

# The Jobs Letter

No. 237

17 August 2005

*Essential Information on an Essential Issue*

## KEY

LOWEST UNEMPLOYMENT  
IN OECD

JOB GROWTH SLOWING

SOCIAL REPORT 2005

PARTIES CAMPAIGN ON  
WORK-FOR-THE-DOLE

YOUNG PEOPLE'S INDUSTRY  
TRAINING SCHEMES  
EXTENDED

STATISTICS THAT MATTER

- Unemployment in New Zealand fell to 3.7% this last quarter. We again have the **lowest level of unemployment** of any OECD nation.

The fall unemployment was due to both a drop in the number of people who were unemployed and a rise in the number of people in jobs. Statistics New Zealand says the gradual slowing in the growth rate of the working-age population, combined with the economy persistently adding jobs, indicates that employers are continuing to find it difficult to hire all the staff they need. Annually, the proportion of jobs added to the economy remained a strong 3%. With 2,065,000 people in work, the New Zealand workforce is the largest it has ever been.

We include our regular *Statistics That Matter* summary in this issue of *The Jobs Letter*. Some highlights:

- full-time employment grew by 3.4%, while part-time employment grew by 2.0% over the year,
- the rise in employment was driven primarily by more women in full-time work; over the year there was 4.9% growth in the number of women in full-time work, compared to 1.5% for men,
- annually, unemployment fell by 7,000 women (down 16.2%) and by 1,000 men (down 3.3%),
- the number of people long-term unemployed (out of work for more than six months) dropped from 15,000 to 13,500.

- The Department of Labour's **analysis of job advertisements** in 25 regional newspapers and websites recorded an 8% increase in its *Job Vacancy Index* in the year to June 2005. Although the number of job ads has increased for 18 consecutive months, last month had the slowest growth rate over the period.

The slowdown of growth of job vacancy ads was driven by a decline in the number of skilled vacancies, especially in the trades. There was a downturn (-11% for the year) in ads for trades staff. This was led by a **sharp decline** (-27%) in the number of vacancies in the **building trades**. This probably reflects the slowing of activity in residential construction and may suggest an improvement in recruitment conditions for employers.

The Department is predicting employment growth will slow from 3.4% in the year to March 2005 to 1.2% in the next 12 months. Despite this, the Department says the labour market is still extremely strong and expects the unemployment rate to remain at 4% or slightly below for the next two years.

— *The Job Vacancy Monitor—June 2005*, published by the Department of Labour, can be downloaded (4pg 148Kb) from [www.dol.govt.nz/PDFs/jvm-monitor.pdf](http://www.dol.govt.nz/PDFs/jvm-monitor.pdf)

- The Ministry of Social Development has released the *Social Report 2005*, its annual report that uses statistical indicators to **monitor the wellbeing** of New Zealanders. Minister of Social Development Steve Maharey says it confirms the pattern of improvements in health, knowledge and skills, paid work and standards of living. Maharey says further progress could not be made without big increases in health

## DIARY

20 July 2005

The average pay rise for NZ workers was 2.8% over the last year, according to a Victoria University survey. The rate was higher than the 2.2% average annual wage rise over the last 14 years. The survey also found that the lowest paid NZers had the lowest proportional pay rise.

21 July 2005

An action group is set up in Blenheim to help combat the region's vineyard labour shortage. It will investigate measures to clean up the industry, including transparency of pricing, promoting the area to attract workers, and developing a template of employers' obligations.

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and is freely available on our website at [www.jobsletter.org.nz](http://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

24 July 2005

More than half of Australian companies in the building industry say that recruitment and retention of skilled workforce is their greatest challenge.

24 July 2005

Unemployment in Zimbabwe is above 70% and inflation in triple digits. The economy has contracted by more than 30% since 1999 when the government redistributed the country's commercial farms. The situation is exacerbated this year by the government demolishing urban housing and commercial neighbourhoods that has left 700,000 people homeless and a further 2.4 million people without livelihoods.

25 July 2005

30 jobs are lost in Takaka as Fonterra decides to only rebuild part of its plant that was badly damaged by fire earlier this year.

Kimberly-Clark, maker of Huggies nappies and Kleenex tissues, will cut 6,000 jobs and sell 20 of its US and European factories.

27 July 2005

47 mayors have signed up as supporters of the *Every Child Counts* campaign.

Carter Holt Harvey's Tokoroa plywood mill will cut 55 workers from its staff as material costs rise and Australian sales decline.

28 July 2005

The Motor Industry Training Organisation signs up its 4,000th Modern Apprentice.

"The New Zealand legend" Swanndri, wool clothing manufacturer, will close its Timaru plant and begin manufacturing in China from next year. Chief executive Julian Bowden says it is not economic to upgrade the Timaru mill.

and education spending, or policies to help more people into jobs. Maharey: "This type of information helps to identify, at both a national and subnational level, areas where progress is being made and areas where further attention may be needed."

- The report shows unemployment has continued to trend down since 1998 with overall figures reducing, as well declining figures on the basis of gender, ethnicity and age. Even so, unemployment for young people 15-24 years is still over three times greater than for people 25-64 years. And unemployment among Maori is also nearly three times greater than it is for European/Pakeha.
- The Maori Party co-leader Tariana Turia **disputes the rosy picture** of New Zealand that the government has painted from this latest *Social Report*. Turia points out that there more people than ever in prison; large numbers of Maori and Pacific people are dying of a diabetes epidemic; and Maori live eight years less than Pakeha. Turia: "The Minister cannot put his hand on heart and suggest the report is largely a positive picture when the current level of poverty among children is 21%. It is almost 50% higher than it was before the reforms of 1988."
- For the first time the *Social Report* has included an on-line supplement of **regional indicators** that show — by tables, charts and maps — how the regions compare with each other and, in some categories, how they compare to their own past. These *Social Report 2005 Regional Indicators* can be downloaded from [www.socialreport.msd.govt.nz/regional/](http://www.socialreport.msd.govt.nz/regional/) — the entire *Social Report 2005*, published by the Ministry of Social Development, ISBN 1175-9917, can be downloaded (PDF 176pg, 1.43Mb) from [www.socialreport.msd.govt.nz](http://www.socialreport.msd.govt.nz)
- The National Party would reintroduce a **work-for-the-dole** scheme. Welfare spokesperson Judith Collins says that after a job search period of about six months, the National government would make receiving the dole conditional on the applicant undergoing training or work. Collins says the work undertaken should not compete with the private sector and would have to be meaningful, like tree planting and removing graffiti. She says a great example is Papakura's town centre "ambassadors" who patrol the streets to catch shoplifters and kids wagging school, and minding cars parked at the railway station.
- The announcement aligns the National Party with New Zealand First on this issue, one they collaborated on when they formed a coalition government in the late 1990s. But New Zealand First leader Winston Peters says he would take the scheme further than National, making work compulsory for all people on the dole, as well as "military type discipline training" for those judged at risk.
- The United Future Party also supports a work-for-the-dole scheme. Under its proposal, people who have been on the dole for more than a year would be required to undertake training, part-time community work or a wage-subsidised job. Beneficiaries would be required to work about the same number of hours needed to earn the amount they would have received on the benefit at the rate of the minimum wage.
- The Green Party says forced work-for-the-dole is very **similar to periodic detention**, except that the unemployed person has not committed a crime and doesn't have the benefit of a lawyer to defend them. Spokesperson Sue Bradford says not only do such schemes punish people for being unemployed, they also fail to get people back into real jobs. Bradford: "It is

# The Jobs Letter

## DIARY

29 July 2005

A record number of 77,880 skilled migrants were admitted to Australia over the last year. The Australian government has set a new target of attracting 100,000 skilled migrants and their families this year.

Sydney immigration lawyer Mark Tarrant says NZ immigration regulations should be more flexible if we want to encourage more skilled migrants. He suggests NZ lowers the English language requirement and recognize qualifications from a broader range of countries.

1 August 2005

The NZ Nurses Organisation says it is no wonder there are such serious recruitment and retention problems in the aged care sector when the pay rates of aged care workers are "a disgrace". Age care co-ordinator Cee Payne-Harker says that some parties are seeking political mileage from attacking the government's record in aged care while failing to provide any policy detail and firm funding commitments about how they will fix the problem. NZNO is challenging all political parties to demonstrate how they will ensure a decent standard of care for our older people and how they will ensure the workforce in aged care is fairly paid, adequately trained and maintained at an appropriate staffing level.

Minimum award rates for Australian workers in the home care sector range from \$14.97/hr to \$16.53/hr.

The Child Poverty Action Group says that the 300,000 children in NZ growing up in poverty places NZ near the bottom of the OECD's child poverty table. CPAG is holding a seminar that will outline the current situation of the health and well-being of NZ children and young people and will look at current policy and ways in which improvements may be made. The seminar will be held on 26 September, at University of Auckland. Cost: \$22/\$12 (student/unwaged). To enrol phone: 093737599 ext 87832.

Meat processing company CMP Rangitikei advertises for 65 new employees for a new night shift at its Greatford plant.

a disgrace that National and NZ First are promising an immediate return to forced work-for-dole if they win the election. The Nats' Judith Collins can't even get her facts right. The Papakura 'Ambassador' scheme that she holds up as an example of work-for-the-dole is actually a Job Connections scheme. Job Connections, which subsidises employment for six months to the full extent of the minimum wage, is the most successful current employment scheme in terms of outcomes."

- The Child Poverty Action Group says training schemes without appropriate job opportunities are expensive and easily lead to simple **recycling of the unemployed** and beneficiaries. Spokesperson Mike O'Brien maintains the most important element in reducing the length of time on a benefit is having good economic policies which create jobs. O'Brien: "Work-for-the-dole is based on the assumption that those on a benefit do not want to work. The evidence from good international research shows that this is false. In fact, the work incentive remains strong, for very good social and economic reasons. Studies suggest that the work incentive among those who are unemployed is in fact stronger than it is among many of those who are working."
- The previous work-for-the-dole scheme did not help people find work. Work & Income's evaluations of the scheme that was run during the 1996-99 parliamentary term revealed that people who were on it were **less likely to get real jobs** in the subsequent two years than those who had been out of work for the same length of time but were not put on the scheme.
- The Labour Party pledges to fund 5,000 **more Modern Apprenticeship** training places. Labour has pushed up the current target of having 9,000 Modern apprentices in training by the end of 2006 to having 14,000 people in the training scheme by the end of 2008. The government will also be loosening up of the entry criteria for Modern Apprenticeship scheme by allowing up to a fifth of Modern Apprenticeships to be available to people over 21 years. When full, the enlarged scheme will cost \$17 million more per year. About 40% of this amount will come from savings the government says it will make from cutting some tertiary certificate and diploma courses. The rest will be new spending.
- Addressing the Industry Training Federation, Prime Minister Helen Clark said expanding the scheme would have a significant impact on skills shortages in the economy. The Prime Minister also announced the **extension of Gateway**, the programme that provides short workplace placements to high school students to give them some exposure to various industry career options. Gateway had been aimed at having a presence in all 1-5 decile state secondary schools by 2007 but Clark now says it will be operating in all state high schools.  
  
Clark also announced a **Youth Apprenticeship pilot** that is intended to provide the opportunity for young people to gain credits towards an apprenticeship while still at school.
- The Industry Training Federation is clearly pleased with the expansion of the programmes. Executive director Darel Hall says the increases to the Modern Apprenticeship scheme will not only help fill skills shortages, it will also allow new industries to participate in the scheme.
- The government intends to wipe the **interest on student loans** for people who remain in New Zealand rather than going overseas to work. The move would see a dramatic cut in the size and repayment time of student loans. Prime Minister Helen Clark says all student loan scheme borrowers — regardless of how much they earn, the condition of their loan, or the size of their debt — would be better off if they stay in New Zealand. Clark: "This

(continued on page six)



# STATISTICS THAT MATTER

## ONE IN TWENTY-SEVEN PEOPLE OFFICIALLY UNEMPLOYED IN NZ

<b>OFFICIAL NUMBER OF UNEMPLOYED IN NZ</b> <i>June 2005</i> <b>76,200</b> <i>Seasonally Adjusted</i>
<b>OFFICIAL RATE OF UNEMPLOYED</b> <i>June 2005</i> <b>3.7%</b> OR ONE IN 27 PEOPLE <i>Seasonally Adjusted</i>
<b>DROP IN NUMBER OF UNEMPLOYED IN LAST THREE MONTHS</b> <i>March 2005—June 2005</i> <b>5,000</b> <b>DROP IN LAST YEAR</b> <i>June 2004—June 2005</i> <b>6,000</b> <i>Seasonally Adjusted</i>

<b>PEOPLE REGISTERED AS JOBSEEKERS WITH MINISTRY OF SOCIAL DEVELOPMENT</b> <i>(Formerly WINZ)</i> <i>June 2005</i> <b>83,633</b>
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<b>UNDEREMPLOYED</b> <i>June 2005</i> <b>77,900</b> <i>(workers who are employed part time but would prefer to work more hours)</i>
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GLOBAL	
SPAIN	9.8%
FRANCE	9.7%
GERMANY	9.5%
ITALY	7.8%
CANADA	6.7%
OECD Average	6.5%
UNITED STATES	5.0%
AUSTRALIA	5.0%
JAPAN	4.2%
BRITAIN	4.7%
NEWZEALAND	3.7%

## 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 June 2005.

NORTHLAND	6.8%	or one in 15 people
AUCKLAND	3.4%	or one in 29 people
WAIKATO	4.7%	or one in 21 people
BAY OF PLENTY	3.1%	or one in 32 people
GISBORNE-HAWKES BAY	4.7%	or one in 21 people
TARANAKI	2.7%	or one in 37 people
WANGANUI-MANAWATU	4.0%	or one in 25 people
WELLINGTON	4.1%	or one in 24 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	2.3%	or one in 43 people
CANTERBURY	2.5%	or one in 40 people
OTAGO	4.2%	or one in 24 people
SOUTHLAND	2.3%	or one in 43 people

## EMPLOYED

NUMBER OF PEOPLE IN JOBS IN NZ	2,065,000
<i>June 2005</i>	<i>Seasonally Adjusted</i>
RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS	11,000
<i>March 2005—June 2005</i>	
RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR	61,000
<i>June 2004—June 2005</i>	

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

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

## FULL-TIME and PART-TIME

*of the "Employed" statistics*

	FULL -TIME	PART-TIME
MEN	987,400 (89%)	117,800 (11%)
WOMEN	604,700 (64%)	342,600 (36%)
TOTAL	1,592,100	460,500
OVERALL %	78%	22%
<b>GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 51,600</b>		
<b>GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 8,900</b>		

## REGIONS

<b>REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS</b> <i>March 2005—June 2005</i>  AUCKLAND BAY OF PLENTY TARANAKI WANGANUI / MANAWATU WELLINGTON NELSON / MARLBOROUGH / TASMAN / WEST COAST CANTERBURY OTAGO SOUTHLAND
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<b>REGIONS WITH A RISE IN UNEMPLOYMENT</b>  NORTHLAND WAIKATO GISBORNE-HAWKES BAY
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A SPECIAL SUPPLEMENT TO  
**THE JOBS LETTER**  
 17 MAY 2005

# ONE IN SIXTEEN PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF JOBLESS IN NZ  
June 2005

141,300

OFFICIAL RATE OF JOBLESS  
June 2005

6.4%

OR ONE IN 16 PEOPLE

DROP IN NUMBER OF JOBLESS IN LAST THREE MONTHS  
March 2005 — June 2005

19,900

DROP IN NUMBER OF JOBLESS IN LAST YEAR  
June 2004 — June 2005

6,800

## 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 AUGUST 2005

# 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> .....	11.8%	.....	or one in 8 people
<b>AUCKLAND</b> .....	6.3%	.....	or one in 16 people
<b>WAIKATO</b> .....	7.2%	.....	or one in 14 people
<b>BAY OF PLENTY</b> .....	5.7%	.....	or one in 18 people
<b>GISBORNE-HAWKES BAY</b> .....	10.4%	.....	or one in 10 people
<b>TARANAKI</b> .....	5.4%	.....	or one in 19 people
<b>WANGANUI-MANAWATU</b> .....	6.1%	.....	or one in 16 people
<b>WELLINGTON</b> .....	6.4%	.....	or one in 16 people
<b>NELSON-MARLBOROUGH</b>			
<b>TASMAN-WEST COAST</b> .....	5.0%	.....	or one in 20 people
<b>CANTERBURY</b> .....	4.4%	.....	or one in 23 people
<b>OTAGO</b> .....	9.1%	.....	or one in 11 people
<b>SOUTHLAND</b> .....	4.6%	.....	or one in 22 people

## AGE and LONG-TERM

<b>YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS</b>	12.1%
June 2005 one-in-7 young people	
<b>MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS</b>	2.3%
June 2005 one-in-43 mature people	
<b>LONG-TERM UNEMPLOYED (OVER 6 MONTHS)</b>	6,200
June 2005 8% or one-in-13 of the unemployed	
<b>LONGER-TERM UNEMPLOYED (OVER 2 YEARS)</b>	1,700
June 2005 2% or one-in-45 of the unemployed	Less than
<b>VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS)</b>	1,000
June 2005 Figure too small for accurate estimate	

## THE SCHEMES

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

<b>TASKFORCE GREEN</b> .....	322
<b>JOB PLUS</b> .....	2,242
<b>JOB PLUS MAORI</b> .....	38
<b>JOB CONNECTION</b> .....	186
<b>ENTERPRISE ALLOWANCE</b> .....	42
<b>ENTERPRISE ALLOWANCE WITH CAPITALISATION</b> .....	222
<b>TRAINING OPPORTUNITY SCHEME (TOPS)</b> .....	7,356
<b>YOUTH TRAINING (T.E.C.)</b> .....	5,042
<b>LIMITED SERVICE VOLUNTEERS (ARMY)</b> .....	59
<b>CONSERVATION CORPS</b> .....	(Figures unavailable at time of publishing)
<b>YOUTH SERVICE CORPS</b> .....	(Figures unavailable at time of publishing)
<b>ACTIVITY IN THE COMMUNITY</b> (still counted as unemployed) .....	236

## PARTICIPATION

**LABOUR FORCE PARTICIPATION RATE**  
June 2005

Seasonally Adjusted

67.7%

up from 66.8% last year

## RACE

**MAORI RATE OF UNEMPLOYMENT**  
June 2005

8.6%

OR ONE IN 12 PEOPLE

**PACIFIC ISLAND RATE OF UNEMPLOYMENT**

June 2005

6.0%

OR ONE IN 17 PEOPLE

**NZ EUROPEAN RATE OF UNEMPLOYMENT**

June 2005

2.5%

OR ONE IN 40 PEOPLE

# The Jobs Letter

## DIARY

2 August 2005

500 jobs will be lost as alloy wheel manufacturer Ion Automotive in Wiri, South Auckland begins to shut up shop.

English language school tuition fees have dropped by as much as two-thirds, as schools battle each other and foreign competitors for a share of the international English language student market. Fees are down to as low as \$90/wk from about \$230/wk.

The number of Chinese students studying in NZ dropped 37% over the year. Japanese students are now more numerous in NZ than those from China.

3 August 2005

Bay of Plenty economic development organisation Priority One is among a number of local body agencies, recruitment companies and short-staffed NZ businesses and who will attend job expos in Bonn and Berlin. They will be setting up stalls with the intention of hiring skilled Germans to shift to NZ to work. Priority One CEO Ross Stanway says going to the German expos is part of the solution to skills shortages.

Secondary schools are being forced to look overseas for science and maths teachers. Wellington College principal Roger Moses has just returned from London where he has interviewed and hired a number of English and expat NZers to fill physics, chemistry and maths jobs. He says a lack of quality staff in these subjects is worrying.

6 August 2005

One-quarter of NZ school principals have resigned in the past three years, partly because the job is intolerably stressful, according to the Principal's Federation. 14% of principals are believed to be currently on stress leave and nationwide survey revealed 40% of principals are highly or extremely stressed.

will help to retain the highly skilled and well-educated pool of young Kiwis which our country needs to continue to grow and prosper.”

About 460,000 — roughly one-in-six adults — owe a total of \$6.9 billion in student loans and interest. The Labour Party has costed the interest write-off at \$100 million for the first year, rising to \$300 million annually.

- The proposal has eclipsed the National Party's \$70 million promise to partially write-off interest for graduates working in New Zealand. National's education spokesperson Bill English says wiping interest is an irresponsible election bribe that made “an absolute nonsense” of Labour's claim that it couldn't afford tax cuts for mainstream New Zealanders.
- The University Students Association says the interest write-off, if implemented, would be the most significant blow to spiralling **student debt** since the scheme was introduced in 1992. But co-president Camilla Belich says universal living allowances coupled with fee cuts were also needed to stop students accumulating high debt in the first place.
- Critics of the student loan scheme argue it has taken a long time — and close polling as an election looms — for a government to begin to address the rising spectre of the student loan scheme. In a TV3 poll, in 2000, the student loan scheme was voted the biggest blunder of the 1990s.
- In an effort **to reduce reoffending**, the government is assigning a Work & Income Case Manager and Work Broker to every prison, to help prisoners find work when they are released. Prior to release, the Case Manager will complete skills assessments with inmates, identify employment opportunities and match inmates to job opportunities in the region they are returning to. The Work & Income staff will also work with the Correction Department's newly appointed “reintegration workers”, whose task it is to help prisoners rejoin the community more successfully.

Associate Minister of Social Development Rick Barker points out that even though the unemployment rate is under 4% and employers are experiencing labour shortages, former prisoners are still **struggling to find work**. Barker: “Employment must be seen as a part of the integration process back in to society. Inmates who leave prison and find work have a much better chance of staying out of trouble.”

- The government also intends to work-test prisoners serving their sentences on home detention, thereby forcing them to look for work. Some prisoners on home detention have jobs, but for many there has been the assumption they are unable to work and therefore receive a benefit. Minister of Corrections Paul Swain says that from now on, exemptions from work testing for home detainees would only be automatically granted for such things as attending court-ordered rehabilitation.
- National Party MP Tony Ryall says it is rich for the government to be playing up the need for prisoners to work when it has presided over a reduction in prisoner work programmes. Ryall points out that, using the government's own figures, the number of inmates working has reduced by about a quarter since 1999.
- **Work & Income** regional commissioners have launched the agency's 12 annual **regional plans**. Each plan includes a regional overview, a review of the previous year, local unemployment benefit statistics, objectives for the new year and the local Work & Income budget.

— any of these plans can be downloaded by region from [www.workandincome.govt.nz/publications/regional-plans.html](http://www.workandincome.govt.nz/publications/regional-plans.html)

# The Jobs Letter

## DIARY

9 August 2005

The University of Waikato will cut 30 jobs as it faces its first fiscal deficit ever.

Qantas Airways is to cut 200 management jobs.

10 August 2005

More than half the seasonal workers placed in horticulture and viticulture jobs in Central Otago by Seasonal Solutions were foreigners.

Spokesperson Basil Goodman says 56% of the 2,135 workers placed were from overseas, mainly from the Czech Republic, Britain, Germany and Israel.

11 August 2005

The Australian economy created 12,700 jobs last month, the 11th consecutive month of job expansion. The economy has created 374,100 jobs over the year bringing the Australian workforce to 10.5 million people.

12 August 2005

David Lange, former Prime Minister and statesman, 1942-2005.

The axing of the *Holmes* show from Prime TV sees 14 of the 30 staff lose their jobs.

13 August 2005

Up to 45 forestry jobs are lost in Rotorua as Kaingaroa Timberlands cuts back its harvesting levels. The job losses will be split between the company and two contracting crews.

More than 400 new teachers will be hired to work in intermediate and secondary classrooms in a bid to drive down the student to teacher ratio. Over one-third of classrooms have more than 25 students to teacher and 10% have more than 30 students. Ministry of Education aims at a standard of 23.5 students per teacher.

- At the launch of the agency's plans, Minister of Social Development Steve Maharey took the opportunity to point out that the number of working aged people on benefits had fallen to a 17-year low, with the unemployment benefit leading the way. There was a 26% fall in the number of unemployed beneficiaries over the last year alone — and a 66% fall since 1996. At the end of June, there were 98,500 fewer people on the unemployment benefit than there were in 1996. There has also been a decline in the number of people on domestic purposes benefits.

There was a rise in the number of people on sickness and invalids benefits but Maharey stated that the rate of these increases has been slowing, and the rises have been well outpaced by falls in numbers of those on unemployment and on domestic purposes benefits.

- The *Every Child Counts* campaign calls for **child-impact reporting** be established in government policy making. Kirsten Hanna of the Institute of Public Policy at AUT says in the lead up to the election parties have promoted tax cuts, health spending and increasing women's participation in the workforce ... but very little about how any of these policies will affect children. Hanna believes it is fundamental that our policy makers calculate the **cost of policies on children** before they are adopted. She recalls the benefit cuts of 1991 that were made with no analysis that they would send child poverty to over 30%. She points out that it would be unthinkable for government to implement policy without calculating out how much it will cost. Hanna: "It should be equally unthinkable to develop and implement public policy without considering its effect on children."
- Child-impact reporting is a process in which policy is formally analysed to establish its potential impact on children before it is implemented to ensure that children's present and future well-being is not harmed. Policy can be adjusted to mitigate or remove any negative impacts and, where possible, to maximise benefits for children.

Governments in Belgium, England, Scotland and Sweden are starting to incorporate child-impact reporting in their public policy decision-making. Hanna says the first step is to gain the support of policy-makers through education, discussion and debate because to make it happen it will take high-level support from the Prime Minister or other high ranking officials. Hanna points out that the government gave a nod to the idea when it endorsed the *Agenda for Children*, which lists child-impact reporting as one of a number of possible future developments and directions. Hanna: "Most importantly, it depends on whether the government is genuinely committed to making New Zealand a great place to raise kids."

- The National Party would make it easier for skilled people with lengthy work histories, but no formal qualifications, to gain entry to New Zealand under the **skilled migrant category**. But the party is also calling for all immigrants to face a four-year probationary period before becoming eligible for permanent residency. Those immigrants committing a crime during that period would have their residency status rescinded and sent back.

National Party leader Don Brash says he would also increase the stand-down period that leaves immigrants ineligible for welfare assistance from two to four years, except in emergencies. Brash: "There is resentment that too many immigrants, and especially refugees, go straight on to a benefit and live for years at the expense of the hardworking New Zealand taxpayer."

- Minister of Immigration Paul Swain says that giving potential immigrants no certainty of permanent residency for four years would drive skilled



# The Jobs Letter

## DIARY

14 August 2005

KEA, the NZ expatriate association, aims to seize the opportunities presented by the 500,000 New Zealanders living and working outside the country. KEA works like a global alumni network to link small and early-stage export businesses with the skills and knowledge of overseas NZers. Contact KEA at [www.kiwiexpat.org.nz/](http://www.kiwiexpat.org.nz/)

Australian opposition leader Kim Beazley would establish a central unit to engage with the 900,000 Australian (almost 10% of the country's workforce) who live overseas. Beazley calls the diaspora "gold-collar workers" that the government should work harder to capitalize on their links to trade, investment and overseas cultures — and "perhaps encourage a few more to come home".

15 August 2005

*The Timaru Herald* asks if the economic tide has started to turn, after a spate of redundancies in South Canterbury.

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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)*

people to look for other countries — with shorter residency eligibility periods — to settle in. Swain points out that under current laws, permanent residents could already be deported if they committed crimes. Swain accuses Brash of trying to "out Winston Winston", referring the hard-line immigration rhetoric of New Zealand First leader Winton Peters.

But Peters refers to the National immigration announcement as a "limp-wristed sop" that would not address what he calls the blatant corruption in the New Zealand immigration system.

- IBM New Zealand is developing a "intergenerational diversity strategy" to help **retain older workers** as they come up to, and pass, retirement age. The strategy is part of how the company intends to deal with the labour shortages widely predicted to be inevitable as the growth in the working-age population slows and, by 2022, begins to decline. The company believes the best way to meet the looming skills shortage is to stay connected with older workers.

IBM NZ human resource manager Paul Hallyer says the strategy will target workers five to 10 years out from retirement age. Many people in this position consider taking time out for a sabbatical, and many have new caring roles for their aged parents or for their grandchildren. The company is looking at modifying its existing family care service programmes, currently targeted at young families, for the needs of these older workers.

For workers closer to retirement, the company focuses on ensuring good planning for skills and knowledge transfer from departing employees. One way of doing this is "shadowing" or mentoring programmes, where a manager's replacement follows them around for a time before they leave. Managers can then have increasingly flexible hours as their replacements become more competent.

IBM also plans to **stay in contact** with its own workers who have retired — as well as workers retiring from other firms — and offer them occasional work. Hallyer: "We would potentially actively recruit and promote ourselves as an employer of choice for those who have left the workforce."

- The Centre of Full Employment and Equity (CofFEE) at the University of Newcastle, New South Wales, calls for papers to be presented at the **Creating a Culture of Full Employment Conference** that will be held later in the year. The conference aims to "develop approaches which will help our communities develop the necessary cultural shifts that will compel policy-makers to move our economy back to full employment."

Three of the many themes the conference plans to address:

- cultural issues in the achievement of full employment,
- social networks and their role in local labour market outcomes,
- welfare to work issues.

The conference will be held 8-9 December 2005.

— the main conference home page can be found at <http://e1.newcastle.edu.au/coffee/conferences/2005/index.cfm>

— procedures for submitting papers can be found at [http://e1.newcastle.edu.au/coffee/conferences/2005/Call\\_for\\_Papers.cfm](http://e1.newcastle.edu.au/coffee/conferences/2005/Call_for_Papers.cfm)

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