

The Jobs Letter

No. 214

23 September 2004

Essential Information on an Essential Issue

KEY

THE RIGHT TO WORK:
THE HUMAN RIGHTS REPORT

CEG IS SCRAPPED

OZ SKILLS SHORTAGE

DIARY

7 September 2004

The number of first-year university computer science enrolments has dropped to the levels they were in the early 1990s, according to *Computerworld* magazine. ICT enrolments plummeted after the dotcom crash in 2000 and the magazine says that the lack of skilled graduates coming through now may hold back the industry's recovery.

Finding volunteer workers is becoming very tough, according to the NZ Federation of Family Budgeting Services. Executive officer Raewyn Neilsen: "We are losing volunteers and really struggling to replace them on a national basis. People just seem to be working longer hours, more than one job, and don't have the time to volunteer."

8 September 2004

A boat-building company that was part of Minister of Economic Development Jim Anderton's "jobs machine" has not created the number of jobs it forecast. Sovereign Yachts predicted it would have 350 staff by the end of 2003, but currently employs 75 staff and about 20-25 people employed by subcontractors.

- The first-ever comprehensive report on the state of human rights in New Zealand has concluded that children and young people are the most at risk from human rights abuses. The Chief Human Rights Commissioner Rosslyn Noonan says that while New Zealand meets most international human rights standards, there are some critical areas where we are failing. Noonan reports that some of the most pressing human rights issues in New Zealand are those relating to the **poverty and abuse** experienced by a large number of **children and young people**.

The most pressing issues to emerge from the report are:

- Nearly one out of three children and young people live in poverty, which restricts their access to medical care and education opportunities.
- NZ has the fifth worst child death by maltreatment rate of 27 OECD countries and significant numbers of children and young people are abused or neglected.
- Maori, Pacific and new migrant children, disabled children, and children and young people with mental health problems have difficulty accessing health, education and support services and have poorer life outcomes as a result.
- Children and young people want increased respect for diverse groups within New Zealand and the elimination of all forms of discrimination against them and others.
- Children and young people want increased involvement and participation in the decisions that affect their lives.
- Young people want enhanced protection in the work place.
- The Human Rights report includes a 16-page section on "**The Right to Work**". It points out that "structural disadvantage" still exists in the New Zealand labour market in terms of both participation and outcomes and this includes:
 - higher unemployment rates for Maori and Pacific peoples, even when unemployment is low;
 - difficulties faced by migrants in accessing appropriate employment;
 - prejudice influencing the appointment, retention and promotion of older workers;
 - difficulties faced by women returning to the workforce after time away from work for family responsibilities;
 - the enduring stigma and discrimination against disabled people in the labour market;
 - difficulties faced by young people entering the labour market.
- Over five thousand New Zealanders contributed to the report in some way. When the Commission asked them about what they understood by human rights it became clear that while they endorsed human rights as important, most people, including public officials, had **limited knowledge** about human rights in any formal sense.

The Commission acknowledges that the report has been written during buoyant economic times when the official unemployment rate was 4.4 percent, a 16-year low, and more New Zealanders (1,886,000) are in paid employment than at any other time. Yet the Commission warns:

The Jobs Letter — Essential Information and Media Watch on Jobs, Employment, Unemployment, the Future of Work, and related Education and Economic issues. It is published every 2-3 weeks, and is freely available on our website at www.jobsletter.org.nz. We will email you if you want to be notified of the latest issue, or sent the full letter (in PDF format). Paper, posted subscriptions are available at \$79 (incl GST, per annum).

The Jobs Letter

DIARY

9 September 2004

The Reserve Bank of NZ raises interest rates to 6.25%, the fifth rate increase this year.

The Australian economy lost 6,600 jobs last month. It was the third drop in four months over which Australia lost a total of 39,800 jobs. The unemployment rate was unchanged at 5.7% because fewer people were looking for work.

There is a distinct correlation between employment status and suicide, according to the Australian Medical Association. President Bill Glasson says that in periods of high unemployment suicide rates have soared. Glasson: "In our society, men still typically see themselves as breadwinners and providers. When they cannot fulfill this role due to unemployment or underemployment, their self-esteem suffers."

10 September 2004

Qantas Airlines' 4,000 flight attendants threaten to strike in mid-December, when the company plans to move 400 flight attendant jobs to London.

The Alcan aluminium refinery expansion will create 1,700 construction and then 120 permanent jobs in Gove in the Northern Territory of Australia.

Delta Airlines in the US will cut as many as 7,000 jobs in an attempt to avoid having to file for bankruptcy protection.

"There is a natural tendency during good times to minimise the impact of structural disadvantage in the labour market and inequities in participation and outcomes. However, the current strength of the labour market provides an opportunity for informed debate about how to improve outcomes through work for individuals, families, workplaces, the communities in which they are located and society."

In December, the Commission would issue an **action plan** recommending practical steps that can be taken over the next five years to improve the status of human rights in New Zealand. The public are being encouraged to make suggestions about the shape and priorities of the action plan.

— *Human Rights in New Zealand Today - Ngā Tika Tangata O Te Motu: Chapter 16 The Right to Work - Te tika ki te whai mahi* (September 2004) can be downloaded (PDF 17pg, 427kb) from *The Jobs Letter* website at www.jobsletter.org.nz/pdf/HRWork04.pdf

- ACT MP Dr Muriel Newman has slammed the Human Rights report as "political correctness gone mad". She argues that part of the problem is with the way that human rights laws are developed. Newman: "A desirable behaviour is elevated to the status of law — without the safeguard and scrutiny of the exhaustive Parliamentary process — then passed onto judges and the courts to monitor for compliance. Such backdoor law-making is bound to create controversy, and a deluge of litigation — as well as a stream of unintended consequences. "

Newman points out that using the government's *Social Report 2004* living standards scale — which identifies a low-income threshold as 60% of the 1998 median equivalent net-of-housing-cost family income — it is **children living in sole parent families** that suffer the greatest levels of financial disparity. Yet she says that there is a real difficulty with defining poverty in this way. Newman: "As average wages rise, so too will the poverty threshold and, under this scenario, there will never be an end to poverty in New Zealand."

- The government announced this week that the Community Employment Group (**CEG**) within the Department of Labour has been "**dis-established**". This agency has been the main channel for allocating \$23 million in government grants to community organisations each year. Recently, the agency has been under the political spotlight after controversial funding decisions surrounding its Social Entrepreneur Scheme (see *The Jobs Letter* No. 204). The main points from recent announcements include:
 - The Ministry of Social Development (MSD) will now take up the role of being the lead agency in "developing and creating employment opportunities at the local level", and "co-ordination and engagement to get faster and more effective responses to employment issues at the local level".
 - A Transitional Management Unit will administer any ongoing and new grants and provide continuity for staff and communities as MSD establishes the capability required to take up its new functions.
 - Current CEG grants funding will transfer to MSD by 31 March 2005.
 - All the 120 former CEG staff have been transferred to the Transitional Management Unit while MSD and the Department of Labour work out how they can be "retained in jobs that utilise their skills and experience". Labour Department chief executive James Buwalda is confident that redundancies can be avoided ... but the Cabinet papers warn of a \$2.6 million "worst case scenario" if CEG staff do not find other positions.
 - An immediate casualty of the changes is former CEG general manager Charlie Moore. He ceased working for the Labour Department two weeks ago, because his position has been "dis-established".
 - Among the funding effected is \$5.7 million for "Maori and Pacific Island capacity building programmes which were allocated in this year's Budget.

HUMAN RIGHTS in NZ

THE RIGHT TO WORK *Te Tika ki te Whai Mahi*

"Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and protection against unemployment..."

— Article 23 of the
Universal Declaration of Human Rights

In this special feature, *The Jobs Letter* gives an essential summary of 'The Right to Work' section of the Human Rights Commission Report.

Where New Zealand does well

Ngā mahi pai e oti nei i Aotearoa

— There is widespread acknowledgement by the Government, local authorities, employers, trade unions and the public of the benefits of a job-rich economy, and that decent and meaningful employment underpins the economic growth and social cohesion of New Zealand and the individual well-being of New Zealanders.

— There is both a strong international context of employment rights and a strong domestic framework of legislation that recognises the rights of employers and employees in relation to pay, safe working conditions, employment protection and protection from discrimination.

— The status of EEO groups in employment is improving through:

- increasing participation of women in the labour force
- upskilling of Maori, with over half the recent increase in Maori employment being in professional and associated occupations
- increasing participation and declining unemployment of Pacific peoples
- legislative change so that disabled people in sheltered workshops may receive minimum pay and holidays
- local government initiatives for migrant workers and the Mayors' Taskforce for Jobs youth employment initiatives
- Government's youth transition policies linking school leavers to jobs or education and training.

— Initiatives by Government to develop work-life balance and a variety of family-friendly and flexible working arrangements by business and industry are positive responses to the new and additional pressures imposed by the changing nature of work and the time and productivity demands of the 'knowledge economy'.

Where we need to do better

Kia piki ake te pai i roto i enei wahanga

— New Zealand has not ratified the two fundamental International Labour Organisation Conventions, 87 on Freedom of Association and Protection of the Right to Organise and 138 on Minimum Age for Employment. Given the importance of core labour standards, this ratification is urgently needed.

— New Zealand does not comply substantially with the pay equity requirements of Article 11, 'the right to equal remuneration, including benefits, and to equal treatment in respect of work of equal value, as well as equality of treatment in the evaluation of the quality of work'.

— The status of unpaid work is not widely recognised in the human rights framework. Unpaid workers, particularly caregivers, are undervalued, not recognised and often inequitably treated, despite their economic and social contributions.



— Structural disadvantage still exists in the New Zealand labour market in terms of both participation and outcomes and includes:

- higher unemployment rates for Maori and Pacific peoples, even when unemployment is low;
- difficulties faced by migrants in accessing appropriate employment;
- prejudice influencing the appointment, retention and promotion of older workers;
- difficulties faced by women returning to the workforce after time away from work for family responsibilities;
- the enduring stigma and discrimination against disabled people in the labour market;
- difficulties faced by young people entering the labour market.

- The right to work is a fundamental human right strongly established in international law. It recognises that work is not solely a source of income that provides for the basic necessities in life. Because of work's potential to satisfy social, intellectual and personal needs, it is an integral prerequisite for a life of human dignity.

The right to work is of fundamental importance and underpins the realisation of other human rights such as the right to housing, the right to education, and the right to culture. Article 24 of the Universal Declaration of Human Rights ensures everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

- Elements of the right to work in New Zealand are expressed in a broad range of domestic statutes. The principal piece of legislation governing industrial relations is the Employment Relations Act 2000 (ERA), which aims to build productive employment relationships founded on the principle of 'good faith', address the inequality of bargaining power, support collective bargaining, ensure individual choice in employment and promote mediation while reducing the need for judicial intervention.

The ERA also contains protections against unjustifiable dismissal or disadvantage, which includes the grounds for discrimination under the Human Rights Act 1993 (HRA) and special provisions dealing with sexual and racial harassment.

The New Zealand Bill of Rights Act 1990 (BoRA) provides a wide range of civil and political rights and freedoms by ensuring that all actions, decisions, and legislation of the Government and the broad public sector are consistent with the fundamental principles set out in the Act. Section 19 protects individuals from discrimination across the same grounds as the HRA and section 17 ensures the right to freedom of association.

- In 50 years, half of New Zealand's population will be aged over 45 years and a quarter over 65 years.

Ageing populations will change the nature of work, particularly given the predicted decline in fertility rates. Retaining mature employees and overcoming employer stereotypes about 'difference' and diversity will be significant challenges if New Zealand wishes to improve productivity and enhance growth.

At an individual level, workers will need to think about career development spanning longer periods if they remain in paid employment past traditional retirement age.

Older workers will need to have better access to on-the-job training to avoid skills obsolescence. Increasing demands for workers places a premium on attracting more women, new migrants and disabled people, and on maximising the participation and potential of young as well as older people in paid employment.

- New types of employment relationships relating to contracting and franchising are blurring distinctions between self-employed and paid employees. Workplaces are increasingly using types of flexibility such as outsourcing and casualisation.

The size and significance of non-standard work in New Zealand is undergoing change. Reliance on direct employment relations is decreasing and both workers and certain labour requirements are frequently outsourced.

- The most dramatic change in the organisation of labour in New Zealand is arguably the individualisation of the employment relationship, which is more pronounced among younger workers.

Trade union membership in New Zealand has substantially declined in the early 1990s, partly as a consequence of labour market de-regulation that saw individual employment contracts promoted and multi-employer contracts decline.

There is growing evidence of a collapse of collective bargaining in the private sector – it is five times more common in the public sector. There is general agreement among commentators that significant

A HUMAN RIGHTS APPROACH

Human rights recognise and aim to protect the dignity of all people whatever their status or condition in life.

They are about how we live together and our responsibilities to each other. In particular, they set a basis for the relationship between the individuals, groups and the State.

The Universal Declaration of Human Rights was adopted by the United Nations on 10 December 1948. The rights in the Declaration fall roughly into two categories; civil and political rights; and economic, cultural and social rights.

Since 1948, the rights in the Declaration have been set out in United Nations' Covenants and Conventions. Through ratification of these treaties and obligations under the United Nations' Charter and the ILO Constitution, New Zealand has formally committed to respecting these rights.

The six elements of a human rights approach to assess policy and programmes are:

— An emphasis on the participation of individuals and groups in decision-making.

— Accountability for actions and decisions, which allows individuals and groups to complain about decisions that affect them adversely.

— Non-discrimination among individuals and groups through the equal enjoyment of rights and obligations by all.

— Empowerment of individuals and groups by allowing them to use rights as leverage for action and to legitimise their voice in decision-making.

— The linking of decision-making at every level to the agreed human rights norms.

— Identification of all the relevant human rights of all involved and, in the case of conflict, the balancing of the various rights to maximise respect for all rights and right-holders.

union renewal did not occur when the Employment Relations Act replaced the Employment Contracts Act.

- Young people are disproportionately affected by unemployment and are particularly vulnerable in times of slow employment growth. While there is little significant gender difference, Maori and Pacific young people are over-represented in unemployment figures. Nationally, Government is developing youth transition policies linking school leavers to jobs or education and training. At local government level, the Mayors Task Force is actively engaged in youth employment.

- Some children are working long hours in unpaid work and thereby losing out on opportunities for leisure, childhood activities and education. The children's work survey indicates that 20 percent of children undertake home chores. Around 45 percent of the survey sample reported receiving a rate of pay below the minimum youth rate.

- A surprising finding of this consultation, given its timing – with the country enjoying record labour market participation – was the emphasis that a broad spectrum of New Zealanders interested in employment issues placed on job creation. Job creation was referred to by employment specialists, local body officers, politicians, industry spokespeople and unionists.

There is an implicit assumption, perhaps, in the notion of the 'right to work' that employment should be currently available and universal. However, the right to work comprises several aspects and, while it may fall short of a guarantee of full employment, it includes the idea that New Zealand should strive for full employment, the availability of work for everyone able and willing to work 'by all reasonable means'

- Major Government strategy documents about employment, such as the Employment Strategy, and policy analysis such as Work Trends acknowledge in a variety of ways that a revolution is occurring in the world of work in relation to the way we work, work-based technologies, and the types of work we do.

The challenge is to ensure that, in the rapidly changing labour market, currently disadvantaged groups are not further marginalised in terms of access, participation and pay, in the information society. While there has been progressive improvement in data collection relating to employment, data disaggregated by the various prohibited grounds of discrimination must be available for the measurement and comparison of vulnerable groups.

- Free choice of employment is a core element of the right to work, but for certain groups in New Zealand society this choice is greatly hindered because of who they are. For many disadvantaged groups, the decision to participate in work is not enough to gain access to the labour market. New

migrants, Maori and Pacific peoples, unskilled youth and mature workers trying to re-enter the workplace and women returning from family responsibilities are groups that systematically struggle to gain employment in comparison with other groups. Disabled people are even more at risk of exclusion. These groups face systemic employment disadvantage, even in a buoyant labour market.

- Employers spoken to emphasised their need, given the fast-paced and competitive nature of industry, for job-ready applicants. This requires both relevant entry skills and education, and an increasing need for on-the-job training throughout working life. Data collected about the importance of job readiness also highlighted motivation, flexibility and an ability to take personal responsibility for work.

- Intensive case management emerged from our research, in relation to migrant workers, youth at risk, mature workers and local government initiatives, as an essential element in matching at-risk potential workers with employment at a time when it is increasingly a focus of

Government intervention. It involved a number of features such as making connections between job seekers and available opportunities, reducing the risk of failure, providing confidence and support for both employer and employee.

- The right to rest and leisure and reasonable limitation of working hours was a dominant theme in this study. The tension between an individual's work responsibilities and those outside of work, known as work-life balance, was for many participants both an individual and organisational concern and, for employers, the subject of their EEO initiatives.

- The right to work relies in part on the willingness and ability of not only Governments, but society as a whole to respect and help fulfil these rights. In New Zealand, many medium and large companies tend to be involved in social and community outcomes in addition to traditional financial outcomes. Strong ties to their local people through sponsorships, community-based employment programmes, and the support of local activities weave the organisation into a symbiotic relationship with its region that relies on the strength of both parties.

When one strand becomes strained because of the impact of global business, economic hardship, population decline, or social instability, the other is also affected. A better understanding of the interconnections between business and communities may go a long way towards ensuring the well-being of both. The growth of corporate social responsiveness in New Zealand is to be welcomed.

- In New Zealand the right to work is expressed in a broad range of international instruments and domestic statutes. In addition, a number of government department strategies impinging on employment are guiding policy, and individual initiatives around decent work and pay equity are influencing practice.

"The challenge is to ensure that, in the rapidly changing labour market, currently disadvantaged groups are not further marginalised in terms of access, participation and pay, in the information society."

— New Zealand Human Rights Commission

At the level of the workplace, though, the significant drop in unionisation, with its accompanying loss of organised employee advancement and protection presents new problems from a right-to-work perspective: how can full understanding of employment rights by employers and employees who are outside of organised coverage be achieved beyond minimal legislative compliance? The promotion of the right to collectively bargain and the right to freedom of association is essential for a strong trade union movement.

- New Zealand is obliged to respect, promote, protect and fulfil the right to work. While definition of the right to work and its evaluation may be incomplete, elements such as the free choice of employment, protection against unemployment, anti-discrimination, equal pay, and just and favourable work conditions are widely understood and accepted. New Zealand has some flexibility in how it fulfils these within its social and economic environment. In taking the pulse of New Zealanders about employment issues at a time when the economy was buoyant, the two consultation projects showed that, overall, most people felt New Zealand was positively and progressively realising the right to work. They were equally emphatic,

however, about the challenges posed by systemic and structural disadvantages in the labour market, and demonstrated willingness to improve them.

Human Rights in New Zealand Today Ngā Tika Tangata O Te Motu

by the Human Rights Commission
(September 2004)
full report can be downloaded from www.hrc.co.nz/report/downloads.html



(Chapter 16) The Right to Work Te tika ki te whai mahi

by the Human Rights Commission
(September 2004)
can be downloaded (PDF 17pg, 427kb) from *The Jobs Letter* website at www.jobslatter.org.nz/pdf/HRWork04.pdf

VOICES

on the HUMAN RIGHTS REPORT

"The fundamental right to be who we are and to be respected for who we are is still not a reality for all New Zealanders. It is important that individual New Zealanders not only affirm their own human rights, but accept their responsibility to defend the human rights of others. New Zealanders do value fairness, which is often expressed in terms of giving people a 'fair go'. What the report shows is that human rights are for everyone and are the essential foundation of a decent society."

— **Rosslyn Noonan, Chief Human Rights Commissioner**

"If we can get it right for this country's children, we will have succeeded in getting it right for all New Zealanders,"

— **Dr Cindy Kiro, New Zealand Children's Commissioner**

"Kiwis value fairness and want this country to be a great place to bring up kids. But the reality is that many children and young people don't get a fair go. The lives of many are damaged by poverty, violence and discrimination - and that is wrong. Although the government made progress towards better support for many poor children in the last Budget, much more needs to be done to make a real difference to the lives of the poorest children. A human rights approach means paying special attention to those who are most vulnerable..."

— **Dr Alison Blaiklock, chairperson of Action for Children and Youth Aotearoa (ACYA)**

"The reality for thousands of New Zealand children is at odds with their basic entitlements. As a developed nation, we cannot sit back and accept that one in three of our children lives in poverty, nor that we have the fifth-worst child death rate as a result of maltreatment. Under the United Nations Convention on

the Rights of the Child (CRC), every child has a right to survival, development, protection and participation — and New Zealand has an obligation to uphold those rights, wherever possible."

— **John Bowis, Executive Director of Save the Children New Zealand**

"In defining poverty as a human right, the Commission is setting the scene for Labour to introduce a new range of taxpayer-funded measures designed to relieve sole parent poverty. It is an undeniable fact that the only way out of poverty is through work, and that the only answer to welfare-induced child poverty is to support sole parents into employment. The fact that New Zealand, in having no work requirements for sole parents, is now seriously out of step with most other western countries is one of the major reasons for our excessively high rates of child poverty. Other countries — particularly the US — have significantly reduced child poverty by requiring parents to work."

— **Dr Muriel Newman, Act Party spokesman on Welfare**

"This report highlights the fact that NZ's law still doesn't acknowledge the universal right to adequate housing, as does, for example, the UK. The Green Party believes the right to good housing must be made manifest in legislation. Central and Local Government should both accept a role in providing housing for those most in need. And Government should be a lot more open to looking at new options for providing social housing through genuine "third sector" housing and finance initiatives that could help break the cycle of dependence on the private and state sectors."

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

The Jobs Letter

DIARY

12 September 2004

Westpac Bank's own social impact report – *How We Measure Up* - finds that its executive males earn over \$55,000 on average more than its executive females. Westpac's male managers earn on average \$14,673 more than women managers.

Volkswagen says as many as 30,000 jobs – about 17% of its Germany workforce – will be cut if it cannot reach agreements with unions to freeze wages and gain other concessions from workers.

14 September 2004

The Crown Solicitor has been asked to prosecute 32 groups that allegedly invented fake projects to gain grants of \$150,000 through the Community Organisation Grants Scheme (COGS). A spokesperson for the Department of Internal Affairs, which administers COGS, says they believe they followed correct procedures in giving out the money but “there have been unlawful acts taking place” and the department is the victim. COGS distributes \$12 million per year.

The Department of Labour is setting up a Pay and Employment and Equity Unit that is “committed to improving pay and employment equity in the state sector”.

15 September 2004

Figures obtained under the Official Information Act show 560 people have been on unemployment-related benefits for more than 10 years. Five of those have been on the dole for 19 to 20 years. National MP Katherine Rich believes there would be many more people who have been on welfare for a total greater amount of time but are not in the statistics because they have had small stints in training or work.

Winz says that less than 1% of the people on an unemployment benefit have been collecting it for more than 10 years. Deputy director Ray Smith says it is harder to find work for some people because some have health, drug or alcohol problems, poor social or literacy skills, little work experience or cannot speak English well.

Cabinet papers show that these grants have been evaluated as “not achieving government outcomes”. The money will now be given to MSD to train the unemployed to fill skill shortages.

— Cabinet has also opted to transfer \$2 million allocated for Maori women's development to Te Puni Kokiri.

- Minister of Labour Paul Swain says that CEG has been a victim of the low employment rate. He told *The Dominion Post* that the agency had been established when there were too many people and not enough jobs. Swain: “We have now got too many jobs and not enough people.”
- Minister of Social Development and Employment Steve Maharey says the changes to the way **community employment assistance** is delivered is being driven by the need to better meet current employment and labour market demands, and to ensure clearer accountability from the delivery agencies. Maharey: “The government has decided that our current investment in community employment will continue, but it will be delivered in new ways to ensure it more effectively meets the labour market outcomes the government, businesses and the community are wanting.”

Maharey believes that there is **not enough coordination** of the different funding and delivery agencies involved in community employment, nor proper knowledge of what is happening in local and regional labour markets. In the light of recent investigations into CEG funding decisions, Maharey concedes that the organisation “has been struggling” and that, in some cases, poor processes have been followed. Maharey: “It looks like the process basically got sloppy. If you look at the file notes, in answer to a question like, “What will be the outcomes?” they'll say things like, ‘Heaps of jobs’. That is not what we expect from a public servant ...”

- Maharey says that there will now be “widespread consultation with stakeholders” on the future of role and delivery of community employment services, and that this **consultation will include the Mayors** Taskforce for Jobs. Taskforce chairman, Christchurch Mayor Garry Moore, welcomes the opportunity to have input on what “the next version” of CEG will look like. Moore: “I think other Mayors in the Taskforce are also grateful that the Minister has acted in saving this resource. Our job now is to help shape what we want the next version of CEG to be in our communities, and to make sure that this money is being spent in a purposeful and effective way.”
- The Public Service Association has strongly opposed the government's decision to dis-establish CEG, and has met with Maharey to express their concerns. PSA national secretary Brenda Pilott: “We remain unconvinced and opposed to the decisions that Cabinet has made. They are the wrong decisions. The arguments presented to us don't stack up as strong enough to create this level of disruption to people's jobs and to community organisations who get grant funding.”

Pilott says the PSA is now focussing on working with the Department of Labour and the Ministry of Social Development to ensure that every PSA member in CEG is retained in employment. Pilott: “Both of these departments are very large employers and we are expecting the two chief executives to place all CEG staff in suitable work which uses their skills. We'll be working closely with them on the change process. The PSA will be doing all we can to support and protect the jobs of our members at CEG and to support the delivery of essential funding to communities throughout New Zealand.”

- Green Party co-leader Rod Donald says that CEG has been the **political casualty** of the hip-hop grant fiasco. Donald: “I would have thought Mr

The Jobs Letter

DIARY

18 September 2004

Most employers in the US say that about one-third of their workers don't meet the writing requirements of their positions, according to a survey by the College Board. Companies say solid writing skills are among the most sought-after skills, particularly when hiring and promoting salaried staff.

Eastman Kodak, the world's biggest maker of photographic film, says it will close a plant in Victoria, Australia, cutting 600 jobs. The closure is part of the company's plan to slash its worldwide workforce by at least 12,000 over three years.

Italy's beleaguered state-owned airline Alitalia will cut 2,500 ground crew and freeze pay rates in an effort to keep the company operating. It is also shedding 289 pilots and cutting pilot pay by one-third.

20 September 2004

The Community Employment Group is officially dis-established.

Editors

Vivian Hutchinson
Dave Owens
Bill Taylor

Associates

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

Maharey would have a bigger vision. It's a very sad day that a Labour minister has destroyed the government's primary community employment initiative..."

Green MP Sue Bradford says she holds grave doubts over the future of social enterprise after the decision to dis-establish CEG and divide its future role between MSD and the Department of Labour. Her concern is that it appears that any focus on **community economic development** appears has been lost in the re-shuffle. Bradford: "It's a great pity that the funding arm of CEG will be absorbed into Work and Income's dense bureaucracy where what remains is likely to focus on individual job seeker support rather than on developing community infrastructure. CEG was never just about jobs, it was about supporting the efforts of local people in disenfranchised communities to build their own community-based enterprises."

- National Party Social Services spokeswoman Katherine Rich says that the government is "throwing the baby out with the bath water" in deciding to axe the Community Employment Group. Rich: "After making a huge song and dance about moving CEG from the Ministry of Social Development back to the Department of Labour, Steve Maharey's now going to spend a small fortune shifting it back again. Essentially he's admitted the whole exercise has been an abject and costly failure. The move to dis-establish CEG is a blatantly transparent attempt to shut down the political fall-out from the Government's appalling track record in this area. I believe the rules could have been strengthened without killing off CEG..."
- One in two Australian companies are struggling to find skilled workers as a national **manufacturing skills shortage** worsens. An Australian Industry Group (AIG) report says there are nearly 22 vacancies for every 100 people who work in the sector. About one-third of the companies surveyed reported they had no applicants at all when they advertised for skilled labour. One-third said the applicants who did apply lacked qualifications and one-third said applicants had inappropriate skills and experience.

AIG chief executive Heather Ridout says widespread skills shortages are **costly and wasteful** and undermine the competitiveness of Australian industry. Ridout: "If Australia is to compete effectively in what are expected to be more difficult economic times ahead, it is clear that federal and state governments and business will need to work together to address the skills gap."

Although the take-up rate of **apprentices** is on the rise, less than 10% of companies nominate it as a likely response to skills shortages. Apprentice numbers — around 130,000 — are not believed sufficient to wind back the shortfall.

- A new British study reveals that a quarter of UK citizens spoil their Sundays by working, **worrying about work**, or stressing about the working week ahead. The British already work the longest hours in Europe and have the shortest holidays, and almost one in three say they are too exhausted at the end of a busy week to do anything on Sundays except watch television or catch up with household chores.

The *Guardian* reports an ICM poll of a thousand adults which found that less than a quarter associate Sundays with having fun. Almost half of all 18-24 year olds said they were too exhausted after the working week to do anything except worry about what the new week will bring.

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
