

# The Jobs Letter

No. 184

2 May 2003

Essential Information on an Essential Issue

## KEY

BOOST FOR INDUSTRY  
TRAINING

STRUGGLING MEN

NZ AT 4 MILLION

LESS THAN 100,000

ON THE DOLE

JOB PACKAGING  
IN CENTRAL OTAGO

- Early Budget announcement. The government is to put an extra \$84.3 million (over four years) into the Industry Training Fund to enable **more workers to train on the job**. In 2002, 106,000 workers participated in industry training programmes and the government wants to lift this number to 150,000 workers by 2005 and to a quarter of a million workers by 2007.

\$800,000 of the funding package is to be spent to promote the **benefits of workplace training** to employers and employees. It will also support a project to develop the ability of small and medium sized businesses to engage in workplace learning. The project is expected to focus on adult literacy issues and promote unit standards that focus on key skills needed for the workplace.

Minister of Tertiary Education Steve Maharey says that work-based training is a cornerstone of the government's Tertiary Education Strategy. Maharey: "All New Zealand work places also need to become learning places if we are to become a more innovative and prosperous nation".

- National Party MP Simon Power believes the government's workplace training programme is a sad indictment on the country's compulsory education sector whose failure means that business is now being expected to take up the slack and train young people. Power: "It's disappointing that businesses can no longer expect school leavers to have the basic numeracy and literacy skills needed to be successful in any workplace."

But Steve Maharey says that while adult literacy and numeracy will be part of this package, work-based training is much more than this. He says training builds a wide **range of industry specific skills** and should not be characterised as second-chance education. Maharey describes industry training as a "prestige training path" that makes an equal contribution to the knowledge economy as any university or polytechnic.

- Almost a third of adult New Zealand men in their prime earning years are **struggling to make ends meet**. Research by *The Jobs Letter*, based on 2001 census figures, has found that 30% of New Zealand men aged 25-44 yrs earned less than \$25,000 (about two-thirds of the average wage at the time of the census).

This trend is obviously effecting the lives of many men who would traditionally be in their prime career-setting, money-generating, and family-raising years. This level of **income is not considered enough to buy a house, and perhaps not even be a realistic income upon which to start a family**.

An equally worrying statistic from the 2001 Census is the fact that as men get older the proportion earning low incomes increases. For the 55-

## DIARY

4 April 2003

The number of NZ'ers on the dole drops below 100,000 for the first time in 14 years.

8 April 2003

NZ had 2.5% inflation for the year ending in March.

10 April 2003

The Council of Trade Unions asks Air NZ to guarantee the jobs it claims would arise out of a merger with Qantas Airlines.

11 April 2003

The Public Health Association calls on the government to introduce a state-backed loan scheme to assist low-income families to buy their own homes. The Association is concerned that homelessness and substandard housing has serious implications for the long-term health of children in low-income families.

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## DIARY

12 April 2003

Treasury forecasts the government will have a \$3.6 – \$4.2 billion financial surplus this year.

Te Wananga o Aotearoa, the Maori “university” based in Te Awamutu may become the largest tertiary education provider in NZ this year. Te Wananga expects to have about 35,000 enrollments.

Nokia, the world’s largest cellular phone maker is cutting another 1,800 jobs, mostly in Finland.

15 April 2003

NZ seafood and meat exporters are experiencing serious sales reductions to Asia as international travel to that region drops due to the fear of the SARS virus.

200 Australian jobs are lost as biscuit manufacturer George Weston Foods closes its Sydney plant.

Australasian food manufacturer Goodman Fielder cuts 500 Australian jobs.

64 age group, 42% were on less than \$25,000 in 2001. Unless they already have substantial assets or savings, these men will probably not be able to save for retirement ... leaving most of them **dependent on state assistance** for their income and healthcare as they get older.

- The growth in numbers of low-income men is even more evident in Australia, where almost half of adult men are struggling to make ends meet. Professor Bob Birrell, Director of the Centre for Population and Urban Research at Monash University, has found that 42% of Australian men aged 25-44 yrs are earning less than \$A32,000 a year (or two thirds of the average Australian wage).

Birrell believes that besides having huge impacts on the abilities of these men to start families and buy a house ... this level of income may also not be enough to attract a partner. His research also shows that **one-third** of Australian men in their early 30s **have no partner**.

Birrell: “ In the past we figured that men in this age group were preparing to take on marriage and early fatherhood responsibilities. But they are not financially set up to take on those obligations, and because of the close correlation between low income and low levels of partnering, they are alone. It is a pattern that is utterly remorseless. There is no doubt that having a partner is one of the keys to life satisfaction, and here in Australia, these guys are heading towards significant unhappiness...”

Birrell also believes that the poverty of so many Australian men is a significant factor in explaining Australia’s **below replacement fertility** rate. His research shows that slightly fewer than one in three men aged 30-34 yrs have had a child by the age of 30. For their fathers’ generation it was the reverse: two thirds had had a child by the age of 30.

Birrell: “It could be argued that this decline reflects the unwillingness of low-income men to take on family responsibilities. Young men considering marriage could hardly be unaware of the risks of marital breakdown or the long-term costs, especially when children are involved ...”

- These income trends and their impact on families haven’t just emerged recently. In an article by Michael Cave in the *Australian Financial Review* earlier this month, economics Professor Bob Gregory from the Australian National University says that these trends have “been on the boil” for the past 30 years. He says they are driven mostly by technological changes in the workforce that **decimated the labour market for unskilled men**. What has changed is that the incidence has been shifting towards the main child-bearing, career-making, income-generating years of a man’s life. Gregory: “And it is becoming a much more permanent thing — it is stuck there as a mucking-up-people’s-lives phenomenon, and all the policy changes haven’t been effective in getting to this group...”

Historically, policy-makers have believed that as the economy grew, unskilled male workers would be pulled along with the system ... and the benefits of economic growth would trickle down. But Gregory points out that the **'80s boom mostly benefited women**, many of whom already had a working partner ... which, in turn, led to the trend towards

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### DIARY

17 April 2003

BERL advises that there is no accurate way to predict how the commercial use of Genetically Modified Organisms will affect the NZ economy. The BERL report says no one can accurately predict the relative strength of negative consumer reaction to GMOs or productivity gains from GMOs.

The government makes it clear that it intends to lift the moratorium on the commercial release of GMOs in October.

18 April 2003

Good Friday.

19 April 2003

Unemployment in Asia is set to rise as a result of the fear of the SARS virus. Cancelled flights to the region are resulting in empty hotels and restaurants, and fewer shoppers.

The OECD drops its forecast for the economic growth of its member states to 1.9% as a result of the war in Iraq and SARS.

The US government downplays the now unlikely prospect of a post-war economic rebound. White House chief of staff Andrew Card says that the biggest challenge for the administration is employment growth.

two-income families. The '90s boom has led to increases in real wages, but mostly for skilled workers at the top end of the market.

Gregory: "In the end, unskilled men missed out on both of the most significant economic booms of the last 20 years. The traditional belief is that the benefits of economic growth will trickle down, but that trickle down to this unskilled-worker group has been very weak."

- An international study of the reading skills of children has found that **New Zealand has one of the widest reading skills gaps between boys and girls.** The *Progress in International Reading Literacy Study* of nine and ten year olds in 35 countries found that New Zealand ranked 32 in the size of the gap between boys and girls reading skills.

Bill Turner of Massey University says that New Zealand boys simply don't read as much as girls. He says that when children start school at five years old they acquire basic language skills at similar rates, but boys soon fall behind. After a certain point, vocabulary development is driven much more by free reading than tuition, and boys just don't put the time into reading. Contributing to this is a far greater cultural acceptance of girls spending time in passive activities, such as reading, while boys are encouraged into sports and other outdoor activities.

Tom Nicholson of Auckland University says that social attitudes would have to change if we are to improve the reading performance of boys. These changes would have to include the expectations parents have of their boys and he cautions that the attitude that "boys will be boys" is **affecting the country's performance.** Nicholson says that if the reading skills gap between boys and girls continues to widen there will be little chance of New Zealand riding any "knowledge wave". Nicholson: "If we have 25% of the population struggling with literacy skills, then that is 25% less capacity for this country to one of the leaders of the world."

- Fertility rates were back in the news last month as New Zealand celebrated passing its population milestone of 4 million people. This may be the last such milestone we'll be celebrating for a while — Statistics New Zealand forecasts that our population will peak at 4.8 million in 2046, then decline to 4.4 million by 2101.

The problem is that since the mid-1960s, New Zealand's **birth rates have been dropping** below the level needed to replace the population without immigration. *The figures:* New Zealand's fertility rate is now 1.9 — down from 4.2 in 1962. The replacement level is 2.1 births per woman (one for each parent, plus a number to compensate for children who die before reproduction). This drop in fertility is happening across most developed nations at this time: Italy and Spain's fertility rates have fallen to the low level of 1.3.

- Waikato University population studies specialist Professor Ian Pool argues that it will be vital for New Zealand to pursue **more family-friendly policies** in order to boost our birth rate. In an interview in the *New Zealand Herald*, Professor Pool calls for extending paid parental leave, more child care support, and easing the "punitive" student loans scheme. Pool: "As a country we win or lose depending on what we can do to support human capital at this time..."

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20 April 2003

Easter Sunday.

21 April 2003

Asian airlines are experiencing their worst crisis ever due to the SARS virus. Cathay Pacific and Dragonair have cut back operations severely and foreign airlines have cancelled so many flights that officials at Hong Kong's Chek Lap Kok airport say its core business is threatened.

The road transport industry says it has a shortage of about 1,250 drivers.

22 April 2003

Green co-leader Rod Donald says the answer to the shortage of truck drivers is not to train more drivers but to move freight off the roads and back onto the railway system.

The ANZ predicts the threat of SARS could see 50,000 fewer tourists coming to NZ this year.

Goodman Fielder cuts a further 1,600 jobs as it closes four more Australian bakeries.

24 April 2003

Statistics NZ estimates that the population of NZ will top four million people at 5:30pm today. The population topped one million in 1908, two million in 1952, and three million in 1973.

The Reserve Bank of NZ reduces its interest rate from 5.75% to 5.5%.

Belgium and NZ sign reciprocal working holiday agreements that allow up to 100 people aged 17 – 30 years to work in each other's country for up to a year. NZ already has similar agreements with nine other European and several Asian countries.

The *Herald* reports that efforts by overseas countries to pursue more family-friendly policies have met with mixed success. Sweden's policies of extended paid parental leave and free pre-school lessons boosted birth rates in the late 1980s, but Sweden's fertility rate is now 1.6. France, however, has halted its fertility rate decline at around 1.9 with a package of family support measures.

- The number of people receiving the **unemployment benefit has dropped** to below 100,000 for the first time in 14 years. The Ministry of Social Development (MSD) says that 98,178 people received the unemployment benefit at the beginning of April 2003, the lowest number since June 1988. The number receiving the unemployment benefit peaked at 176,334 people in January 1993.

Steve Maharey believes the fall in numbers of people on the dole demonstrates that the benefits of New Zealand's growing economy are being widely shared. Maharey: "Getting people off benefits and into paid work is the best welfare policy any government can pursue. We've known that job growth has been continuing strongly – what these statistics prove is that the jobs are being shared around."

Falling welfare rolls also spell good news for the taxpayers: Treasury estimates the decline in overall benefit numbers have saved the taxpayer \$937 million.

- NZ First leader Winston Peters dismisses the government's claim it has reduced the number of unemployed. Peters says that the MSD statistics could well be explained by the 23% increase (since the start of 2000) in the number of **people claiming invalids and sickness benefits**. The number of people on these benefits **has jumped** from 85,017 to 104,304 since the government was elected, and Peters says the government has given no reasonable explanation for this increase.

The government explains that sickness and invalid beneficiary numbers have increased because the population is aging, more mentally ill are people being treated as outpatients, and changes to ACC have forced people off ACC and into the benefit system.

- The government is concerned, however, about the growing number of invalids and sickness beneficiaries and is **introducing "capacity" testing** for people on these benefits. Maharey says that employment is an option for the majority of people on these benefits ... as long as they can work according to their capacity. He says the introduction of capacity testing next year would be on a case-by-case basis as part of the new case management system at Winz. He has ruled out imposing sanctions on beneficiaries who refused to return to work after their "capacity" test.

The Labour Party had campaigned against "work-testing" invalids and sickness beneficiaries in 1999 and overturned the National government's blanket testing of people on these benefits. Since then, over 14,500 people have moved onto the invalids benefit and over 5,000 onto the sickness benefit. National MP Katherine Rich says that scrapping the work-test has not worked and she welcomes the change in policy. However, Rich says that the lack of sanctions makes it a "powder-puff version of work-testing".

- Central Otago faces chronic worker shortages during times of high seasonal demand in orchards and vineyards. The *Job Packaging* project

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25 April 2003

ANZAC Day.

26 April 2003

Several hundred jobs will be created during the construction phase of an upgrade of the Marsden Point oil refinery near Whangarei.

A British study finds that women with university degrees are 50% more likely to be childless than those without a degree.

27 April 2003

In a pre-Budget announcement, the Probation Service is to hire 110 new probation officers over the next three years, which will be a 22% increase in staff.

28 April 2003

International Workers' Memorial Day commemorates people who have been killed while at work.

Arthur Lim of Macquaries Equities says loss of NZ jobs are inevitable as Australasian food manufacturer Goodman Fielder reviews the company's NZ operations.

of the Central Employment Trust (CET) is attempting to alleviate this by **co-ordinating the short-term jobs** offered by a variety of employers **into full-time, continuous jobs**.

While Central Otago has plenty of seasonal work, much of it finishes as the harvests are completed. Traditionally, seasonal workers have drifted away after their jobs end as the industry takes no responsibility for their on-going employment. This discourages workers from settling in the district and considering orchard and vineyard work as a longer-term option. One result is that employers are often left with the task of finding and training a new workforce each time they need work done.

- CET project manager David Boyte says the *Job Packages* concept aims to **link together the strands of seasonal work** and turn bits and pieces of jobs with a variety of employers into a full-time job that includes holiday time and other worker entitlements. The ultimate intention is to have workers provided with work in the area for as long as they want it.

Boyte says the most difficult part has been to get employers to think longer term: "When the labour demand peaks arrive, all employers want us to assist straight away. The idea of creating careers for people is not to the forefront of their minds at this time because all they want to do is get their crops picked as quickly as possible. This is the nature of the industries we deal with and it is our challenge to change mind-sets to a stage where everyone works on the issues all year round rather than just when the crisis is upon them."

— The Central Employment Trust lists job vacancies and an email contacts for career opportunities on their website at [www.workcentral.info/](http://www.workcentral.info/)

- The \$360 million "Closing the Gaps" social programme has come under fire after an audit has found **no evidence it has improved the lot of Maori**. A Te Puni Kokiri (TPK) report has found that few departments could produce evidence that their programmes had any strong impact on reducing economic and social inequalities over the 2001-02 year.

"Closing the Gaps" was established with the aim of building up the capacity of Maori social service and employment organisations. At the time, PM Helen Clark said the government was going back to mainstream departmental budgets to ensure that funding meant for Maori actually delivered for Maori. \$360 million (over four years) was allocated to departments to implement programmes with particular reference to Maori and Pacific Islanders.

National MP Murray McCully argues that the TPK audit confirms that the government has gotten little for the money it spent on trying to close the economic and social gaps between Maori and other New Zealanders. He claims the public service has devoured the additional funding but the people for whom it was intended have gained nothing.

- The UK government is **relaxing the conditions** under which "working holidaymakers" are allowed **to work in Britain**. New Zealanders, Australians and South Africans who are 17 - 27 years old will soon be able to hold British visas that allow them to take up work in any sector, move freely between employers, and switch into work permit employment after one year in the UK.

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29 April 2003

The Budget will include funding for a further 774 teachers over the next four years. Ministry of Education says the new teaching positions will be additional to those required by roll growth.

The National Bank business confidence survey indicates an increasing number of businesses expect conditions to deteriorate this year. 7% of the surveyed businesses are optimistic of their own business activity.

Ericsson, the world's largest maker of wireless telecommunications networks, cuts 13,000 jobs, or a fifth of its workforce.

Until now, young people on working holidays visas could live in the UK for up to two years but were only allowed to work for half the time they were there and they were not supposed to work in their area of training or expertise. There was no means of effectively policing these restrictions and young workers and employers have generally ignored them. The new legislation may therefore do little more than legalise current practice.

The UK government has, however, expanded its migrant programme to make it easier for younger, skilled applicants to work in the UK. It is encouraging young foreigners to study and then work in the country after their graduations, and is expanding the use of **work permits** on a sector-specific basis to **ease labour shortages**. In the first instance this is being applied to the construction, food processing and hospitality industries.

- Many people find themselves hating their job because it has little ultimate value for their “essence”, according to visiting American careers expert Howard Figler. Figler is author of *The Complete Job Seekers Handbook* and is co-author (with career guru Richard Bolles) of *The Career Counsellors Handbook*.

Speaking at a workshop for career counsellors at Auckland University of Technology, Figler says that there is a quantum difference between merely earning a living and having a sense of purpose, dedication, fun, and “being in the flow of one’s joyful work”. Figler recommends that career counsellors put more emphasis on helping clients fulfil their “inherent purpose” — and career satisfaction — by encouraging them to utilise their strongest talents and **follow their core values**.

Concentrating on our “essence”, or our sense of social purpose, can often be in conflict with the messages and feelings of what constitutes success, approval, respect, and recognition in our regular working environments. Figler believes that striking a balance of the two is important and warns that feelings of job dissatisfaction can often arise when work success is attained at the expense of doing work that our instincts or “inner voice” tell us is our inherent purpose.

Figler: “We find that many clients don’t consider their values and personal reward systems with respect to their work and career. Yet this is often where dissatisfaction in career stems from. It is part of the role of career counsellors to help clients understand where their satisfaction is derived...”

— “*The Career Counselor’s Handbook*” by Richard Nelson Bolles and Howard E. Figler (pub Ten Speed Press 1999) ISBN 1580081576

— “*How to Decide What You Want to Do*” by Howard Figler, a set of exercises that can be found at

[http://www.jobweb.com/Resources/Library/Career\\_Pursuit/How\\_to\\_Decide\\_What\\_105\\_01.htm](http://www.jobweb.com/Resources/Library/Career_Pursuit/How_to_Decide_What_105_01.htm)

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