

The Jobs Letter

No. 215

1 October 2004

Essential Information on an Essential Issue

KEY

MORE MONEY FOR SKILLS
AND TRAINING

MIGRANTS

PRISON AND SOCIAL WORKER
SHORTAGES

PACIFIC WAVE

- The government has announced a new Skills Package to meet the demand for on-the-job training **placements for young people**. In the package, the funding for Modern Apprenticeships has been bumped up by nearly \$9 million over the next four years and the time frame for filling the places shortened. The target for the number of people doing Modern Apprenticeships has increased from 8,000 by June 2006, to 8,500 by June 2005.

The Skills Package also provides a funding boost for **industry training** that should see a further 5,000 industry training places during 2006. It also includes a pilot that will help 250 people who have done Training Opportunities programmes — for unemployed people over 18 with low school qualifications — to get industry specific qualifications.

Minister of Social Development Steve Maharey says industry training and Modern Apprenticeships have proved so successful that demand for both programmes has increased substantially. Maharey: “Part of the skills challenge includes increasing recruitment in industries that have skills shortages. It is now up to industry and employers to step up to the challenge of investing in the skills of their workforce.”

- The Mayors Taskforce for Jobs is encouraged by the new funding for youth training. The Mayors recently met with Steve Maharey (see *Jobs Letter 213*) about further funding for Modern Apprenticeships and executive officer Jan Francis says the announcement shows **significant commitment** to addressing the skill shortages most of our communities are facing.

Francis: “The Skills Package represents a significant achievement and can be seen as a result of a long-term commitment to collaboration with key partners. A number of Mayors have expressed concern about the perceived status and low numbers of school leavers choosing trades as a career option. Many have worked with Apprenticeship Trusts, ITO’s and industry to increase awareness and encourage more apprentices. Some areas have held graduation ceremonies to acknowledge the achievement of industry trainees and apprentices in the same way we do university and polytechnic graduates. These functions have been well attended and extremely successful. Lifting the numbers will ensure that raised expectations will be able to be responded to and positions delivered.”

- The Industry Training Federation believes the Skills Package will sustain economic growth. Chairperson Pieter Burghout: “The money is good news; the show of commitment is great news.”

The Business Council for Sustainable Development says the increases will help **address the skills shortage** faced by businesses. Chief executive Peter Neilson: “Skills shortages are limiting the capacity of one in five New Zealand businesses while one in ten young people are out of work or training. Businesses are missing out on the tremendous energy, skills and perspective that young people can offer but training

DIARY

16 September 2004

Job ads continued to rise in August. The ANZ survey says that high job advertising levels indicate further employment growth.

In a rare mention of the social causes of terrorism, Russian President Vladimir Putin hints that high levels of unemployment and poor health in Chechnya were to blame. Putin: “The root lies in unemployment, in insufficiently effective socio-economic policy, and insufficient education ... The district’s unemployment rate is several times higher than Russia’s average ... All of this provides fertile soil for extremism to grow.”

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17 September 2004

Ninety-six new customs officers are to be taken on in Auckland and nine in Christchurch as part of this year's \$5.75 million extra spending on border control.

The Swedish government plans a campaign to educate Swedes about when they can take state-funded sick leave. Sick leave and absenteeism has doubled over the last two years, weakening the Swedish economy. A survey of Swedes found that 65% believed they could go on sick leave if they felt stressed at work and 41% thought a conflict with their boss or workmates was a good enough reason to stay off work.

18 September 2004

In the UK, women are increasingly claiming "incapacity benefits" and some say it is an alarming sign of the growing stress on female workers. The *Guardian Weekly* says the figures show that the traditional stereotype of incapacity benefit claimants – older men invalidated out of manual jobs – is out of date.

A *Time* magazine survey finds that nearly two-thirds of Americans believe that if a person loses their job, their next job would pay less than the one they lost. Just one-third of Americans feel it is a good time to be looking for a new job.

is absolutely vital and 1,000 extra apprenticeships will help bridge this skills gap."

- National MP Bill English argues, however, that the government is concentrating on increasing numbers while those coming out of the apprenticeship programmes are **still under-skilled**. English cites a letter written this year by Youth Skills NZ to polytechnics that says up until 1997 New Zealand apprentices had been ranked in the top third of the world, but this was no longer the case. It says in the building sector, the lack of primary skills and competencies was the big issue. Apprentices were being trained on equipment used in manufacturing, but not the traditional skills required to create a "craftsman".

Bill English: "This suggests that either training standards in New Zealand are slipping or our training outcomes are not keeping pace with the rest of the world. If Labour is serious about addressing the skills shortage we are facing, they should focus on improving skills, not just churn out 1,000 extra substandard apprentices."

- The Council of Trade Unions (CTU) calls for **still more cash** to be put into skills training, given the concerns that have been raised that New Zealand apprentices are not up to standard. Secretary Carol Beaumont says the Skills Package funding would help tackle the skills shortage, but there would need to be ongoing increases in Budget allocations for industry training if New Zealand is to meet the needs of a high-wage, high-skill economy.
- Steve Maharey says that more **migrants should be hired** to combat our tight labour market. Talking to a special immigrant engineers group of the Institute of Professional Engineers, Maharey says businesses were not yet using migrants to plug skills shortages but recent figures show that this trend may be changing.

A Statistics New Zealand report based on the 2001 Census found that regardless of qualifications, immigrants here for 10 years or longer had a lower unemployment rate than New Zealand-born workers. Of migrants who arrived during the 1990s, 70% with bachelor degrees now work in professional, technical and managerial positions. That figure rose to 82% for immigrants with higher qualifications.

Maharey: "For most migrants, unemployment or under-employment is only transitional — in the long term, migrants have a lower unemployment rate than New Zealand-born workers. The government has taken steps to support migrant employment, including developing a network of migrant resource services and providing English language training."

- But New Zealand's lack of drive in making working conditions attractive and future residency opportunities dependable is **detering skilled overseas workers** from seeking jobs here, according to immigration consultants. Access Immigration director Judy Klosser says the change to the skilled migrant category in December last year created difficulties. She suspects that case managers are applying the 1999 NZ Standard Classification of Occupations to determine skilled professions and required work experience. Applying these criteria meant more migrants were only offered the opportunity of shorter-term work permits and were not considered for residency. Klosser: "Workers coming to New Zealand with their families want to know that they will be able to settle permanently after three years. Anything else is a big ask."

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19 September 2004

The Australian-owned Westpac Bank is planning to return more "back office" processing functions to NZ, to take advantage of low NZ wages. Westpac NZ spokesperson Paul Gregory is not saying how many jobs may shift, and says the move would take two or three years.

The IT sector in the United States shed 403,300 jobs between May 2001 and April 2004, according to the University of Illinois-Chicago. The market for US tech workers dropped 18.8% over the period.

District Health Boards have vacancies for 656 nurses, about 4% of the workforce. The Nurses Organisation maintains the public health system is short of 2,000 nurses.

20 September 2004

Small and medium-sized enterprises (SMEs) make up 97% of NZ enterprises, and 86% of these employ five or fewer staff. SMEs employ 645,000 or 42% of NZ's full-time equivalent workforce.

Working conditions are another consideration for migrating skilled workers. Foreign doctors, for example, are still not finding New Zealand a destination of choice. The comparably low pay scales are a factor, but the Association of Salaried Medical Specialists says New Zealand also falls far behind as regards professional support and education. Director Ian Powell: "There's very little done proactively to compensate, such as sabbaticals or the possibility for doctors to work in different units for some time. This leads to difficulties in recruiting." Although New Zealand enjoys a reputation of being a safe, politically stable, clean and friendly country, skilled workers are highly mobile, and New Zealand cities are competing for skilled workers with the likes of Sydney, Melbourne and Singapore.

- A staffing shortage is forcing prison administrators to try to **recruit staff overseas** and could undermine plans for new prisons, as well as increase the number of inmates staying in police and court cells. Figures issued by the Department of Corrections show there are 230 vacancies for prison officers — more than 10% of the workforce. The figures also show the number of inmates rose by 9% in the past six months, but the number of prison officers rose by only 1%.

Corrections Minister Paul Swain says the department will run a recruitment campaigns in New Zealand and overseas. A previous NZ campaign attracted about 50 new officers.

- New Zealand is in **urgent need** of some 500 **social workers** and the situation is set to worsen. A report commissioned by Child Youth and Families (CYF) predicts "a very bleak period of skill shortage by 2011".

Nearly half the social workers in New Zealand are aged 45 or older and there are **not enough younger people** entering the profession. Tertiary training providers are having trouble recruiting students. CYF's Derek Howell says recruiting was "very hard going" this year.

The sector is not only short of numbers, but of skills as well. Just 19% of New Zealand social workers have degree-level qualifications, and most of these are not doing hands-on social work.

The shortage of social workers will be exacerbated as the proportion of elderly people in the population increases, which will put increasing demands for social work services. And intense competition for social workers is predicted to erupt between employers as the skills shortage worsens.

- The number of **foreign-trained teachers** taking up the Minister of Education's offer of a lump-sum relocation payment to teach in New Zealand is increasing. 459 foreign teachers took up the \$3,000 grant offer last year, up from 360 the year before. Most came from England, Australia, Canada or South Africa and most are working in secondary schools.

Enticing New Zealand teachers living overseas to **return home** has also been successful. 392 New Zealanders accepted the \$5,000 grants on offer to return to New Zealand to teach, up from 350 the previous year. Most of the NZ teachers were returning from England, Japan or Australia.

The relocation grant scheme has been criticised by some for rewarding people who left for high-paying overseas teaching jobs, while those left behind missed out. But the Ministry of Education argues that the scheme has been successful in helping schools fill vacancies.

- More than 60 New Zealand employers, confronted with skills shortages, are travelling to **London to recruit** staff this month. Employers setting up stalls at the Opportunities New Zealand Expo include several district health boards and district councils, Fulton Hogan, Vector, Fisher & Paykel,

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21 September 2004

The net number of permanent migrant arrivals fell 53% in the year to the end of August, down to 19,290.

Australian Prime Minister John Howard proposes to provide new apprentices with an \$800 grant to spend on tool kits or other work-related expenses. The measure is aimed at new apprentices who are training in areas identified as having skill shortages. These include carpentry, catering, hairdressing, metals, construction and automotive fields.

Outsourcing giant EDS plans to cut up to 20,000 jobs. The announcement has been interpreted as affecting North American staff, but some NZ jobs may go as well.

22 September 2004

An Australia forestry company hires 25 NZ'ers to counter a critical shortage of skilled timber harvesters. As plantations mature around Albany, Western Australia, the NZ workers bring experience with harvesting equipment unavailable in the local workforce.

A new \$41 million scholarship programme is aimed at supporting people on low incomes to become qualified teachers. Minister of Education Trevor Mallard says that financial barriers appeared to be stopping unqualified early childhood teachers from entering teacher programmes. Under the scheme, teachers will be able to do their training part-time, while continuing to work.

Scientific & Technical Recruitment Ltd, Connell Wagner Engineers, TransitNZ and Venture Southland. All are aiming to attract skilled New Zealanders to return home to work or to recruit newcomers. Expo director Scott Mathieson says the New Zealand Immigration Service will have the biggest stand and will be assisting employers with immigration issues so suitable, skilled people can migrate.

Opportunities NZ Expo veteran Shawn Gilhooley, of Positively Wellington, says it is the New Zealand **lifestyle** that appeals to people in London more than anything. She says this was the main driver behind the 25 families who successfully immigrated to the Wellington region after last year's expo.

— The website for the Opportunities New Zealand Expo can be found at: www.smallworldmedia.co.nz/

- Allowing **semi-skilled workers** from Southeast Asia **to plug gaps** in the New Zealand construction industry is being suggested by ASEAN secretary-general Ong Keng Yong. Ong says ASEAN countries have an excess of labour and he wants this topic on the agenda when talks on a free trade deal between ASEAN and New Zealand and Australia begin next year. A spokeswoman for Trade Negotiations Minister Jim Sutton says the suggestion is “interesting”, but points out negotiations have not yet formally started.

Council of Trade Unions president Ross Wilson says the CTU would be very concerned if the issue arose in the trade talks. Wilson: “We’ve got hundreds of New Zealand construction workers in Sydney attracted by higher wages — we are trying to build wages up, not import more low-cost workers. The CTU is not absolutely opposed to bringing in immigrant labour, but not at expense of New Zealand jobs and industries.”

- The **intentions** of New Zealand employers **to hire staff** remains substantially higher than in most other countries. The Manpower Employment Survey (July-September 2004) found that of 527 employers New Zealand employers sampled, 30% said they expected to hire more people during the period. This was a decline from 39% planning to add staff the previous quarter but when compared to other countries for which there is similar data, New Zealand employer's hiring intentions are still high. Hiring intentions in the US were 24%, Australia 17%, the UK 14%. Lowest in the survey was German employers with 4% of employers planning on **reducing** their workforce.

—*Manpower Employment Survey* for July-September 2004, published by Manpower New Zealand Pty Ltd, (PDF 748kb, 16 pages) from www.manpower.co.nz/files/1/149032%20NewZeal%20amended%20full%20report%201-6-04.pdf

- The number of Pacific People on the **unemployment** benefit has **dropped by 35.8%** over the last year. Associate Minister of Social Development Taito Phillip Field is delighted with the fall and he credits the difference to the Pacific Wave strategy which Winz implemented a year ago. Field says he had been frustrated with Pacific unemployment because many Pacific People lived in urban areas where there were opportunities and their unemployment figures had not significantly shifted during other economic upturns.

Winz' manager Losa McAlpine says the Pacific Wave strategy sees specialised case managers, who are generally Pacific People themselves, work with Pacific clients. In some cases case managers visit schools to try to prevent Pacific students from starting on a benefit, and they follow-up work placements to improve job retention rates.

- New Zealand and Australian managers do not trust their employees to **work away from the office** and are denying them the opportunity to work

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22 September 2004

In Western Australia, a forestry company hires nine NZ families to counter a critical shortage of skilled timber harvesters. The NZ'ers' move across the Tasman is designed to forestall the shortage of timber workers in Albany, Western Australia until locals can be trained to handle harvesting equipment. A total of 25 NZ'ers, primarily from the Rotorua area, will move to Australia as part of the arrangement.

A new \$41million scholarship programme is aimed at supporting people on low incomes to become qualified teachers. Minister of Education Trevor Mallard says that financial barriers appeared to be stopping unqualified early childhood teachers from entering teacher programmes. Mallard: "Under the scheme, they will be able to do their training part-time, while continuing to work."

flexibly, according to *Mobility and Mistrust*, commissioned by Toshiba (Australia) Pty Ltd. The report says that mistrust and rivalry between co-workers regarding flexible working conditions is also rife, with those who work away from the office subject to criticism and "corridor gossip" from their colleagues.

Only one-third of organisations currently offer flexible working and many do not have a clear understanding of the benefits available to the business. According to the report, this lack of uptake and the high levels of mistrust are due to ignorance of the management practices and culture necessary for monitoring and motivating a flexible workforce. The report found that:

- more than half of respondents think managers are less trusting of flexible workers and nearly three-quarters think employees disapprove of colleagues who sometimes work away from the office;
- most managers in non-flexible workplaces would be unlikely to allow flexible work, even though nearly half of employees say they would like to;
- a main obstacle to flexible working conditions is the perceived difficulty in monitoring and supervising employees, indicating scope for greater use of performance rather than attendance-based evaluation techniques;
- most organisations do not have policies to support flexible working.

James Cowley, independent academic and adviser on the report, says that flexible working **offers up to six times** the level of return through the cost savings associated with less overheads, technology and recruitment and training costs. He says companies are locked into a Victorian-era mind set. Crowley: "What we have is millions of people being moved every day into little boxes. Organising people's lives so that they can get to work on time in an era where we have emails is ludicrous. Managers struggle with not seeing their workers and they've got to get over it because, in an era where turnover rates are high, they need to offer satisfactory working conditions to attract and keep their knowledge workers."

- People caring for the elderly and disabled are **underpaid and often lack the training** they need to provide good, safe services, according to a report commissioned by the Ministry of Health. Auckland University researchers surveyed agencies throughout New Zealand and found that care providers, especially those who arrange care for people in their own homes, are struggling to attract and keep workers because of low wages and the low status of the job.

Many care providers are unable to train their workers to a satisfactory level, mostly because of funding constraints, high turnover, and poor training readiness in the workers. They rely heavily on part-time workers (fixed hours but less than full-time) and casual workers (employed as needed, with no fixed hours), particularly in the home-based sector. This was partly a result of the workers' preference for part-time work, and partly due to funding constraints. Very few home-based providers guaranteed hours of work for their workers.

The report's co-author Matthew Parsons: "These are people who are playing a very crucial role, often with inadequate training and very low status." This is at a time when New Zealand is expecting a 240% increase in people aged over 85 years in the next 10 years.

—Disability Support Services in New Zealand: Part II, Provider Survey, September 2004, published by the Ministry of Health, can be downloaded (PDF, 72pg, 2.09mb) from [www.moh.govt.nz/moh.nsf/0/6721EC9398CC50D9CC256F070015E3B2/\\$File/providerpart2.pdf](http://www.moh.govt.nz/moh.nsf/0/6721EC9398CC50D9CC256F070015E3B2/$File/providerpart2.pdf)

- Evaluations of programmes run by the Project K Trust show they are working well **to keep 13 to 15-year-olds in school** and to improve their attitudes and behaviour in both the home and school environments.

The in-house evaluations were designed with the help of staff from Massey

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26 September 2004

The demand for specialist software developers by Australia's Commonwealth Bank threatens to empty the labour market of skilled talent. The bank has hired about 160 experienced developers in the last few months.

University. They show that a significantly higher number of Project K students (91%) were in education at the end of the programme than in a control group of students (66%). Project K students also show major positive changes in attitudes and behaviour towards home, effort at school and relationships with friends and teachers.

The Project K process was developed in 1995 by prominent mountaineer Graeme Dingle and his partner Jo-Anne Wilkinson in consultation with leading educationalists and youth workers. The unique Project K process is aimed at Year 10 (fourth form) students and usually involves a wilderness adventure which provides the backdrop for students to learn goal setting, teamwork, perseverance, self-reliance and self-knowledge.

This is followed by a **community challenge**, where students adapt the lessons learned in the wilderness to their local community and are challenged to explore the resources, opportunities and support available in their own areas. They are encouraged to pursue stronger links with their community by meeting with local figures and visiting organisations such as the council, emergency services and marae. They also undertake a project to "give something back to the community".

Towards the end of this stage, students set academic, health and fitness and personal goals to achieve for themselves within 12 months, and each student is then paired with a trained mentor for a year.

— Project K programmes are now run in schools in 11 areas in New Zealand. For more information contact www.projectk.org.nz

- Three **research reports** funded by the Department of Labour's Future of Work Contestable Research Fund have been released and can be downloaded from www.dol.govt.nz/futureofwork

— *Combining Work and Elder-care: a study of employees in two city councils who provide informal care for older people*, 9 September 2004, published by the Department of Labour, (PDF 408kb, 53 pages). This looks at Wellington and Christchurch city council staff members who also care for elders. It finds their employers generally to be sympathetic and willing to offer flexible employment conditions, but some managers or workmates didn't appreciate the situation the staff were in.

— *NZ Accommodation Providers: Impact of Technology on Labour*, 9 September 2004, published by the Department of Labour, (PDF 615kb, 93 pages). This report finds that the accommodation sector is becoming increasingly reliant on technology, particularly as on-line information and bookings gain popularity. The demand for skilled and experienced workers is outstripping supply and there appears to be a mismatch between the labour needs of accommodation businesses and new workers coming out of tertiary and other government-based training providers.

— *Aspirations of rurally disadvantaged Maori Youth for their transition from secondary school to further education or training and work*, 9 September 2004, published by the Department of Labour (PDF, 40kb, 53 pages). This is a case study of one community in the upper Waikato, investigating the aspirations towards education, training programmes, paid work and career amongst rural Maori youth. While the young people seemed positive about their future, they seemed to lack adequate information about training options and financial assistance available to them.

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