

The Jobs Letter

No. 196

10 November 2003

Essential Information on an Essential Issue

KEY

NOT ENOUGH MONEY FOR
MODERN APPRENTICESHIPS

APPRENTICESHIP GRADUATES
RECOGNISED

FINANCES FORCING MOTHERS
BACK TO WORK

"SHRINKING" SOUTHLAND
SEASONAL WORK

FORESTRY

CHILDCARE

DIARY

3 October 2003

The NZ government should fund, co-ordinate and implement its own Agenda for Children, according to the UN Committee on the Rights of the Child. It also recommends prioritising children in the Budget, and assessing all economic policies on the impact they could have on children and young people.

4 October 2003

United Future MP Judy Turner says NZ'ers need to ask themselves some hard questions about the long-term impact of "raising children by proxy". Turner is responding to New Zealand research that has found that financial pressures are forcing more mothers to return to their jobs while their child is still a baby.

An increasing numbers of Australian women are having children alone, unable to find men who are willing to commit to marriage or the cost of setting up a household. Dr Bob Birrell of Monash University has done a study which found that the proportion of single mothers aged 30 to 34 years who had never been married jumped from 17% in 1986 to 42% in 2001.

- The Industry Training Federation estimates that there are somewhere between 3,600 and 4,300 young people who would like to take up Modern Apprentice training this financial year ... but they will not be able to because the government has **not funded enough training places**.

The Federation believes this calls into question the sustainability of the government's "flagship" trades-based training programme and is concerned that the lack of an adequate funding commitment runs contradictory to the government's promotion of Modern Apprenticeships as a "high prestige training option".

The Federation is asking the government to **reconsider its priorities** when it allocates funding to the tertiary sector in the next Budget. The Tertiary Education Commission (TEC) subsidises an almost unlimited number of enrolments in universities and polytechnics, but has funded a finite 6,500 workplace-based Modern Apprenticeships this year. This is well below the number of people that industry is willing to train, and well below the number of young people wanting to participate in the programme.

Darel Hall of the Industry Training Federation says that the Tertiary Education Commission estimates numbers of Modern Apprenticeships will increase 8% in the 03 – 04 **year**, yet in the 02-03 year the growth of Modern Apprenticeships was an average 15% per **quarter**. Hall: "The immediate issue of sustaining the current momentum of the programme could be solved through allocating another 2,000 Modern Apprenticeships this financial year ... Philosophically and fiscally it is difficult to understand why Modern Apprenticeships should be treated differently to EFTS pathways in terms of government support for student demand."

- The Minister of Tertiary Education Steve Maharey recently announced funding for an extra 500 Modern Apprenticeship places this year. But the Industry Training Federation says this is still woefully too few. Many Industry Training Organisations (ITOs) — with the encouragement of government — have been aggressively promoting Modern Apprenticeships to employers and trainees. Now their credibility is at stake if they are unable to deliver on their promises.

Some ITOs are taking on more Modern Apprentices than they have funding for this year under the assumption they will get increased allocations in the next Budget. But the Federation warns that this is a risky strategy and could pose a real financial threat to ITOs if too many of them go down this route.

- The Dunedin Mayors Taskforce for Jobs has held its inaugural Industry Training Awards evening to **recognise the apprentices** and industry trainees who have qualified during 2003. The awards presentation, the first of its kind in New Zealand, has "graduated" 80 (mainly) young people who achieved their National Certificate in a trade qualification at Level 4 or higher. Many of the apprentices and trainees brought their families to The Dunedin Centre to witness them receive their certificate from Mayor Sukhi Turner.

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5 October 2003

Green MP Sue Bradford renews her call for a universal child benefit. Bradford says a universal child benefit would not substitute for a second family income but would help ease financial pressure for some parents and give them a real choice about staying at home when their children are young.

6 October 2003

NZ First MP Barbara Stewart is seeking a Parliamentary select committee to be set up to inquire into NZ working women's experience. Stewart is concerned at the rising number of NZ women who return to work within six months of giving birth and at the growing number of women who are deciding not to have children at all.

7 October 2003

The Waikato Institute of Technology is offering scholarships to promote trades training. Eighty scholarships worth \$1,000 and twenty scholarships worth \$4,000 will be awarded to people who enroll in engineering, carpentry and joinery, automotive engineering, panel beating, refinishing, body repair, plumbing, gas fitting, roofing, electrical, architecture, welding and machining courses. The scholarships are aimed at graduating high school students, current college students, adult and non-traditional students.

The number of people on Invalids Benefit in Taranaki has increased 37% over the last four years. National MP Katherine Rich asks if Taranaki is suffering from some "mystery epidemic that is forcing people on to the Invalids Benefit?"

Winz regional commissioner Gloria Campbell, in New Plymouth, says the growth in the number of people on the Invalids Benefit is not new and reflects international trends. Campbell says the aging population, the lifting of the retirement age from 60 to 65 years and the provision of mental health care in the community, rather than in institutions, has contributed to the rise. Clients with mental health issues make up the largest group of people on the Invalids Benefit.

NZ hosts the ILO sub-regional forum on Decent Work. Decent work is characterised as work that provides for the health and education of the family which ensures basic security in old age and adversity and respects human rights.

Normally, trade qualifications are simply sent through the mail but Turner says public recognition of the achievements of these young tradespeople is important. She says the Awards evening is a way of re-emphasising the **value of tradespeople** and artisans and promoting the importance of trades training. Turner: "Trades careers are first class careers and people taking them up should be honoured in the same way as those who go to tertiary institutions."

- The Industry Training Awards evening is part of the Mayors Taskforce for Jobs wider drive to **raise awareness** of careers opportunities in the trades. Sukhi Turner says the Taskforce did a survey of Dunedin area secondary schools and found that 70% of the students said they intended to get academic qualifications and become professionals. Turner: "Few students said they wanted to work with their hands, to produce things, to do the very important jobs that support the infrastructure of our society. We're concerned that society has given these young people the message that we have stopped valuing these trade skills, and a result of that is that apprenticeships have gone by the wayside."

Turner decided that something should be done to shift this perception ... and the Dunedin Mayors Taskforce for Jobs declared 2003 as the "Year of the Apprentice". The culmination was the Awards evening. They have also employed a person to promote trades careers in the Dunedin area. Part of their task is to liaise with schools, keep careers advisors informed about trades career opportunities and see that schools have active links with Industry Training Organisations that specialise in trade training for young people.

- Waikato Institute of Technology (Wintec) is to award eighty \$1,000 scholarships and twenty \$4,000 **scholarships in trades** areas that have been identified as having critical skills shortages in the region and throughout New Zealand.

The Wintec Trades and Engineering Scholarships will provide first year annual tuition fees for students to pursue training in the areas of engineering, carpentry and joinery, automotive engineering, panel beating, refinishing, body repair, plumbing, gasfitting, roofing, electrical, architecture, welding and machining. The scholarships are open to graduating high school students, current college students, adult and non-traditional students who are seeking technical training.

Wintec chief executive officer Mark Flowers says the scholarships recognise the urgent industry **need for skilled workers** across the trades as well as the importance of industry and trades training providers to work together. Flowers: "It is ironic that many people are unemployed at the same time as employers can't fill vacancies, but we know that many people looking for work don't have the skills or experience to fill the vacancies available. We are working with our industry partners to address that mis-match."

- The government has launched its first "Job Partnerships with Industry" by signing an agreement with the Hospitality Association. The Partnerships programme aims to get 200 more workers into the hospitality industry within the next year. Minister of Employment Steve Maharey describes the programme as one of the "Jobs Jolt" initiatives and is the **first of several similar agreements** being negotiated with the retail, road transport, tourism, and trades industries.

All the targeted industries have growing demands for labour but have found job seekers are **lacking the skills** to do the jobs. Maharey says each industry will help Winz design and deliver programmes that are

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9 October 2003

The number of job ads is remaining steady according to the ANZ job ads survey. ANZ economist John Bolsover says this is consistent with continued, but slower, employment growth.

In the next few months, more companies intend to hire extra workers than at any time in the past nine years, according to an Institute of Economic Research business opinion survey. The number of employers who intend to hire are at their highest level since September 1994, with the strongest demand being in the service sector.

Foreign fee-paying medical students and overseas trained doctors are successfully winning jobs in NZ hospitals over Kiwi medical graduates, according to a census of medical students. The census also finds that Asians make up 31.4% of all NZ medical students, while Asians make up just 3.4% of the general population.

The Australian unemployment rate remains unchanged at 5.8%.

10 October 2003

Laundry jobs are being threatened at the Masterton hospital. The Wairarapa District Health Board is considering sending its hospital laundry to Palmerston North or Wellington for processing rather than upgrading the local facility.

In an answer to a parliamentary question by ACT MP Muriel Newman, the government acknowledges that there has been a 65% increase of people who have been unemployed for more than four years, since the 1999 election. The numbers have risen from 10,526 to 17,447 people.

Almost half of Australian workers are unhappy or very unhappy with their job, according to the SEEK Survey of Employee Satisfaction and Motivation. Half of Australian workers say they are actively looking for a new job.

11 October 2003

The Ministry of Education expects as many 300 schools to close over the next ten years. Population forecasts indicate NZ will have 70,000 fewer primary school aged children in 15 year's time. The population decline and school closures are expected to hit rural rather than urban areas.

needed to ensure job seekers meet industry-identified skill needs. Maharey: "The solution is obvious: Work with industry to identify the skills those job seekers require, and provide the relevant pre-employment and workplace training... It's the way we want to continue to work with industry in the future."

Hospitality Association chief Bruce Robertson says the Job Partnerships with Industry will work because **industry is driving the training** and work placement components. Robertson: "By entering into a partnership with Work and Income and introducing programmes specific to industry needs, we can achieve objectives for everybody..."

- **Work-Life Balance.** 80% of fathers surveyed online by the Equal Employment Opportunities Trust say they wished they could spend more time with their children. EEO Director Trudie McNaughton says this is in line with international research which shows men want to spend **more time with their children** than their fathers spent with them.

When the survey respondents were asked how they would like their workplace to help them be the sort of father they wanted to be, they most responded with: flexibility of start and finish times, being able to sometimes work from home, and it being okay to take time off during the day when needed. The issue they mentioned most was having access to a phone. While office workers take this for granted, it is a major issue for fathers who work in sectors such as retail and manufacturing and who can't be readily contacted by their children, or their children's caregivers or teachers.

McNaughton: "Men who feel they can't be the sort of father they want to be in their current job are likely to try and find a new employer who will give them more support. Workplaces which are serious about recruiting and retaining the best people need to take men's desire to be good fathers seriously."

- New Zealand **mothers** with children as young as three months old are going **back to work** in escalating numbers, according to Waikato demographer Dr Janet Sceats. Economic hardship is forcing more new mothers to put their babies and toddlers in care so they can return to their job. Sceats says the women simply cannot afford to be out of work — their families need the second income to survive.

While most women returned to work part-time, there is a growing trend towards mothers going back to full-time work. Sceats concludes that student loan debts and the cost of housing are contributing to this. Sceats: "I think we could reach the point where being able to stay at home to look after your children becomes the privilege of the well-off middle class, whereas it used to be the norm."

- The trend towards working mothers has changed considerably in the last generation. Of the women born in the 1940s, 22% returned to work before their child was two years old. But a staggering 64% of women born in the 1970s went back to work before their youngest child had reached the same age. Of these 70s generation mothers, 25% have gone back to work before their child was just **three months old**. Employers are legally required to hold a mother's job open for them for a year, but government paid parental leave (of up to \$256 per week in the hand) is paid for just 12 weeks.

Ministry of Education figures show a sharp rise in the number of under-one-year-olds enrolled in childcare over the last decade. In 1990, 8% of all New Zealand children under one year old were in childcare. By 2001, this had risen to 15%.

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13 October 2003

National MP Katherine Rich says that government figures indicate the number of Maori on the domestic purposes benefit (DPB) has increased by 16% since the government took office in 1999. Rich blames the rise on the government's "softening" of the welfare system, including the scrapping of work-testing of people on the DPB.

The government says that the supposed "growth" in the number of Maori mothers on the DPB is simply due to the fact that Winz has now recorded the ethnicity details of more of the people on that benefit. Since 1999, Winz has updated the records of over 11,000 people on the DPB for whom it previously had no ethnicity recorded, and just under half of that number identified as Maori. Overall, the number of people on the DPB has fallen by about 2,000 since the government took office.

Germany's unemployment rate drops slightly from 10.4% to 10.1%.

In the US, highly skilled white-collar workers are teaming up with organized labour and old-line manufacturers to lobby the American government not to continue to lower tariffs or sign trade pacts with more countries. A *Wall Street Journal/NBC News* poll has found the anti-free-trade stance of some professional groups is following the common assessment by Americans that free-trade is not worth the reciprocal loss of local jobs.

14 October 2003

Air NZ will cut 1,500 jobs over the next four years. Chief executive Ralph Norris estimates that 300 of the job cuts will be compulsory redundancies while the rest will come through attrition. Air NZ has 10,000 staff.

Northland medical officer of health Jonathan Jarman says that meningococcal disease, rheumatic fever and tuberculosis — all commonly regarded as Third World diseases — are significantly more common in the North compared with most other parts of NZ. Jarman tags poverty and overcrowding as the major factors behind these health problems.

- While Dr Sceats' research reveals that more New Zealand women are returning to work sooner after giving birth, she has also found that many women are **opting not to have children** at all. 62% of women who work full-time in professional or managerial jobs have no children. And these women are about five times more likely to have no children than their counterparts in other occupations. Sceats: "What we're seeing in this group of women is probably a conscious decision not to have children because of the difficulty of combining work and family. A lot of women are looking at this and saying thanks but no thanks. It all seems like too much hard work. That has profound implications for society..."

This is all contributing to the fact that our urban **fertility rates are falling**. Fertility rates in Central Auckland and the North Shore have slipped to 1.7 children — and to just 1.4 among Pakeha women — when a figure of 2.1 is nationally considered to be the level needed for population replacement.

- The Impossible Dream: Motherhood and a Career?", by Janet Sceats, published in the *NZ Population Review* 29(1): 155-170, to be released in November 2003.

- Across the Tasman, a leading Australian researcher has been voicing concerns about how labour market changes are effecting men ... and also their ability to start families.

Increasing numbers of Australian men in their prime years do not have full-time jobs, nor do they have wives or children. Sue Richardson, director of the National Institute of Labour Studies at Flinders University in Adelaide, says Australia is re-creating an underclass "of the excluded and the dangerous" not seen since the late 19th century. Richardson points out that back then, large numbers of men were excluded from secure jobs, never got to be fathers (at least actively) and were often considered a menace to society.

Speaking at the Australian Conference of Economists in Canberra, Richardson says labour market changes account for the rise of single or divorced men who were poor marriage prospects. Sizable numbers of men are finding it increasingly difficult to find secure full-time jobs. Particularly affected are those with no post-school education who lost jobs in the declining manufacturing sector. Many of these men are now unemployed or reliant on part-time or casual work.

- Subsequently, many are **forgoing fatherhood**. This year, 35% of Australian men aged 35 to 44 years were not married and didn't have a full-time job. This compares with 20% in 1978. Half the men aged 25 to 34 years have not entered the traditional pathway for this age group: finding a full-time job, marrying and having children. This compares with 30% in 1978.

Richardson: "This is an extraordinary decline. Men of prime parenting age who are married and employed full-time are a threatened species." Richardson points out that Australia's traditional answer to labour market changes has been to offer men unemployment benefits. Richardson: "We ought to be offering them full-time jobs".

- A Coromandel town that is facing the loss of its only licensed all-day childcare centre is a sign of worse to come, according to Sue Thorne, chief executive of the Early Childhood Council. The Whenuakite Country Kids centre in Whitianga is just one example of the "chronic" **shortage of qualified staff** this is hitting central North Island childcare centres. Whenuakite Country Kids has been advertising for qualified

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15 October 2003

Seventy-four percent of immigrants to NZ under the general skills criteria get jobs that match their home-country occupations, according to the Immigration Service.

Inflation in NZ is now 1.5%.

17 October 2003

HSBC Holdings, the world's second-largest bank, announces it will cut 4,000 UK jobs over the next two and a half years as it shifts its call-centre and back-office operations to Asia.

19 October 2003

Ninety-nine percent of the doctors surveyed nationwide in a Wellington School of Medicine poll say that long hospital waiting lists cause stress to the families of patients and that family members often take time off work to care for those waiting treatment.

20 October 2003

Sony Corporation will shed 20,000 of its 160,000 global workforce by early 2006.

21 October 2003

Visitor numbers to NZ have rebounded since the SARS epidemic and are now 4.8% higher than at this time last year.

A report by Massey University researchers Lewis Williams and Mike O'Brien finds that 175,000 people were in debt to Winz, in 2002. The study concludes that inadequate benefits result in many poor families forced to take out Winz loans in form of Special Needs Grants to pay for basics such as food, petrol and clothing. The high cost of bringing up a family, being excluded from mainstream financial services and being blocked out of jobs because of the costs of childcare and transport, are reasons families end up indebted to Winz.

ACT MP Muriel Newman claims that a growing number of doctors are being pressured by unemployed patients to sign assessment forms that entitle them to a Sickness Benefit. Newman: "The dilemma faced by doctors is that if they refuse, the patient, and indeed the whole family, is likely to switch to another doctor who will sign the forms."

staff since June and now, with its only qualified teacher going on maternity leave, the centre looks certain to close, as government regulations require that a qualified supervisor must be on duty while children are present. The next closest all-day licensed alternative is more than an hour's drive away.

Thorne warns that **more centres would close** unless the government takes action. The Education Gazette has about 135 vacancies in childcare centres, most requiring qualified teachers, but Thorne estimates that 800 new teachers with diplomas in early childhood education would be needed to alleviate the staffing crisis, a prospect she sees as extremely unlikely. She says she fields calls every week from centre owners contemplating selling and that unless something is done, childcare centres will fall over "like a pack of dominoes."

- Southland meat workers are concerned that a new multi million-dollar meat works at Awarua could shorten the already tight killing season. Over-capacity at the factory could shorten the killing season to as little as three months, when it used to be as long eight months. This means a **shrinking livelihood** of the local seasonal workers.

It's a trend that is worrying the Council of Trade Unions, and its not confined to the meat industry. CTU economic development co-ordinator Robert Reid points out that virtually every Southland industry had a seasonal aspect to it. This impacts severely on the workers concerned, which in turn effects the overall regional economy.

Reid says out that the milk processing sector of the dairy industry has dealt with the changing seasonal nature of the business in a more worker-friendly way. Employees of the dairy-giant Fonterra are working a system of annualised hours in which the workers are guaranteed wages even if they may not be needed for the total time, and the pay is almost equivalent to earning a salary.

- A joint project group involving the CTU and Venture Southland has been formed to help tackle the issues associated with seasonal and casual work in the region. The project group is investigating whether different seasonal jobs can be combined into the equivalent of a full year's work for local employees.
- **Older people** and solo parents are being **called on to work** in order to help alleviate a looming shortage of workers on Hawke's Bay orchards and packhouses this summer. The region's record low unemployment level has reduced the pool of local labour, and orchardists are expected to struggle to get enough workers for the harvest.

The Fruitgrowers Association is already targeting foreigners to work on Hawke's Bay orchards on a working visa scheme. Labour MP Rick Barker says that to make up for a lack of available local workers, other people in the community may be called upon. Barker says older workers have worked on orchards in the past, and he expects this will continue this summer.

- This last year, the Ministry of Education has paid out about \$1.6 million in **relocation grants** to attract overseas NZ teachers and foreign teachers to take up secondary school teaching positions in NZ. 145 NZ secondary teachers and 292 foreign teachers took advantage of the scheme and have relocated in NZ.
- Minister of Forestry Jim Sutton says large forest owners must work harder to provide **sustained employment** so their skilled workers don't leave the

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22 October 2003

Retiring Australian CEO of Lion Breweries Gordon Cairns says that "what keeps me awake at night" is the gap between executive salaries and workers' pay. The average Australian corporate CEO earns \$72,000/wk or 74 times the average weekly worker earnings.

According to the Association of Australian Shareholders, the public has taken notice of huge executive pay rises since they have moved from the business pages to the front page of newspapers. Association deputy Stephen Matthews: "Remuneration has the potential to become a very divisive issue in our society."

The Board of Australian retailer Coles Myers agrees to raise the performance criteria for which its CEO, before he would get a preferential share option. Two weeks ago, a similar backdown came from the board of Rupert Murdoch's News Corp

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industry. Sutton told a conference of forestry contractors and workers in Rotorua that the boom and bust cycle of the industry has to change. 2,700 forestry workers have either lost their jobs or had their hours reduced since June in what has turned out to be a disastrous year for forestry. Many of the laid-off workers have found other work and are **reluctant to return** to an undependable industry. Sutton would like to see bigger forestry owners aim to maintain stability so that highly skilled people were not lost for good. Sutton: "I don't think people work in the forest as charity, they want a steady job and a well-paying job. That has to be our objective. It's a terrible waste to train people only to lose a huge proportion of them every time there's a downturn."

- Younger New Zealanders are increasingly becoming our biggest worriers, especially about money. The September TOWER/NFO survey on "What Worries New Zealanders" reveals that more than half the people between 18 and 34 years **worry about money**. In particular, they are most concerned about their inability to purchase their own home.

This concern is most strongly felt in Auckland, where 70% of people between 25 and 34 years "frequently" worry about not being able to own their own home. Figures for the same age group in Wellington and Canterbury are 29%. More than a quarter of all young people also worry about their level of household debt.

- TOWER/NFO The survey also revealed that younger generations are less concerned about societal issues than their parents are. People over 50 years are more concerned than younger adults about society becoming less caring, too materialistic and about the increasing gap between the rich and the poor.
- A Christchurch firm has developed an innovative way for job seekers and employers to contact each other over the internet. RealContacts.com is a web-based system, that employs relationship networking software — similar to what is used for dating sites — that **passes information on about jobs** through friends, and friends of friends. You put your information into the system and identify yourself as someone looking for a job, offering work, looking for staff, or just helping out. This is circulated to the people you have nominated, which is your "first level" of contact and these are the only people to see your name attached to your details. Once you get your friends to register on the site, your details are passed on to the people your friends have nominated and so on in ever expanding levels. If any of these people are already registered on the network, you become incorporated into their network and vice versa.

RealContacts.com chief Greg Ryan says he hit on the idea when he realised that the entire staff in one of his businesses came through people **recommended by contacts**. Ryan says he found it scary to contemplate how random finding those people was ... when considering that good people are the key to a successful business. He created RealContacts.com to try to formalise that approach. The RealContacts system is free to job seekers and charges employers 2% of the annual salary for a successful placement.

—The RealContacts system can be found at www.RealContacts.com

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