

# The Jobs Letter

No. 193

29 September 2003

Essential Information on an Essential Issue

## KEY

### WORK TRENDS

FORTY YEARS ON ... AND STILL  
NOT EQUAL PAY

CAMPAIGN TO ATTRACT  
TRADES APPRENTICES

CALL FOR BUDGET PRIORITY  
ON POVERTY

NURSING SHORTAGES

## DIARY

2 September 2003

The Fletcher Steel mill in Otago and the New Zealand Aluminium Smelters at Tiwai Point are back into full operation. Both plants cut back worker hours and production in May because of spiking electricity prices.

3 September 2003

The Wellington People's Centre holds a protest against the "Jobs Jolt" demand that unemployed beneficiaries 55 years old be work tested. Speaking at the Dixon St Winz office, carpenter Michael Scott (60) says the experience of applying for a number of jobs and being turned down is demoralizing, makes people feel more depressed, and is bad for their health.

A group of women students file a claim at the Human Rights Commission that the student loans scheme breaches the Human Rights Act. Camilla Belich of the NZ University Students Association says women pay 20% more than men for the same qualification because their lower incomes cause them to pay more interest.

4 September 2003

Pine Sawmills, near Gisborne, is expected to re-open with new owners and employ about 40 staff. The company has been idle since April after a downturn in the US market.

- The Department of Labour's "Future of Work" unit has produced a **"plain english" guide** on how work is changing in New Zealand. *Work Trends — How work is changing in New Zealand* is a **considerable improvement** on previous reports produced by the department. In a style set by the recently released *WorkInsight* publications, the material is very accessible, pragmatic and practical. This guide will prove to be **an excellent resource for jobseekers**, careers advisers and schools, as well as for unions, employers and local and national government.

*Work Trends* contains useful and up-to-date statistics on our changing economy, workforce and workplace, as well as addressing issues such as skills, education and training, and the challenge of a "work-life balance". Each trend in the guide is divided into simple sections on "What's the Story?", "What's the Reason?", and "What does this Mean?" ... and finishes with short and specific advice on what each trend means for students, workers, employers and the government.

The guide is not as frank when it comes to **the political choices** that are inherent behind many of the trends it is describing. Many of the elements driving change (like the "restructuring period" of the 1980s and 90s, or "globalisation") come across like "acts of nature" that we have to get used to ... rather than being the consequences of choices taken — or not taken — by successive governments and community leaders. Nor does this guide make specific forecasts on future trends for employment sectors or regions in New Zealand. Instead it emphasises the scale, nature and scope of change in the labour market, and beats the familiar drum that our future job security will come from our investment in our own skills and capabilities.

But perhaps we should not expect political comments or specific predictions from a government department ... yet this guide clearly lays out the relevant information, enabling you to make your own assessments from what has been provided.

Two years ago, Minister of Social Development and Employment **Steve Maharey** launched the Future of Work programme as a way of helping New Zealanders improve their understanding of current trends and future possibilities for the workplace, the workforce and employment opportunities. With this resource, the Labour Department's Future of Work unit has certainly risen to the challenge of putting these complex trends and issues into a mainstream public conversation.

— *Work Trends — How work is changing in New Zealand*, by the Department of Labour, (A Future of Work Report, September 2003) ISBN 0-477-03690-2 can be downloaded (51pg, 3.2MB) from [www.dol.govt.nz/futureofwork/worktrends.asp](http://www.dol.govt.nz/futureofwork/worktrends.asp)

- The *Work Trends* report says that, as New Zealanders grow older, it is likely that more of us **will work longer than our parents or grandparents**. The report: "If our economy and our labour market does not perform well enough, or we fail to save enough, there is a risk that we might not have any choice about working into older ages. For those who wish to work, though there will probably be increasing opportunities to do so in ways that suit you. Flexible working hours, telework, and part-time work will allow people to make more more gradual transitions to retirement than have been typical in the past."
- New Zealand will **simply not be able to afford** to provide superannuation in its present form, says National Bank chief economist John McDermott.

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## DIARY

UK staff recruitment agency 1st Contact is coming to Auckland to recruit NZ social workers to work in England. The agency says social workers can earn up to \$86,900 in London.

The Pharmaceutical Society says that only half of the 170 final year pharmacy students have found intern placements for next year. The Society says that the financial implications of the government's decision to introduce three-month bulk dispensation of medicines leaves many pharmacists unable to afford to keep their existing staff, much less take on an intern.

An International Labour Organisation study has found that the hourly productive output Australian workers is 34% higher than that of New Zealand workers. NZ Council of Trade Unions economist Peter Conway says the study indicates that New Zealand needs to invest more in technology and improving the skills of workers.

6 September 2003

Seventy jobs are being created in Palmerston North making air conditioning units for export markets. Edwin Cywinski of German company Noske-Kaeser says that NZ is the ideal manufacturing base primarily because labour costs are about half of what they are in Germany.

7 September 2003

American businesses continue to lay-off workers even though the US economy is growing at 4.7%. The economy has employed fewer workers each month for the last seven consecutive months.

8 September 2003

Meat workers at the Affco Rangiuru plant are facing a seven to eight week lay-off during its annual shutdown. Union leaders are furious that each year since the plant opened in 2001 the shutdowns have become longer.

A household with two adults and two teenagers in NZ spends an average of \$231/wk at the supermarket according to the *Estimated Family Food Costs Survey*. Prices do not vary significantly between major centres.

And he predicts that the government will probably again be **altering the retirement age**. McDermott points out that baby boomers, a large population group that was born between 1945 and 1960, will begin to retire in 2010 ... and, from then on, the ratio of working people to retired people will decline. McDermott: "The reality is that what the government puts away will be insufficient to provide those baby boomers with superannuation benefits that people get today. We already know that."

McDermott also highlights the potential burden older workers will have on the **health industry**, and **labour shortages**. "It's been a problem that we've seen coming for decades and we've probably done very little about it, but it is going to change the shape of the workforce..."

- Minister of Employment Steve Maharey however says the government is firm on keeping the qualifying age for **superannuation at 65**. Maharey: "We've stayed with the 65 age group [for superannuation] but that comes to you as an automatic entitlement once you reach 65, so it's no deterrent to exit the workforce."

"There's a scenario that many countries around the world with the same demographic pattern as we have, are beginning to become aware of — that people will not be exiting the workforce in the same numbers as they have done. They may take some good opportunities."

- An Australian academic believes we are all missing the obvious when it comes addressing the looming increase in older populations and the accompanying shortage of workers to support them. **Siobhan Austen** of Curtin University of Technology in Western Australian says that instead of coercing people to postpone their retirement and stay in the workforce longer ... we need to look at **the biggest source of under-utilised labour** — women.

Austen argues that **encouraging women between 25-54 years** to do more paid work will be a key factor in economic growth in the coming decades. In a submission to an Australian Parliamentary committee, she points out that governments — for ideological and economic reasons — have concentrated on tackling the looming labour market problems by keeping older people working longer. But she says that aiming at getting more prime aged people into paid work, especially women, would be more to the point and it is achievable. About 65% of non-employed or under-utilised labour in the Australian labour market is female. Austen says that female labour force participation rates have responded positively to previous episodes of labour shortage and she believes this can happen again.

But in order to engage more women in the paid workforce, or to get more women to work more hours, the government must implement better **"family friendly" policies**. Austen: "Women's ability to successfully respond to labour market opportunities, without sacrificing fertility, will depend on the support given to them as they try to balance their paid and unpaid working roles. Institutional support such as child and elder care, and availability of parental and other forms of paid leave will be vital in securing both economic outcomes for the nation and the well being of Australian women."

- If the solution to our future labour market problems is getting more women into work ... then employers are going to have to start offering more money. **More than 40 years after** the Equal Pay Act was passed in 1960, women, on average, **continue to earn less than men**. *Pay and Employment Agenda*, a Public Service Association (PSA) campaign aims to keep public attention on this gender pay gap.

The PSA says that some of the reasons why women experience lower levels of pay are because they often work in occupations dominated by women such as social work, nursing and education. Or women are often in technical (rather than professional) jobs or do "caring" work that is under

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## **FORTY YEARS ON ... WOMEN'S WORK AND INCOME AT 2003**

- Women earn 84.3% of men's average hourly earnings.
- Where women and men work in the same occupation, women on average earn less than men.
- Maori and Pacific women generally earn less than other women.
- 70% of those earning under \$40,000 are women, 81% Pacific and 68% Maori.
- 56% of public service employees are women.

- Women are concentrated in fewer jobs than men, such as clerical and administration and many health professions. Generally, the higher the proportion of women in an occupation, the lower the average pay.
- The median income of men working full-time is \$35,000 compared with \$28,900 for women.
- Women in the public service are twice as likely as men to earn less than \$30,000, while men are three times more likely to earn over \$80,000.
- Of the 18.6% of the population who earn more than \$40,000, seven out of ten are men.

Source: PSA Bulletin August 2003

## **DIARY**

9 September 2003

ACT MP Muriel Newman accuses the government of "sponsoring substance abuse", after Ministry of Social Development figures acknowledge that 940 of the people who are on the Invalid Benefit are there because they are substance abusers.

11 September 2003

Child Poverty Action Group releases *Room for Improvement*, a study on the current New Zealand housing policies and their implications for children. It can be downloaded from [www.cpag.org.nz](http://www.cpag.org.nz)

The Australian unemployment rate drops from 6.2% to 5.8% as the economy gains 80,600 new jobs last month, most of them full-time.

15 September 2003

The government's new Office for the Community and Voluntary Sector is opened. Sue Driver is appointed as establishment director.

The World Trade Organisation talks in Mexico end as developing nations' representatives walk out after refusing to engage in talks regarding the liberalisation of investment and competition. Developing nations insisted that no discussion on these issues would occur without progress on agricultural support issues.

valued. The PSA believes that many workers could benefit from an analysis of their pay and conditions from the perspective of equal pay for work of equal value. This involves comparing skills, training, responsibility, effort, working conditions and "job size".

The *Pay and Employment* campaign is also promoting the need for affordable quality childcare, financial security for workers when they retire, and workplaces that recognise that employees have responsibilities to their families and communities, as well as to their employer. These issues are not exclusively women's issues but also apply to low-paid men, many Maori and Pacific workers who are at the bottom of the pay scales, and to workers with disabilities.

- The Plumbing and Roof Industry Training Organisation has established a recruitment taskforce to **attract young people into plumbing, gas-fitting, drain-laying and roofing**. The campaign includes a roadshow that hopes to go to every secondary school in New Zealand promoting apprenticeships. The roadshow is holding 17 regional meetings over the next month with guest speakers including local Mayors, MPs and industry leaders. The ITO will be working with the regions to identify the local skills requirements to get an idea of how many young people should be trained to work in the industry.

Liaison manager **Doug Wilson** says that all the trades suffered in the 1990s both because of the economic recession and the changes government made to apprenticeship schemes. Tradespeople were scrambling for what little work was available just to make their own living and found that training a young person was too expensive and complicated and therefore very few of them took it on. A consequence of this has been that **nearly a whole generation has missed out** on learning trade skills, and there are currently very few tradespeople who are in their 30s. Wilson: "We have such a chronic shortage of qualified tradespeople. We've got an aging workforce ... there's plenty of people aged 40 and up. But what we need desperately are apprentices. I dread to think what will happen long-term if this campaign doesn't work."

Wilson says the focus of the campaign would be on the lifestyle benefits of a well paid job ... where you can train **without incurring any student debt**. He "unashamedly" intends to impress school leavers that tradespeople can afford things like fast cars and overseas trips. First year apprentice plumbers, gasfitters, drain layers and roofers generally earn between \$16,000-\$20,000. Advanced qualified and experienced tradespeople earn upwards of \$50,000.

— *Plumbing and Roof Industry Recruitment Taskforce Roadshow* contact person Peter Reilly phone 027 217 5529

- Community organisations are calling on the government to **make good on its promise to help eliminate child poverty**. Barnardos, Child Poverty Action Group, Caritas, NZCTU, Council of Christian Social Services, UNICEF NZ, Presbyterian Support Central, Downtown Community Minis-

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16 September 2003

Jobs will be lost at the Tasman paper mill in Kawerau as Norwegian owner Norske Skog plans to close one of the mill's three paper machines. Norske Skog NZ chief executive Rob Lord says that "some" jobs will go but that upgrades of the remaining machines will result in no more than a slight reduction in total output from the mill. Norske Skog employs about 700 staff at the Tasman mill.

21 September 2003

Dairy giant Fonterra creates 62 new jobs as it commissions a new milk powder drier at its Edendale factory in the lower South Island.

22 September 2003

Winz has lost 1,194 staff over the past two years, 650 of them front line caseworkers. National MP Katherine Rich says that many Winz staff quit because they are carrying huge workloads. About 6,000 people work for the department.

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*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)*

try (Wellington), and Wesley Community Action have written to the Minister of Finance Michael Cullen to make eliminating child poverty a priority **with next year's Budget**.

*The letter:* "We know you share our concern that thirty percent of NZ's dependent children are in poor families and experiencing living conditions which a vast amount of research shows are linked to poor health, education and employment outcomes for children, youth and adults ... We believe that there should be a significant investment in reducing child poverty in the 2004/5 Budget and that further investment should be outlined in a public plan aimed at eliminating child poverty by a specific date."

- Barnardos chief Ian Calder says it had been heartening to hear the Michael Cullen say the government would address the issue of **assistance for low family income** — the root cause of child poverty — in the next Budget. Calder notes that the government has committed itself to the elimination of child poverty as a key objective in its Children's Agenda, and other political parties have made the same commitment. Calder: "But such statements are platitudes unless there is a commitment to its eradication by a definite date. Let's have a firm goal to work towards such as they have set in the UK."

Calder argues that placing assistance to low income families in the context of having strong government surpluses **is the wrong priority**. Calder: "Investment in children must not be the last item on the economic agenda. There was a time when governments recognised our children as the first priority and invested heavily in school health services, school dental service, free education, family benefits and income support which really did meet the cost of living. Such social investment built social cohesion and a healthy future. Let's restore that sort of priority to children once more."

- The New Zealand **nursing shortage** appears to have a great deal in common with the Auckland police shortage: the people leaving the profession increases the workload and stress for those remaining ... resulting in **more people quitting**.

New Zealand does not have a shortage of nurses; it has a shortage of nurses **who actually want to nurse**. The NZ Nurses Organisation estimates that there are nearly 42,000 nurses holding practicing certificates in New Zealand but only 31,000 work as nurses. These qualified nurses could easily fill the 2,000 nursing vacancies ... but they choose not to. College of Nurses chief Jenny Carryer says the answer will not be found in churning out more nurses, but in **addressing the reasons people leave nursing**. Carryer: "Unless you can retain people once they have graduated, then you just keep on graduating neophytes and moving them overseas."

- Carryer says the two major issues here are the lack of job satisfaction and low pay, in that order. Carryer: "When you ask nurses, they don't mention pay first, they talk about diminished job satisfaction and fears for patient safety". That's not to say that pay isn't a concern. She says that when job satisfaction drops, people tend to look to their pay packet."

With a basic starting salary of \$30,000 - \$34,000, and the average nursing graduate responsible for a \$20,000 student debt, they **find little solace there**. The pay and debt levels result in many nurses working extra shifts in order to meet their financial obligations ... further increasing the pressure on them and their families.

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