

# The Jobs Letter

No. 180

17 February 2003

Essential Information on an Essential Issue

## SPECIAL

STATISTICS THAT MATTER  
BREAKING THE 5% BARRIER  
WHO'S GOT THE JOBS?

## DIARY

30 January 2003

Minister of Tertiary Education Steve Maharey says that the government will be setting maximum tertiary course fees so that students and their parents will know when they start a course what the overall cost will be. Maharey also says a review of the student loan and allowance schemes will be completed by June and is likely to recommend a wider range of students will be eligible for the student allowance.

The government initiates a student levy and a tax on tuition and course fees on institutions that provide teaching services to fee-paying foreign students. While the money is earmarked for industry development, *The Independent* comments that no such industry development taxes apply to any other export industry.

31 January 2003

Builders are struggling to meet demand as building consents reach a 16-year high. The Master Builders Federation says that the shortage of tradespeople is commonly causing delays of six months for work to start on a new house.

International equity funds devalued by 28% last year. For NZ investors this translates into a \$1.5 billion devaluation of their international fund investments.

- It's the best employment news in fifteen years: **we've broken the 5% barrier** in our unemployment rate, and now have **less than 100,000** people officially out-of-work. New Zealand has now had four and a half years of good job growth, with **165,000 jobs created** since June 1998.
  - the official unemployment rate for the December 2002 quarter is 4.9%, after dropping 0.5% from the 5.4% rate last September. New Zealand was last below the 5% level in March 1988.
  - the number of official unemployed is now at 98,000 people, a fall of 8,000 people from last September .
  - The quarterly fall was driven by a drop in unemployment for people aged 20-29 years, traditionally a volatile age group in the statistics, and possibly explained by changes in the labour market status of students. According to Statistics NZ, the previous quarter's rise in unemployment was driven by an increase in unemployment among this age group.
  - The growth of the working-age population has doubled in the last year, increasing by 59,000 in 2002, compared with 31,000 in 2001. Statistics NZ says that half of this increase (30,000) has come from net immigration.
  - Unemployment rates have declined for all Maori and Pacific people over the last year, although they still remain very high. Maori unemployment is at 11.4% (down from 12.9% a year ago) and Pacific Peoples 8.2% (down from 9.9%).
  - long-term unemployment still makes up a greater proportion of the numbers unemployed, with the numbers of people out-of-work for over six months rising from 29.6% to 30.1% during the last quarter.
  - New Zealand is now experiencing one of the lowest unemployment rates in the OECD. We are significantly below the OECD average of 7.1% and are now ranked ninth amongst the 27 nations with standardised unemployment rates. NZ's rate of unemployment is lower than all our major trading partners, including the United Kingdom (5.1%), Japan (5.5%), the United States (6.0%) and Australia (6.2%)
- Social Services and Employment Minister **Steve Maharey** is naturally pleased with the latest figures, and he points out that there are now 123,000 more New Zealanders employed than there were when the Labour-led government took office in December 1999. Maharey: "Continued growth in the number of people in work will be welcomed by all New Zealanders. However, as has always been the case, we do need to work hard to share the benefits of our growing economy fairly..."

Economic Development Minister **Jim Anderton** believes that booming regions and economic optimism are behind the continuing low unem-

# The Jobs Letter

## DIARY

1 February 2003

A promising catch of Omega prawns has raised hopes of a prawn processing industry in the South Island. Vela Fishing manager Chris Ludeke speculates that a South Island prawn industry could employ 200 people.

Dow Chemical announces new international job cuts of between 3,000 and 4,000 people.

2 February 2003

Council of Trade Unions president Ross Wilson calls for schemes to provide unemployed workers with the skills to enable them to fill the shortages in the labour market.

3 February 2003

100,000 activists, NGO campaigners, academics and trade unionists from more than 130 countries attend the third World Social Forum in Brazil. The Forum is held as a people-based alternative to the World Economic Forum attended by finance and business leaders in Switzerland.

NZ companies devote just over one day a year to training their employees. Globally, businesses provide three days training per year according to PriceWaterhouseCoopers.

4 February 2003

The National Party caucus outlines social policy changes it is considering. These include putting time limits on benefits, requiring beneficiaries to have their children immunized, and resurrecting work-for-the-dole.

The Engineering Printing and Manufacturing Union calls for employers to invest more in training. Union secretary Andrew Little says that while workers welcome pay rises, they also want to see the long-term viability of their jobs and industries strengthened through a well trained workforce.

The Ministry of Social Development says it will help sheltered workshops meet their obligations when disabled staff are no longer exempted from minimum wage and holiday provisions.

Last year, for the first time, annual tourist numbers to NZ topped 2 million.

WorldCom, the US company that last year filed the world's largest bankruptcy application, says it will cut staff by 5,000.

ployment rate. Anderton: "Up and down New Zealand there are skills shortages and new jobs being created every day ... New Zealand is well on its way to being the Pacific Economic Tiger with growth in jobs, flourishing of new ideas and innovative businesses and regions. This is just the beginning of an economic upturn that can make New Zealand one of the best performing countries in the OECD."

- Are the benefits of our growing economy being shared fairly? *The Jobs Letter* has taken a look at just **who have got the new jobs** over the last four and a half years (*see back page*). The results reveal some good news ... and also some major concerns:

- over a third (72,300 or 38%) of the new jobs have gone to Maori and Pacific people.

- only 26,200 (or 14%) of the new jobs went to young people under the age of 25 years.

- two thirds (126,800 or 67%) of the new jobs have gone to people aged 45 years and over.

- women have gained slightly more of the new jobs than men.

- more full-time new jobs have been added than part time jobs.

- Canterbury is the powerhouse of job creation since June 1998, adding 54,700 jobs to the local economy (an increase of 24%). Taranaki (22% increase) and Wanganui/Manawatu (20% increase) are also major job creators. Auckland had an increase of 53,800 new jobs (10%)

- Wellington, Nelson, Marlborough, the West Coast and Southland had no significant change in employment numbers during the last 4 ½ years.

- the Health and Community Services sector has created the most jobs, growing their workforce by a third since June 1998. Agriculture, Forestry and Fishing, and the education sectors have also shown significant gains.

- the Manufacturing sector has recorded only 1% gain in the last 4 ½ years.

- despite the 165,000 new jobs since June 1998, the official unemployment figures have only fallen by 33,000 people.

- an increasing percentage of the unemployed are under the age of 25 years, rising from 35% to 42%.

- *More comments on the latest statistics ...* Economists surveyed by a Dow Jones Newswire expressed **some surprise** at the low NZ unemployment figure. The consensus amongst economists from leading banking and investment firms had forecast the unemployment rate to remain at 5.4%.

Infometrics senior economist, Tony Booth, believes however that the **unemployment rate could also drop further** — possibly to as low as 4.5% by the start of next year. Booth: "It depends to a great extent on how much migration stops. The government has taken some measures to tighten up on migrants coming in, in terms of English language requirements and so on ..."

(continued on page five)

# STATISTICS THAT MATTER

## OFFICIALLY UNEMPLOYED

The official unemployed rates are an internationally recognised figure for unemployment based on the Household Labour Force Survey run by Statistics New Zealand. These are the latest figures for December 2002.

**ONE IN TWENTY PEOPLE OFFICIALLY UNEMPLOYED IN NZ**

**OFFICIAL NUMBER OF UNEMPLOYED IN NZ**  
Dec 2002  
**98,000**  
*Seasonally Adjusted*

**OFFICIAL RATE OF UNEMPLOYED**  
Dec 2002  
**4.9%**  
OR ONE IN 20 PEOPLE  
*Seasonally Adjusted*

**DROP IN NUMBER OF UNEMPLOYED IN LAST THREE MONTHS**  
Sept 2002 — Dec 2002  
**8,000**  
**DROP IN LAST YEAR**  
Dec 2001 — Dec 2002  
**7,000**

**PEOPLE REGISTERED AS JOBSEEKERS WITH MINISTRY OF SOCIAL DEVELOPMENT**  
*(Formerly WINZ)*  
  
December 2002  
**168,337**

**UNDEREMPLOYED**  
December 2002  
**113,000**  
*(workers who are employed part time but would prefer to work more hours)*

### GLOBAL

SPAIN	12.0%
ITALY	8.9%
FRANCE	8.9%
GERMANY	8.5%
CANADA	7.5%
OECD Average	7.1%
AUSTRALIA	6.2%
UNITED STATES	6.0%
JAPAN	5.5%
BRITAIN	5.1%
NEW ZEALAND	4.9%

<b>NORTHLAND</b>	8.5%	or one in 12 people
<b>AUCKLAND</b>	4.0%	or one in 25 people
<b>WAIKATO</b>	5.4%	or one in 19 people
<b>BAY OF PLENTY</b>	6.6%	or one in 15 people
<b>GISBORNE-HAWKES BAY</b>	5.7%	or one in 18 people
<b>TARANAKI</b>	5.5%	or one in 18 people
<b>WANGANUI-MANAWATU</b>	3.8%	or one in 26 people
<b>WELLINGTON</b>	5.0%	or one in 20 people
<b>NELSON-MARLBOROUGH</b>		
<b>TASMAN-WEST COAST</b>	4.1%	or one in 24 people
<b>CANTERBURY</b>	4.2%	or one in 24 people
<b>OTAGO</b>	5.3%	or one in 19 people
<b>SOUTHLAND</b>	3.9%	or one in 26 people

### EMPLOYED

**NUMBER OF PEOPLE IN JOBS IN NZ** 1,886,000  
*Dec 2002 Seasonally Adjusted*  
**RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS** 8,000  
*Sept 2002 — Dec 2002*  
**RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR** 44,000  
*Dec 2001 — Dec 2002*

**SECTORS WITH A RISE IN EMPLOYMENT IN THE LAST YEAR**  
WHOLESALE & RETAIL TRADE, EDUCATION, CONSTRUCTION, BUSINESS & FINANCIAL

**SECTORS WITH A DROP IN EMPLOYMENT IN THE LAST YEAR**  
HEALTH & COMMUNITY SERVICES, AGRICULTURE, FORESTRY AND FISHING, MANUFACTURING, TRANSPORT, STORAGE & COMMUNICATION,

### FULL-TIME and PART-TIME

*of the "Employed" statistics*

	FULL -TIME	PART-TIME
<b>MEN</b>	924,300 (89%)	114,000 (11%)
<b>WOMEN</b>	556,000 (64%)	310,800 (36%)
<b>TOTAL</b>	1,480,300	424,800
<b>OVERALL %</b>	78%	22%

**GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 40,000**  
**GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 2,000**

### REGIONS

**REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS**  
*Sept 2002 — Dec 2002*  
  
AUCKLAND  
TARANAKI  
WANGANUI / MANAWATU  
BAY OF PLENTY  
CANTERBURY  
OTAGO

**REGIONS WITH A RISE IN UNEMPLOYMENT**  
  
NORTHLAND  
GISBORNE / HAWKES BAY  
WELLINGTON  
NELSON / MARLBOROUGH / TASMAN / WEST COAST  
SOUTHLAND

A SPECIAL SUPPLEMENT TO  
**THE JOBS LETTER**  
17 FEBRUARY 2003

# ONE IN TWELVE PEOPLE OFFICIALLY JOBLESS IN NZ

## OFFICIAL NUMBER OF JOBLESS IN NZ

Dec 2002

172,600

## OFFICIAL RATE OF JOBLESS

Dec 2002

8.3%

OR ONE IN 12 PEOPLE

## DROP IN NUMBER OF JOBLESS IN LAST THREE MONTHS

Sept 2002 — Dec 2002

4,000

## DROP IN NUMBER OF JOBLESS IN LAST YEAR

Dec 2001 — Dec 2002

11,000

## THE JOBLESS FIGURES

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

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

A SPECIAL SUPPLEMENT TO

## THE JOBS LETTER

17 FEBRUARY 2003

# OFFICIALLY JOBLESS

## "Those Without a Job and Wanting a Job"

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

<b>NORTHLAND</b> .....	14.0%	.....or one in 7 people
<b>AUCKLAND</b> .....	6.8%	.....or one in 15 people
<b>WAIKATO</b> .....	9.3%	.....or one in 11 people
<b>BAY OF PLENTY</b> .....	11.1%	.....or one in 9 people
<b>GISBORNE-HAWKES BAY</b> .....	12.2%	.....or one in 8 people
<b>TARANAKI</b> .....	9.6%	.....or one in 10 people
<b>WANGANUI-MANAWATU</b> .....	6.9%	.....or one in 14 people
<b>WELLINGTON</b> .....	8.4%	.....or one in 12 people
<b>NELSON-MARLBOROUGH</b>		
<b>TASMAN-WEST COAST</b> .....	6.6%	.....or one in 15 people
<b>CANTERBURY</b> .....	7.2%	.....or one in 14 people
<b>OTAGO</b> .....	10.9%	.....or one in 9 people
<b>SOUTHLAND</b> .....	7.0%	.....or one in 14 people

## AGE and LONG-TERM

<b>YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS</b>	16.0%
Dec 2002	one in 6 young people
<b>MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS</b>	3.2%
Dec 2002	one in 31 mature people
<b>LONG-TERM UNEMPLOYED (OVER 6 MONTHS)</b>	25,500
Dec 2002	26% or one in 4 of the unemployed
<b>LONGER-TERM UNEMPLOYED (OVER 2 YEARS)</b>	5,400
Dec 2002	6% or one in 18 of the unemployed
<b>VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS)</b>	1,500
Dec 2002	2% or one in 65 of the unemployed

## THE SCHEMES

Figures from Ministry of Social Development, Youth Affairs and Tertiary Education Commission (formerly Skill NZ)

<b>TASKFORCE GREEN</b> .....	407
<b>JOB PLUS</b> .....	3,217
<b>JOB PLUS MAORI</b> .....	87
<b>JOB CONNECTION</b> .....	86
<b>ENTERPRISE ALLOWANCE</b> .....	48
<b>ENTERPRISE ALLOWANCE WITH CAPITALISATION</b> .....	273
<b>TRAINING OPPORTUNITY SCHEME (TOPS)</b> .....	7,824
<b>YOUTH TRAINING (T.E.C.)</b> .....	5,490
<b>LIMITED SERVICE VOLUNTEERS (ARMY)</b> .....	76
<b>CONSERVATION CORPS</b> .....	825
<b>YOUTH SERVICE CORPS</b> .....	126
<b>ACTIVITY IN THE COMMUNITY</b> (still counted as unemployed) .....	786

## PARTICIPATION

### LABOUR FORCE PARTICIPATION RATE

Dec 2002

Seasonally Adjusted

66.3%

down from 66.4% last year

## RACE

### MAORI RATE OF UNEMPLOYMENT

Dec 2002

11.4%

OR ONE IN NINE PEOPLE

### PACIFIC ISLAND RATE OF UNEMPLOYMENT

Dec 2002

8.2%

OR ONE IN 12 PEOPLE

### NZ EUROPEAN RATE OF UNEMPLOYMENT

Dec 2002

3.3%

OR ONE IN 30 PEOPLE



# The Jobs Letter

## DIARY

5 February 2003

While inflation rose 2.6% last year, on average, workers pay rates rose by only 2.1%. According to Statistics NZ, 43% of NZ workers had no rise in pay at all.

The number of hours NZ'ers worked last year increased by 3.9%.

An OECD report claims NZ has the highest youth suicide, offending and cannabis use rates of the 31 countries measured. NZ's Principal Youth Court Judge Andrew Becroft discounts the report as unreliable because it is based on six year old information and does not compare "like with like".

The Consuming Industries Trade Action Coalition in the US says that the implementation of 30% tariffs on imported steel to the US last year cost 200,000 jobs in small US companies. The CITAC argues that these job losses exceed the number of people who work in the steel industry that the tariffs were meant to protect.

6 February 2003

A Child Poverty Action Group survey finds that primary school aged children in poor families change schools at least once a year and this has a detrimental effect on their education. The survey identifies lack of home ownership is a major contributing factor to this transience.

German unemployment reaches 11.1%.

7 February 2003

Job losses appear likely in Taranaki as the Maui gas field is estimated to have a shorter lifespan than expected. Major gas user Methanex has made no job cut announcements yet but says it will halve production this year.

The Social Entrepreneur Fund, designed to help foster community sector "champions", is broadened beyond employment and economic development to include people who have backgrounds in youth, welfare, health and education. The fund is administered by CEG.

8 February 2003

A Monash University report forecasts that 70,000 Australian workers will lose their jobs due to the most severe drought in Australia since European settlement.

Wages are generally expected to start rising if unemployment remains below 5%, although they grew by just 2.1% last year compared to inflation of 2.6%. The economists surveyed by Dow Jones have commented that inflationary pressures from the growth in employment are being negated by the strong NZ dollar, and concerns about the world economy.

- The **CTU** has also welcomed the drop in unemployment to below 5%, saying that the fall also shows that government policies such as **increasing the minimum wage** are compatible with falling unemployment.

But CTU Economist **Peter Conway** says that the level of 98,000 people unemployed is still far too many given the strong demand for workers. Conway: "While in a dynamic labour market there is some unemployment as people move between jobs, there is clearly a contradiction when we have employers calling out for workers, but there are still nearly 100,000 out of work." Conway says the answer lies partly in much better targeting of the training needs for the unemployed, and **more assistance in the transition to work**.

- The Act Party disputes the latest statistics and says there may be as many as 37,000 New Zealanders not being properly counted. **Muriel Newman**, Act spokesperson on Social Welfare, says that the government's claim that only 5,400 New Zealanders have been unemployed for more than two years is "totally misleading".

Newman points to official answers to her parliamentary questions which show that more than 42,000 NZ'ers, who are currently on the dole, have been paid benefits for more than two years. Newman: "It is, therefore, deeply disturbing to discover that there are 37,000 New Zealanders who now appear to be missing. My question to the government is: where are they? They do exist. They are real people, who have been on benefits for more than two years — yet have not been incorporated into Government statistics..."

Newman's view is that the Labour government is "hiding behind the smokescreen of the Labour Force Household survey — which does not count people as unemployed if they are not actively seeking work, or have worked for more than one hour in the past two years."

- **Job advertisement levels** for January 2003 are up 7.5% compared to the level in January 2002, but are 6.6% below their peak levels in July 2001.

The ANZ job ads series reports that there is a **growing dichotomy** between job ads in **Auckland** and in **the rest of the country**. Auckland job ads were up 30.1% on levels prevailing at the same time last year. But all other regions, except Christchurch, have recorded a fall in job advertising levels over the year.

ANZ Chief Economist David Drage: "After a period of robust growth, activity in some provincial centres has plateaued as the headwinds of a difficult international environment and recent strong gains in the Kiwi dollar feed through to rural incomes. To the extent that this has been reflected in job ad trends, the contrasting regional developments suggest that employment growth over the year ahead will be increasingly driven by Auckland..."

# The Jobs Letter

## DIARY

10 February 2003

The government publishes a list of 10 "guiding principles" it says it will follow as it reviews what new NZ service sectors it intends to offer up to global competition through signing a General Agreement on Trade in Services.

The Council of Trade Unions asks the government to put back the 31 March signing of a new GATS agreement. The CTU argues that because the government has yet to publish its position paper on the treaty, time will run out for public debate and submissions before the deadline.

11 February 2003

The NZ unemployment rate drops to 4.9%, the lowest rate in 15 years. (see this issue)

12 February 2003

The OECD apologises for misrepresenting NZ as having the highest youth offending and suicide rates. The OECD admitted it had not collected comparable information on youth crime from member nations. It also agreed that the published youth suicide rates were out of date.

### Editor

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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'S GOT THE JOBS ?

### THE EMPLOYED

thousands (000)	June 98	Dec 02	difference
Total Employed (seasonally adjusted)	1,721	1,886	165
Men	948	1029	81
Women	773	857	84
Full-time (30 hrs or more)	1,320	1,461	141
Part-time (fewer than 30 hrs)	398	424	26

### THE UNEMPLOYED

thousands (000)	June 98	Dec 02	difference
Unemployment Rate (seasonally adjusted)	7.6%	4.9%	-2.7%
Total Unemployed (seasonally adjusted)	131	98	-33
% of 15-24 yr olds unemployed	35%	42%	7%

### THE EMPLOYED (by Age Group & Maori and Pacific)

thousands (000)	June 98	Dec 02	difference	% of total
Total Employed (not adjusted)	1,716.3	1,905.1	188.8	
15-24 yr olds	295.3	321.5	26.2	14%
25-44 yr olds	851.2	887.1	35.9	19%
45+ yr olds	569.8	696.6	126.8	67%
Maori and Pacific People	201.6	273.9	72.3	38%

### THE EMPLOYED (by Region)

thousands (000)	June 98	Dec 02	difference	% increase
Northland	51.7	57.8	6.1	+12%
Auckland	525.5	579.3	53.8	+10%
Waikato	152.9	178.3	25.4	+17%
Bay of Plenty	93.3	105.5	12.2	+13%
Gisborne-Hawkes Bay	79.3	84.5	5.2	+7%
Taranaki	43.9	53.5	9.6	+22%
Wanganui-Manawatu	89.2	106.9	17.7	+20%
Wellington	239.4	236.2	-3.2	-1%
Nelson-Marlborough-West Coast	79.5	80	0.5	+1%
Canterbury	226.3	281	54.7	+24%
Otago	85.4	93.6	8.2	+10%
Southland	49.8	48.5	-1.3	-3%

### THE EMPLOYED (by Sector)

thousands (000)	June 98	Dec 02	difference	% increase
Agriculture, Forestry and Fishing	139.5	160.4	20.9	+15%
Manufacturing	286	287.7	1.7	+1%
Construction	111.9	128.1	16.2	+14%
Wholesale and Retail	377.9	425.3	47.4	+13%
Transport, Storage & Communication	100.9	110.5	9.6	+10%
Business & Financial Services	243.1	267.6	24.5	+10%
Education	128.1	147.7	19.6	+15%
Health and Community Services	125	165.8	40.8	+33%
Other Services	184.5	197.2	12.7	+7%

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