

The Jobs Letter

No. 243

5 December 2005

Essential Information on an Essential Issue

KEY

3.4% UNEMPLOYMENT

BRIEFING TO NEW MINISTER

CPAG'S LEGAL CHALLENGES
TO WORKING FOR FAMILIES

MAYORS WANT YOUNG
PEOPLE CONNECTED

STATISTICS THAT MATTER

WHO GOT THE JOBS?

- The New Zealand unemployment rate has **fallen to 3.4%**, a record low in the 19 years since the Household Labour Force Survey began. Figures compiled by the NZ Institute of Economic Research economic indicate that unemployment hasn't been this low since 1982.

New Zealand now has, by far, the **lowest unemployment** rate in the OECD with South Korea having the next lowest rate of 4.1%. Unemployment in OECD countries is averaging 6.5%.

ANZ National Bank chief economist John McDermott calls the result "an absolute monster" and indicates the economic slowdown people have been anticipating has not arrived.

Minister of Social Development and Employment David Benson-Pope says the figures send a strong **message to employers**: "If they want to attract and retain good staff there is real value in them improving wage levels, investing in child care and offering employees greater flexibility around work hours."

The Employers and Manufacturers Association agrees that the employment market is getting tighter and tighter. Chief executive Alasdair Thompson says that improving skill levels in the existing workforce is one way to ease labour shortages, but he also **calls for more immigrants** to ease the situation. Thompson: "We need to have a well-defined, stable immigration policy that meets employers' needs."

Council of Trade Unions secretary Carol Beaumont points out there are still 73,000 New Zealanders unemployed, and even more potential workers — such as mothers who are not counted in the workforce figures. Beaumont says there are "a range of opportunities that need to come into play" before looking at increasing immigration.

Deutsche Bank senior economist Darren Gibbs believes that a still lower level of unemployment is a possibility. Gibbs: "There's a lot of momentum there, we could push down as low as 3% in the next six months."

- We include our regular *Statistics That Matter* summary in this issue of *The Jobs Letter*. Some highlights:
 - the drop in unemployment is a result of a growth in jobs, with 26,000 more people getting jobs over the quarter
 - underemployment has fallen sharply, with the proportion of part-time workers who would prefer to work more hours at the lowest rate since 1990 (14.5%)
 - most of the new jobs over the last year have been full-time and in the service, construction, wholesale and retail sectors
 - Maori unemployment has risen slightly to 8.9%.
 - Household Labour Force Survey, 10 November 2005, published by the Department of Labour can be found at www.stats.govt.nz/default.htm

DIARY

31 October 2005

Scotland's construction sector is struggling to find the skilled workers it needs to build the country's next generation of schools, hospitals, offices and roads. *Scotsman.com* says active recruitment outside the country has been seen an influx of eastern European and Spanish workers on Scottish construction sites.

4 November 2005

One in 12 people in Australia who have taken a genetic test to see if they are susceptible to cancer or neurodegenerative disease believe they have been discriminated against by employers or insurance companies. The Genetic Discrimination Project is attempting to document the extent of genetic discrimination in employment in Australia.

The Jobs Letter — Essential Information and Media Watch on Jobs, Employment, Unemployment, the Future of Work, and related Education and Economic issues. It is published every 2-3 weeks,

and is freely available on our website at www.jobslatter.org.nz. We will email you if you want to be notified of the latest issue, or sent the full letter (in PDF format). Paper, posted subscriptions are available at \$79 (incl GST, per annum).

The Jobs Letter

DIARY

9 November 2005

The police look likely to recruit up to 800 Maori in a bid to stem high Maori offending. Currently 12% of the police force identify as Maori and Deputy Police Commissioner Steve Long says that proportion needs to be increased to 15% - 20%.

The Australian economy lost 60,800 full-time jobs in October, lifting the unemployment rate to 5.2%.

10 November 2005

The ILO congratulates the Summit of the Americas for making the creation of decent jobs a central policy goal for the region. The 34 Heads of State agreed on a Declaration and Plan of Action to put active policies into place that create decent work. Director-General Juan Somavia: "Until very recently, such a result would have been unthinkable, but now decent work and quality employment have become a priority as they form the basis for fighting poverty and improving governance in those countries."

12 November 2005

Few businesses are likely to have insurance cover for interruption to their operation if a bird flu pandemic hits NZ. The Insurance Council says most insurance policies have an "opt out" clause for such events. The Council predicts that companies who are cashflow dependent would have a lot of trouble if bird flu reaches NZ.

13 November 2005

As the university year concludes, there are 30,000 tertiary students now available for work. Student Job Search national chairperson Andrew Kirten encourages employers who are struggling to fill orders or meet client demands to use their service. Kirten says tertiary students on summer leave tend to be affordable and easily accessible through Student Jobs Search. Employers can place job vacancies by calling any local branch or visiting the website at www.sjs.co.nz

Lifting labour productivity is the key to NZ's future economic growth, according to the New Zealand Institute. *No country is an island: moving the New Zealand economy forward by taking it to the world*, can be downloaded from www.nzinstitute.org

Westpac Bank sends an executive delegation to India to investigate further potential to outsource jobs to that country.

- The new Minister of Social Development and Employment David Benson-Pope has described his briefing document from the Ministry of Social Development (MSD) as a "social encyclopaedia". The document provides a broad **picture of social development** in New Zealand and outlines what the Ministry sees are the priorities and best courses of action for the incoming government.

The briefing papers accentuate what MSD sees as its success with "active approaches" to helping beneficiaries into work that it believes has contributed to the reduction in the unemployment rate. Active approaches include encouragement, planning and incentives to get people "moving in the right direction" and addressing barriers to employment such as a lack of childcare or health problems. The Ministry maintains that active approaches have proved to be more effective in getting results than simply paying out a benefit.

MSD also points out that with the lower unemployment level, Work & Income is facing greater **challenges in placing beneficiaries** into jobs. The briefing: "People receiving benefits are more likely to be difficult to place in employment. Those with low levels of skills, people from a minority ethnic background, young people, mature workers, people with health problems, people with disabilities, sole parents and immigrants face greater barriers to sustainable employment."

The **MSD** briefing sees the government's most important cross-sectoral **priorities** are to:

- improve educational achievement among low socio-economic groups
- increase opportunities for people to participate in sustainable employment
- promote healthy eating and healthy activity
- reduce tobacco use, and alcohol and other drug abuse
- prevent family violence, and abuse and neglect of children and older persons.

MSD asks the government to confirm its commitment to this list of priorities as a focus for the broad social sector, or consider other priorities in relation to this list.

- Green Party MP Sue Bradford warns that if the government accepts the direction laid-out by the MSD briefing papers it will be steered off the moderate course that was characterised by former Minister Steve Maharey. Her concerns: the Ministry has recommended that "assessments of functional impairment and employment capacity" of people on sickness and invalid benefits "accords better with the system operated for injury accidents by the Accident Compensation Corporation." Bradford **disputes** the wisdom of changing to **the ACC approach**, saying ACC claimants around the country have found their lives have been reduced by a system that focuses on getting them off income-related compensation as soon as possible, rather than seeing they are fully rehabilitated and into the real work they are ready and able to do. Bradford: "I am sure one of the reasons for the rise in invalids and sickness beneficiaries is the push to get people off ACC and into the benefit system. Clearly, this effort is now moving into the next phase."
- The MSD briefing papers also recommend that "consideration should be given to a part-time work test for sole parents." Bradford points out this is a direct reversal of Labour's current policy, which focuses on helping sole parent beneficiaries to plan for their future without threatening them with a forced return to full-time paid work.

ONE IN TWENTYSEVEN PEOPLE OFFICIALLY UNEMPLOYED IN NZ

OFFICIAL NUMBER OF UNEMPLOYED IN NZ

Sept 2005

73,000

Seasonally Adjusted

OFFICIAL RATE OF UNEMPLOYED

Sept 2005

3.4%

OR ONE IN 27 PEOPLE
Seasonally Adjusted

DROP IN NUMBER OF UNEMPLOYED IN LAST THREE MONTHS

June 2005—Sept 2005

5,000

DROP IN LAST YEAR

Sept 2004—Sept 2005

7,000

Seasonally Adjusted

PEOPLE REGISTERED AS JOBSEEKERS WITH MINISTRY OF SOCIAL DEVELOPMENT

(Formerly WINZ)

Sept 2005

83,713

UNDEREMPLOYED

Sept 2005

67,300

(workers who are employed part time but would prefer to work more hours)

GLOBAL

SPAIN	9.4%
FRANCE	9.6%
GERMANY	9.6%
ITALY	7.7%
CANADA	6.8%
OECD Average	6.5%
UNITED STATES	4.9%
AUSTRALIA	5.0%
JAPAN	4.3%
BRITAIN	4.6%
NEW ZEALAND	3.4%

STATISTICS THAT MATTER

OFFICIALLY UNEMPLOYED

The official unemployed rates are an internationally recognised figure for unemployment based on the Household Labour Force Survey run by Statistics New Zealand. These are the latest figures for September 2005.

NORTHLAND	4.9%	or one in 20 people
AUCKLAND	2.8%	or one in 36 people
WAIKATO	3.6%	or one in 28 people
BAY OF PLENTY	3.8%	or one in 26 people
GISBORNE-HAWKES BAY	6.0%	or one in 17 people
TARANAKI	3.6%	or one in 28 people
WANGANUI-MANAWATU	4.7%	or one in 21 people
WELLINGTON	2.8%	or one in 36 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	2.9%	or one in 34 people
CANTERBURY	2.7%	or one in 37 people
OTAGO	3.1%	or one in 32 people
SOUTHLAND	1.9%	or one in 53 people

EMPLOYED

NUMBER OF PEOPLE IN JOBS IN NZ 2,093,000

Sept 2005 Seasonally Adjusted

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS

June 2005—Sept 2005

26,000

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR

Sept 2004—Sept 2005

71,000

SECTORS WITH A RISE IN EMPLOYMENT IN THE LAST YEAR

AGRICULTURE, FORESTRY AND FISHING, MANUFACTURING, CONSTRUCTION, WHOLESALE & RETAIL TRADE, HEALTH & COMMUNITY SERVICES, OTHER.

SECTORS WITH A DROP IN EMPLOYMENT IN THE LAST YEAR

TRANSPORT, STORAGE & COMMUNICATION, BUSINESS & FINANCIAL, EDUCATION, .

FULL-TIME and PART-TIME

of the "Employed" statistics

	FULL -TIME	PART-TIME
MEN	1,001,500(89%)	121,100 (11%)
WOMEN	620,600(64%)	343,200 (36%)
TOTAL	1,622,100	464,200
OVERALL %	78%	22%

GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 57,900

GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 13,900

REGIONS

REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS

June 2005—Sept 2005

NORTHLAND
AUCKLAND
WAIKATO
WELLINGTON
OTAGO
SOUTHLAND

REGIONS WITH A RISE IN UNEMPLOYMENT

BAY OF PLENTY
GISBORNE-HAWKES BAY
TARANAKI
WANGANUI / MANAWATU
NELSON / MARLBOROUGH /
TASMAN / WEST COAST
CANTERBURY

A SPECIAL SUPPLEMENT TO

THE JOBS LETTER

5 DECEMBER 2005

ONE IN SEVENTEEN PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF JOBLESS IN NZ
Sept 2005
132,200

OFFICIAL RATE OF JOBLESS
Sept 2005
6.0%
OR ONE IN 17 PEOPLE

DROP IN NUMBER OF JOBLESS IN LAST THREE MONTHS
June 2005—Sept 2005
9,100

DROP IN NUMBER OF JOBLESS IN LAST YEAR
Sept 2004—Sept 2005
14,300

THE JOBLESS FIGURES

According to Statistics NZ, the difference between the official "unemployment" figures and the "jobless" figures is that many of the people on the jobless measurement are available for work, but not actively seeking it.

The reasons for not actively seeking work range from people being discouraged because they lack the skills needed, or were the wrong age, or that the right work was not available in their area, or they were only looking for jobs in the newspaper. This measurement also includes those actively seeking work but not yet available for it.

A SPECIAL SUPPLEMENT TO

THE JOBS LETTER

5 DECEMBER 2005

OFFICIALLY JOBLESS

"Those Without a Job and Wanting a Job"

These are the statistics that are more commonly used by community workers and employment activists in New Zealand because they more accurately reflect the people who are their concern or clients. These "Jobless" figures are also based on the Household Labour Force Survey run by Statistics New Zealand, but include a wider definition of unemployment, usually referred to as "those without a job and wanting a job" ... (see note in side panel).

NORTHLAND	8.3%	.....	or one in 12 people
AUCKLAND	5.3%	.....	or one in 19 people
WAIKATO	5.5%	.....	or one in 18 people
BAY OF PLENTY	6.8%	.....	or one in 15 people
GISBORNE-HAWKES BAY	10.3%	.....	or one in 10 people
TARANAKI	6.2%	.....	or one in 16 people
WANGANUI-MANAWATU	7.2%	.....	or one in 14 people
WELLINGTON	5.0%	.....	or one in 20 people
NELSON-MARLBOROUGH			
TASMAN-WEST COAST	5.2%	.....	or one in 19 people
CANTERBURY	5.3%	.....	or one in 19 people
OTAGO	8.1%	.....	or one in 12 people
SOUTHLAND	5.4%	.....	or one in 19 people

AGE and LONG-TERM

YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS	12.4%
<i>Sept 2005 one-in-8 young people</i>	
MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS	1.7%
<i>Sept 2005 one-in-59 mature people</i>	
LONG-TERM UNEMPLOYED (OVER 6 MONTHS)	8,800
<i>Sept 2005 13% or one-in-8 of the unemployed</i>	
LONGER-TERM UNEMPLOYED (OVER 2 YEARS)	1,600
<i>Sept 2005 2% or one-in-44 of the unemployed</i>	
VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS)	1,000
<i>Sept 2005 Figure too small for accurate estimate</i>	

THE SCHEMES

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

TASKFORCE GREEN	256
JOB PLUS	2,380
JOB PLUS MAORI	26
JOB CONNECTION	194
ENTERPRISE ALLOWANCE	23
ENTERPRISE ALLOWANCE WITH CAPITALISATION	197
TRAINING OPPORTUNITY SCHEME (TOPS)	7,652
YOUTH TRAINING (T.E.C.)	5,263
LIMITED SERVICE VOLUNTEERS (ARMY)	120
CONSERVATION CORPS	608
YOUTH SERVICE CORPS	92
ACTIVITY IN THE COMMUNITY (still counted as unemployed)	296

PARTICIPATION

LABOUR FORCE PARTICIPATION RATE
Sept 2005
Seasonally Adjusted
68.2%
up from 67% last year

RACE

MAORI RATE OF UNEMPLOYMENT
Sept 2005
9.1%
OR ONE IN 11 PEOPLE

PACIFIC ISLAND RATE OF UNEMPLOYMENT
Sept 2005
5.0%
OR ONE IN 20 PEOPLE

NZ EUROPEAN RATE OF UNEMPLOYMENT
Sept 2005
2.2%
OR ONE IN 45 PEOPLE

The Jobs Letter

DIARY

14 November 2005

Unemployment is acknowledged as Germany's biggest problem as the country's two largest political parties join together to form a government.

Farming sector training provider Tectra is offering shearer training and woolhandling courses in Southland. Training co-ordinator Peter Nichol says an aging workforce and staff shortages is hitting the industry hard and the courses are intended to encourage young people into the industry.

Hundreds of thousands of Australian workers rally in vocal but peaceful demonstrations across the country in protest of proposed changes to workplace legislation. The changes proposed by the Howard government include requiring more workers to sign individual contracts, replacing state-based workplace rules with nationwide rules, scrapping unfair dismissal laws for smaller firms and in many cases allowing employers not to recognise a worker's union.

Telstra, Australia's largest telecommunications company may cut as many as 12,000 jobs over the next five years.

15 November 2005

Finance Minister Michael Cullen rules out intervening in Air NZ's decision to lay-off 600 engineering staff. The government has an 82% stake in the airline.

NZ First Party deputy leader Peter Brown seeks an assurance from government that it will remove "aircraft engineer" from the list of immigration skills shortages if Air NZ goes through with its announced aircraft engineer redundancies.

16 November 2005

NZ may have insufficient natural gas for electricity production by as early as 2010, according to briefing papers from the Ministry of Economic Development. The briefing papers say NZ must find new reserves of natural gas within the next two to three years or it is likely to have to import liquefied natural gas as an alternative.

Super-rich people in NZ make about 25 times the amount of money the average NZers makes.

Benson-Pope says he is unlikely to support the MSD recommendation. But he is considering providing additional payments for people with health or disability issues on benefits who have moved into work. There is a growing number of people on sickness and invalids benefits and Benson-Pope says he is eager to turn this around by offering **incentives to get people into work**. He says a lot of people who want to move into work are penalised at the moment and he aims to make that transition easier.

—*Briefing to the incoming Minister*, 14 September 2005, published by MSD, 0-478-18328-3 can be downloaded (89pg, 745Kb) from www.msd.govt.nz/publications/briefing-papers.html#2005

- The Ministry of Social Development briefing papers also warn that the **brain drain** is likely to worsen as New Zealand's "smart, healthy and skilled" workers are increasingly snapped up by employers overseas. Increased globalisation and ageing populations across OECD nations mean New Zealand's ability to attract and retain its own skilled people will be a "significant issue" in coming years.

ASB Bank chief economist Anthony Byett comments that global trends in worker mobility would keep New Zealand's labour market stretched and much more needs to be done to **improve the lot of workers** in New Zealand. But he says that the comparatively low wages in New Zealand are not likely to rise without increased productivity. This means providing good working environments for people and putting the latest technology in the workplace. Byett also points out that competing in the global labour pool means New Zealand needs to ensure it has good schools and preschool education, good support for babies and good healthcare for families. Byett: "If people believe they're better off raising their children in New Zealand than London, Sydney or Paris, they will accept a lower wage."

Canterbury Employers' Chamber of Commerce chief Peter Townsend says that **wages are key** to getting bright young people back home. Townsend argues that employers don't want a low-wage economy, and higher wages depend on increasing productivity. This means that businesses need to make better use of technology, including biotechnology, information technology and production technology. Townsend: "We need to raise our standard of living — which is what you put in your pocket — to match our really high quality of life. We've got everything else on offer, but people want to live in a country where they are well rewarded for what they do."

- Child Poverty Action Group (CPAG) says it was **misleading** for the Governor General Dame Sylvia Cartwright to claim that the extension of the Working for Families package next year "will mean tax relief for every low and middle income family with children in New Zealand". Cartwright made the statement in her speech from the throne as she convened the new Parliament. But CPAG spokesperson Dr Susan St John says the second phase of the Working for Families package offers nothing to New Zealand's 250,000 poorest children.

St John points out the Working for Families package acknowledges the greater **costs faced by parents** compared with other taxpayers. But the next phase — the In Work Payment — does nothing to relieve those greater costs for the children whose parents aren't in paid work. St John: "If this generous package is really about supporting children, why exclude the most vulnerable? And if it's really about poverty elimination, as the government wants to claim, why exclude the poorest? In fact, this is about rewarding participation in our tight labour market. But why use children to do it? And why do it at the expense of helping those whose needs are

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17 November 2005

Wages in NZ rose an average of 3.1% over the last year, according to Statistics NZ.

British workers are being recruited to staff India's vast network of call centres because of a shortage of suitable candidates there. In a reversal of the outsourcing that has seen thousands of jobs lost in Britain, telesales operations are looking to fill a skills gap in the east with young Britons willing to work on Indian wages.

18 November 2005

Reserve Bank governor Alan Bollard signals that interest rates will continue to rise. He warns that home owners who are spending as much as 50% of their income on their mortgages may struggle to meet their payments in the future.

20 November 2005

About 40% of doctors working in NZ were trained overseas, the highest percentage of any OECD country. The NZ Medical Association says part of the cause for this is that many NZ trained doctors move overseas. The association says working conditions must improve to increase retention of NZ medical graduates.

Pacific Rim leaders end their annual APEC economic summit challenging all World Trade Organisation members to cut agricultural subsidies. The APEC leaders agreed that unblocking disputes over agriculture is the key to progress.

The money earned in rich countries by economic migrants and sent home to support their families in less developed countries amounts to twice the total that rich countries provide in aid. A report by the UK Remittances Working Group says remittances are hugely important for people on low incomes in developing countries and this money plays a major role in promoting international development and fighting poverty. The Remittances Working Group report can be found at www.dfid.gov.uk/news/files/pressreleases/report-remittance.asp

greatest? The latest changes only shunt the poorest kids further to the back of an already long queue, when they urgently need to be first in line."

- To back up its claim, CPAG is legally **challenging the government** at the Human Rights Review Tribunal CPAG says the legal issue is that many children won't receive vital support simply because their parents cannot work the number of hours required for eligibility, or are on a benefit. The effect of this is to discriminate against some children because of their parents' situation, over which they have no control. CPAG says the government has refused to enter mediation about the issues and has even disputed the right of public interest groups, such as itself, to bring such a case to the Human Rights Review Tribunal. The case will be the first of its kind under the Human Rights Act. The government is appealing against the Tribunal's decision to hear the case.

- The Mayors Taskforce for Jobs has held a **national forum** in Nelson where Mayors, government agencies and practitioners from community employment projects all around the country came together to discuss the issues and solutions to keeping young people connected to school and work.

Judge Becroft told the forum that young people are at risk of becoming criminals when they feel **excluded from society** through factors such as poverty, failure at school and abuse. He points out that school and sporting involvement is very effective at keeping potential offenders out of trouble. Becroft: "Training and employment are particularly important in assisting young people to 're-join' society long-term. Young people who are dealt with by Family Group Conferencing are less likely to re-offend if they find employment or training." Becroft points out that re-engaging young offenders in school — or preparing them for employment — decreases their offending rate by 35%.

The Mayors Taskforce for Jobs has engaged Professor Shirley, from the Institute of Public Policy, to lead a working group of economists which will inform the Taskforce's own schedule of work and priorities for the future. The working group is examining the "youth job guarantee" with a view to its feasibility in New Zealand; how changed labour market dynamics have resulted in a "skills deficit"; a review of youth transition projects; and a reassessment of regional and national initiatives aimed at promoting employment opportunities and economic participation. Shirley's group will report to the Mayors early in 2006.

Mayors who attended the forum included: Frana Cardno (Southland), John Forbes (Opotiki), Mary Bourke (South Taranaki), Bob Harvey (Waitakere), Garry Moore (Christchurch), Maureen Reynolds (Taranua), Paul Matheson (Nelson), Yvonne Sharp (Far North), Alistair Sowman (Marlborough), Bob Buchanan (Rangitikei), Dale Williams (Otorohanga), Gary McPhee (Carterton), Heather Tanguay (Palmerston North), John Hurley (Tasman), John Tregidga (Hauraki), Neil Sinclair (South Waikato), Pamela Peters (Whangarei) and Tracy Hicks (Gore).

- New Zealand agencies who had stalls at two employment Expos in Germany have signed-up several hundred **German workers to come** to New Zealand to work. Ross Stanway from the Bay of Plenty economic development agency says the Expos attracted the interest of German workers with the skills needed by employers in his region, including construction workers, factory staff, engineers, accountants and lawyers. Stanway says more than 300 Germans have registered interest in working in the Bay of Plenty.

The Jobs Letter

DIARY

22 November 2005

NZ's inward migration has declined to 6,000 people over the last year, down from 17,000 the year before. Statistics NZ says slowing of immigration was due to fewer foreign students coming to NZ and an increased number of NZers moving to Australia.

23 November 2005

The government is considering extending disability and sickness benefits to people in the workforce. Minister of Social Development and Employment David Benson-Pope says the rationale is that many sick and disabled people have costs that remain constant, whether or not they are working.

30,000 North American jobs will be lost as General Motors Corporation announces it will close 12 factories and facilities.

24 November 2005

NZ Dairy Foods has cut more than 200 jobs since September.

27 November 2005

Australian carmaker GM Holden plans extensive job cuts. Overproduction and weak demand has forced GM Holden to close a shift at its Elizabeth assembly plant in South Australia with the loss of 1,400 jobs.

28 November 2005

New Delhi child welfare officers liberate 470 boys in a raid on factories employing children. The embroidery workers aged 5 to 14 were employed in workshops, sewing designs on high fashion garments for domestic and export markets. Embarrassed by the presence of child workers, the officials who launched the raid are struggling to decide what to do with the boys. Charities questioned whether the boys' best interests were served.

Drug company Merck will cut 7,000 jobs worldwide and close five plants.

Dunedin-based immigration and employment consultant Bob Clark was impressed with the calibre of the people at the German Expos. Clark: "There are just so many highly skilled people unemployed in Germany. Almost all of the people spoke English and most had a very good knowledge of New Zealand." Clark expects recruits to begin arriving before the end of the year. He says that some of them intend to work in their profession when they arrive in Central Otago, but others indicated they would initially pick fruit to see if they liked the area before looking for permanent work.

- The German workers may arrive just in time. Nearly twice the number of seasonal **vineyard and orchard workers** will be needed to fill jobs in Central Otago this summer because of a huge increase in the number of vineyards in the area. Seasonal Solutions director Basil Goodman says growers will require about 4,000 employees from October to May. Goodman points out that last year only 950 of the workers were locals, and — given the drop in unemployment in New Zealand — it is unlikely any more than that will be available for horticultural work this year. Which leaves more than 3,000 of this season's jobs needing to be filled by overseas workers. In hope of filling the gap, Seasonal Solutions has been actively promoting New Zealand — and Central Otago in particular — as a working holiday destination to people in the Czech Republic, Germany and Brazil.

- Up to 450 migrant workers will be given **temporary visas to work** in Hawkes Bay apple orchards this season. The workers will be allowed to work for one of two companies that will put up a bond of \$3,000 per person as a guarantee the workers return home when their jobs are finished. Hawkes Bay MP Rick Barker says the move will help to ease the pressure on growers who are anticipating labour shortages to be even greater this year than they were last. Barker: "It has been a challenge to assemble every year, for a short period of time, a workforce measuring in the thousands."

The Hawkes Bay Horticultural Contractors Group doubts the full quota would be filled this first year but says the move is a good one. Manager Warren Templeton: "A lot of Czechs come here each year. They are probably the biggest percentage of migrant workers. They are well respected and sought after. People from Malaysia and Thailand have also been regarded as good workers."

Minister of Immigration David Cunliffe says companies taking part in the scheme would have to show they couldn't find enough New Zealand workers to fill vacancies. Whether the scheme is carried on in the future will probably depend on the migrants leaving New Zealand and not overstaying the terms of their visas.

- Employers' **hiring intentions** remain high, although not as high as they were earlier this year. The *Hudson Report: Employment Expectations* found that 36.6% of employers surveyed expect to hire more staff over the next half year. Those sectors with higher than average hiring expectations were information technology, construction, and property and engineering. Hiring expectations in the government sector is significantly down since the previous survey six months ago. Hudson general manager Peter Harbidge says that perhaps the public sector was tightening after a lot of growth in employment.
- The New Zealand Now campaign is aimed at encouraging New Zealanders living overseas to **return home to live**. Department of Labour's marketing director Richard Ninness says the campaign is set against a background of New Zealand's strong employment growth and the increasing international competition for skills. Around half a million New Zealanders live abroad and three-quarter of these say they would consider returning to New Zealand to live. Ninness: "They have the skills New Zealand's

The Jobs Letter

DIARY

29 November 2005

A Youth Transition Service has been launched in Gisborne. It is the first of a "second wave" of Youth Transition Services that are being rolled out around the North Island, in partnership with the Mayors Taskforce for Jobs.

ANZ Bank's decision to outsource some Australian jobs to India causes concern for the bank's NZ workers. Bank workers' union Finsec says that despite no local jobs being lost, it is worried about the potential impact of a global trend of banks outsourcing to India.

The retirement age of judges may be lifted to 70, or even higher, as the government seeks to ease recruitment worries. Ministry papers say the compulsory retirement age of 68 in NZ is low compared with countries such as the United Kingdom and Australia. The papers say the present retirement age can discourage recruitment or limit the contribution of senior law practitioners.

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

Research sources for the main items in The Jobs Letter are available in our internet edition at www.jobsletter.org.nz

employers are crying out for and with unemployment in New Zealand at just 3.4%, this is a great time to remind them that there is no time in recent history that there have been as many opportunities for Kiwis looking to return."

The \$856,000 New Zealand Now campaign has been launched with a huge projection of "NewZealandNow.Info" on the side of Kiwi House in London. The campaign includes a website and a poster campaign in the London Underground.

- The *Christchurch Press* argues that the New Zealand Now campaign will have little impact on people's plans to stay or leave the UK. New Zealanders spoken to by the newspaper in England said they were living in England because they earn significantly more money as well as being able to save — in order to pay off student debt or to buy a house — at a rate they were unable to in New Zealand.

— The New Zealand Now website can be found at <http://newzealandnow.info>

- Several major retail developments in Palmerston North are concerned they will be **unable to find staff** to work in them. A new Bunnings, extensions at EziBuy and Mitre 10 as well as a proposed big-box mall will all require staff. Exact numbers are not yet known, but estimates are the city will need several hundred more workers. Work and Income adviser Tony Cade says: "I don't know where the staff will come from".

And another Palmerston North industry — call centres — is screaming out for workers. Sitel, Study Link, Inland Revenue and the Land Transport Safety Authority all have call centre facilities in Palmerston North and could immediately **employ another 120** workers between them. Work & Income's Toni Seanoa says call centres have commonly done their recruiting from the pool of retail workers, but the retail workers just aren't there. Seanoa says smart employers will offer more flexibility in working hours, job-sharing, child-care help, better wages and training to attract and keep staff. Seanoa has noted that employers struggling for staff have become more interested in traditionally difficult-to-place groups — the young, the mature and immigrants.

- New investment in mail sorting technology — and in fewer but larger mail sorting centres — will see New Zealand Post soon beginning to **reduce** the number of its **mail sorting staff**. NZ Post handles a billion letters and parcels a year and spokesperson Peter Fenton says that to keep postal service costs down the state owned enterprise is investing \$80 million over the next five years in modern sorting technology and facilities. 550 – 650 of NZ Post's 2,000 mail sorters will eventually be affected by the changes.

As many as half the mail sorting jobs may go in regional processing centres in Nelson, New Plymouth, Napier, Gisborne, Rotorua, Invercargill, Tauranga, Whangarei and Dargaville. Automated sorting will be transferred to sites in Auckland, Hamilton, Palmerston North, Wellington, Christchurch and Dunedin as the up-graded facilities come on-line. The first barcoding and sorting machines in the country will be introduced in Wellington in February. Part of the changes will be the introduction of new post codes that people sending mail will be asked to include when addressing mail to be delivered within New Zealand.

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