

The Jobs Letter

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31 March 2006

Essential Information on an Essential Issue

KEY

WORKING FOR FAMILIES

SPECIAL FEATURE: THE
DAVID BENSON-POPE
INTERVIEW

90-DAY JOB PROBATION
DEBATE

PROVINCIAL SKILLS
SHORTAGE HERE TO STAY

DIARY

5 March 2006

In Australia, 27 companies face a writ which claims they are paying sewing machinist outworkers as little as A\$3 an hour, in breach of minimum pay legislation.

The shortage of nurses in wealthy countries is leading to a health-care system collapse in the Philippines, where over 100,000 nurses — and doctors taking jobs as nurses — have left the country for higher wages overseas.

6 March 2006

The Child, Youth and Family Service is to be merged into the Ministry of Social Development.

7 March 2006

NZers thinking about moving to Australia should think again, according to PM Helen Clark. Clark says Australia has higher taxes, higher property prices, higher unemployment.

Canadian province British Columbia is creating a strategy to attract immigrants to deal with its skill shortages. It plans to streamline the immigration process for skilled migrants hiring “job coaches” to guide immigrants into a job.

- About 85,000 **middle-income families** have become eligible for Family Assistance for the first time. From 1 April, the income thresholds for families to qualify for tax credits are being lifted — and the rates at which Family Assistance payments reduce due to higher incomes have also changed so that more middle-income families with families will qualify for more money. Families earning \$45,000 per year with two dependent children are eligible for \$138.50 per week, up from \$23 per week. And families earning \$90,000 or even higher will now be eligible for some assistance, depending on how many children they have.

The changes are part of the \$1.6 billion **Working for Families** package. The government is sending out 535,000 brochures to households explaining the changes and Minister of Social Development and Employment David Benson-Pope encourages people to read the brochure to see if they qualify for new payments.

- The Working for Families package is an important recognition of the need to invest in future generations, according to the Child Poverty Action Group (CPAG) spokesperson Susan St John. It is an acknowledgement that it is a real struggle to provide children with adequate food, clothing, shelter, transport, and school fees on a low income and the redistribution under the Working for Families package is well overdue.

But St John says that because the changes are targeted only at people in work, 230,000 children in the **poorest families** in New Zealand will receive nothing. St John: “Child poverty can only deepen for those in families left out. Children’s needs do not change because their parents do not work. The all-or-nothing In Work Payment will create a double jeopardy. When incomes fall as a result of job losses or reduced work hours, the child-based In Work Payment will also disappear”.

CPAG researcher Donna Wynd also questions the very logic behind the In Work Payment. “If this payment is needed as a work incentive, then why are people without children left out? If this payment is about rewarding work then why is it based on how many children people have? The In Work Payment is complex, discriminatory and unfair.”

- Welfare benefits, student allowances and the income thresholds for the Community Services Card (subsidised healthcare scheme for people on low-incomes) have also risen. David Benson-Pope says the increase of 3.16% equates to the increase in the cost of living for 2005. He says that changes to all threshold levels will ensure no one will lose entitlements because of increases to their benefit.
- Green MP Sue Bradford is disappointed that Benson-Pope’s “good news” for beneficiaries didn’t cover the fact that the **Special Benefit is being scrapped**. In its place will be Temporary Additional Support

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DIARY

8 March 2006

An extra 31,000 trades training places are to be offered throughout Queensland as part of a \$1 billion plan by the Federal Government to tackle skills shortages. Brisbane-based Trade and Technical skills Institute will take control of the development of training in building and construction, automotive, electrical, manufacturing and engineering trades.

In the UK, new immigration rules will see highly skilled immigrants able to gain residency in the UK after working only two years on a working visa. Low-skilled workers will be restricted unless a skills shortage is identified in particular sectors.

9 March 2006

The Economic Development unit for South Canterbury hopes to attract at least 25 British immigrants and their families to South Canterbury when representatives attend NZ Immigration Expos in Manchester and London later this year.

10 March 2006

Youth rates are voluntarily scrapped at 90 BP-owned service stations around NZ, ahead of any pending legislative change in parliament.

Britain's armed forces face "serious manning shortfalls" in 80 key operational areas. A report by the Armed Forces Pay Review Body reveals that some army units are already so overstretched that they "routinely breach" guidelines on the amount of tour duty considered healthy.

11 March 2006

Hospital care and aged-care workers launch a campaign to seek better pay, claiming their members are living on the poverty line.

Australia's Prime Minister John Howard says the government is considering cutting welfare payments to Aboriginal parents whose children skip school.

(TAS) which has much more restrictive criteria. Bradford says that under TAS, no matter how severe the hardship, no lump sum payments will be allowed and that a "severe limit" on paying expenses will be imposed. Bradford points out that the system will be much less flexible and restricts case managers' ability to take account of individual circumstances. In most cases the beneficiary must meet the first \$20 of hardship and the payment will usually be limited to a maximum weekly payment of no more than 30% of the main benefit they receives.

- The 90-Day **Probationary Employment Bill** has been sent to Select Committee after passing its first reading in parliament with a 63-58 majority. Sponsor of the Bill, National Party MP Wayne Mapp, says the legislation would help young people — and people who have had extended periods out of the workforce — to get jobs.

Mapp acknowledges that two of the parties that supported the Bill — NZ First and the Maori Party — **raised concerns** about casual workers and discrimination. But Mapp points out that the Bill protects the right to holidays, doesn't compromise sick leave provisions and provides protection against serious discrimination. He says such issues will be fully canvassed at the committee stage and amendments could be added to address any concerns.

- Business NZ argues that the Probationary Employment Bill will help **more people find jobs**. Chief executive Phil O'Reilly says employers can be understandably reluctant to employ people without a positive employment record and the proposed legislation would help overcome the risks of doing so. He says it would benefit teenagers, new migrants whose skills are often not well utilised, and other groups whose unemployment rates exceed the average. O'Reilly says many small businesses are shy of hiring untried workers because they have previously faced unjustified dismissal claims after terminating a new employee. O'Reilly: "Often this is where someone has been hired in good faith, but where the employment relationship didn't work out, where motivation, behaviour or work habits were not appropriate, or where work output was below expectations. This is something that is hard to predict in advance."
- The Maori Party has supported the Bill to the committee stage saying it wants the debate about the "right to work" to continue. In an address to parliament, co-leader Pita Sharples said that debate must lead to increased **Maori access to employment**. Sharples: "We want to widen the options available so that our people have the chance to get their foot in the door, to achieve the fullest possible range of employment opportunities. This House hasn't noticed the door is still slammed shut for far too many Maori. Long-term unemployment for Maori is particularly rife — roughly 27% of all unemployed Maori are experiencing long-term unemployment. I come to this House today, desperately aware of the need of people to be able to walk in the door to a job. However, we are also committed to protecting workers' rights — so that workers' rights are not impinged on, workers are not abused and do not suffer from exploitation. What takes precedence: the right to work or the workers' rights? What we want is to allow people to have a say, to hear the views of others, and open the doors for wider discussion."
- The Council of Trade Unions says Maori shouldn't feel the need to grapple with a perceived hierarchy of a "right to work" versus "workers rights". Vice president Sharon Clair says these things are not incompatible, but the Bill attacks them both. Clair agrees that Maori unemployment is too high but

(continued on page 5)

INTERVIEW

THE NEW MINISTER

Employment and Social Services Minister David Benson-Pope talks to *The Jobs Letter* editor Dave Owens about where the Ministry of Social Development is headed.



***The Jobs Letter:* What is your vision for the Ministry of Social Development? Where do you see it going over the next three years?**

Benson-Pope: I see it continuing in the direction it is already going. It's been extraordinarily successful in terms of the reintegration of the policy and delivery arms. I see a Ministry that has already changed the culture that was part of the previous era. I mean, most of those appointees were appointed in the Rankin time and it does take a while for the organisation to change. But the attitudes are different and what's happening is quite different.

One of the most positive things is the opportunity that has been presented, with the reduction in unemployment benefit numbers, to give a more comprehensive service to clients, and not just unemployed or beneficiary clients.

***The Jobs Letter:* What do you mean by a more comprehensive service?**

Benson-Pope: What's happening now is that we've got a thing called the New Service Model. Previously, when people came through the door at Work & Income, the sort of service they got depended on their benefit entitlement. So a sickness beneficiary might have got X hours or X amount of case managers' time. If you were employed you got virtually nothing. But there is a whole different focus

happening now and this trial model — which has run up to now at twelve sites — says the support you get is independent of what your entitlement might be.

The first point made to people coming into a Work & Income office is that we've got a new approach — it's not compulsory but it's really worthwhile. It's explained to people and we ask if they would like to try it. And most go for it. People can still demand their rights and say they want to sign up for X — but most don't. And that's led to a lot of people never even hitting a benefit because they're off to work or further training or a *Jobs For You* seminar or a health intervention or whatever. So they're completely missing out on the undesirable part of the system.

That's not to say we're not going to support people who need it ... because we're the Labour Party, that's what we do. But the focus is very much on work as a default — recognizing there will be some who can't.

Now, those trials have worked really well. They've changed the attitude of people delivering the service — it's more rewarding and it fits more with positive Work & Income offices. They're quite positive places. I joke that even the security guards smile and when we don't need them it will be even better. But they are very welcoming places. And they've integrated Housing in a lot of those offices, and are now trying to convince IRD they want them there as well for obvious integration with taxation and the *Working for Families* issues. So that model now is going to Cabinet with a view to rolling it out across the whole country. It's called the New Service Model for want of a better name.

But it'll take us a while until we get statutory change around the benefit changes that we're working on right now and the New Service Model will be part of what will be offered in the immediate future even before we change the law. That's because most people are going for it. And that it has already led to much better interventions and getting people into work. That's absolutely the philosophy that's around the benefit reform: the default is work.

***The Jobs Letter:* What do you think the biggest challenge is for your Ministry during the next three years?**

Benson-Pope: I think keeping the same level of intensity going on a slightly softening job market. I mean, we're certainly not in recession territory despite what the doomsayers would wish. But things are a bit tighter. But already this is being counter balanced a bit by a shift in the dollar. It doesn't take much when you are right on the sensitivity margins for things to get better. Certainly in my patch, a lot of manufacturers are saying those few points are making a big difference, so orders are now profitable again.

The biggest challenge for MSD is not in employment related matters, but the issue around the reintegration of Child Youth and Family. In the wider social sense I think that's a critical thing for the country. Cabinet took that opportunity because the chief executive went back to Canada unexpectedly and suddenly there was an opportunity and I guess it's a compliment to the operational level and delivery level of the Ministry right now that we felt they were able to do this. So I think that's their biggest challenge.

The Jobs Letter

The Jobs Letter: So you're not diverting from where Steve Maharey was heading?

Benson-Pope: I'm delighted with the state of the Ministry I've inherited. And one of things we do as a Cabinet is work pretty well as a team. I'm in the position of having inherited these decisions, in terms of wider policy direction, that were made long before I was even in Cabinet. So I'm constantly touching base with my colleagues who have been there and know where we got to, so I don't go off on a harebrained idea that's mine and not appropriate. We need assurance and support from colleagues

The Jobs Letter: the NZ unemployment rate is relatively low compared to other countries and compared to ten years ago in NZ.

Benson-Pope: Lowest in the OECD is better than "relatively low"...

The Jobs Letter: But no one is predicting unemployment to reach 2%, as it was a generation ago. What do you consider to be "full employment?"

Benson-Pope: I think in terms of the non-Maori population we are probably quite close to it now. Isn't it 2.3%? Just with the normal churn, it can't be far from full employment.

I remain concerned about Maori unemployment. Still, it has dropped from 19%, and it is at 7.2%, which is much better. But because of the greater decrease in non-Maori unemployment there is still a disproportionate number of that group. It is perfectly statistically understandable. And comes back to skill levels. One of the reasons Maori have always suffered inordinately as a result of market movement or policy change is because they tend to be less skilled. So they are the ones that get flushed out of the bottom of the system sooner and we just can't have that.

I know that my Cabinet colleagues and Minister Horomia is as focused on this as I am, as is the Prime Minister. It comes back to skills, it comes back to support, and it comes back to family expectations. So we're doing quite a lot of work around Maori organisations about what is expected in terms of participation and I think we'll keep on the case.

I think when we realise the demographic change that we've got with the huge change in the percentage of young Maori and Pacific Peoples in this country, you and I need them to be working, to be purely selfish, to fund our superannuation in three or four decades.

The Jobs Letter: Skills shortages, rather than high unemployment, is now characterising the labour market. In your view, what has caused this?

Benson-Pope: I think the first thing is the reliance, in the 90s on the free market to provide the training. I grew up in a time when I guess we were too regimented in the other direction, where good academic kids went off to school to learn Latin, French and German and the other kids got flicked off to the technical institute — the forerunners of the polytechs — and made a lot of money subsequently being the tradesmen that we can't find or afford these days.

And in the 90s that reversed entirely under different philosophical leadership and left everything to the free market, which — in typical free market fashion — didn't deliver. I'm not being trite or simplistic when I say that

when no one's got the responsibility for work force supply, you end up with the problems we've inherited. We've had to get quite aggressive about that. And I'm only too aware of the work Dr Cullen is doing right now to refocus the tertiary institutions in this regard. But whether they are electricians or radiographers, people don't get trained in just a year or two. So there is a lag.

I think the other part of "we're going to change our philosophy and really encourage people in to tertiary education" is fine but what it led to was everyone wanting to go to university ... and polytechs pretending they were universities. I can say that because I was a polytech council member in Dunedin at the time. So the business end of training in the trades, particularly carpentry, engineering, electrical and plumbing — all of those just fell over.

We're on the case. But no matter how many thousands of young apprentices we have, it takes a long time to fill that decade of gap. With Modern Apprentices, they've hit every target early, we've got 8,300 right now. The target is 14,000 by 2008.

And, at the other end, changes to the student loan scheme are already showing dividends in keeping academically skilled people here for the top professions. It's a bit of a mix and I think we've got a good formula.

The Jobs Letter: Our readers will be aware of the variety of existing programmes to address skills shortages. Are there any further plans under development to address skills shortages?

Benson-Pope: Yes. One is what we're calling Enhancing Parents and Other Carers Choices (EPOCC). We've done a lot of work with early childhood access, which has presented its own problems around getting the expert teacher workforce in place. This is sort of the other leg of the double around the early childhood stuff. The simplest way we can enhance people's choices around getting involved in the workforce is to have places where their sons and daughters can be properly supervised and looked after. There are big social issues here and we're certainly not trying to force anyone in to work who doesn't want to work. But we are very aware of workforce supply issues and the fact that most people working part-time right now are saying they want to work longer hours.

I can see a lot of potential in freeing up state institutions and taking a load off teachers at virtually no cost. My kids are lucky they've got a Phys Ed teacher who always opens the gym after school so they can have a great time. But there are a lot of fantastic facilities all over the country where there's no sports co-ordinator or the teacher is doing something else. I think we've got really low-cost opportunities to make sure our young people have more supervision than they currently do, which has some big positives in a couple of directions.

I think there are some big plusses that are starting to appear on the horizon that are becoming more important because of the constraints that we've got on workers supply.

Good employers know how important it is to make sure their staff is happy in their workplace. And good employers support them so that when they have their inevitable family crisis they are able to go and deal with it.

The Jobs Letter

The Jobs Letter: The prime minister's call to get more mothers into the workforce has been criticised as not valuing parenting. How do you respond to this criticism?

Benson-pope: I think that was a political beat-up at the time. What Helen articulated was what I'm saying now. The intent was to give people opportunities. We don't actually try to make people do things, what we do try to do is make sure they have a freer choice about what they do — whether that's opportunity for young people to get schooling or opportunity for you or me or a carer who would like to work to be able to do so because the options are available. So no one's being forced off to the workforce. But we do not recede from trying to incentivise work as we have done with the Working for Families package.

The Jobs Letter: There has been a lot of media coverage about the big push to get more single parents into the workforce. Is it so important to get this group into work?

Benson-Pope: Lets talk about Domestic Purpose beneficiaries. I think what the hospitality industry is doing is fantastic. The industry needs people who want to work part-time jobs or funny hours. They have a pilot that is running training — I think it works mostly for women on the DPB while kids are at school — to work in coffee shops and general food service industries, bars, cafes. They do a few hours when they can. It's good for everyone. In due course when their children are off their hands they have some skills that they didn't previously have to make available in the workforce. I think that's really positive.

The Jobs Letter: The government has said it would like to see all the benefits rolled into one. What progress is being made on a core benefit structure?

David Benson-Pope: We're getting there. We've seen some of the changes already coming on April 1st with Temporary Additional Support replacing the Special Benefit. All current recipients of anything are grandparented at the changeover point. But because we've put so much more money in upfront with the Working for Families package and a lot of people are picking up Child Support, Accommodation Supplement and all sorts of different components — it is quite hard to quantify. Someone not in work may be getting both Child Support and Accommodation Supplement. They won't get an In Work payment but there are lots of boxes being filled.

We are looking very carefully at trying to minimise the number of losers. In terms of Temporary Additional Support, the real problem with the Special Benefit was that what had been an exception had almost become the norm. And it was also being very inconsistently applied across the country because it wasn't rule based. Temporary Additional Support will be. There'll be no discretion when interpreting who is entitled to it. There will be set criteria. There still will exist the capacity for Emergency Benefit for people who have an issue when that happens. We don't do punitive but we are trying to do simple. And while I can't say that we will be delivering a single core benefit certainly the system is going to be hugely simplified.

We are not prepared to say, "Well, sorry, no one will be worse off". We're looking case by case at any issues that arise. But it seems to me the corollary of saying no one will be worse off is also saying no one will be better

off either, and we're not going there because so many of the vast majority are so much better off.

The Jobs Letter: Now that the Community Employment Group is gone, what is happening in community economic development?

Benson-Pope: Quite a lot. A lot of schemes are running out of Family and Children services — which is MSD core anyway. There is a lot of residual community employment coming over right now to the Ministry of Social Development, things like Family Start. There are lots of other initiatives which, I'm pleased to tell you, have a more robust oversight than some of the ones you are referring to.

We are pretty keen to empower and support community because when it comes to community disadvantage we all end up paying for it one way or another. It's much better getting people developing their own schemes... as they are around the youth gang issue in Auckland. There are as many different approaches as there are communities solving that problem ... but they're all good and we'll support all of them as much as we can. I think it is important that people make decisions and develop interventions that are right for their own patch.

The Jobs Letter: The most senior Ministers are undertaking a spending review. Do you have any idea what that is going to mean for the Ministry of Social Development?

Benson-Pope: Not a great deal because of the financial controls that have been in place. We have an agreement that MSD would only have an operational increase every three years. This was to be the year for a further increase and we've just forgone that. So the financial management has been very strong.

The other help is that a large part of our budget is demand driven. While that's not budgeted in a normal tight sense because it can never be, there is still a contingent liability sitting there. And because of the massive reduction in the unemployment benefit numbers in particular we are not spending anywhere near what we would otherwise. As so long as those outcomes continue the Treasurer will smile happily in the direction of [the Ministry's CEO] Peter Hughes and myself.

The Jobs Letter: The Mayors Taskforce for Jobs has adopted the concept of a Job Guarantee for all young people. The government hasn't yet taken this on ... do you have a view on the Job Guarantee?

Benson-Pope: We've agreed with that, we share their goal. You mean we haven't delivered on that yet? Look, I think the Mayors Taskforce been a very successful initiative and we certainly share the goals. We'll be re-signing the Memorandum of Understanding with the Mayors Taskforce for Jobs soon.

The other good news is Auckland has also signed up. Dick Hubbard is very pleased he's finally changed the city's policy on that matter. And we're extending the number of Ministers that are involved in our regular meetings with the Mayors by adding in Youth Affairs as well. So we're serious about it, it's another one of those areas where I think we've got a really good record of cooperation with local government. A bit different from my days in local government.

The Jobs Letter

DIARY

12 March 2006

Qantas says it will forgo up to \$A30 million in annual profits as it elects to keep wide-body jet maintenance operations in Australia. Chief executive Geoff Dixon: "It's a compromise, but then you have a brand issue here and a responsibility to the community. We also have a huge workforce with major skills, and our view would be to keep those skills here."

The skills most lacking in new employees in the US are professionalism, the ability to analyse, business knowledge and written and verbal communication are, according to the 2006 Access to Human Capital and Employment Verification Survey which also found that many organizations are recruiting skilled workers from overseas to fill these skills gaps. The report can be found at www.shrm.org/press/CMS_016174.asp

13 March 2006

59 jobs will be lost at Fonterra's Claneboye factory in South Canterbury as the company prepares to move some processing work to other locations.

14 March 2006

The NZ\$ slumps to a 20 month low of US63c.

In a bid to attract skilled migrants, the NZ government exempts immigrants from paying NZ tax on most of their foreign income for four years. Returning expatriates need to have been living out of NZ for 10 years to qualify for the tax exemption.

15 March 2006

Top-end professional work in Australia is increasingly being handled overseas. A report by the Prime Minister's Science, Engineering and Innovation Council is evaluating threats to Australia from the emerging knowledge-based economies of China and India.

16 March 2006

District Health Boards are criticised for wasteful overseas recruitment spending after 10 boards flew up to five staff members each to attend a London jobs expo. National MP Tony Ryall says the health boards are wasting money set aside for overseas recruitment by competing against each other instead of presenting a united front.

instead advocates for an investment approach that validates Maori potential. She says the key issues in the labour market are how to get workers with skills, not how to sack them. Clair points out that Maori unemployment has dropped significantly in recent years without a law that allows employers to sack workers with no appeal rights.

- The Green Party says the Probationary Employment Bill **is an attack** on the young, the less skilled, the under-educated and the unemployed. MP Sue Bradford calls the Bill "mean-spirited" and "anti-worker". Bradford: "What Dr Mapp and some other political parties supporting this Bill fail to recognise is that it is already possible to have probation periods for new employees under the existing Employment Relations Act. Where a probationary period has been negotiated, it can be taken into account when looking at whether a dismissal is justified or not. What this Bill is really about is stripping protections from the most vulnerable workers, those who tend to be less unionised and to have less ability to negotiate their conditions when they start a new job. If Dr Mapp's Bill goes through, employees will be sacked at will during the first three months on the job. Even worse, once sacked, they become liable for a stand down of up to 13 weeks from Work & Income once they register back in the benefit system. People will be scared to start jobs and scared to change them."
- Meanwhile in **France**, in an attempt to alleviate **youth unemployment**, the French government has passed legislation that makes it easier for employers to fire young workers. The measure creates a First Job Contract (CPE) which provides a two-year probationary period for workers under 26 years old. This gives employers the right to dismiss young workers during their first two years on the job without expensive legal and financial implications. The intention is that employers will be spurred into hiring young people, safe in the knowledge that they are not legally obliged to retain them indefinitely.

But these measures are proving to be **exceedingly unpopular** among those it is meant to benefit. France has again been besieged by demonstrations with police estimating at least a half a million people have taken to the streets in protest against the CPE. And half of the country's 88 universities have been closed as students occupied buildings and disrupted normal operations.

For more than ten years, France's unemployment rate has hovered at around 10% — one of the highest in Western Europe. But the level of unemployment for people under 25 years old has persisted above 20%, and is much higher than that among some ethnic groups. This is largely seen as the cause of the riots that erupted across France late last year. The lack of opportunities has left many young people desperate and frustrated about their future and created a huge brain drain as young French people, many of them well qualified, leave their country in search of opportunities elsewhere.

- The current level of **skill shortages** in New Zealand has been unknown for over 30 years and is likely to intensify, according to the Employers and Manufacturers Association. EMA Central chief Paul Winter has warned Gisborne employers that the skills shortage will remain severe, especially outside the large urban centres.

Winter says the pool of people that employers in **provincial centres** had always been able to count on is simply no longer there and is not likely to reappear anytime soon. The biggest competitor these businesses face is urban drift. Headhunting for skilled young people from companies in

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DIARY

19 March 2006

More than 11,500 NZers are unable to work and are claiming benefits because of stress or drug and alcohol abuse. While unemployment is at a low of 3.6% the number of sickness and invalid beneficiaries continued to grow at a rate of 2.7% last year and totalled 121,362 at the end of the year.

NZ is the worst performing country in the OECD for productivity growth according to business historian Arnold Kransdorff. He says the fluid NZ labour market effectively drains organisations of knowledge. Kransdorff: "It is like reinventing the wheel, because the organisation can not learn from its own experiences."

20 March 2006

About 1,000 secondary school students stage a protest rally in Auckland, organised by a group called Radical Youth in support of abolition of youth rates Bill.

A slowdown in the number of foreign students attending Australian universities is placing many universities in financial trouble, according to the Australian Department of Education. Six universities rely on overseas student fees for more than 20% of their total income.

21 March 2006

The jobs of 1,600 Air NZ airport services staff may be under threat after the airline wrote to six suppliers requesting information to benchmark their operations against their own.

22 March 2006

French Prime Minister Dominique de Villepin, embattled over his First Job Contract law, says withdrawal of the legislation is impossible but hints that the government could be flexible in "those sectors where it would be most relevant".

larger centres — and from overseas — was becoming a growing reality, especially for places like Gisborne. Local employers can't rely on lifestyle factors to attract these people because the reality is that young graduates prefer the opportunities offered in urban centres.

Winter says employers need to accept and adapt to the fact their workforce is ageing — and they must **invest more in the people** they already have. They can do this by enhancing the workplace environment and further developing their workers' skills. Winter says it is wrong for employers to think that if they invest in their staff, they might move on. The reality is that staff who are encouraged to extend themselves and become more responsible in their jobs get more satisfaction and are more likely to stay. Winter: "If you give people the room to develop and grow in the job, and they are the sort of people who like the lifestyle here, you will retain them."

- **Job ad numbers** are declining. In January there were 5% fewer advertised job vacancies than there were in January 2005. The Department of Labour still describes the labour market as tight but predicts skill shortages will continue to ease slightly over 2006. As economic growth slows, so will the number of new jobs being created.

Sales assistants, general clerks and information clerks and receptionists are the most highly advertised jobs.

— *Skills in the Labour Market – March 2006*, by the Department of Labour can be downloaded (6pg 157Kb) from www.dol.govt.nz/publications/lmr/lmr-Skills.asp

— *Job Vacancy Monitor – January 2006*, by the Department of Labour can be downloaded (14pg 212Kb) from www.dol.govt.nz/publications/jvm/job-ad-monthly-report.asp

- Just because people are granted **permanent residency** in New Zealand doesn't necessarily mean they stay. A study by the Department of Labour challenges the notion that people granted residency remained in New Zealand permanently. *People on the Move* found that nearly 20% of people who migrated to New Zealand in 1998 had since left. The study found that over time, the incidence of permanent residents leaving increased.

The study reveals many reasons **why migrants leave** after taking up New Zealand residency. One is that is a reflection of unsuccessful settlement, such as migrants not being able to find work or work they want to do. Others reasons are that they miss their home countries or their family who didn't come with them. Still others have on-going business commitments overseas. The study also points out that some migrants never have the intention of staying permanently, anyway. But the study also says many of the migrants who stay in New Zealand, even for a shorter amount of time, still make a valuable contribution while they are here.

— *People on the Move: A study of migrant movement patterns to and from New Zealand*, March 2006, by Philippa Shorland, research analyst for the Department of Labour, ISBN 0-478-28035-1, can be downloaded (103pg, 529Kb) from www.dol.govt.nz/pdfs/Migrants-absenteeism-from-NZ.pdf

- The government's intention to move towards a single benefit has alarmed those in the **blind community** who have jobs. Currently, about 1,320 people receive a Blindness Benefit on top of the wages they receive from their job. They fear that if the simplification of the benefit system continues, the Blind Benefit will disappear — putting working blind people in the same abatement regime as all other beneficiaries.

The Royal NZ Foundation for the Blind believes this would be unfair, and has released research that supports the assertion that blind people who are in jobs have significant costs that other people don't have. *The Cost of*

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DIARY

23 March 2006

An initiative to help people who are on Sickness and Invalid Benefit into work is extended to Taranaki. PATHS (Providing Access To Health Solutions) is aimed at fast-tracking health services to beneficiaries who have health problems preventing them from working.

24 March 2006

The Ministry of Immigration extends the period for seasonal horticultural and viticulture work visas. Visas had been offered from December to July but are now being offered through to September.

One-third of students from decile one schools leave with no qualification. Decile one schools are those rated as having the lowest socioeconomic background.

The NZ economy shrank by 0.1% in the last quarter of 2005.

The NZ dollar, which was trading at nearly US70c a few months ago, is trading at just over US60c.

Editors

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The Diary is sourced from our media watch of New Zealand daily and weekly newspapers.

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Blindness in New Zealand points out that key cost areas are related to carrying out domestic tasks, day to day travel, shopping, recreation and use of specialised equipment.

The research estimates the living expenses of the country's 11,500 blind people costs them and their families \$61 million more per year than it costs the non-blind population. Foundation chief Paula Daye points out the research can't be used to derive a meaningful average of cost per individual, but the research is the best ever done in New Zealand on the cost of blindness and should be useful for the government when considering any benefit changes. Daye: "Everyone involved in the blindness community knows that being blind or vision-impaired is expensive for individuals, families and society — in actual costs, time costs and opportunity costs."

Foundation chairperson Don McKenzie says that if you are **blind and employed, your costs go up**, not down, because of adaptive technology equipment, transportation, and the like. McKenzie: "If the goal is to get more blind and vision-impaired people into employment, the Blindness Benefit must remain as it is. You don't want to penalise blind people for succeeding."

— *The Cost of Blindness in New Zealand*, public release March 2006, published by the Royal NZ Foundation for the Blind, can be downloaded (170pg, 1.2Mb) from www.rnzfb.org.nz/newsandevents/researchanddevelopment/costofblindness/costofblindnessreport/cobpdf

- Australia continues to lure New Zealanders with more opportunities and better pay. About 600 New Zealanders are **leaving for Australia** each week.

The New Zealanders moving to Australia are not just professionals or young university graduates looking to pay-off their student loans. Many have few, if any, qualifications and are struggling to make ends on the low-incomes they earn in NZ. They are drawn to Australia because they have family or friends who earn twice what they can in New Zealand doing low- or unskilled work. On average, real Australian incomes (adjusting for prices and the exchange rate) are 32% higher than NZ incomes.

Others who leave for Australia do so because they find their skills are more welcomed there. Many highly experienced New Zealanders in their 50s who have been made redundant find that New Zealand employers are no longer interested in them. Australian employers appear to be much more accepting of older workers and appreciative of the contribution experienced people make.

Still others are people who have migrated to New Zealand but can't find suitable work even though this country is suffering from serious skill shortages. The chairperson of the Migrant Support Services centre in Onehunga Shankar Nair points out it is no surprise New Zealand immigrants are turning to Australia, given the number of well-qualified migrants working at Auckland petrol stations.

- **Maori are migrating** to Australia at twice rate as are Pakeha. By 2001, 13% of all Maori were permanently living in Australia, a proportion that has been steadily rising over the last 20 years. In 1986 there were 27,000 Maori living in Australia but by the 2001 Census there were 90,000. And Te Puni Kokiri — the Ministry of Maori Affairs — says at the current rate, by 2050 the proportion of Maori who will be living in Australia will be 35%.

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