

The Jobs Letter

No. 167

14 June 2002

Essential Information on an Essential Issue

KEY

ENDING CHILD POVERTY

MORE BUDGET 2002

AUSSI CRUISERS

FORESTRY TRAINING

PHARMACISTS

COUNTRY DOCTORS

JANE KELSEY

DIARY

17 May 2002

Craig Heatley, one of NZ's wealthiest people, says he will put the \$7 million from the liquidation of one of his companies into a trust to support charities for children.

A Hollywood film to be shot in NZ, will be based in Taranaki. Filming of *The Last Samurai* will begin in January 2003 and is expected to benefit the local economy through set construction, local casting, accommodation, transport, and food and beverage suppliers.

Fonterra, NZ's largest company, has adopted a staff ranking system employed by corporations like Microsoft, General Electric and Enron. Staff assessed to be performing in the bottom 5% of the company will be given six months to reach agreed goals, or to "move on". Fonterra has 9,000 NZ staff and another 11,000 worldwide.

Statistics NZ says that NZ workers are working 4.8% more hours this year than they were last year.

18 May 2002

Job prospects have diminished in the IT and telecommunications industries. *The Dominion* reports that the Hewlett-Packard buyout of Compaq may result in 100 job losses and TelstraClear has dropped 650 people since December.

- *The Agenda for Children* — New Zealand's first public policy document devoted entirely to children — commits the government to **eliminating child poverty** ... and guarantees that this issue will become a focus for the upcoming election.

Social Services and Employment Minister Steve Maharey says that if Labour wins a second term, then ending child poverty **will be its top social priority**. He says that if New Zealand is to again be a great place for children, we need to change.

Maharey: "*The Agenda for Children* will focus government ministers and agencies on the policies and services needed to support children's healthy development. With an election less than two months away, the *Agenda* is also a timely wake-up call for all parties to be clear with voters on how they intend to deliver positive changes for New Zealand children and their families..."

- The government's *Social Report 2001* (published by the Ministry of Social Policy) shows that in 1997/98, almost three in ten (29%) New Zealand children were living in poor families (defined as families with incomes below 60% of the median, adjusted for housing costs). The level recorded in 1987/88 was 16%. One fifth (21%) of New Zealand children born in 1993 spent at least five of their first seven years in families supported by an income-tested benefit.
- *The Agenda for Children* was two years in the making and involved consultations with community organisations, government departments, and more than 7,500 children and young people. "Ending child poverty" is one of **six action points** in the *Agenda*. The other action points include addressing violence in children's lives, promoting a "whole child" approach to children's issues, and increasing opportunities for children to participate in government and community planning and decision-making processes.

During the consultation process, "child poverty" was **the most frequently mentioned negative aspect** about New Zealand as a place for children to live. People were particularly concerned about income disparities between different groups of New Zealanders, and about long-term unemployment. Others were concerned about the negative effects of market-driven policies and of poor quality, overcrowded housing. Many children also raised concerns relating to money and families not having enough money for the basics.

The *Agenda* says: "The strength of these responses from New Zealanders has reinforced the Government's aim to end child poverty. The Government is committed to investing in ways to eliminate child poverty and improve life for individuals, families and communities, both economically and socially. This means investing in economic and social development, as a growing economy is important in ensuring social security and sustainable employment."

The *Agenda* outlines what the government is already doing to reduce child poverty, and announces that it is "establishing a robust research base for future policy developments". The report does not, however, announce any major new programmes or initiatives that will further "flesh out" this new social priority. A section entitled "Possible future developments and directions" (see box on page two) simply outlines a list of concerns that **still need to be addressed**.

The Jobs Letter

An End to Child Poverty — Possible future developments and directions

— from *The Agenda for Children, Ministry of Social Development (June 2002)*

“A comprehensive programme to end child poverty requires a social assistance system that ensures families with children have adequate income to meet their needs. It also requires investing in parents’ work skills and removing barriers to work. Ensuring people have the opportunity to earn an adequate income from work is central to the elimination of child poverty. Sole parents, especially, face difficulties balancing work and family responsibilities. For many sole parents there is also little financial gain from moving off benefit and into work, once additional costs such as travel and childcare have been paid. Future work will focus on:

— improving the social assistance system, including family income assistance, so that it provides families with secure and adequate financial assistance when it is needed;

— better incentives and ways of assisting parents to move into paid work, and to improve their work opportunities through education and training;

— addressing barriers to work that make it difficult for some parents to improve their family income, for example, lack of childcare;

— improving the ability of accommodation assistance to adequately meet families’ housing costs and needs;

— improving families’ access to hardship assistance and making it more responsive to their needs; and

— further measures to address benefit to help parents improve their family income.

DIARY

19 May 2002

The creative sector of the economy grew 8.7% per year for the last four years — more than double the rate of growth of the overall economy, according to a report by the NZ Institute of Economic Research. The creative sector employs about 50,000 people in computer software and services, publishing, television and radio, film and video, architecture, design, fashion, music and performing arts, and visual arts.

20 May 2002

An Inland Revenue Department initiative aims to bring tradespeople doing cash jobs out of the unreported or “black” economy. The IRD has signed the first of what it intends to be many partnership agreements with trades associations that will focus on educating members about their tax obligations. IRD commission David Butler says the department also wants to discover and remove obstacles to contractors complying with tax law.

21 May 2002

Deputy PM Jim Anderton says he expects to be part of the next Cabinet even if the Labour Party wins an outright majority and does not require a coalition partner.

• *The Agenda for Children* (Full Edition, 56pg, 481KB; or Summary 7pg, 192KB) can be downloaded from the Ministry of Social Development Website at www.msd.govt.nz/agendaforchildren/index.html

• A major contributor to the debate on child poverty has been the **Child Poverty Action Group**, a non-politically aligned group of professionals and academics. This group has been campaigning since 1994 for the development and promotion of better policies for children and young people. (For more information, see www.cpag.org.nz)

Janfrie Wakim of CPAG welcomes *The Agenda for Children* as an acknowledgement that child poverty is a serious issue ... but she says it is unfortunate that there are **few concrete proposals** in the report and **no timeframe** for the elimination of poverty.

Wakim is critical that the report does not acknowledge the failure by governments to **adjust family tax credits for inflation**: “The iniquitous child tax credit — that few really low-income children get — is not mentioned. Over the past decade, billions of dollars have been saved by refusing to adjust these tax credits for inflation, and by refusing to extend the child tax credit to all low income families. The price has been families who cannot adequately feed their children and growing demands on food banks and hospital services and schools for extra assistance.”

“This report has taken two years to produce and yet all it signals is that more research is still needed “to provide evidence based advice” before there can be action. In the meantime, food prices continue to rise. Every year the tax credits remain unadjusted, families have a cut in their real incomes ...”

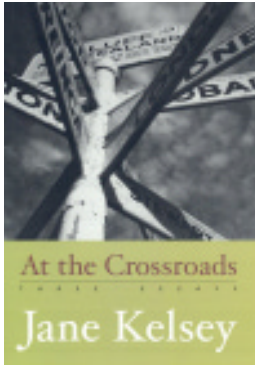
• Green Party Social Services spokesperson **Sue Bradford** would have also preferred more specific policies to be outlined in the report. The Green Party response has been to **release their own 58-point plan** which aims to push Labour further on issues addressing children and families. And the Greens have **set a 2010 target date** for achieving these objectives.

Bradford: “The Greens will be campaigning hard on doing much better for our children ... a strong Green presence in the next government will substantially

(continued on page five)

REVIEW

ESSAYS AT THE CROSSROADS



**At the Crossroads
— three essays**
by Jane Kelsey
(pub 2002 by Bridget
Williams Books)
ISBN 1-877242-91-8

These three essays are well timed for an election year. JANE KELSEY, a professor of Law at the University of Auckland, is one of New Zealand's leading left-wing intellectuals committed to economic and social justice. Her previous books — *Reclaiming the Future* (1999) and *The New Zealand Experiment* (1995) — contain a meticulous analysis of the impact on New Zealand of the “new right” political agenda and globalisation. This book of essays summarises her previous arguments, and brings the issues up-to-date for a country about to go to the polls again.

No commentators seriously expect the Labour Party to lose the coming election. The ballot may be, in effect, more of a referendum on whether or not Labour should govern alone. Yet Kelsey argues that this year is indeed a “crossroads” time ... and she calls for a deeper debate on current economic and social choices.

Kelsey concedes that, under the Labour/Alliance coalition government, aspects of social, environmental and foreign policy have shown some genuine redirection. But her overall view is that the “Third Way” brand of government is more about “short-term political management rather than transformation”. And it is a political style that enables centre-left governments to claim that they are abandoning neoliberal economic policies while simultaneously stabilising and embedding the conditions for the continuation of the same policies.

Readers may not agree with Kelsey's analysis — or her recipe of alternatives. But these essays will feed contemporary debate and become an important landmark in commentary on the New Zealand political landscape. — VH

from the book ...

- According to the UN, New Zealand is the most transnationalised in the OECD (UNCTAD, 2000). The structural adjustment programme begun in 1984 was as doctrinaire as any imposed by the Bretton Woods institutions on indebted countries in the South. Unrestricted foreign direct investment transferred control over most of our productive, financial, energy, retail, transport and communications infrastructure to transnationals. Regulation of our share and financial markets was so light-handed that they became veritable casinos.

Tariffs were removed from everything except imports on textiles, clothing and footwear in the misguided expectation that vibrant new enterprises would emerge from the ashes of those which collapsed. Speculative finance moved in and out of the country in response to the Reserve Bank's manipulation of interest and exchange rates, playing havoc with the productive economy and employment.

These changes were systematically locked in through a plethora of free trade and investment agreements. New Zealand made the most extensive commitments of almost any country at the WTO, especially on trade in services.

The Closer Economic Relations agreement on free trade in goods and services with Australia is as sweeping as NAFTA, except that it formally excludes investment. Investment agreements signed with Chile, Argentina, Hong Kong and China between 1989 and 1999 contain NAFTA-style guarantees against expropriation, although their enforcement mechanisms are technically weaker.

These agreements apply for a minimum of ten to fifteen years, with protection for existing investors extending for a further fifteen years after a government withdraws; yet few people even know they exist.

The Labour / Alliance Government elected in late 1999 continued the globalisation agenda, although its rhetoric and strategy became more sophisticated. Globalisation would have a social face, including protections for labour and the environment, and would only be undertaken on a reciprocal basis. There would also be greater consultation with business, unions and ‘civil society’.

- The cumulative economic cost to New Zealand of embracing the global free market has paralleled that of many poorer countries. New Zealand's OECD ranking fell from ninth in 1970 to nineteenth in 1999. The economic growth rate was among the lowest in the OECD, well below Australia's.

Our export growth was dismal. We ranked twentieth out of twenty-five OECD countries on export growth performance indicators. A 1998 survey of forty-five countries showed that New Zealand was one of five to have lost market share over the past six years. The rising level of import dependency led to persistent trade deficits, although the effects of a substantial depreciation provided some relief in 2001.

New Zealand's net foreign debt, at around NZ\$87.1 billion, was well beyond the levels of the East Asian economies at the time of their financial collapse. There was a chronic deficit in the external current account of the balance of payments, mainly due to a sustained net deficit on foreign investment income.

The Jobs Letter

That had to be bridged by asset sales, more overseas borrowing, or using up government reserves. The share of the country's income from domestic production that remained available to fuel the New Zealand economy, after net profits, income and dividends remitted abroad were accounted for, reached a fifty-year low.

New Zealand had done everything globalisation required of it. The result was a pathologically dependent, vulnerable and under-performing economy.

- The social costs were just as dramatic. By 1996 around one in five New Zealanders, and one-third of the country's children, was living in relative poverty. This was more than double the number in 1988.

Maori, Pacific Islands and other immigrant families were much more likely to live in poverty than Europeans. Inequality had also grown. The richest 5 per cent of New Zealanders had increased their share of national income since 1984 by 25 per cent, while that of the bottom four-fifths fell. The poorest had proportionately lost most.

The social infrastructure of public health, education and housing had deteriorated and its commercialisation had put such basics beyond the budget of many families.

Privatised telecommunications, electricity, banking and transport were operated for the short-term benefit of their foreign owners, with no obligations to provide affordable access or quality. The regions were increasingly hollowed out from trade liberalisation, privatisation and rural recessions, while the cities were more visibly divided on socio-economic lines.

"Partnership is essentially a political technique that aims to pacify, more than to deliver..."

— Jane Kelsey

- The Third Way is a political project whose objective is short-term political management, not transformation. The fifth Labour Government has been able to claim simultaneously that it is abandoning neoliberalism and to stabilise the conditions for its continuation. The result is a more deeply embedded form of neoliberalism that perpetuates the tensions which the Government was elected to relieve.

The fact that similar approaches have been pursued by other 'centre-left' governments in countries that experienced radical free-market restructuring in recent years illustrates the effectiveness of structural adjustment politics and the inadequacy of the traditional left, nationally and internationally, to derail that agenda. Third Way political management may successfully defuse the tensions created by globalisation in the short run. But its unwillingness to confront the cause of those tensions will prove politically unsustainable in the longer term.

- It was the response of many social agencies that showed how deep the market culture had seeped. Many community organisations and churches had responded to growing social demands, dwindling resources and waning political influence by developing commercial service delivery arms that were

quarantined from moral philosophy. A number of these agencies opposed the accident compensation reform because it would increase the cost of insuring their workers. As a result, the credibility with which these agencies could mount traditional arguments about social justice, community obligations and employer responsibilities was seriously undermined.

- Within ten months of the 1999 election, business supervision of government — a hallmark of the free market era — had been restored with the acquiescence of both parties in the coalition Government. Those in the vanguard of the neoliberal revolution may have been sidelined. But the ongoing dialogue with business, including the promotion of 'social responsibility' and reporting on the 'triple bottom line' (financial, social and environment performance) remained firmly embedded in the market-led paradigm.

As a result, the 'fundamentals' of tight monetary policy, fiscal restraint, trade liberalisation and light-handed regulation were more secure than before. These were also the parameters within which any Third Way initiatives for regional economic development, an inclusive economy and a knowledge-driven society would be framed.

- In one sense, social partnerships pose more of a political problem for the Government than those with business. Partnership is essentially a political technique that aims to pacify, more than to deliver. Yet partnerships create expectations and demands that may lead to backlash if people are engaged with no visible returns. Some might simply withdraw from the process, disillusioned; others become openly critical. These are, however, people and groups whose influence has been blunted and who often have few other political options.

There is a strong sentiment in Third Way politics that these traditional constituencies no longer matter. The formulation of policy and political responses now depends more directly on the regular focus groups, market research and spin doctoring undertaken by governments whose primary concern is to attract the uncommitted voter and get re-elected.

- Theories of social capital effectively detach capital and capitalism from these relationships of power, conflict and class. Structured inequality gets reconstituted as a contingent risk, which people should be given the opportunity to avoid or mitigate. The result is a policy agenda which sees the rich and powerful speculating on how to improve the lot of the poor through promoting their self-help and organisation without questioning the sources of their economic disadvantage.

This helps to explain how the officials can talk about inclusion, social cohesion and sustainability purely at the level of individuals. It also allows them to treat the 'fundamentals' of deregulation, privatisation, trade liberalisation and Reserve Bank-induced recessions as purely economic, when these are social to their core. Likewise, they can acknowledge that economic policies such as cuts to benefits and real wages, market-driven education, health and housing, user-charges for essential services or the redistribution of the tax burden have social consequences, but still maintain those policies while offering individualised palliatives.

The Jobs Letter

DIARY

22 May 2002

All Green Party MPs walk out of parliament as a protest against the law introducing a two-year moratorium on the commercial release of genetically modified organisms. The Greens warn they will not support a government that lifts the moratorium when it ends in October 2003.

Prime Minister Helen Clark says that the Labour Party will attempt to govern alone rather than go into coalition with the Greens. Clark says the Greens non-negotiable stance on the release of GM organisms was the kind of thing that brings small parties into disrepute. Clark: "It's ridiculous to hold governments to ransom over single issues and it will simply redouble my determination to campaign for two ticks for Labour."

28 May 2002

National Party leader Bill English promises 500 extra police if his party becomes the next government.

Loyalty payments and bonds could be used to retain junior doctors according to the government's health workforce advisory committee. Chairperson Andrew Horn will release a report in July that identifies ways of tackling the "crippling" shortage of health professionals in NZ.

Air NZ says it will drop 200 staff by natural attrition over the next three months as it becomes a low-priced domestic airline.

Funding cuts for crown research institutes of \$5 million will see as many as 40 scientific and technology jobs disappear. Scientists say that cuts to research not perceived to have any immediate commercial payback is short sighted.

29 May 2002

100 jobs disappear as women's clothing retail chain Amie goes into receivership. All Amie stores are expected to close by the end of June.

Hamilton's Riverside Casino, due to open in September, will employ 220 people. Jan Christiansen from the Waikato Winz office says she has been working with the company to try to place as many local people in these jobs as possible.

strengthen Labour's policies in this area. While we support the thrust of Labour's policy we are concerned about the lack of detail. Labour are saying they want to do more research into child poverty. The Greens want to see more money in the pockets of New Zealand families and we detailed policies to do this..."

- The Green Children's Policies include
 - immediate introduction of a universal child benefit at \$15 for the first child and \$10 for every following child
 - review and reform of family assistance policies to ensure that payments keep pace with the cost of living
 - review targeting provisions and adjust abatement rates to reduce poverty traps
 - remove discriminatory policies to ensure families in and out of work are treated equitably
 - extend paid parental leave to 14 weeks for all mothers in the workforce
 - end compulsory work testing for single parents on the Domestic Purposes benefit
 - introduce a tax-free threshold at the bottom of the income tax scale
 - support a full and wide-ranging debate on Universal Basic Income
- The full Green Party Children's Policy can be downloaded from www.votegreen.org.nz/searchdocs/policy5341.html
- Laila Harré's **Alliance Party** has also this week released its Youth Policies. These include **extending the adult minimum wage** to 16 and 17 year olds, and introducing a new after-school minimum wage for under-16-yr olds. Harré: "Thanks to the Alliance, 18 and 19 year olds now get the adult minimum wage (\$8/hr), and 16 and 17 year olds have had an increase in their minimum wage from \$4.20 an hour to \$6.40 an hour. The Alliance believes young workers should have the same employment rights and protections as adult workers — including the rate of pay." The Alliance also wants to see the **restoration of the training benefit for 16 and 17-yr olds**. Harré: "Young people can leave school at the age of 16. The Alliance believes that if 16 and 17 year olds are not in work they should be supported to gain qualifications and further training. It only costs \$12 million. We believe its better to have young people receiving an income to train than sitting at home bored ..."
- **The Mayors Taskforce for Jobs** was co-host of *The Spirit of Youth : Pu Maia Rangatahi* — Youth in Local Government Conference held in Rotorua last month. This conference is held every two years and is an opportunity for Mayors, Councillors, staff and young people to talk about increasing the involvement of young people in local government activities and decisions. **Over seventy youth delegates** attended the conference, and workshops were structured around the themes of "environment", "inclusion" and "employment". Papers from the conference are available on the conference website at www.rotoruanz.com/yilg2002/
The Jobs Letter editor Vivian Hutchinson, who is also Community Adviser to the Mayors Taskforce for Jobs, gave a **keynote speech** to the conference. A paper based on this speech has been published by the Jobs Research Trust, and is available on the internet at www.jobsletter.org.nz/vivian/spirit02.htm.
- Sixteen Mayors from the Taskforce for Jobs attended the Youth conference, including Garry Moore (chairman, Christchurch), Sukhi Turner (deputy, Dunedin), Jenny Brash (Porirua), Tim Shadbolt (Invercargill), Frana Cardno (Southland), Graeme Ramsey (Kaipara), Grahame Hall (Rotorua), Yvonne Sharpe (Far North), Pat O'Dea (Buller), Jan Beange (Tauranga), Peter Tennent (New Plymouth), John Forbes (Opotiki), Les Probert (Wairoa), Brian Jeffares (Stratford), Bob Parker (Banks Peninsula), and Wynne Raymond (Timaru).

The Jobs Letter

DIARY

As the Gisborne District Council negotiates the sale of its port, the Minister of Regional Development Jim Anderton reaffirms that upgrading the port is essential to job creation on the East Coast. Anderton says 800 jobs could be created if the trees harvested were processed locally rather than selling them off as raw logs. He warns that commercial investment in timber processing on the East Coast will not go ahead if the port infrastructure is not forthcoming.

National Party MP Roger Sowry says a National government would provide money for district health boards to use for financial incentives to recruit doctors to work in rural areas.

The decision by Air NZ to eliminate business class services and meals on domestic flights may result in the loss of 600 airline catering jobs.

31 May 2002

More than 50,000 Year-11 (Form 5) students are likely to have incomplete academic records as Post Primary Teacher Association members threaten to withhold marks from moderators of the new National Certificate of Education Achievement (NCEA).

2 June 2002

The Green Party conference supports its MPs to vote against any government that lifts the current moratorium on the commercial release of genetically modified organisms.

3 June 2002

A Dutch study comparing secondary school teaching conditions finds that NZ teachers receive significantly less pay per hour of instruction than their counterparts in Australia, the US and the EU.

The average age of an NZ secondary school teacher has risen from 38yrs to 48yrs over the last decade.

4 June 2002

The NZ dollar is valued at \$US.49, a three year high and 18% above its value at this time last year.

- Finance Minister Michael Cullen's Third **Budget** last month continued the trend of being a non-event as far as the public, and many politicians, were concerned. Most of the key items had **already been announced** (see last issue of *The Jobs Letter*). In his Budget speech, Cullen explained that the economy was performing well beyond expectations ... with higher-than-predicted levels of growth, a tax-take that has been well ahead of predictions, and a \$2.3 billion surplus in an election year.
- \$41 million has been added to the **Modern Apprenticeship** programme to double the number of apprenticeships to 6,000 by December next year. A Maori trade training programme is also being introduced.
- The **Community Employment Group** (CEG) will receive \$1.9 million to boost community use of information and communications technology.
- \$131 million (over four years) has been allocated for the **"Making Work Pay"** initiatives, which include:
 - \$55.2 million for a "new, more active" case-management system under which widows and DPB beneficiaries will be required to submit annual plans for returning to the workforce.
 - \$4.9 million for a new single abatement regime for widows and DPB beneficiaries, to make moving into work more worthwhile
 - \$36.6 million to improve out-of-school care and recreation providers looking after the children of working parents
 - \$22 million to help long-term beneficiaries meet the initial costs of taking up work
 - \$10.2 million for a new payment for seasonal workers who lose income because of bad weather
 - \$2 million for pilot programmes providing job assistance to beneficiaries
- Fuller details can be accessed from the government's Budget website at www.treasury.govt.nz/budget2002
- **Australia** has been steadily cracking down on welfare fraud and tightening requirements for unemployment benefits, with measures that include the exclusion of New Zealanders who arrive without residency status, a mandatory work-for-the-dole programme, regular interviews with employment officials and unemployed people having to keep records of their job-seeking activities. Further plans are underway for a sweeping campaign against people fraudulently claiming benefits, rent assistance and pensions, failing to declare cash income or concealing small business revenue.

Fueling the debate over these measures, Australian Employment Services Minister Mal Brough has released the results of a survey which shows that 100,000 or more **unemployed people are "cruisers"** who like the lifestyle and have no intention of seriously looking for work. Government researchers have found that as many as one in six job seekers believe that work could have a negative impact on their quality of life and free time.

Brough says that the study is the first research in Australia which confirms anecdotal evidence of "cruisers" who are relaxed about unemployment and do not want to work full-time, despite topping up the dole with occasional part-time jobs. Brough: "If these so-called cruisers think the Howard government is going to allow them to take advantage of the generosity of the Australian taxpayer to fund their lifestyle choice, they have another think coming ..."
- **Jobs in Forestry.** Training in the forestry sector is **undergoing a renaissance** after what some in the industry describe as years of neglect. By the end of this year there will be nearly 10,000 trainees on forestry-related training programmes — **double the number** that were

The Jobs Letter

DIARY

5 June 2002

A shortage of grape vine pruners in Marlborough has contractors attempting to bring in workers from Tonga to get the work done. Wine industry contractor Cliff Pilcher says the industry requires about 400 pruners for the four months starting in June and most contractors only have about half the staff they require.

Many low-income sole-parent families do not have enough money to live on according to a survey done by the Council of Christian Social Services. Spokesperson Campbell Roberts says that after paying rent, the average sole-parent family using a foodbank does not have enough money to cover all the costs of food, power, transportation, school and medical bills.

In 1999, 4% of NZ-born residents in Australia were unemployed, compared to 6% unemployed in the general Australian population. 90% of NZ-born men and 67% of NZ-born women were in the Australian workforce, compared to the overall Australian labour force participation rate of 72% of men and 54% of women.

6 June 2002

Wellington regional PPTA chairperson Trevor Hook says that teachers could not bear the workload involved with assessing the new NCEA.

Medical students have an average debt of \$60,000 and 62.4% of them plan to go overseas within two years according to a nationwide survey by the Christchurch School of Medicine. Cindy Towns of the NZ Medical Students Association says the situation is untenable and calls on the government to act to retain the new doctors.

7 June 2002

Just half of NZ law graduates work as lawyers. NZ has one of the highest lawyer to population ratios in the world and the University of Auckland manager of careers and employment Tony Crane says law graduates should consider career options other than practicing law. Crane says there are many careers that utilise the skills graduates gained while studying for their law degree.

in training just four years ago. But this number of trainees will still **need to double again** in the next five years in order to meet industry requirements.

The government has recognised this with the recent announcement by Jim Anderton that Industry NZ will invest \$2 million in a national centre of wood-processing excellence, in Rotorua. The new centre will focus on education and training and work to overcome the shortage of skilled workers.

- Forestry is New Zealand's second-largest export earner, with international sales of \$3.6 billion. The industry currently employs 25,000 people directly, and another 100,000 in associated industries. Industry commentators say that the direct numbers could triple to 60,000 people by 2025.

John Blakey, chief executive of Forestry Industries Training, told the *New Zealand Herald* that support for training in this sector has increased dramatically in the past few years and he can now see **a strong connection** between business success and those companies that have a real training strategy. Blakey says there is a real need to inform school-leavers of the vast **variety of opportunities** that forestry offers: "Whatever job you want to do, whether its an accountant or a lawyer, a chemist, an environmental engineer or mechanical engineer, marketer or whatever ... all these opportunities exist in forestry. It's national and its global — there are good prospects."

- Another industry that says it will double its \$3.5 billion production over the next five years is the **fruit and vegetable sector**. And industry leaders report a familiar picture — they need more young blood.

Ron Becroft, president of the fruit and vege industry group United Fresh, says that **young people are avoiding the industry**, which, he says, is not being regarded as "sexy" enough to attract workers. Becroft: "New Zealand is seen as an environmental oasis, and if we develop career pathways for young talented New Zealanders there is very good money to be made growing fruit and vegetables..."

- **Skill shortages are hitting pharmacies** around the country with more than 100 chemists advertising for staff — some who have been trying for more than a year to fill vacancies.

Pharmaceutical Society chief executive Joan Baas says the shortages exist in dispensaries in hospitals and in small communities. Many chemists were also having difficulty finding locum cover in order to take time off. New Zealand's shortages reflect a global trend also being experienced in the United States, Britain and Australia. Baas comments that the situation in New Zealand appears to be compounded by the **low rates of pay** that pharmacists receive compared to overseas. Newly registered pharmacists here are paid about \$25 an hour. In Britain they can receive more than \$90 an hour.

A recent study, according to *The Dominion*, has found that more than 80% of those surveyed say work pressures are interfering significantly with their family and social lives, and nearly half of the pharmacists have considered quitting.

- Doctors in rural towns are also **threatening to quit their jobs** if the government does not deliver more money to attract GPs **to rural positions**. A national shortage of locums and new graduates willing to work in country practices has left doctors struggling to provide adequate care. Elizabeth Binning of the *New Zealand Herald* reports that, in parts of the South Island, residents are **without any medical care at all**, and doctors in the Waikato and the upper North Island are working more than 60 hours a week and without leave. Dr Tim Malloy of the NZ Rural GP Network says that some of these doctors are threatening to resign if the government does not provide funding for more rural doctors by July 1st — the date that funding is allocated for the government's primary healthcare strategy.

The Jobs Letter

DIARY

9 June 2002

A Herald-DigiPol survey indicates a surge in popularity (to 7.7%) for the Green Party after it issued its ultimatum on the commercial release of genetically modified organisms.

10 June 2002

NZ and Greece are adopting a one-year bi-lateral working holiday scheme. NZ has one-year working holiday schemes with Japan, Canada, Ireland, the Netherlands, South Korea, France, Germany, Hong Kong, Italy, Chili, Sweden and Denmark, a two-year scheme with Britain, and six month scheme with Malaysia.

11 June 2002

Prime Minister Helen Clark calls for an early national election to be held on 27th of July.

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

VOICES

on ENDING CHILD POVERTY

"The release of an Agenda for Children committed to ending child poverty is a victory for the Alliance in government which negotiated a clear commitment to end child poverty in New Zealand, rather than to simply "address" the issue. The Agenda will be a defining document for all policy decisions relating to children from here on in. The onus is now on future governments to gear their thinking towards achieving this goal.

"Getting a commitment on paper to end child poverty was a small victory. The big achievement will be getting the Alliance returned to government to see this commitment honoured ..."

— **Laila Harré, Youth Affairs Minister and Alliance Party leader**

"After all, the money's there to really do something about child poverty. In the recent budget, Treasury forecast a surplus of \$2.6 billion for the year ended June 2002. If the policies are there and the political support is there and the money is there, then isn't it a crime to allow child poverty to exist in this country for a day longer?"

— **Sue Bradford, Green Party Children's Issues spokesperson**

"The truth is children have been invisible in policy making of all kinds, even in legislation that directly affects them, and listening to the 2002 budget it felt like they had now been completely forgotten. Indeed the indifference at the political level to the issue of child poverty has been hard to fathom. Why would any left of centre government ignore an issue of critical national importance? What is the point of focusing on the knowledge economy when so many of our children who are the work force of tomorrow are ill fed, sick, and ill housed? In 8 years time we will see the beginning of a serious shift in the age structure. The children of today are the workforce on which the babyboom generation will depend to provide the quality services they need. So how short sighted can we get?"

— **Susan St John, Child Poverty Action Group**

"This Children's Agenda is a sham. There is no allocation for it in the Budget and it has not even been mentioned in the Prime Minister's list of priorities for a future Labour Government.

"Social Services Minister Steve Maharey is guilty of child neglect on a massive scale. After three years of talk about his Children's Agenda all he has delivered is another list of waffle. Around 30 per cent of families in New Zealand — and therefore 30 per cent of our country's children — live in poverty today. This is happening right now under Steve Maharey's watch."

— **Bob Simcock, National Party Social Services spokesman**

"The Labour Government plans to battle what it calls child poverty if it wins a second term. The aim is a little misleading. Combining the words child and poverty is certainly attention-grabbing, but it is emotional overkill.

"It is not the children that are poor, but the adults around them, of course. And with poverty officially starting at 60% of the average family income, the status of "poor" families can vary widely, depending on the attitudes and abilities of the parent(s).

"New Zealanders are clearly not heartless people, but there is growing disquiet about the curative effect of welfare generally, and not only in this country.

"The post-war concept of welfare was based on an emergency, temporary, subsistence-level government payments to help those in our communities who had stumbled and fallen through unseen and unavoidable circumstances.

"It has evolved very far from that — from 1970 when there were 36,000 beneficiaries supported by a million workers to today's 400,000 beneficiaries and 1.5 million workers.

"When desperately required educational incentives are being crimped because of a starved \$7 billion budget, and the public health system is withering on a similar budget, it has to be asked whether our succession of governments has got the right priorities."

— **editorial, The Daily News 10 June 2002**

ISSN No.1172-6695 Produced by the Jobs Research Trust, a not-for-profit charitable trust constituted in 1994.

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

The Jobs Research Trust is funded by sustaining grants and donations. Yes, you can help.

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