll feel yourself to be a priority person with a group of people who have a clear idea of what it takes to get an employer to hire you ..."

- The Aotearoa Tertiary Students' Association (ATSA) is currently doing a survey into **the effects of student debt on women**. ATSA believes that if the debt issue is ignored, the economic and social disadvantages women face will continue to grow. It says this issue has wider applicability to women in general, as student debt affects not only individuals, but also families and the wider community.

ATSA is asking women who have had, or currently have, student debt to help with their survey. The survey can be accessed in PDF format on the Society for Research on Women website at www.geocities.com/marysrow. The deadline for responses is 19 April 2002.

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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
