

# The Jobs Letter

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*Essential Information on an Essential Issue*

## KEY

THOUSANDS OF WORKERS  
NEEDED IN TOURISM

CHANGES AIM TO BOOST  
SKILLED IMMIGRATION

SOCIAL ENTREPRENEUR  
SCHEME REPLACED

MAORI PATHWAYS

## DIARY

23 October 2004

More than 100 people interested in moving to NZ leave their names and addresses with the NZ Immigration Service at the Opportunities New Zealand worker recruitment expo in London.

27 October 2004

Most of Skellmax's Flomax factory in Auckland will be relocated in China. The move could affect 18 staff.

Some parents at Fraser High School in Hamilton are working off their children's school fee "donations" by doing work around the school rather than paying cash. At Otumoetai College in Tauranga, some students are doing odd jobs at the school to pay their fees.

US Airways temporarily cuts the pay of its union members by 21% in a bid to keep the airline solvent.

The British opposition Conservative Party says it has plans to cut 19,000 Treasury jobs.

- The **tourism industry** estimates that more than 31,000 new full-time workers will be needed in the industry in the next seven years. An industry report says that the sector already employs more than 100,000 workers but with tourist numbers **forecast to grow** from about 2.3 million this year to more than 3 million by 2010, the industry will need to attract many more workers from an already tight labour market. Tourism Industry Association chief executive Fiona Luhrs: "The report indicates that the recruitment, development and retention of staff must now become a priority for the industry. Tourism-related jobs are often treated as part-time or temporary positions but that will have to change if the industry is to attract the skilled staff it needs."
- The **largest increases** expected are in the accommodation, food and beverage sectors, particularly housekeeping and restaurant service workers, bartenders, restaurant and tavern managers, and chefs. Employment in the tourism transport sector is projected to be the source of nearly one-third of the new tourism-related jobs. Most of these will be related to air transport but more coach drivers, travel consultants and transport administrator numbers will also be needed. Aviation, Tourism and Travel Training Organisation chief executive Gayle Sheridan says the report shows there are strong career path opportunities for people entering the industry.
- The government is revamping its migrant scheme to try to **boost skilled immigration** after the current scheme delivered only about half the targeted number of migrants. The Skilled Migrant category, announced in December, had been touted as a way to move from the passive acceptance of residency applications to actively recruiting people with the skills the New Zealand economy needs. But despite dropping the number of points required from the initial 195 to 100 in February, the number of skilled people migrating to New Zealand still lags far behind expectations. In the three months to September, applications in the skills categories were approved for 3,055 migrants — well short of the number needed to reach the 20,000 annual target, although officials say the pace of approvals will probably pick up.
- Minister of **Immigration** Paul Swain says **changes** that will take effect from December 1 will include: increasing the number of points allocated to those with qualifications and work experience; expanding the definition of skilled employment; allowing permanent residency to be approved upfront; and recognising a broader range of qualifications. For those who are using their previous work experience to gain points towards qualifying for immigration, there is a list of 29 countries which are considered as being in a "comparable labour market", for which the work experience will be counted.

The **new skills areas** that will attract points include over a hundred trades, including crane operators, toolmakers, fitters & turners, hairdressers, bakers and chefs, boat builders, horticulturalists,

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28 October 2004

The University of Auckland is seeking an exemption that would allow it to raise tuition fees for medical students more than the government's 5% fee maxima.

The NZ Medical Students Association says the University of Auckland is attempting to raise their fees by 10%, forcing more graduates to head overseas.

725 NZ scientists have signed a petition urging the government to make science funding more long-term. Many of them say they would not recommend a career in science to their children. Some say they are leaving science due to massive funding and employment uncertainty, or are leaving NZ because they see the best place for their skills is overseas.

30 October 2004

The *Managing and Retaining an Ageing Workforce* conference will be held in Sydney on November 18. It will examine the key issues employers, governments and unions need to consider regarding the ageing workforce. Register at [www.irsnsn.asn.au/8180.html](http://www.irsnsn.asn.au/8180.html)

31 October 2004

One in 10 doctors surveyed at Auckland public hospitals has severe psychological disturbance and 29% say they are psychologically distressed. The study finds that health workers have a two to three times higher rate of psychological distress than the general population.

1 November 2004

The NZ workforce will grow to 2.34 million by the early 2020's from a base of just over 2 million today, according to Statistics NZ. Half of the increase is expected to have occurred by 2006. After 2021, the workforce will stabilise as number of new workforce entrants is expected to match those retiring.

plumbers, turf managers, qualified agricultural workers, television and electronics technicians, and building & construction tradespeople.

Interestingly, the Department of Labour's current list of 57 "priority occupations" for immigration includes only two of the traditional "trades" — electricians and automotive mechanics. Twenty-five of the priority occupations are highly skilled medical workers and 25 require people to hold a Bachelors of Computer Science degrees.

- The controversial **English-language test** for new migrants may also be changed. One of the greatest causes of the drop in the number of applicants for residency from Asia has been an English-language test set at the basic minimum for a first-year university student. Paul Swain says the English test is under review and while no decision has been made, an announcement is due soon.

— the Amendments to the Skilled Migrant Category, including the list of trades skills that qualify for skilled immigration points, can be found at: [www.immigration.govt.nz/NR/rdonlyres/912B7997-9F86-4B9F-96DF-4914D6371D2D/0/AmendmentCircularSMC.doc](http://www.immigration.govt.nz/NR/rdonlyres/912B7997-9F86-4B9F-96DF-4914D6371D2D/0/AmendmentCircularSMC.doc)

- The discarded **Social Entrepreneur scheme** has now been **resurrected** as the Community Initiatives Fund (CIF) through a new agency in the Ministry of Social Development. CIF plans to provide support for "outstanding community leaders" to work on innovative social development projects, particularly in relation to families. Projects will range from one to three years, starting in February 2005, and will cover costs up to \$75,000 a year. Up to 16 projects will be supported in the first year and then up to 12 per year thereafter. The fund will be \$1.05 million for the 2004/2005 financial year, and then reduce to \$800,000 per year. Successful applicants will have to prove their projects have wide community support, involve community groups or businesses and can demonstrate how they will contribute to the Ministry of Social Development's targeted "Outcome for Families and Whanau and Communities, Hapu and Iwi".

One major difference from the previous scheme is that each project will require **support from a sponsor** — a significant, legally constituted community-based organisation — which will take responsibility for monitoring. Funds will not be handed directly to the community leader but to the sponsor who will "act as a pay agent" for their fees and expenses. The community leaders will be required to report monthly to their sponsor who will forward the reports to government.

- **Family and Community Services** was only established on July 1, 2004. Its role is to "lead government and non-government organisations to work collaboratively to strengthen family support services and make them more effective for families." The agency has a national office in Wellington and regional offices in Auckland, Rotorua, Wellington and Christchurch. The agency will apparently not be providing field staff to the Community Initiatives Fund and will rely on field officers in local government, the Ministry of Social Development, Te Puni Kokiri and the Ministry of Pacific Island Affairs.

— Details for the Community Initiatives Funds and Family and Community Services can be found at [www.familyservices.govt.nz](http://www.familyservices.govt.nz)

- The latest *workINSIGHT* features Department of Labour research into the history of **Maori employment** and what pathways Maori are now taking through education, training and work. The report looks at what areas Maori are making progress in and what challenges remain, emphasizing

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2 November 2004

The income gap between NZ and Australian wage earners is widening, according to figures released by the National Party. Australian wages have grown three times faster than those of NZ'ers over the past four years. After-tax wages in New Zealand in the latest year were only 3.1% higher than in 1999-2000 while in Australia they rose 9.8%.

Workers who care for disabled people in their own homes are facing two years of what will essentially be a wage freeze as the government plans to roll over existing contracts with care giving contractors. The average hourly rate for care workers is \$10.50/hr. HealthCareNZ caregiver coordinator Sue Smith: "If it's the philosophy of this government to promote community care, then they need to put their money where their mouth is. It's slave labour and I think it's disgusting. If the shortage of suitable care workers in the community continues then one day one of us will end up in the coroner's court with a 'please explain why this tragedy happened'".

Minister of Disability Issues Ruth Dyson says she is concerned about the problems facing the home support sector, but the Minister of Health "simply didn't have enough money to boost funding for care of disabled people".

A large number of people in Marlborough are leaving rest home work and heading to work in vineyards because the rest home work is so poorly paid. Spokesperson for the region's rest home operators Chris Stokes says that at current funding levels operators just can't retain staff. Stokes: "We can't pay them what they are worth because we are not paid enough."

There appears to be a glut of primary school teacher graduates in NZ. In 2003, just 35.7% of primary teacher graduates got jobs in the profession. There are 2,700 primary teacher graduates each year coming out of 21 training providers. NZ Principals Federation says this is too many training providers.

that the participation of Maori in highly skilled work needs to continue to increase and is a priority not only for Maori but for all New Zealanders.

The broad conclusion the magazine gives is that things are **improving for Maori**. Maori education and employment has increased at all levels, but the growth has been by far the greatest in highly skilled occupations — managers and professionals. This growth was more than three times that of the growth in highly skilled non-Maori. Maori unemployment has declined from a peak of 26% in 1992 to what is 8.3% this quarter. Since 1992 Maori employment has risen by almost 80,000, or 72%. This represents one in five of all the new jobs created.

—*workINSIGHT Fifth Edition*, November 2004, published by the Department of Labour, can be downloaded at [www.dol.govt.nz/publications/general/workinsight/wi-edition5.asp](http://www.dol.govt.nz/publications/general/workinsight/wi-edition5.asp)

- Cuts to the Domestic Purposes Benefit (DPB) to **force sole parents** to increase their efforts **to find work** are called for in an OECD report, *Babies and Bosses*. Author William Adema has reviewed New Zealand's policies supporting parents in their choices of work and child care options and believes the financial incentives for New Zealand sole parents on the DPB "remain weak". Half of all sole parents in New Zealand are jobless and Adema says this is high by international comparison. Adema: "One way to strengthen financial incentives to get a job would be to lower basic payment rates while increasing employment-conditional payments."

Adema says the government's new Working for Families package would help low- and middle-income families with children, and increase incentives to work. But he says it does little to lower the tax rates facing the second earner in a couple family. A stronger childcare subsidy programme — linking hours worked with financial support for parents — could address the issue.

The report also urges workplaces **to provide flexible work** schedules, including part-time employment, to help parents stay in the workforce and balance the requirements of the job with their children's day-to-day needs.

- ACT deputy leader Muriel Newman comments that the OECD report is an indictment of New Zealand's welfare policy. She says more sole parents should be required to work. Newman: "53,860 of the sole parents on the DPB actually have school-aged children. With a little support, these sole parents would be able to return to the workforce."

But the Minister of Social Development Steve Maharey says the government has already moved to ensure there is a difference between what people get on a benefit and what they earn from working. He says the Working for Families package provides people who move into work with financial support for childcare and will entitle people to an "in work" payment which will guarantee a shift from a benefit to work resulting in more money in the pocket.

- Green MP Sue Bradford is horrified that the focus of the OECD report is on getting mothers back into the paid workforce rather than giving them the option of staying at home to care for their children. Bradford: "Solo parents are struggling as it is. Cut the DPB and both they and their children will sink deeper into poverty. It's the kind of disgraceful solution that industrial revolution factory owners might have thought up to fill their workbenches. There is no evidence that solo parents lack the will to find work."

In an editorial, *The Dominion Post* says the OECD report identifies New Zealand as a compassionate society and that it would be a tragedy if that compassion were abandoned. The editorial: "Instead of a stick, the

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3 November 2004

Government minister John Tamihere resigns his ministerial portfolios. Tamihere concedes he took a golden handshake from Waipareira Trust after saying he wouldn't and that he didn't inform the Prime Minister of his action. He says he has done nothing illegal but made an error of judgment for which "I will do my time".

Niue begins plans to develop itself as an "eco-nation" growing organic products and catering for eco-tourists. It hopes to develop a nonu plant (health juice tonic) and vanilla industries with Biogrow NZ certification. Businessman Kim Gordon says if the country builds up its industries Niueans living in NZ will return home. About 20,000 Niueans live in NZ leaving less than 2,000 living on the island.

4 November 2004

The government blacklists 12 community groups in Christchurch because they cannot account for Community Organisations Grants Scheme funding they received. All up, at least \$40,000 is unaccounted for.

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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)*

Government should be offering a carrot. It is desirable for social as well as economic reasons that children grow up in an environment where work, not welfare, is the source of income. To achieve that, the Government may end up spending more on support, such as subsidised childcare and a more generous abatement regime. That would be money well spent."

- **High costs** are stopping many New Zealanders from seeing a doctor when they are sick, according to an international survey on primary healthcare performance. New Zealanders also skip medical tests and don't get prescriptions filled because of the cost. The survey of adults in the United States, Canada, Australia, the United Kingdom and New Zealand, undertaken by the Commonwealth Fund, found the expense of visiting the doctor and getting follow-up treatment prevented one in three New Zealanders from accessing the healthcare they needed — second only to the US.

Twenty-eight percent of New Zealanders reported having a medical problem but not **visiting a doctor**, 11% reported not filling a prescription or skipping doses, and 20% skipped a test, treatment, or follow-up. Overall, 34% of New Zealanders reported going without care because of the cost. When surveying only those on low incomes, the figures jumped to 44% of people not seeking treatment when they needed it.

— An overview of *Primary Care and Health System Performance: Adults' Experiences in Five Countries*, 28 October 2004, published by the Commonwealth Fund, can be downloaded [www.cmf.org/publications/publications\\_show.htm?doc\\_id=245178](http://www.cmf.org/publications/publications_show.htm?doc_id=245178)

- More New Zealand workers **work more than 50 hours** per week than do workers in most other countries included in an International Labour Organisation (ILO) survey. The ILO study of working hours in New Zealand, Australia, Japan, the United States and the European Union found that only in Japan did more workers work more than 50 hours per week. 21.3% of the New Zealand workforce works more than 50 hours per week, with Australian and US workers just behind. In contrast, in the EU average is less than 10%. The overall pattern, the study concludes, is that countries with few regulations regarding working time tend to have a much higher incidence of people working excessive hours than other countries.
- On the other side of the equation, the ILO report found that, as part-time work becomes increasingly prevalent, many workers are having **difficulty getting enough working hours**. It argues there are substantial gaps between the hours people are working and the number of hours they need or would prefer to work. The report: "There are groups of workers with excessively long hours who would prefer to work less, and at the same time there is a sizeable group of workers whose hours of work are significantly shorter than they would prefer."

— *Working Time and Worker's Preferences in Industrialized Countries Finding the Balance*, to be available from 28 December 2004, by Jon Messenger, published by Routledge, ISBN: 0415701082, can be ordered (256pg) at [www.ilo.org/public/english/bureau/inf/pr/2004/47.htm](http://www.ilo.org/public/english/bureau/inf/pr/2004/47.htm)

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