

The Jobs Letter

No. 155

2 November 2001

Essential Information on an Essential Issue

KEY

ALLIANCE PLAN FOR YOUNG
JOBLESS

TRACKING SCHOOL-LEAVERS

EMPLOYMENT CATALYST

MEDICAL DEBTS LOSING NZ
DOCTORS

WINZ REGIONAL PROJECTS
ANNOUNCED

DIARY

14 October 2001

A four-day workweek may help to save jobs at German airline Lufthansa. Management is working with unions and employee representatives on ways to stem the company's financial losses without laying off staff. Chief executive Juergen Weber says measures being discussed include flexible working hours and a shorter working week.

15 October 2001

The UN predicts global economic growth will be 1.4% this year. With the world population growing at 2.5%, analysts say that global economic growth of less than the birth rate indicates recession.

The number of US workers filing for unemployment benefits in September is the highest in ten years.

16 October 2001

At their biennial conference, Council of Trade Unions delegates back a bid to resist any workplace culture that promotes work to the exclusion of family and community values. President Ross Wilson says the CTU is developing a campaign that will include bargaining strategies for flexible working hours, family leave and job-sharing.

- Deputy Prime Minister and Alliance Party leader, Jim Anderton, is to launch an Alliance policy proposal to ensure that **no one under 20 years will go on the dole**. He hopes to persuade his senior coalition partners in the Labour Party to endorse and implement the plan where under 20-year olds will be assisted into training or jobs rather than left on unemployment benefits.

Gyon Espiner of the *Sunday Star Times* reports that the Alliance will officially launch its policy package at its annual conference next week. He says that the programme will give jobless teenagers an alternative to the dole ... although they will **not be cut off from income support** for not participating.

- Anderton points to the successes of **Actionworks pilot programme** run by the Canterbury Development Corporation and Winz. This programme intensively monitors 18 and 19-yr olds once they leave school, and "case manages" employment and training solutions for them on an individual basis. The Alliance plan will ask for **\$40 million** in the 2002 budget to take this scheme nationwide.

Anderton: "I think the scheme would have a significant effect on unemployment because we know that the highest levels of unemployment tend to be amongst young people. If you have no skills at all your chances of getting employment are getting less and less so we have to intervene to make sure kids don't get into that trap ..."

- *The figures:* 15.7% of young people aged 15-19 years are unemployed, according to the June 2001 Household Labour Force Survey. This amounts to **one in six young people** and is three times the national average of all unemployed people. Around 6,000 young people have identified themselves as "actively seeking work" even though they are still at school. Statistics NZ also reported this month that **one in five school-leavers are leaving without any qualifications**.

- In an August report to the government, the Tertiary Education Advisory Commission called for an urgent investigation into the needs of those who did not have school qualifications and could not move onto tertiary study. The Commissioners said that until "**this wastage of talent** is halted", their strategy for tertiary education could not be properly implemented.

- The Alliance policy moves are welcomed by Christchurch Mayor **Garry Moore**, one of the prime movers behind the Actionworks programme, and also chairman of the Mayors Taskforce for Jobs. The Taskforce is committed to the primary goal that, *by 2005, no young person under 25 years will be out of work or training in our communities*.

Moore: "I applaud Jim Anderton's compassion and commitment in this area, and we've always had terrific support from the Deputy Prime Minister. It is a really good sign when senior politicians pick up initiatives like this and put it at the top of their agenda.

"The Alliance policy will be an excellent step forward ... and I think it is a challenge to other political parties to take even bolder steps. I'd like to see the country pick up the goals of the Mayors Taskforce that all young people under 25 years have the opportunity to be in work or training..."

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DIARY

Minister of Social Services and Employment Steve Maharey says that the government will not adopt a time limits approach to welfare benefits. Maharey says the scheme used in the US has resulted in deepening poverty among the poorest families with children.

Act Party Social Services spokesperson Muriel Newman says that she has evidence that shows that the move to time limit welfare benefits in the US encourages beneficiaries to re-integrate into the workforce and escape the poverty trap.

Jobs will be cut at the Nelson Marlborough Institute of Technology as it drops programmes that have declining enrollments. Chief executive John Cretney says that because many staff are part-time, more than 35 people will be affected.

17 October 2001

There has been a significant rise in the number of inquiries from foreign students wanting to attend NZ tertiary education institutions. It appears safety is a factor in re-directing students from what has been their most favoured destination, the US. While it is too early to know whether the inquiries will turn into enrollments, international political events, together with an increased marketing campaign by some NZ institutions, indicate large increases in foreign student numbers next year.

19 October 2001

As Ansett airline call centres close, about 500 employees in Sydney and Brisbane lose their jobs.

20 October 2001

Former Winz boss Christine Rankin says in her *Weekend Herald* column says that most beneficiaries want to work. But Rankin says there are three major obstacles to many people getting work: lack of life skills (cooking, cleaning, budgeting, child rearing), illiteracy, and drug and alcohol problems. She advocates that benefits should be declined or partly declined to provide incentives for people to participate in programmes that would help them overcome their personal barriers to employment.

- Christchurch is also running another pilot programme which will survey 1,700 students from eight secondary schools in order to find out where our young people go when they leave school, and which ones need more support to get into further education, training or a job. The **“Destinations and Tracking” pilot programme** was developed in partnership with the Mayors Taskforce for Jobs.

A further pilot programme was launched last week in **Porirua** by Associate Education Minister Steve Maharey. The Porirua programme will interview 900 senior students from four schools about their plans for next year, and the Career Services freephone (known as *CareerPoint*) will follow up with the students next year to see what they actually did, and provide further careers advice if needed.

- Steve Maharey says that too many young people fall into a “black hole” once they leave school, but are not in training or work. He says the Destinations and Tracking programme will help government agencies to “get to know” young people better. Maharey: “Helping young people make successful transitions in their lives from schooling into the worlds of further education and employment is hampered by a lack of information about their aspirations and the barriers to achievement they perceive. This information is central to shaping quality initiatives...”

Judith Backhouse, the Project Manager for the programme, has based it on a UK model called the Activity Survey which is carried out annually amongst British school-leavers. Backhouse had first-hand experience with this model as a Careers Advisor in the UK, and when approached by the Mayors Taskforce saw the opportunity to develop something similar in NZ. Steve Maharey is considering a nationwide expansion of the programme, once evaluation of the pilot programmes in Christchurch and Porirua are completed.

- The Jobs Research Trust (who publish *The Jobs Letter*) have agreed to become a funding manager for the Tindall Foundation, with a special focus on employment initiatives. The fund will be known as the **Employment Catalyst**, and will be administered by JRT trustees Jo Howard and Rodger Smith.

The Employment Catalyst fund intends to encourage innovative initiatives for employment creation in New Zealand, especially those with a **focus on youth employment**. The funding will be targeted at the regions (outside of Auckland, Wellington, and Christchurch) and will be provided on a 1:1 matching basis, depending on the amount of local funding already raised for the initiatives.

Because of their similar aims, the Employment Catalyst in 2001-2002 will be supporting youth employment projects emerging from the Mayors Taskforce for Jobs. Ten Mayors involved in the Taskforce have indicated they are working on developing projects. Initiatives in the Far North, Canterbury and Taranaki are already underway.

For more information, contact Jan Francis, Mayors Taskforce for Jobs phone 03-384-8212 email j.francis@clear.net.nz

- Two long-serving Mayors have recently joined up to the Mayors Taskforce: **Grahame Hall** of Rotorua, and **Bob Francis** of Masterton.
- NZ Medical students are graduating with **an average debt of \$70,000** according to a survey published in the *NZ Medical Journal*. As a result, graduates are heading overseas at a younger age and intending to stay away for longer. The study reports 82% of the medical students at Christchurch School of Medicine will be going overseas to practice within two years of graduating.

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22 October 2001

Labour Day

23 October 2001

As the Singapore economy shrinks, unemployment is expected to rise from 2.6% at mid-year to 4% by the end of the year.

Swissair cuts 9,000 jobs as it is taken over by its own subsidiary Crossair. Swiss president Moritz Leuenberger says that if the bailout package does not work, it will be the end for the Swiss airline.

Medical Students Association president Richard Pole says that the “staggering” levels of debt are set to play a big part in **health workforce shortages** in coming years. He calls for tax incentives and student loan discounts for “loyal” doctors who stay in NZ after graduating.

Medical Association chairman John Adams agrees: “It makes no sense economically not to help these students, because thousands of dollars of taxpayers’ money has already gone into their education ... We need practical ways of reducing the burden and encouraging doctors to stay here and work.”

- The health workforce advisory committee has recommended to the Minister of Health Annette King that making loyalty payments to young doctors and nurses who stay in the country could help remedy our skill shortages.

But *The Dominion* last week reported that such a plan **would cost up to a billion dollars**. A spokesperson for Annette King says the Minister is looking into loyalty payments, or a bond system, but a government contribution of a billion dollars was “not realistic”.

WINZ REGIONAL PROJECTS ANNOUNCED

- The first twelve programmes to be funded from the Transition to Work Contestable Fund have been announced by the government. The Ministry of Social Development (formerly Winz) Regional Commissioners were asked to develop programmes “which remove barriers keeping beneficiaries from moving into work or remaining in employment”, and are an example of the new flexibility being given to the Commissioners.

The programmes include:

- **Northland — Boat-building Training Accommodation**

\$189,705 to provide accommodation and relocation assistance to at least 30 unemployed people who are prepared to relocate from the Far North of the region to Whangarei for the purpose of securing work in the developing luxury yacht industry.

- **Auckland North — Assistance for Migrant Professionals**

\$115,920 targeting migrant engineers by providing a financial incentive to Auckland firms to provide work experience to migrant clients.

- **Auckland South — In Work Transition Support for DPB Clients**

\$128,000 for financial assistance to at least 100 DPB clients who have re-registered in the past 12 months due to the financial cost of making the transition into work.

- **Waikato — Small Business Securitisation Fund**

\$50,000 to put into a Trust (with Hamilton City Council and WestpacTrust) that will provide security to unemployed individuals who want to start their own businesses, but are unable to secure commercial loans due to a lack of security.

- **Bay of Plenty — Moving Forward**

\$75,733 to run a training programme in four towns aimed at helping unemployed people unable to secure work due to drug or alcohol related problems.

- **East Coast — Heinz Watties projects**

\$114,900 to help up to 650 unemployed people gain a basic level of literacy, numeracy, and physical fitness to work with Heinz Watties, the East Coast's largest employer.

- **East Coast — Night Childcare and Transportation**

\$114,400 providing childcare and transportation assistance to at least 30 unemployed people allowing them to take part in the seasonal processing work at Heinz Watties plants in the region.

- **Taranaki — Mobility and Transport**

\$50,000 to provide transportation for at least 25 unemployed people between Marton and Wanganui, and Opunake and New Plymouth ... until they can secure their own transportation or relocate to where their employment is located.

- **Taranaki — First Job Programme**

\$54,970 to provide an intensive mix of support to at least 50 young unemployed which will include mentoring, on-the-job experience, in-work support, and learning support.

- **Wellington / Nelson / Southern — Employment and Scholarship Programme**

\$180,000 expanding the Christchurch-based Employment Scholarship Trust's programme which provides a mix of paid work and financial assistance to young people in order to undertake vocational training.

- **Nelson — Drug and Alcohol Programme**

\$30,000 to run a training programme in two towns aimed at helping unemployed people unable to secure work due to drug or alcohol related problems.

- **Southern — Youth Grow**

\$80,000 to fund a nursery (in conjunction with Presbyterian Support Services) which will provide employment opportunities for young people suffering psychological difficulties.

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25 October 2001

Auckland-based boogie and body board manufacturer Broady International shifts its plant to Indonesia with the local loss of about 20 jobs. Director Brian Thorrington says there is nothing the government could have done to keep them in NZ. Thorrington: "Basically it takes cheap labour and we don't have that here."

The International Labour Organisation says the world tourism industry could lose more than nine million jobs as a result of the September 11 attacks.

26 October 2001

Italian national airlines Alitalia says it will lay off 5,200 staff.

29 October 2001

Canterbury University distributes invitations to staff to apply for volunteer redundancy. About 90 lecturing and administration jobs are expected to go.

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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

- Meanwhile, the British the government is embarking on a **"stunning" overhaul** of its unpopular funding system for students. The *Guardian* reports that Tony Blair has ordered a full review of the student support arrangements introduced in 1997, which has proved to be the single most unpopular decision made by his government. The British Education Secretary, Estelle Morris, now admits that **the fear of debt is deterring poorer students from going to university**.

The reforms will probably see the end (or the substantial reduction) of student fees. The British government is saying that this year 50% of students will pay no fees at all. Maintenance grants (student allowances) will also be brought back in for lower-income students, and possibly also on a universal basis.

While the details of the new British scheme have yet to be worked out, the *Guardian* reports that future graduates may be required to **pay extra income tax** for 20-25 years after leaving university. They would be required to pay this graduate tax regardless of whether or not they take out a student allowance, but it would be "a pebble, rather than a millstone".

- *Internet Bookmark:* The latest **labour market information** available from the government is now available online at the Department of Labour's Labour Market Policy Group website. These include the Labour Market Outlook reports and **special profiles on the major regions** around NZ. Useful stuff.

www.lmpg.govt.nz/Labour-Market-Reports.htm

- The **Social Entrepreneurship Conference 2001** will be held in the Wellington Town Hall 22-23 November. It is being hosted by the Community Employment Group in co-operation with Commact Aotearoa, the Commonwealth economic development association. Key speakers will include Minister of Social Services and Employment Steve Maharey, and leaders from community-based social, economic and environmental initiatives from throughout New Zealand. Overseas speakers will include Jane Sloan and Vern Hughes (from the Australian Social Entrepreneurs Network) and Peter Botsman (University of Queensland). The conference facilitator will be Vivian Hutchinson.

Conference fee is \$200, and places will be restricted to 200 people (150 from the community sector and 50 from government). For more information contact Trish Hepburn or Andrea Lynch at CEG phone 09-914-4900 email andrea.lynch@ceg.dol.govt.nz website www.dol.govt.nz/CEGSECinfo.htm

- *Voice:* "For me the word 'entrepreneur' means someone with drive and ideas, a person with the potential and passion to create something new where there was nothing before — someone with the knack for making a lot out of very little. Social Entrepreneurs are doing just that; creating a better New Zealand by combining inventive ideas with energy and resources. Very often, fresh approaches to development and community work can be traced back to inspired self-starters, who understand instinctively the who, why, what and how of community work. They sweat blood to make an idea happen. You can't buy that sort of enthusiasm — you can only try and support it when you find it."
— Stephen Tindall, from the *Tindall Foundation Annual Report 2001*

ISSN No.1172-6695 Produced by the Jobs Research Trust, a not-for-profit charitable trust constituted in 1994.

To develop and distribute information that will help our communities create more jobs and reduce unemployment and poverty in New Zealand.

The Jobs Research Trust is funded by sustaining grants and donations. Yes, you can help.

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