

# The Jobs Letter

No. 157

26 November 2001

*Essential Information on an Essential Issue*

## KEY

ARTISTS ON THE DOLE  
STATISTICS THAT MATTER  
SKILLS SHORTAGE IN  
SOUTHLAND  
DPB CHANGES  
PAID PARENTAL LEAVE  
STUDENT DEBT REVIEW

## DIARY

30 October 2001

Business confidence drops according to the National Bank Business Outlook survey. In October, there was an increase in the number of business people expecting business conditions to deteriorate over the next 12 months.

Canterbury University will cut at least 60 and possibly more than 90 academic and administration staff by the end of the year.

A survey of Australian community welfare organisations found that in the first half of this year there was a 7% increase in the number of people they assisted, and over 250,000 people sought assistance but did not receive it. ACOSS says the majority of community services are under increasing pressure due to expanding numbers of clients, the severity and complexity of people's needs and higher operating costs.

Unemployment in Japan has been rising for six months and is now at 5.3%.

31 October 2001

A West Auckland strawberry grower hires a bus to bring workers from Manukau City, Otara, Papatoetoe and Otahuhu to his farm to pick fruit. Farmer John Gareja says that he has not been able to interest enough local residents in the work. Winz West Auckland office has 3,852 registered jobseekers.

- People are now being allowed to work towards a career in the **arts while living on the dole** as the Pathways to Arts and Cultural Employment (PACE) programme has been extended nationwide. It is expected that thousands of job seekers who list "artist" as their first career choice will no longer be required to look for other work. To qualify for the programme, artists must show they are committed to a career in the arts and have a project which they can demonstrate will **move them towards employability** or self sufficiency. An unemployed person who is committed to being a fulltime artist will be able to go to their Winz case manager and **sign their job seeker agreement** as an artist and not have to accept work that distracts them from that goal.

At the moment, nearly 5,000 people are registered at Winz with arts and culture as their first occupational choice but up until now they have generally been told that it is not a realistic goal. Associate Minister of the Arts Judith Tizard says the PACE programme recognises that art is real work with viable career options and that the scheme is aimed at assisting job seekers to develop sustainable careers. Tizard: "For many artists, income can often be the breaking point issue over whether they continue with art. That's not a decision any emerging artist should have to make. This programme will help them to develop the skills they need to become fulltime artists ..."

- Penny Eames of Arts Access Aotearoa has long advocated to government that the dole should be available as income support for artists who are working to develop a fulltime career. Eames: "What we were trying to lobby for was a scheme in which you could be an artist and not be harassed by Winz to be a scrubcutter." She says the PACE programme is a huge step in view of the fact that the arts and culture is one of the fastest growing sectors in the economy.
- Eames says that an important next step is to get the government to approve that an artist's income can be averaged out over the year and that the artists can factor in the costs of materials and exhibitions against that income. At the moment, an artist on the dole who reports to Winz that they have made a sale immediately **risks losing their dole**, regardless of what it cost to make and sell the work or how long it took them to create it.

- Cairan Fox is the artist liaison at the Community Artist Scheme in Christchurch where they have been running their own version of the scheme for two years (although not as part of the pilot). Fox: "We initially grew out of the Community Brokerage Organisations scheme which worked alongside work-for-the-dole. We saw a chance to use that programme to set up projects that were arts based. Artists were already volunteering, already doing the work and we built work placements around them and referred them off to Winz."

Fox feels the announcement of the nationwide scheme is a success for everyone involved, but he cautions that it is a small first step and there are other important aspects that need to be put in place to make the scheme work. Fox recommends that each Winz office needs a **trained arts advocate case manager**. This person needs to be able to work one-to-one with artists on career planning and be able to put them in touch with training and other resources.

# The Jobs Letter

## VOICES

### on ARTISTS ON THE DOLE

"If the government wants to support artists, then it should do so through some sort of scholarship or grant. The unemployment benefit is for people who are between jobs or unable to work. This is blurring that, sending the wrong message to the community and is unfair to case workers."

— Bob Simock, National Party employment spokesperson

"Beneficiaries without the talent and determination to earn a living from their art should look to other forms of work to support their families. Hardworking taxpayers, struggling to make ends meet, will not look kindly on a government that pays people to dabble in art, effectively locking them into a dependency culture requiring on-going tax-payer support."

"Are painters, photographers, models, actors, musicians, writers, clowns, circus performers, dancers, strippers, poets, street buskers able to register unemployed as artist?"

— Muriel Newman, Act Party

"One thing is certain. Kiwis of spirit, both unemployed and unemployable, will not pass up the chance to state their chosen profession as "art", and so feel justified in spurning options such as fruitpicking, cinema attendant, panelbeater and score of other paying jobs they might otherwise have been pressed to consider."

— The Dominion, editorial

"There is a huge need for this. It's those first projects that are the hardest to find support for. Everyone is looking for a track record when you apply for funding."

— Philip Tremewan, Danz Aotearoa

## DIARY

1 November 2001

55 jobs will be lost when Unilever Australasia closes its toothpaste and soap-making production lines in Petone. Director Murray Papps says the Unilever plant will continue to employ 280 staff manufacturing washing powder.

Minister of Finance Michael Cullen now says the government will not follow the American example of increasing spending and cutting taxes to curtail an economic downturn. After the September 11 attacks, Cullen said the government might bring forward some capital spending but has since gone off the idea. Cullen: "This is not a structural economic adjustment, and a structural response from the government is not appropriate."

2 November 2001

Argentina may soon default on its \$US132 billion foreign debt.

4 November 2001

Prime Minister Helen Clark says the government will not be widening the Holidays Act to include a minimum entitlement of four weeks annual leave. The extra week of paid leave was part of the Alliance Party policy agenda for this term.

The other essential element is **market development**. Fox: "We've been supporting artists for two years now, getting them to the point where they are having exhibitions and concerts. From an economic point of view, we now need to get it out there and encourage people to buy it." For the Christchurch scheme, this has meant opening *Creation*, a multi-media community art gallery through which artists can market their work. There are a number of community art dealing centres around the country and Fox would like to see them co-operate to provide exhibition or performance spaces so that artists' work can rotate around the country to be seen, heard and sold.

- *The Dominion* newspaper last week ran a front-page story with the headline: "Dole deal for artists: nearly 5000 sign" ... giving the impression that the arts had suddenly become the career of choice of thousands of beneficiaries. However there has been no such surge in numbers and the next day the paper conceded that only 196 people had signed up as artists since the scheme was announced, while 4,700 had previously declared their preference for a career in arts and culture.
- Winz has published a web page on the Pathways to Arts and Cultural Employment (PACE) programme at: [www.winz.govt.nz/find\\_a\\_job/arts\\_cultural.html](http://www.winz.govt.nz/find_a_job/arts_cultural.html)

You can also download a 32-page pack which contains many links and resources for artists wanting to develop sustainable employment.

- The official **unemployment** rate is 5.2%, **remaining the same** as the previous quarter. The number of people in jobs and the number of people registered as unemployed did not change significantly. Some 3,000 people left the workforce but this was not enough to alter the labour force participation rate from 65.9%. While our unemployment statistics are now among the lowest in the world, Minister of Employment Steve Maharey cautions that they **do not reflect any impact** from the drop in world economic confidence since the September 11 attacks in the United States (see the last issue of *The Jobs Letter*). Our regular *Statistics That Matter* summary is included in this issue. Some highlights:

— Over the last quarter, the number of full time jobs declined by 0.3% while the number of part time jobs increased by 2.4%.

— Since this time last year, 2.2% more people are now employed. Over the

(continued on page five)

**STATISTICS THAT MATTER****ONE IN NINETEEN PEOPLE OFFICIALLY UNEMPLOYED IN NZ**OFFICIAL NUMBER OF UNEMPLOYED IN NZ  
Sept 2001**100,000***Seasonally Adjusted*OFFICIAL RATE OF UNEMPLOYED  
Sept 2001**5.2%**OR ONE IN 19 PEOPLE  
*Seasonally Adjusted*DROP IN NUMBER OF UNEMPLOYED  
IN LAST THREE MONTHS  
June 2001 — Sept 2001**1,000**DROP IN LAST YEAR  
Sept 2000 — Sept 2001**11,000**PEOPLE REGISTERED AS  
JOBSEEKERS WITH  
MINISTRY OF SOCIAL  
DEVELOPMENT  
(Formerly WINZ)*Sept 2001***182,928**UNDEREMPLOYED  
*Sept 2001***104,600***(workers who are employed part time but would prefer to work more hours)***GLOBAL**

SPAIN	13.0%
ITALY	9.4%
FRANCE	8.6%
GERMANY	7.9%
CANADA	7.2%
AUSTRALIA	6.7%
<i>OECD Average</i>	<i>6.5%</i>
JAPAN	5.3%
NEW ZEALAND	5.2%
BRITAIN	5.1%
UNITED STATES	4.9%

**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 2001.

NORTHLAND	7.9%	or one in 13 people
AUCKLAND	4.2%	or one in 24 people
WAIKATO	5.6%	or one in 18 people
BAY OF PLENTY	8.2%	or one in 12 people
GISBORNE-HAWKES BAY	5.7%	or one in 18 people
TARANAKI	5.8%	or one in 17 people
WANGANUI-MANAWATU	4.2%	or one in 24 people
WELLINGTON	4.5%	or one in 22 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	4.6%	or one in 22 people
CANTERBURY	5.2%	or one in 19 people
OTAGO	6.8%	or one in 15 people
SOUTHLAND	2.7%	or one in 37 people

**EMPLOYED**NUMBER OF PEOPLE IN JOBS IN NZ  
*Sept 2001* *Seasonally Adjusted* **1,825,000**RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS  
*June 200 — Sept 2001* **6,000**RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR  
*Sept 2000 — Sept 2001* **39,000**SECTORS WITH A RISE IN EMPLOYMENT IN THE LAST YEAR  
BUSINESS & FINANCIAL, HEALTH & COMMUNITY SERVICES,  
WHOLESALE & RETAIL TRADE, EDUCATION, AGRICULTURE,  
FORESTRY AND FISHING, MANUFACTURINGSECTORS WITH A DROP IN EMPLOYMENT IN THE LAST YEAR  
CONSTRUCTION, TRANSPORT, STORAGE & COMMUNICATION**FULL-TIME and PART-TIME***of the "Employed" statistics*

	FULL -TIME	PART-TIME
MEN	870,000 (88%)	122,100 (12%)
WOMEN	520,500 (63%)	304,900 (37%)
TOTAL	1,390,600	427,000
OVERALL %	77%	23%

GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 20,000

GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 18,000

**REGIONS**REGIONS WITH A DROP IN  
UNEMPLOYMENT IN THE  
LAST 3 MONTHS  
*June 2001 — Sept 2001*AUCKLAND  
GISBORNE / HAWKES BAY  
WAIKATO  
WANGANUI / MANAWATU  
CANTERBURY  
SOUTHLANDREGIONS WITH A RISE IN  
UNEMPLOYMENTNORTHLAND  
BAY OF PLENTY  
TARANAKI  
WELLINGTON  
NELSON / MARLBOROUGH /  
TASMAN / WEST COAST  
OTAGO

A SPECIAL SUPPLEMENT TO

**THE JOBS LETTER**

16 NOVEMBER 2001

# ONE IN ELEVEN PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF  
JOBLESS IN NZ  
Sept 2001

**173,900**

OFFICIAL RATE OF  
JOBLESS  
Sept 2001

**8.7%**  
OR ONE IN 11 PEOPLE

RISE IN NUMBER OF  
JOBLESS IN LAST THREE  
MONTHS  
June 2001 — Sept 2001

**2,400**

FALL IN NUMBER OF  
JOBLESS IN LAST YEAR  
Sept 2000 — Sept 2001

**3,400**

## 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

26 NOVEMBER 2001

# 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 .....	13.9%	..... or one in 7 people
AUCKLAND .....	7.3%	..... or one in 14 people
WAIKATO .....	9.4%	..... or one in 11 people
BAY OF PLENTY .....	12.3%	..... or one in 8 people
GISBORNE-HAWKES BAY .....	11.0%	..... or one in 9 people
TARANAKI .....	8.6%	..... or one in 12 people
WANGANUI-MANAWATU .....	8.2%	..... or one in 12 people
WELLINGTON .....	7.9%	..... or one in 13 people
NELSON-MARLBOROUGH TASMAN-WEST COAST .....	7.7%	..... or one in 13 people
CANTERBURY .....	8.8%	..... or one in 11 people
OTAGO .....	11.2%	..... or one in 9 people
SOUTHLAND .....	6.6%	..... or one in 15 people

## AGE and LONG-TERM

YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS Sept 2001	14.7%	one in 7 young people
MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS Sept 2001	3.8%	one in 26 mature people
LONG-TERM UNEMPLOYED (OVER 6 MONTHS) Sept 2001	28,500	29% or one in 4 of the unemployed
LONGER-TERM UNEMPLOYED (OVER 2 YEARS) Sept 2001	7,400	7% or one in 14 of the unemployed
VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS) Sept 2001	2,300	2% or one in 43 of the unemployed

## THE SCHEMES

Figures from Ministry of Social Development (formerly WINZ), Skill NZ and Youth Affairs

TASKFORCE GREEN .....	600
JOB PLUS .....	4,191
JOB PLUS MAORI .....	119
JOB CONNECTION .....	142
ENTERPRISE ALLOWANCE .....	96
ENTERPRISE ALLOWANCE WITH CAPITALISATION .....	203
TRAINING OPPORTUNITY SCHEME (TOPS) .....	8,932
YOUTH TRAINING (SKILL NZ) .....	5,871
LIMITED SERVICE VOLUNTEERS (ARMY) .....	111
CONSERVATION CORPS .....	669
YOUTH SERVICE CORPS .....	106
ACTIVITY IN THE COMMUNITY (still counted as unemployed) .....	1,818

## PARTICIPATION

LABOUR FORCE  
PARTICIPATION RATE  
Sept 2001

Seasonally Adjusted

**65.9%**

up from 65.5% last year

## RACE

MAORI RATE OF  
UNEMPLOYMENT  
Sept 2001

**12.3%**

OR ONE IN EIGHT PEOPLE

PACIFIC ISLAND RATE OF  
UNEMPLOYMENT  
Sept 2001

**8.2%**

OR ONE IN 12 PEOPLE

NZ EUROPEAN RATE OF  
UNEMPLOYMENT  
Sept 2001

**3.8%**

OR ONE IN 26 PEOPLE

# The Jobs Letter

## DIARY

In Australia, 450 Ansett Airline managers will be made redundant. Ansett administrators say the airline plans to continue to operate but with about half its former services.

The US economy lost 415,000 jobs in October, the largest fall in job numbers since 1980. Unemployment rose from 4.9% to 5.4% in October.

Indonesia's foreign debt of \$US144 billion is reaching dangerous levels according to Economics Minister Dorodjatun Kurnijoro-Jakti.

5 November 2001

Private sector wage rates are up 3.4% on last year according to Statistics NZ.

BNZ's parent bank, National Australia Bank, announces new international restructuring which the finance industry union Finsec says will cost 5,000 jobs in Australia, the UK and NZ.

6 November 2001

Any Hong Kong free trade agreement would threaten NZ's 10,000 remaining footwear and clothing manufacturing jobs. Bill Rosenberg writes in *The Independent* that Hong Kong is no longer a manufacturing economy but one in which its traders organise the cheapest materials, factories and labour anywhere in the world and then route them through the city, passing the goods off as made in Hong Kong as they "re-export" them. Rosenberg says that a free trade agreement with Hong Kong would allow duty free goods from the lowest paid countries in the world into NZ, putting jobs here at risk.

7 November 2001

Paid parental leave will begin in July next year. See this issue.

For the first time since the late 1980's, there has been an increase in the number of people employed by the public service. State Services Minister Trevor Mallard says the government is rebuilding the public service that was decimated in the 80's. One likely result will be government departments using more employees and fewer consultants.

By the end of December, Deutsche Bank in Germany will have cut 7,100 jobs this year.

last 12 months the number of full time jobs increased by 1.4% and part time jobs by 4.4%.

— NZ European and Pacific Island unemployment rates dropped this month while Maori unemployment rose. There are fewer unemployed people in all three groups now than there were at this time last year.

- **Southland** continues to lead NZ with the lowest unemployment rate in the country and it appears that its leaders believe that the province has run out of employable workers. An eight page colour supplement in *The Southland Times* was published last month with the intent of attracting more **skilled people to live in the deep south**. The campaign made national news as 700,000 copies of the special edition were distributed with every North Island newspaper as well as in *The Press* in Christchurch. The we-need-you campaign generated huge interest with job seekers and within a week of the launch and after fielding 3,000 calls, the organisers closed the telephone hotline down. Matt Hoskin of Venture Southland says there was no sense in accepting more inquiries than they could possibly deal with. Information packs are being sent to respondents and staff were collating and forwarding the details of the people who rang to employers to make contact.
- While the unemployment rate in Southland is low, there are still plenty of unemployed people in the region. The problem is a lack of skilled workers ... a situation that Southland employers share with many other regions in the country. The figures: the number of people on a Winz work tested benefit has remained steady at about 2,800 for the past 12 months. Statistics NZ Household Labour Force Survey puts the number of people "without a job and wanting a job" at 3,200.
- **Work testing** of domestic purposes beneficiaries is to be **scrapped** as the government moves to change its employment policies for sole parent on benefits. Minister of Social Services and Employment Steve Maharey says that good case management, assistance with training, transition to work support, and in-work assistance is more effective than work testing in helping sole parents get and hold a job. Details are still being worked out, but increased funding to **improve access to childcare** will be part of the changes.

An evaluation of the effects of the 1999 revision of the DPB and widows benefit has shown that since work testing was introduced the number of people on the DPB has declined and that most people who got off and stayed off the DPB were financially better off in the long run. National Party welfare spokesperson Bob Simcock points to this report and says it proves that his party's policy was working.

But Steve Maharey argues the policy had been too arbitrary, unresponsive to individual needs and failed to adequately support sole-parents to get and keep a job. Maharey: "[The report] shows punitive approaches to welfare do not work. Childcare was inadequate, support by case managers patchy and Winz was not sufficiently resourced to handle the policy."

You can download the Ministry of Social Development evaluation report on: [www.msd.govt.nz/publications/docs/evaluatingdpbpreforms.pdf](http://www.msd.govt.nz/publications/docs/evaluatingdpbpreforms.pdf)

- NZ will join the rest of OECD nations (except for Australia and the US) and offer **paid leave** to female employees for 12 weeks around the time they are **having a baby**. The scheme will pay women between 80% and 100% of their wages (depending on their tax rate) up to a maximum of \$256 in the hand per week. To be eligible, a woman must be working at least ten hours per week with the same employer for a year.

# The Jobs Letter

## DIARY

8 November 2001

The NZ unemployment rate sits steady at 5.2%.

9 November 2001

NZ job ads fall for the third consecutive month according to the ANZ survey.

Unemployment in Australia jumps from 6.7 in September to 7.1% in October.

14 November 2001

The National Museum of NZ, Te Papa has increased its staff by 87 permanent staff over the last twelve months.

Between 500 and 800 jobs will go as TelstraSaturn announces it has purchased Clear Communications.

16 November 2001

W Stevenson and Sons in Auckland closes its construction division with the loss of about 60 jobs.

Unions call on the Australian government to intervene as Qantas announces plans to cut 2,000 jobs.

20 November 2001

The Post Primary Teacher Association says that teacher shortage is highlighted by a 50% increase advertising post primary teaching positions this year over last. Principals report that applications for positions are only trickling in.

### Editor

Vivian Hutchinson

### Associates

Dave Owens

Jo Howard

Rodger Smith

*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](http://www.jobsletter.org.nz)*

The government estimates 20,000 women per year will qualify but an estimated 8,000 women who will have babies who are **self-employed or work casually will not qualify**. The entitlement is specific to the mother but she may transfer the payments to a partner who is looking after the baby. The scheme will be funded from taxes rather than a levy on employers. Those using it will not have to repay the money if they elect not return to work at the end of their paid parental leave.

Employers are already required to hold a woman's job open for them for up to a year if they take unpaid time off work for the birth and first months of their baby's life. The parental tax credit, instituted by the previous government which provides low and middle income earners up to \$150/wk for eight weeks (whether they are working or not), will remain in place as an alternative for some of those who do not qualify for the new scheme.

The announcement of paid parental leave is widely seen as a success for the Alliance Party and its advocate MP Laila Harre. Its Labour Party coalition partner had exhibited no sense of urgency to adopt the scheme that will cost \$42 million per year. Harre says that while the scheme isn't everything she wanted, it is a good place to start. She says that a review after twelve months will consider whether it should include a wider range of women and revisit the period of time and the rate at which it is paid.

- A report from a parliamentary committee inquiry into student fees, loans and allowances provided **no solutions to the financial problems students are having** once they leave tertiary training. Graduating students say they are unable to obtain home loans, are putting off having families and are going overseas on account of the debts they are accumulating from course fees. But after 18 months of reviewing hundreds of submissions, the parliamentary committee's sole recommendation is that more research needs to be done on the issue.

Chairperson of the education and science select committee Alliance MP Liz Gordon says one problem that stymied the committee was that government departments had **failed to provide analysis** of the effects of tertiary education policy on the personal finances of students. Gordon says this lack of information and **political divisions within the committee** left it unable to reach a consensus.

- Student groups are livid at the lack of action. They had encouraged their members to make submissions which they now say was a waste of everyone's time. Chris Hipkins of the Victoria University Students Association says that for the committee to simply say that more research is required ... is simply insulting. Hipkins: "If this is all we can expect, we may as well pack our bags and leave the country now."

Associate Minister of Education Steve Maharey says the government will respond to the report by the end of the year. But it appears that nothing more will be done on student debt issues in the near future as it is being **held over until after next year's election**. Maharey: "Further action to ease the financial burden of tertiary education will only happen if and when the Labour-Alliance government is re-elected."

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.

**The Jobs Letter** — P.O.Box 428, New Plymouth, New Zealand phone 06-753-4434 fax 06-753-4430 email [editor@jobsletter.org.nz](mailto:editor@jobsletter.org.nz)