

# The Jobs Letter

No. 177

16 December 2002

Essential Information on an Essential Issue

## SPECIAL

### SKILL SHORTAGES

## DIARY

24 November 2002

Hundreds of jobs are expected to be created as British film producers contract to develop five feature films projects in NZ.

The 53,000 foreign students in NZ may be responsible for creating up to 16,000 jobs according to Andrew Holloway, director of the International Office of Auckland University. Holloway says that these jobs are not only in educational services but are reflected in increased car sales, real estate and tourism.

The government says it plans to change immigration policy to require people applying under the "general settlers" category to have increased English language competency. Minister of Immigration Lianne Dalziel says the change is necessary as migrants with insufficient English language skills face increased employment barriers and other social problems.

Minister of Education Trevor Mallard says new efforts will be made to entice expatriate teachers to come back to NZ to teach.

The number of foreign fee-paying students on school roles, and the number from any one country, may be restricted according to Trevor Mallard. And foreign fee-paying students of primary school age who plan to live here without their parents may not be allowed visas. These are among the issues that will be included in a review of international education policy due to be in place by 2004.

## Skill Shortages

• One in eight New Zealand companies are saying that production is being held back by a lack of skilled workers. Employers and Manufacturers Association chief executive Alasdair Thompson says that business output is being constrained "...not because they have a lack of orders on their books, but they have got a lack of labour to do the work, so their business is actually down on what it was last year..."

He says that staff shortages will, more than anything else, stop New Zealand growing past the 3.5 to 4% domestic growth it had recently peaked at. Thompson: "It is essential that the 107,000 unemployed are integrated into the workforce and immigration policy aligned to match demand..."

- The Labour Department's recent skill shortage survey (QSBO: *Quarterly Survey of Business Opinion September quarter*) finds that:
  - 37% of firms (one in three) are having difficulty finding skilled labour.
  - 19% of firms (one in five) are having difficulty finding unskilled labour. This is the highest recorded level since 1985.
  - 12.5% of firms (one in eight) report that finding labour is their main constraint on expanding their businesses.
  - 43% of manufacturers (one in two) say they are having difficulties finding skilled staff, and 22% (one in five) are having difficulty finding unskilled labour.
  - skill shortages are highest in the building sector, with 52% of building firms (one in two) finding it difficult to get skilled labour. As a result, finding labour is the main constraint on expansion for one in three building firms.
  - staff is hardest to find in the South Island.
- *Skill Shortages - September 2002 quarter*, published by the Department of Labour 15 November 2002. Download (12 pg, 89 kb) from [www.dol.govt.nz/PDFs/Skills%20Shortages%20-%20September%202002.PDF](http://www.dol.govt.nz/PDFs/Skills%20Shortages%20-%20September%202002.PDF)
- Amidst the damaging economic impact of these skill shortages, the government has launched a major public relations campaign to address the issue, and is appealing to its "partners" · in unions, business and the community · to help close the gaps.

Minister of Economic Development, Jim Anderton, says that despite NZ's unemployment rate being the lowest in 14 years, there are still too many unemployed, particularly Maori and Pacific Island people. Anderton: "We need to develop solutions now for the future and the government is working with sectors and industries to establish skills training in every area of technical skill that our economy is short of · from carpentry to electronic engineering..."

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## DIARY

25 November 2002

A severe shortage of tradespeople is resulting in significant delays of many construction projects in the North Island. South Wairarapa council planner Ross Smith says the shortage of skilled trades people is due to the agricultural boom and the demise of the apprenticeship system.

Two Hawkes Bay men become the first modern apprentices in the retail industry.

Nearly 500 secondary school teaching vacancies have been listed in the *Education Gazette*. This number is expected to increase to about 700 by the time school finishes and the majority of staff resignations are in.

No more than 15% of university electrical engineering students in NZ remain in the country after graduation. At the University of Auckland, 80% to 90% of electrical engineering students are not NZ citizens and a good many would seem to disappear overseas after graduation.

26 November 2002

Large and medium size NZ companies are intending to hire more workers in the next six months according to a TMP Job Index Survey. The greatest increases are expected in engineering, IT, the health sector, education, law and accountancy.

Fonterra says the net number of redundancies from the restructuring of the Wellington-based NZMP will be 200. Another 220 positions are being moved from Wellington to other North Island locations. Fonterra will continue have about 100 staff in Wellington.

28 November 2002

The National Party proposes that new immigrants be restricted from collecting social security benefits for their first two years in NZ. The party would also like to see the number of immigrants reduced to 1% of the population per annum (last year it was 1.5%) and limiting the number of refugees to about 1,000 per annum.

### LABOUR MARKET PROJECTIONS TO MARCH 2004

	(Actual)		(Projection)	
	March 2002	Sept 2002	March 2003	March 2004
Employment growth (annual % change)	3.5	2.7	1.8	1.6
Unemployment rate (%)	5.3	5.4	5.3	5.1
Labour force participation rate (%)	66.8	66.6	66.7	66.8
Labour force growth (annual % change)	3.4	3.0	1.8	1.4
Working age population growth (annual % change)	1.5	2.0	1.9	1.2
Net migration inflow (annual, 000's)	24.8	37.2	36.0	15.3

*Source: Statistics New Zealand, Department of Labour Projections*

- Last month, Employment Minister Steve Maharey launched the first edition of a six-monthly plain-language labour market report called *WorkInsight*. Ten thousand copies of the report have gone to schools, tertiary institutions, careers advisers, government departments and industry training organisations.

The first edition outlines how the government expects its tertiary education reforms to more actively match skill needs in the labour market with programmes of study, and includes a profile of the Nelson region and its labour market needs.

• *WorkInsight* issue no.1, November 2002, can be downloaded ( 28 pg, 2.8 mb) from [www.dol.govt.nz/PDFs/workINSIGHT.pdf](http://www.dol.govt.nz/PDFs/workINSIGHT.pdf)

- The *WorkInsight* publication points out that NZ workers are already more skilled than ever before. From the late 1980s, the share of the labour force with post-school qualifications has risen from about 40% to 55%.

The report also points out that the labour force is getting more education and training within the workplace. Since 1998, the number of industry trainees has nearly doubled from 42,000 to 78,000 by June this year. In June, more than 3,200 apprentices were in training, and this number is expected to rise to 6,000 by the end of next year.

- Geoff Bascand, general manager of the Labour Market Policy Group (LMPG) says the demand for skilled labour is rising at least as fast as the labour market is supplying it. He says that more work needs to be done on the quality of the education and getting it to match what the labour market needs.
- Despite the high level of skill shortages, the Department of Labour is still predicting that official unemployment will remain fairly constant at just over 5%, or about 100,000 people, until March 2004.

• Labour Market Outlook December 2002 published by the Department of Labour. Download (13 pg, 115 kb) from [www.dol.govt.nz/PDFs/Labour%20Market%20Outlook%20-%20December%202002.pdf](http://www.dol.govt.nz/PDFs/Labour%20Market%20Outlook%20-%20December%202002.pdf)

- A significant factor in firms not being able to attract unskilled workers is the level of wages that manufacturers feel they are able to pay.

*Example:* Waikanae footwear manufacturer CA Craigie and Company, which operates under the brand Minx, says it could at least double production if it had unlimited staff capability. But sales director Cushla

*(continued on page five)*

## DEBATE

# SKILL SHORTAGES

## CTU — WE NEED TO DO MORE

by Peter Conway, Economist with the Council of Trade Unions

WHY DO WE HAVE 107,000 unemployed people in New Zealand (or 176,600 jobless) when every day we hear reports of labour shortages? The usual reasons given are that the current unemployed don't have the right skills, don't live in the right place, or don't have high enough standards of literacy or good work attitudes. Also, there is an assumed "frictional" unemployment rate to take account of people moving from one job to another with brief periods of unemployment in between. In other words, There is fairly high labour market churn.

Of the current unemployed it is estimated that 63% have been unemployed for less than 6 months, 15% for 6 months to a year, 5% for one to two years and 6% for over 2 years. There were 57,000 unemployed men and 50,000 unemployed women. The approximate age breakdown is 22,000 (15-19), 20,000 (20-24), 14,000 (25-29), 10,000 (30-34), 10,000 (35-39), 10,000 (40-44), 6,000 (45-49), 6,000 (50-54), 3,000 (55-59) and 4,000 (60-64). There were 59,000 Pakeha unemployed and 25,000 Maori, and 9,000 among Pacific peoples. There are 30,000 unemployed in Auckland. There are obvious categories where unemployment is concentrated (e.g. young people in the 15-24 age range and Maori).

- The major question is however - is this as good as it gets? We have seen significant growth in employment in the last three years (50,000 jobs in the last year). There are many initiatives such as modern apprenticeships (3,254), Youth Training (5,331), Skill Enhancement (753), Training Opportunities (7,947) and other programmes. But why should we accept that having around 100,000 or one in twenty people unemployed is about the best that can be done? What is emerging is that there is much more to be done to ensure that the school - training - work transition for young people is better resourced. Even if we accepted that (say) 3% is a frictional rate of unemployment, that leaves

40,000 unemployed people who should be "matched" with current vacancies given the right policies. Although there are differences in how countries measure unemployment, in USA the unemployment rate fell consistently from 6% in 1994 to a low of around 4% for all of 2001, with little worry about inflation.

- There is no doubt that this Government is firmly committed to reducing unemployment. There are many good policies. But more is needed. This is one of the reasons why the Council of Trade Unions is drawing up a draft memorandum of understanding with the Mayors Taskforce for Jobs. They have agreed on a number of goals. These are that by 2007, all 15-19 year olds will be engaged in appropriate education, training, work, or other options which will lead to long term economic independence and well-being, all young people up to age 25 being in employment or education and training; and ultimately all people in our communities having the opportunity to be in work or training.

Source — CTU Economic Bulletin No.32 November 2002 "Comment"

*"Even if we accepted a frictional rate of unemployment, that leaves 40,000 unemployed people who should be "matched" with current vacancies given the right policies..."*

— Peter Conway, CTU Economist

## MAHAREY — SHORTAGES ARE A SIGN OF A DYNAMIC AND HEALTHY ECONOMY

by Steve Maharey, Minister of Social Services and Employment

NEW INFORMATION SHOWING SKILL SHORTAGES remaining at high levels in the economy reinforce the government's emphasis on boosting skill acquisition by New Zealanders.

Recent surveys reinforce the need to rebuild a training culture across all New Zealand businesses, since this offers the best long-term solution to closing skill gaps.

Skill shortages have emerged in our economy because of we are experiencing a sustained period of growth and low levels of unemployment. While they are a consequence of a



## The Jobs Letter

dynamic, healthy economy both the government and employers need to act to ensure skill shortages do not constrain the country's productive capacity. The government's industry training strategy is a key response to the skill shortages issue. Last year 95,263 New Zealanders participated in systematic on-the-job industry training and the government has committed to boosting trainee numbers to 250,000 within five years.

*"While skill shortages are a consequence of a dynamic, healthy economy both the government and employers need to act to ensure they do not constrain the country's productive capacity."*

— Steve Maharey, Minister of Employment

- Earlier in the year the Government launched the Skills Action Plan to address skill shortages by improving the matching of people's skills to job opportunities and assisting people to make better decisions about participating in (or providing) education and training.

There are four main kinds of activities under the Skills Action Plan:

- **Information and guidance responses.** Two new means of distributing information on the labour market have been launched. "WorkSite" ([www.worksite.govt.nz](http://www.worksite.govt.nz)) will assist people to more quickly identify and acquire skills and more readily find new work and is aimed at the needs of a wide range of people - employees, school leavers, the unemployed, potential immigrants, employers, government and industry groups.

The first of a new six-monthly publication WorkINSIGHT aims to improve the matching of people and jobs in the labour market by disseminating information on skills and work in New Zealand. The primary target audience is career advisers, Work and Income brokers and other job market intermediaries.

- **Regional/industry initiatives.** The Government is working with industry to address skill needs at a number of different levels. For example, at an industry and regional level the Government has established partnerships to address labour and skills issues in areas such as forestry. We have also started working on skills strategies for the seafood, clothing and

textile, agriculture and pip fruit industries.

- **Education and training initiatives.** The government's reforms to tertiary education system will make it better able to respond to the needs of the economy. A 5-year Tertiary Education Strategy has been published, a new Tertiary Education Commission is being established and industry and community skill needs will need to be actively weighed when providers are developing their funding profiles in the future. The Government will also expand the Modern Apprenticeship programme and boost the number of people in industry training.

- **Immigration initiatives.** New immigration initiatives have a strong emphasis on matching skilled migrants with the needs of the labour market. For example, the Talent Visa introduced in April 2002 allows accredited employers to recruit talented and skilled people overseas. The New Zealand Immigration Service is also working with particular industries to assist them to recruit people with the required skills from overseas.

- Each of these initiatives will only work successfully if business, government and unions work together. Boosting the overall skill levels in the New Zealand workforce today is our best insurance policy against damaging skills shortages emerging tomorrow.

In all of these initiatives employers have a vital role to play. To attract and maintain highly skilled staff, business needs to offer appropriate wages and fund firm-specific training. There is also a role for industry associations and groups to work together to address recruitment issues and attract people into their industry. Agriculture is one example of an industry that is doing this.

The outlook for skill shortages largely depends on the outlook for the economy as a whole. While considerable uncertainty currently surrounds the outlook for some of our major trading partners, robust growth is expected in the New Zealand economy by most commentators. At 5.4%, our unemployment rate remains relatively low and it seems skill shortages are likely to persist in the short term. Boosting the overall skill levels in the New Zealand workforce today is our best insurance policy against damaging skills shortages emerging tomorrow.

Source — Press Releases from Steve Maharey, Minister of Employment, November 2002

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## DIARY

29 November 2002

Lifting the required English language competency requirement would represent an enormous threat to the NZ international education sector according to Patrick Ibbertson of the Association of Private Providers of English Language.

Rising Auckland house prices are resulting in low-income people being unable to afford to live in areas they have traditionally lived in. This group includes middle and working-class young people. Auckland University planning lecturer Tracey Austin says the rising cost of housing will result in wage inflation in Auckland as people need higher incomes to afford to live near their work. Austin also says that traffic congestion will continue to increase as people are pushed, by housing costs, to live farther away from their work.

30 November 2002

Minister of Education Trevor Mallard warns there is the potential for a serious shortage of English teachers and English has now been added to the list of subjects attracting a \$10,000 teacher training scholarship.

A NZ version of *The Real Game*, a careers game developed in Canada, is to be made available to NZ secondary schools from next year. The game is to be played by classrooms of 12 to 14 year olds to get them thinking about the importance of the world of work.

Whangarei teenager Mike McGough becomes the first fully qualified modern apprentice in agriculture.

1 December 2002

Engineering students at the Western Institute of Technology at Taranaki are being offered jobs before they complete their courses. Trades and Industry head Phil Stacy says the majority of engineering students on two-year courses have left after their first year.

A scheme to attract skilled immigrants to settle in Wellington, rather than in Auckland, is to be trialed over the next 18 months. The Wellington Regional Economic Development Agency and the NZ Immigration Service are co-ordinating their efforts to promote Wellington as an attractive location for immigrants to establish themselves.

Buswell says that the clothing, footwear and textile industries are competing with low-wage countries such as China or Portugal. Even countries such as Italy have lower wage costs in relative terms. Buswell: "Labour is the biggest content part of our product, and if we could pay people what they deserved then we wouldn't have a problem ..."

Council of Trade Unions secretary Paul Goulter says that wages need to rise to meet the skill and labour shortages at this time. He believes that there is room for 'non inflationary wage growth,' in the economy. Goulter: "It should be remembered that New Zealand wages still lag around 26% behind Australia ...":

- Principals across New Zealand are scrambling to fill almost 500 secondary school vacancies before the start of the new school year. And there are expected to be as many as 700 vacancies in the sector by the end of this month, when teachers tend to hand in their resignations. (At the beginning of 2002, there were 238 full-time vacancies, and at the beginning of 2001, there were around 250.)

A growth in school rolls of about 3% next year is one reason for teacher shortages, but another is the continuing exodus of teachers from the profession. Between May 2001 and May 2002, 1,559 secondary school teachers left their jobs, blaming stress, the workload and the opportunity for better pay overseas.

Norman LaRocque from the Education Forum believes that pay is one of the main factors contributing to the teacher shortages. LaRocque: "We need a more decentralised pay system that allows for teacher pay to reflect differences in teacher labour markets - not just across regions, but also across subject areas, levels of education and for hard-to-staff schools."

- The teacher exodus is particularly evident in the subject area of English. A survey, to be published in next month's *English in Aotearoa*, shows that in the past two years, 130 English teachers have quit their NZ jobs. Another 243 (or 10% of the subject's teaching population) have indicated that they'll be gone by the end of this year.

Ronnie Davie, from the NZ Association for the Teaching of English, says that English teaching has become an increasingly marketable commodity and overseas recruitment agencies have taken a ruthless approach to attracting NZ teachers. She warns that local students will miss out on critical skills if replacement teachers cannot be found.

- About 1,770 secondary teachers have been in training this year - twice as many as ten years ago. The government is currently offering \$7-10,000 "training allowances" to secondary teachers in Maths, Physics, Computing, Physical Education and Maori ... and this has succeeded in boosting numbers. Next year the allowance will be also available to teachers in English and Chemistry.

Incentives to get teachers back to NZ from overseas include international re-location grants of \$5,000 for NZ teachers, and up to \$3,000 for UK-trained teachers.

- Auckland and Manukau Cities are facing crippling police shortages and need at least another 140 front-line and investigative officers. The shortages have prompted the government to embark on a recruitment drive in the UK, aimed at taking on 80 experienced officers, in what is thought to be the biggest recruitment of foreign police since the 1970s. In the meantime, the existing Auckland police officers are demanding more money for working in New Zealand's most expensive city, and the

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## DIARY

The Post Primary Teachers Association predicts severe teacher shortages in the subjects of Maths, Science, Technology, Maori, Music and Physical Education. The union says that this past year 10% of schools had combined or cancelled classes or enrolled students with the Correspondence School for subjects they could not find qualified people to teach.

Japan's unemployment rate rises to 5.5%, equaling the highest rate since World War Two. The Japanese workforce participation is now at 61.3%.

The US financial industry in Wall Street, New York, has collectively cut 75,100 jobs over the past 18 months.

2 December 2002

IBM is to lay-off 140 staff at its software development facility in Petone.

3 December 2002

A Bill introducing a statutory 4th week of annual leave for workers goes before a parliamentary select committee. This is seen as a step towards a legislated four weeks of annual leave, a change the government has said it would not entertain during this term.

Police Association is warning of a "boil-over" if there is no government response by March. More than 1,000 police and their families recently protested at a South Auckland rally, saying they wanted a special living allowance as well as a \$2,500 payment in recognition of them staying in the job. The rally is only the third time that police have mobilised over their pay and conditions.

- The Health sector is also looking to Britain to ease the chronic shortage of doctors in our rural communities. At least 70 British GPs are coming to NZ over the next 18 months to take up locum positions. The government-funded Rural GP Network, which has conducted the recruitment drive, estimates that 100 extra doctors are needed in rural areas. (There are only 500 rural doctors nationally).

A recent study in the *NZ Medical Journal* blames the shortages on poor pay, high workloads, medical and social isolation, lack of holiday or study leave cover, limited career options for their partners and school opportunities for their children.

The shortages also mean that doctors are wary of going to rural areas, fearing they will be trapped into long hours with little time off. Many have found it too difficult or expensive to hire locums. (At present there are only two full-time locums operating in the North Island and two in the South Island, with about 20 casual relievers).

- Rural areas are also facing a critical shortage of pharmacists, with some chemists having to work while sick or severely burnt out, because they also cannot find locum replacements. Rural pharmacy owners, who could be on call seven days a week, find it difficult to attract young graduates, who are being lured overseas to higher paying jobs.
- New Zealand's emerging high quality fashion industry is also starting to feel the pinch of skill shortages. The success of the NZ Fashion Week and the high profile of labels such as Trelise Cooper, Kate Sylvester, Carlson and Karen Walker are racking up the orders in an export market that is now reaching \$40 million.

But the *New Zealand Herald* reports that while we have a steady stream of designers with flair and creativity launching forth from training institutes ... but few of them know how to sew, cut or make patterns. Skill shortages are emerging in the sector, complicated by the fact that few school leavers view sewing and cutting as an attractive career option.

Angela Hood of Lewis Design says there's a definite shortage of people on the ground like sample machinists. Hood: "The people who do the production are the heart of the business. There's plenty of CMT [cut, make and trim] people and people who can sit behind a computer, but you have to be able to put the garment together..."

- Paul Blomfield, executive director of Fashion Industry New Zealand (Finz), says that many of the problems can be traced back to the 1980s, when the previous Labour Government began to cut tariffs on clothing imports, and manufacturers switched production to Fiji. An industry which employed over 30,000 was devastated. Closures of big plants by Bendon and Lane Walker Rudkin signalled not only job losses but the erosion of institutional knowledge, specialist skills and training.

While some older companies remain, the boutiques leading the recovery are mainly young entrepreneurs. Most of these firms are less than 10 years old and employ fewer than 10 staff. Many make no garments themselves and rely on CMT contractors and outworkers.



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## DIARY

Australian-based fund manager and insurer AMP will cut 2,000 jobs, primarily in Britain. AMP New Zealand says there will be no job cuts here.

### 4 December 2002

The financial services union Finsec launches *Get A Life!*, a campaign aimed at addressing the issues of overwork, excessive hours and an affirmation that workers have a life beyond work.

Minister of Womens Affairs Ruth Dyson launches *The Status of Women in NZ 2002* which describes NZ progress on implementing the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

Dyson also presents *Towards an Action for NZ Women*, a discussion document which she says is the start of creating a plan for improving the lives of women in NZ. The Ministry is working with the National Council of Women and the Maori Women's Welfare League to develop and run consultation meetings on the action.

### 5 December 2002

A Taranaki truancy officer says that truancy among primary school children is largely due to poverty. Phil Tippins says that children are kept at home because parents cannot afford to send them to school with a packed lunch.

### 6 December 2002

The Child Poverty Action Group files a complaint with the Human Rights Commission that claims the Child Tax Credit discriminates against the children of beneficiaries and contravenes the Human Rights Act. CPAG argues that the Child Tax Credit of \$15/wk per child should be paid to all low-income families. It is currently restricted to families who work in low-paying jobs.

The US unemployment rate reaches 6% for November, up from 5.7% in October.

Finz was launched in September to help form a united front in addressing the sector's concerns. Blomfield says the skill shortages are not yet severe but could hamper progress if not quickly addressed. And with growth averaging between 15-25% a year, the potential is huge. Blomfield: "I don't want to create unrealistic expectations, but we are seeing success stories in the fashion sector all the time. If the infrastructure is in place, we can go further and further ..."

- The Meat Industry Association has confirmed newspaper reports that there has been a shortage of freezing workers in the South Island. Executive Director Brian Lynch doesn't want to name the companies, but says that some South Island companies have had difficulties filling their rosters for the latest season.

Lynch says the skill shortages have happened during the transformation from "old style frozen carcass commodity trade" to an "added value food business". A decade ago, 90% of meat exports were frozen carcasses. Now, 94% are added value cut and boned processed produce.

Lynch concedes that because of rapid change in the business, the meat industry has been overwhelmed by the need for new skills and was facing problems: "The advanced processing in the industry requires higher skills and we are working on getting government support to get those skills up to where we want them..."

- One of the unrecognised success stories in the economy at the moment is the horticulture sector which has been experiencing an annual growth rate of about 10% - a rate unmatched by most other sectors, and one that show no signs of abating. Ian Warrington, professor of Horticultural Science at Massey University, says that this rapid and unchecked growth is leading to a critical shortage of skilled and qualified people. He also points out that the skills now needed within many of the successful horticultural enterprises are demanding, sophisticated and advanced. Warrington: "Many companies are seeking graduates with university degrees and many require their staff to have post-graduate training. Supply is now lagging so far behind that salaries have significantly increased as a response to the growing shortages of qualified people."
- A severe shortage of tradespeople in some North Island regions is delaying construction projects by six months or more. In Taranaki, many builders, plumbers, plasterers, gib stoppers and roofers say they have work piled up until 2004. In Central Hawkes Bay, council regulatory officers report a 40% rise in the value of building permits issued, and say that people in the district are also waiting six months or more for skilled tradespeople.
- The booming engineering industry in Taranaki is leading local firms to pluck apprentices out of courses in order to fill staff vacancies. The Western Institute of Technology in Taranaki (Witt) reports that the majority of engineering students enrolled in Witt's two-year courses are leaving after just one year to enter the workforce. The number of apprentices has gone from just 12 in 2000, to 71 this year ... and is expected to reach 100 at the beginning of the next term. Witt engineering tutor John Lawson says that employers are taking on apprentices faster than the polytech can attract them: "We just don't have enough students to send to employers at the moment ..."
- While New Zealand looks to the UK to fill its skill shortages, the British are experiencing massive gaps in their own labour markets. For Londoners, the crisis is most evident in the building industry. The *New Statesman* reports that reputable builders are already taking bookings for 2004, and desperate householders are having work done by people

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8 December 2002

Recruitment manager Tony Cutting estimates the Wellington IT job market has shrunk to just over half the size it was in the mid-90s.

9 December 2002

The NZ Air Force base at Whenuapai will close over the next four years with 900 of the 1,085 jobs relocating to Ohakea.

10 December 2002

Business and Economic Research Ltd (BERL) reports that NZ has had 4 and a half years uninterrupted job expansion. Most of the new jobs have gone to people over 45 years old. Berl predicts that the job growth was likely to continue.

NZ job ad numbers declined last month but are at about the same level as this time last year.

United Airlines, the second largest air carrier in the world, files for bankruptcy. The insolvent company will continue to operate but will be temporarily protected from being forced to cash up in order to pay its creditors.

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

*Research sources for the main items in The Jobs Letter are available in our internet edition at [www.jobsletter.org.nz](http://www.jobsletter.org.nz)*

"who call themselves builders but who are actually just ordinary blokes". *New Statesman*: "Whereas you are not allowed to call yourself a doctor, solicitor or architect unless you actually are one, anyone can call himself a builder ..."

The UK government estimates that 400,000 new building workers will need to be trained over the next five years, simply to maintain the status quo. That's 80,000 per year, and a huge gap from the 2,500 building apprentices that were signed up this year. The plumbing industry alone needs 22,000 new recruits over that period, and is currently attracting only 800 a year.

- Bricklayer Jeff Howell complains: "Where I live, in the East End of London, it is now easier to hire a hit man than it is to get hold of a decent plumber. If this kind of recruitment crisis threatened the health service, or the armed forces, then questions would be asked and something would be done..."

Howell blames the popular image of builders ("dirty-hands jobs which working-class people do") as partly to blame for people not being attracted to the trades. Howell: "The government continues to insist that we need a 'knowledge-based' economy, and that 50% of young people must go to university, hence transmitting the subliminal message that anyone who doesn't must be a bit of an idiot. And then they doubtless complain to each other in the Commons tearoom about how difficult it is to find a builder these days..."

## VOICES

### on the SKILL SHORTAGES

*"Now is the best time for a young person to be leaving school since the early 1970s. Young people leaving school today have options that kids in the late 70s, 80s and 90s never had. Up and down New Zealand there are job vacancies. The problem now is not a lack of jobs, but a shortage of skilled workers to do them. I mean, there are 200 freezing worker jobs that can't be filled. When did that last happen?"*

— **Jim Anderton, Minister of Economic Development**

*"Unemployment is low at 5.1%, but even that encouraging figure represents a huge waste of resource. We owe it to our own children and community to ensure we have the best courses at the best schools available. No one should leave school without the ability to read, write and do basic sums. Basic literacy programmes could lower it further ..."*

— **Alasdair Thompson, Employers and Manufacturers Association (Northern) chief executive**

*"The Contractors' Federation is refusing to accept these worker shortfalls. The hardest things about getting into the industry and competing with other firms is finding highly skilled operators. The training has been the biggest downfall of the industry combined with an old-fashioned image that deters school leavers. We are working really hard through the schools and polytechs to raise the image. We have to show that it takes a real skill to operate our machines..."*

— **Lloyd Marr, chairman of the Taranaki Contractors' Federation**

*"The Education Ministry has talked about subject specific shortages ... but what we actually have is a systemic shortage of secondary teachers..."*

— **Jen McCutcheon, PPTA President**

*"We've had a staffing crisis for the last couple of years. The people who have been left behind have to work much harder just to tread water. And with the latest crime statistics we're not reading water any more — we're sinking into the mire."*

— **Richard Middleton, Police Association Vice-President**

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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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