

The Jobs Letter

No. 166

17 May 2002

Essential Information on an Essential Issue

KEY

STATISTICS THAT MATTER

GROWTH'S DAUNTING
ARITHMETIC

NATIONAL'S 90-DAYS

TMP BEHIND YOUTH PROJECT

BUDGET BITS

WORKAHOLIC PARENTS AND
TEENAGERS

DIARY

18 April 2002

250 staff at Lakeview Farm Fresh meat processing works in Levin have been laid-off as the company goes into receivership.

21 April 2002

A study has found that women who work during pregnancy are five times more likely to develop health conditions related to high blood pressure than those who are not in the paid workforce.

The International Monetary Fund predicts NZ economic growth to be 2.6% this next year.

22 April 2002

A study has been completed on the state of the NZ health industry workforce finding that worker shortages exist from junior doctors to nurses to many types of medical specialist. Recruitment and retention difficulties, a lack of training places, poor morale and no clear career pathways are contributing to the shortages.

An on-line entitlement calculator has been launched which will give detailed information about paid parental leave. It can be found on the website of the Department of Labour's Employment Relations Service.

• Unemployment has fallen slightly to 5.3%, according to the latest figures from Statistics NZ. There has been a **strong growth in the numbers of jobs created**, and the workforce participation rate is the highest it has been since the Household Labour Force survey began in 1985. We include our regular *Statistics That Matter* feature in this issue of *The Jobs Letter*. Other highlights:

— over the past two years, 104,000 new jobs have been created, an increase of 5.9%.

— there are 12,000 fewer long-term unemployed now than there were two years ago, a reduction over that period of over 30%.

— the labour force participation rate has risen to 66.9% from 66.3%.

— the increase in 63,000 jobs in the last year have been about equally divided between full and part-time employment.

— there has been strong job growth for Maori and Pacific Island people. The unemployment rate for Maori has fallen to 10.8% this year, from 14.6% in 2000. Pacific Island unemployment has also fallen to 9.7% from 12.3%. The Pakeha unemployment rate is steady at 4.2%

— there has also been strong growth in the regions. The unemployment rate for Gisborne-Hawkes Bay is 4.9%, down from 6.6% a year ago. Manawatu and Wanganui's rate has dropped to 6.2% from 6.5%. Northland's unemployment rate is still high at 10.5%.

— the employment growth was much stronger than had been expected by economic commentators. A newspaper poll of forecasters predicted the average employment growth would be 0.4%. The growth figure came in at 1.3%.

— there are still over 100,000 part-time workers who would prefer to be working more hours.

• The ANZ Bank job advertisements survey shows that **more companies are looking for workers**, with almost 30,000 jobs advertised last month (a rise of 6.3%) ... indicating that many more people could find work in the months ahead. ANZ chief economist David Drage notes that if the participation rate had not risen in the last quarter, the unemployment rate **would have been 4.7%**. Drage: "Given how high the participation rate is now, we could see the unemployment rate drop below 5% later this year, for the first time since March 1988."

• The increased participation rate has also coincided with strong net immigration figures — about 25,000 over the past year. Drage: "Both returning New Zealanders and new arrivals seem to be more likely to be seeking work..."

• Where are the jobs coming from? There has been a sharp rise in the number of people working in **government jobs in health and education**. BNZ economist Stephen Toplis says that this has accounted for nearly 70% of the increase in total jobs in the past 12 months. Toplis: "In the past 12 months, the state sector has been the major contributor to jobs."

The Jobs Letter

DIARY

23 April 2002

Prime Minister Helen Clark says that nearly 1,000 people will be in forestry training by the end of this year. Clark says this is a 100% increase from four years ago and that plans are in place to increase forestry training places by another 100% over the next five years.

Employment in film and video production has increased by 30% over the last two years. A report by the Institute of Economic Research says the production of "The Lord of the Rings" is likely to help triple or even quadruple the amount of annual film industry activity in NZ.

There was a record 25,600 net inflow of long-term immigrants to NZ in the year to March.

24 April 2002

Argentina faces further disruption as banks close, after being unable to accommodate the demand for cash withdrawals. The International Monetary Fund has refused to authorise loans to Argentina unless the country's civil service budget is slashed. But with unemployment well over 20%, regional governors have not agreed to cut jobs.

26 April 2002

The National Party would make changes to the Employment Relations Act but not repeal it. The proposals for change include creating a 90-day trial period for new workers in which dismissal and grievance provisions would not apply. National MP Simon Power says that businesses have been worried about taking on people that they perceive to be a bit more risky because of the potential for those types of actions to be brought.

Alliance leader Laila Harre says the National Party employment policy would lower the standards for workers and was not way to increase employment. She says that an "anything goes" approach to the first three months of employment would allow unfair treatment to go unchecked and discourage young workers rather than help them.

Economists in the media are also pointing to strong growth in the rural economy in the past two years, with **more farm jobs and jobs in rural towns**. Lower interest rates, rising consumer spending and home building has also boosted demand for workers in the retail and construction sectors.

- The employment figures **aren't looking as healthy overseas**. In Australia, the economy unexpectedly shed 43,500 positions in April, the first job losses in seven months. The unemployment rate remains at 6.3%, as fewer people in the survey said they were looking for work. In the United States, the unemployment rate has reached 6% — the highest point in nearly eight years. The number of US workers collecting unemployment benefits at the end of March has risen to 3.78 million — the highest level recorded in 19 years.
- The New Zealand job figures remain good news for the Labour/Alliance coalition government, and for **Finance Minister Michael Cullen** who is due to release his **election-year Budget next Thursday**.

Cullen has said that he would like to lift New Zealand's sustainable long-term **growth rate to 4%** within five years. Twenty years of growth at this pace would put us back into the top half of the OECD ranking of countries.

Brian Fallow, Economics Editor at the *New Zealand Herald*, points out however that the **labour market arithmetic** behind such an aspiration is pretty **daunting**. He explains that a 4% growth rate would require us to double the rate at which the workforce has expanded over the past 20 years, in defiance of the demographic trends. It would also require a revolutionary doubling of productivity growth for two decades.

Fallow: "Over the past 10 years, two-thirds of the growth has come from an increase in hours worked, rather than productivity gains. The problem with this is that the statisticians expect growth in the workforce to fall away sharply over the next 20 years, to the point where it would be shrinking by 2021 as the baby-boomers retire. If we were looking for workforce growth to contribute half of the desired 4% trend growth, the workforce would have to be growing by 2%, or around 40,000 people, a year."

Where would these 40,000 people-a-year come from? Some, hopefully, from among the ranks of the unemployed. But Fallow's view is that the big and easy gains from reducing unemployment **have already been made**: "Further reductions in unemployment will have to overcome greater difficulties in the areas of skills and attitudes, and all the vexed issues of the interface between the welfare system and the labour market..."

— "Growth's daunting arithmetic" by Brian Fallow, available online at New Zealand Herald website www.nzherald.co.nz/storydisplay.cfm?storyID=1844390

- Brian Fallow's views on our economic growth rate are echoed in an NZ Institute of Economic Research report released last month. The report says that NZ's **economic growth is on a long-term downward trend**, due to the ageing of the population and lack of investment in improving productivity. The NZIER predicts that GDP growth will average "a mere 1.4%" over the next 30 years. Fortunately, the Institute forecasts the growth to be much stronger in the immediate future, averaging 2.6% between now and 2006.

(continued on page five)

STATISTICS THAT MATTER

ONE IN NINETEEN PEOPLE OFFICIALLY UNEMPLOYED IN NZ

OFFICIAL NUMBER OF UNEMPLOYED IN NZ
March 2002

104,000

Seasonally Adjusted

OFFICIAL RATE OF UNEMPLOYED
March 2002

5.3%

OR ONE IN 19 PEOPLE
Seasonally Adjusted

DROP IN NUMBER OF UNEMPLOYED IN LAST THREE MONTHS
Dec 2001— March 2002

1,000

RISE IN LAST YEAR
March 2001 — March 2002

1,000

PEOPLE REGISTERED AS JOBBEERS WITH MINISTRY OF SOCIAL DEVELOPMENT
(Formerly WINZ)

March 2002

173,280

UNDEREMPLOYED
March 2002

106,600

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

GLOBAL

SPAIN	12.9%
FRANCE	9.1%
ITALY	9.0%
GERMANY	8.1%
CANADA	7.7%
OECD Average	7.0%
AUSTRALIA	6.7%
UNITED STATES	5.7%
NEW ZEALAND	5.3%
JAPAN	5.2%
BRITAIN	5.0%

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 March 2002.

NORTHLAND	10.5%	or one in 10 people
AUCKLAND	4.9%	or one in 20 people
WAIKATO	6.1%	or one in 16 people
BAY OF PLENTY	7.2%	or one in 14 people
GISBORNE-HAWKES BAY	4.9%	or one in 20 people
TARANAKI	4.9%	or one in 20 people
WANGANUI-MANAWATU	6.2%	or one in 16 people
WELLINGTON	5.8%	or one in 17 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	3.5%	or one in 29 people
CANTERBURY	5.5%	or one in 18 people
OTAGO	6.5%	or one in 15 people
SOUTHLAND	3.7%	or one in 27 people

EMPLOYED

NUMBER OF PEOPLE IN JOBS IN NZ
March 2002 *Seasonally Adjusted* **1,867,000**

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS
Dec 2001 — March 2002 **24,000**

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR
March 2001— March 2002 **63,000**

SECTORS WITH A RISE IN EMPLOYMENT IN THE LAST YEAR
WHOLESALE & RETAIL TRADE, BUSINESS & FINANCIAL, EDUCATION, CONSTRUCTION, TRANSPORT, STORAGE & COMMUNICATION, HEALTH & COMMUNITY SERVICES, AGRICULTURE, FORESTRY AND FISHING

SECTORS WITH A DROP IN EMPLOYMENT IN THE LAST YEAR
MANUFACTURING

FULL-TIME and PART-TIME

of the "Employed" statistics

	FULL -TIME	PART-TIME
MEN	910,000 (89%)	117,300 (11%)
WOMEN	541,900 (64%)	300,700 (36%)
TOTAL	1,451,900	418,100
OVERALL %	78%	22%

GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 30,000
GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 14,000

REGIONS

REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS
Dec 2001 — March 2002

BAY OF PLENTY
GISBORNE / HAWKES BAY
TARANAKI
NELSON / MARLBOROUGH /
TASMAN / WEST COAST
SOUTHLAND

REGIONS WITH A RISE IN UNEMPLOYMENT

NORTHLAND
AUCKLAND
WAIKATO
WANGANUI / MANAWATU
WELLINGTON
CANTERBURY
OTAGO

A SPECIAL SUPPLEMENT TO

THE JOBS LETTER

14 MAY 2002

ONE IN ELEVEN PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF
JOBLESS IN NZ
March 2002
188,500

OFFICIAL RATE OF
JOBLESS
March 2002
9.2%
OR ONE IN 11 PEOPLE

RISE IN NUMBER OF
JOBLESS IN LAST THREE
MONTHS
Dec 2001 — March 2002
4,900

RISE IN NUMBER OF
JOBLESS IN LAST YEAR
March 2001 — March 2002
9,700

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

14 MAY 2002

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	17.5%	..... or one in 6 people
AUCKLAND	8.6%	..... or one in 12 people
WAIKATO	8.7%	..... or one in 11 people
BAY OF PLENTY	11.7%	..... or one in 9 people
GISBORNE-HAWKES BAY	8.6%	..... or one in 12 people
TARANAKI	8.8%	..... or one in 11 people
WANGANUI-MANAWATU	9.2%	..... or one in 11 people
WELLINGTON	8.8%	..... or one in 11 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	6.8%	..... or one in 15 people
CANTERBURY	9.3%	..... or one in 11 people
OTAGO	9.9%	..... or one in 10 people
SOUTHLAND	6.7%	..... or one in 15 people

AGE and LONG-TERM

YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS	16.0%
March 2002	one in 6 young people
MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS	3.9%
March 2002	one in 26 mature people
LONG-TERM UNEMPLOYED (OVER 6 MONTHS)	27,200
March 2002	26% or one in 4 of the unemployed
LONGER-TERM UNEMPLOYED (OVER 2 YEARS)	7,100
March 2002	7% or one in 15 of the unemployed
VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS)	1,900
March 2002	2% or one in 55 of the unemployed

THE SCHEMES

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

TASKFORCE GREEN	790
JOB PLUS	4,378
JOB PLUS MAORI	153
JOB CONNECTION	184
ENTERPRISE ALLOWANCE	61
ENTERPRISE ALLOWANCE WITH CAPITALISATION	200
TRAINING OPPORTUNITY SCHEME (TOPS)	7,784
YOUTH TRAINING (SKILL NZ)	5,211
LIMITED SERVICE VOLUNTEERS (ARMY)	150
CONSERVATION CORPS	1,363
YOUTH SERVICE CORPS	237
ACTIVITY IN THE COMMUNITY (still counted as unemployed)	1,612

PARTICIPATION

LABOUR FORCE
PARTICIPATION RATE
March 2002
Seasonally Adjusted
66.9%
up from 65.6% last year

RACE

MAORI RATE OF
UNEMPLOYMENT
March 2002
10.8%
OR ONE IN NINE PEOPLE

PACIFIC ISLAND RATE OF
UNEMPLOYMENT
March 2002

9.7%
OR ONE IN 10 PEOPLE

NZ EUROPEAN RATE OF
UNEMPLOYMENT
March 2002

4.2%
OR ONE IN 24 PEOPLE

The Jobs Letter

DIARY

27 April 2002

The PSA is also disappointed with the National party employment policy. National Secretary Richard Wagstaff says the 90-day period for new employees goes further than the old Employment Contracts Act in terms of undermining the workers security of employment. Wagstaff: "It also fails to recognise that when things are not working there is a process to work it through..."

Telecommunications giant Seimens announces 6,500 new job cuts after cutting 20,000 jobs last year. The corporation employs 443,000 people.

ACT MP Muriel Newman releases official figures which show that almost 5,000 New Zealanders have been on the sickness benefit for more than 10 years each.

29 April 2002

Minister of Immigration Lianne Dalziel clarifies the details of the "Work-to-Residence-Programme" to provide a fast-track through immigration for companies wanting to hire skilled overseas workers. The programme will allow companies to circumvent all but the health and character checks for targeted workers, and it simplifies the process of hiring people in priority occupations like secondary teachers, medical specialists, nurses and IT professionals. Successful working immigrants will qualify as NZ residents after two years.

Overdue student loan penalties have increased by 80% over the last year and there is now more than \$60 million in penalties owing. The average penalty owing for a person living in NZ is \$1,020, while the average penalty debt for an NZ'er living overseas is \$4,057.

30 April 2002

The South Australian Mitsubishi plant says it needs \$A85 million in Australian government support to stay open and create 1,300 new jobs. The federal government gave the company \$A200 million last year.

Wellington and Southland-Clutha are to pilot an initiative that aims to address skills shortages through facilitated immigration. The trial is a collaborative effort between the Immigration Service and the development agencies in the regions.

NZIER also predicts that Southland, Taranaki, Auckland, Manawatu and Wanganui will be the **economic powerhouses** over the next four years.

- A National government would introduce a **90-day trial period for new workers**, during which time workplace dismissal and grievance provisions would not apply. The party says this would encourage employers to hire more people by removing the nervousness felt by employers when taking on new staff.

The proposal is part of National's election-year workplace policies released last month. National leader Bill English says that the 90-day trial period **would be optional**, and would have to be agreed between the prospective worker and the employer. English: "This takes no rights away from what people currently enjoy. However, it does give people who find it hard getting work — older workers, younger people, migrants, people with disabilities and those trying to get off benefits — a chance to have a go and prove themselves..."

— "Creating a Better Workplace" — National Party election policy, available on the National Party website at

www.national.org.nz/wcontent.asp?PageID=100004850

- The National Party policy is being backed by the Employers and Manufacturers Association. EMA Advisor Peter Tritt says: "We've been suggesting a 90-day grievance-free period for some time and we're pleased to see its in National's policy. Encouraging our small businesses to employ people and grow has long been recognised as the path for future growth in New Zealand, which is fundamentally a nation of small businesses. This is a small step towards the goal, though a host of other compliance issues also need addressing ..."
- ACT leader Richard Prebble supports the proposal, but criticises the 90-day period for **being too "timid"**, particularly because it will be optional. Prebble: "In Tony Blair's Britain, workers can't bring an employment grievance unless they have been employed for a year..."
- In Australia, Prime Minister Howard is having a difficult time introducing **unfair-dismissal laws** which he campaigned on at the last election. The Australian government plans to allow companies with fewer than 20 workers the ability to sack staff without having to prove they were not unfairly dismissed. Opposition parties have been hardening their opposition to the reforms, and have challenged Howard to go back to the polls if he dares.

- **TMP Worldwide** Business Consulting has been recently appointed Project Consultant for the **Youth Employment Project** being conducted in partnership between the NZ Business Council for Sustainable Development (NZBCSD) and the Mayor's Taskforce for Jobs.

The project aims to "lead NZ Business in their role of ensuring current employment or training for all young New Zealanders by 2005". The Youth Employment Project will deliver a concise NZ industry guide on the 'why' and 'how' for **stimulating youth employment**. The guide will aim to motivate NZBCSD members to commit to youth employment targets or projects and to report annually on progress. The project will also establish a website to promote the "business case" for getting involved in with youth employment issues.

Member companies at the forefront of this project include: The Warehouse, Urgent Couriers, Money Matters, City Care, Fonterra and Milburn Cement.

The Jobs Letter

DIARY

1 May 2002

Alliance leader Laila Harre launches the "Four Weeks Annual Leave Campaign", a bid to gain an extra week of holidays for all New Zealanders. Harre: "It's thirty years since workers last got an increase in their annual leave entitlement, and we think they've earned another week off."

Census figures show Auckland and Wellington are leading destinations for the internal migration of workers. Manawatu, Wanganui and Southland are losing the most people.

Private sector annual wages rose 2.5% while public sector wages rose 7.3% over the last year.

2 May 2002

The government announces its decisions on the review of the Training Opportunities and Youth Training programmes. The Review Team wants programme delivery to be more flexible in meeting the changing needs of learners and the labour market; programmes to be better integrated within the range of educational opportunities and employment assistance; better coordination between government agencies; and programme outcomes to be better specified to focus on sustainable employment, and/or further education and training.

Green Employment spokesperson Sue Bradford says she welcomes support from the Alliance for the Green policy of four weeks annual leave for workers. Bradford says she personally believes that a 35-hr week, such as has been successfully introduced in France, could also be implemented in New Zealand.

3 May 2002

NZ industries showing the greatest job growth in the year to February were manufacturing (13,500 new jobs), transport storage and communications (9,700 new jobs), and construction (8,600 new jobs).

Feltex Carpets is seeking 70 more workers at its Lower hutu carpet yarn plant, as it aims to lift production more than 50 per cent.

• TMP Worldwide is the world's largest "human capital solutions provider" offering on-line recruitment (Monster.com), recruitment advertising, executive search and selection and human resources consulting services. General Manager of TMP Worldwide Business Consulting, Tony Teesdale, says that TMP has a genuine commitment to the employability of New Zealand's youth, which has led to their role as the major sponsor of **TMP Workchoice Day**. This annual event sees Year 12 (sixth form) students from almost a hundred schools linking with 450 companies throughout New Zealand.

— Further information on the Youth Employment project can be found on the NZBCSD website at www.nzbcscd.org.nz/project.asp?ProjectID=7

• **Internet Bookmark: The Way We Work.** The Canadian-based CBC News has published a special website on the future of work facing Canadians. It features many stories of people who are facing transition in their working lives, and feature articles on how Canada's economy is transforming itself towards a "knowledge" economy. Many of these stories and commentaries are similar to the changes experienced here in New Zealand over the past two decades.

— Check out the website at www.cbc.ca/news/work/

• The government is continuing its practice of making **pre-Budget announcements** before the main event on Thursday May 23rd. Dr Cullen has \$815 million of extra money to allocate this year, but has already announced that \$400 million of it will go to Health.

Over the last three weeks, these announcements have included:

— \$186.8 million over four years for Housing that will enable 360 new state homes to be built and the problem of substandard housing in some areas to be tackled. (Housing Minister Mark Gosche).

— \$27.3 million additional funding over four years for vocational services for people with disabilities (Disability Issues Minister Ruth Dyson). This would include \$24.5 million to implement the Government's vocational services strategy and \$2.7 million to repeal the Disabled Persons Employment Promotion Act and revise the workers' permit system.

— \$2 million for a network of regional case managers to assist businesses that have a "high growth potential" (Economic Development Minister Jim Anderton).

— \$535,000 to enable 20 voluntary or community organisations to benefit from having a paid intern help their operation for six months (Green MP Sue Bradford).

— \$484,000 for the Student Job Service SNAP programme matching students with business skill shortages (Jim Anderton, and Employment Minister Steve Maharey).

— \$8 million additional funding over four years for the Adult Literacy Strategy (Associate Education Minister Marian Hobbs).

— \$2.3 million additional funding over four years to recruit a further 250 to 500 caregivers a year and help caregiver agencies (Social Services Minister Steve Maharey).

— \$11.6 million over four years to improve the information available on skills needed in the economy (Employment Minister Steve Maharey). The funding will support an integrated website which would be a

The Jobs Letter

DIARY

4 May 2002

Figures published by Act MP Muriel Newman indicate more than 6,000 people on the unemployment benefit have been on one kind of benefit or another for more than ten years. Newman says that living on a benefit was a "lifetime option" for some.

NZ is one of the least expensive places for foreign tertiary students to travel to to study. IDP Education Australia compared the cost to foreign students to study and live in NZ, Australia, the UK, Canada and the US found NZ to be consistently the cheapest option.

A new beef jerky plant in South Auckland has created 200 new jobs. Jack Link's CEO John Corner says 95% of the first employee intake are long-term unemployed and that the company has worked with Winz to select the staff. Staff numbers are expected to double within two years.

Minister of Tertiary Education Steve Maharey reveals proposed changes to the student loan scheme. They include limiting the amount of money students can borrow, introducing deadlines for repaying loans and encouragement to families to put money away for their children's future education.

5 May 2002

Figures obtained from Winz under the Official Information Act show that there are nearly 100,000 people in the Domestic Purposes benefit, and nearly 750 of these single parents have continuously claimed the DPB for more than 20 years.

Students say they are insulted by the government's proposed changes to the student loan scheme. University Student Association president Andrew Campbell says a savings scheme was unfair and suggesting that students could borrow less was offensive.

Campbell is also critical of the government considering a scheme to encourage families to put money away for their children's future education. Campbell: "On the face of it, such a scheme may look like a good idea to some people. However, to fund a degree, parents would have to save \$18 per week, per child, from the child's birth ... this would be impossible for many families."

"shopping mall" for job-seekers and employers; a six-monthly skills report summarising existing information on the supply and demand for skills; a new survey on job vacancies to improve knowledge of the demand for skills; and a survey on the employment and earnings outcomes for tertiary graduates.

— ongoing Budget announcements can be read at www.beehive.govt.nz/budget/index.cfm

- The debate over the **Student Loans scheme** looks certain to continue over this election year. National MP Lockwood Smith, the architect of the loan scheme that was introduced ten years ago, still believes that paying off the loan **should not be a big concern** to students. Smith recommends that students should never pay any more than their minimum requirement and that he always expected that many people would never completely pay back their student loan. Smith advises that people to merely pay the 10% deducted by the Inland Revenue Department on amounts over \$15,132 and leave it at that.

Smith: "It has always worried me that people have felt this desperate need to pay it back. That has never been the deal. The deal was that when you got a higher income than the average person then you would have to pay it back, And if you did not, then I would argue that people should not have to worry about it."

- University Student Association co-president **Andrew Campbell** describes Smith's comments and advice as "insulting". He points out that an Otago University survey found that more than half of Dunedin's bank officers had denied loan applications to people because of their existing student loan obligations.
- An American study has found that the **children of workaholic or emotionally distant parents** are at increased risk of problems including drug use or teenage pregnancies. The author of the study, Robert Blum of the University of Minnesota, has sparked a debate in Britain amid wide-spread political concerns about the anti-social behaviour of young people.

Speaking to the UK National Family and Parenting Institute, Robert Blum recommends that parents should make themselves available to their children at four key times of day— early mornings, immediately after school, supertime and bedtime — without distractions such as television.

Blum also reports that his study dispels the myth that single parents are to blame for juvenile delinquency. Instead, it finds that workaholic parents with no time to listen to their older children **pose a greater threat to their children's well-being**. The study also found that teenagers working more than 20 hours per week are more at risk of drug and alcohol use and early sex.

- The US study was undertaken in the mid 1990s and surveyed American High School students and their sense of "connection" to parents, families and their school communities. It is the first US comprehensive national analysis of the impact of these social settings and connections on adolescent health. The study, undertaken over a six-year period, has gathered a huge amount of data will take a decade or more before it provides a complete analysis.

The Jobs Letter

DIARY

6 May 2002

The ANZ Australian job ads survey finds a 24% increase in April.

8 May 2002

A speech in which Minister Laila Harre criticises the social policy of the coalition government has been removed from the government website.

9 May 2002

The latest Corrections Association newsletter criticises the Corrections Department saying the Department is using its inmate employment industries to make a profit off cheap labour at the expense of private businesses and inmate rehabilitation. About 2,500 inmates are employed by CIE, a branch of Corrections, which runs businesses including farms and nurseries. Prisoners are paid an average of \$12 a week, compared to the statutory minimum wage of \$320 a week. Last year, Corrections made \$22.5 million from timber, livestock and prison industry sales.

10 May 2002

Unemployment stands at 5.3%, a drop of 0.1% over last quarter.

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

The first report on the survey was produced Robert Blum and Peggy Rinehart in 1997. It found that independent of race, ethnicity, family structure and poverty status, adolescents “who feel connected” to their parents, families, schools and community are healthier than those who are not. “Connected” teenagers are far less likely to experiment with drugs and alcohol, become depressed, have early sexual experiences or become pregnant.

— “Connections that Make a Difference in the Lives of Youth” by Robert Blum and Peggy Rinehart (PDF format, 923kb 40 pg) download from www.allaboutkids.umn.edu/cfahad/Reducing_the_risk.pdf

VOICES

on the LATEST STATISTICS

“The unemployment rate has come back to 5.3%, and this is on the back of the highest participation rate we have seen since the survey started. I am also delighted to see that the numbers of long term unemployed have come down. There are 12,000 fewer long-term unemployed now than there were two years ago — that is a reduction over that period of over 30%.

“These are very good numbers for the economy and are a credit to those who through investment and effort are growing this economy. The economy is on course, and this Government has the policy mix right ...”

— **Steve Maharey, Minister of Social Services and Employment**

“This is a good result given that the size of the labour force has been increasing with a lot fewer workers going to Australia and a higher number of immigrants. However, there is no room for complacency. There are 104,000 officially unemployed. Using the broader definition of ‘jobless’, there are 188,500 out of work. In addition, there are 106,100 people seeking more hours of work and are regarded as underemployed.

“This also shows that there is still a lot of labour market capacity in the economy, which confirms the advice we have from employers and this should be noted by the Reserve Bank. We need to aim for even lower rates of unemployment through more investment, more industry training, and industry and regional development...”

— **Peter Conway, CTU economist**

“On an industry basis, the education sector accounted for nearly two-thirds of the growth in the last quarter and one-third of all growth over the last year. Indeed, the data suggests that the sector has grown by 15% over the past year. Although increasing numbers of foreign students, plus increased use of child-care, would account for a stronger than average rise, the sheer size of growth in this sector seems a little difficult to believe...”

— **Darren Gibbs, Senior Economist, Deutsche Bank New Zealand**

“The 10.2% unemployment rate for “other” ethnic groups (not pakeha, Maori or Pacific Island) is evidence of failed government immigration policies. Bringing new immigrants into New Zealand who, because of their lack of employment skills, are unable to work, is a recipe for social problems.

“It is a reasonable assumption that most of those in the “other” category are recent immigrants. This further shows the folly of the government’s politically-correct immigration policies...”

— **Richard Prebble, Act NZ leader**

“For the government, the figures are a massive victory. Employment growth is a key indicator of economic growth. Employment is also a key ingredient to wealth creation [...] Helen Clark’s government, which has presided over the creation of over 100,000 new jobs, will welcome the result as confirmation that New Zealand is on the right track. For the opposition, the result would be disastrous...”

— **Paulo Politico, columnist, www.spectator.co.nz**

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