

The Jobs Letter

No. 169

18 July 2002

Essential Information on an Essential Issue

KEY

MAYORS MEET WITH
POLITICAL PARTIES
ELECTION 2002 POLICIES
IN A LAND OF PLENTY

DIARY

13 June 2002

About 150 jobs go as one of the largest employers in New Plymouth, MCK Metals, announces it will sell its copper and brass manufacturing operations.

Secondary school teachers threaten to sue school boards for work-related stress if the government does not negotiate better pay and workload deals.

Workload pressures are also seeing primary and secondary school principals retire early and this is a disincentive to senior teachers to apply for these jobs. School management advisor Mike Whitall says principals are leaving because of burnout, lack of career path, and disillusionment with management aspects of their job.

14 June 2002

Some social services agencies report that the number of homeless and transient people has doubled in the last year. The Salvation Army in Lower Hutt and the Auckland City Mission report a huge rise in demand for emergency accommodation.

16 June 2002

Demand for skilled farm employees has lifted South Island farm wages by between 5 - 15% this year and poaching staff is a common problem. Farm consultant Ross Cottier says there were 20,000 people employed in the dairy industry in the year 2000 and estimates are that the industry will require 30,000 staff by 2005.

• The **Mayors Taskforce for Jobs** has met with the employment spokespeople of the **main political parties** in a special forum held in the Wellington City Council Chambers. The full-day forum was designed to give the political parties a chance to brief the Mayors on their election policies and to answer questions on details.

All the political parties **expressed their support** for the Mayors Taskforce primary goal of **ending unemployment by 2005** for all young people under 25 ... and each said they wanted to work in partnership with the Mayors and local government in order to move towards this goal.

But the parties were **much more cautious** than the Mayors in terms of echoing such a goal in their own election-year policies.

— **The Labour Party** has committed itself to a goal of ensuring that, by 2007, all 15-19 year olds will be "... engaged in appropriate education, training, work, or other options which will lead to long-term economic independence and wellbeing". Steve Maharey says that this goal will be met by putting in place a range of education and training pathways, and "... by ensuring that the social assistance system balances the need for income support, where appropriate, with the opportunity to participate in education, training or a job."

Maharey says he had been meeting with the Taskforce chairman and Mayor of Christchurch Garry Moore to discuss how the government could better support the Mayors primary goal which is targeting more people (under 25-yr olds), and has a shorter deadline than Labour Party policies. However, these meetings were interrupted by the announcement of an early election. Maharey told the Taskforce that, depending on the outcome of the elections, he would welcome a continuing conversation over the goals and the timeline, and he would build on the base already created by the *Memorandum of Understanding* reached between the government and the Taskforce.

— Jim Anderton of **the Progressive Coalition** (who is expected to return to Cabinet if a Labour-led government is returned to power) has made a "cornerstone commitment" that all under 20-yr olds will be in education, training or employment by 2005. Anderton plans to extend programmes that have already proved successful in Canterbury to the rest of NZ "... to ensure that every school leaver is placed in a job, an apprenticeship, or training for a job or is furthering their education at polytechnic or university."

— **The Alliance's** policy is that every person up to the age of 18 will be in education, training or work by the year 2005. The Alliance has also taken up the Mayors Taskforce theme of "*working towards the zero waste of people*" as the title of a proposed PEP-style work scheme.

— **The Greens** have voiced general support for the objectives of the Mayors Taskforce, but have not established any specific policy of targets and deadlines. Sue Bradford told the Taskforce that she supported better resourcing of the Mayors Taskforce initiatives.

The Jobs Letter

DIARY

18 June 2002

49 foreign-trained doctors qualify to practice medicine in NZ. They are the first of 250 doctors going through a government bridging programme that ascertains that they have met NZ standards. Most have arranged their clinical placements in Auckland, which has disappointed Minister of Health Annette King who says that she would like to see them do their placements in rural areas.

There are now 1,768 people on the artists-on-the-dole scheme called PACE. This is twice the numbers who were on it in January. Since November, 337 people on the scheme (19%) have been placed in jobs, with 74 of those jobs being in the arts.

Many Singaporean manufacturers are relocating in China where labour costs are about one-tenth of that in Singapore. The island nation with a population of about 4 million has lost over 40,000 jobs to China over the last five years.

19 June 2002

250 meatworker jobs are lost as PPCS announces the permanent closure of its modern Blenheim plant. The company says stock numbers have dwindled as more and more beef and sheep farms in the area have been converted to vineyards.

20 June 2002

New workers are needed in the fruit and vegetable industry according to Ron Becroft, president of United Fresh. Becroft says graduates are needed in training, research, marketing and production in order to make the fruit and vegetable industry the next NZ economic success story.

Over the past 20 years there has been a 37% increase in the number of pre-term babies born in NZ. To the surprise of researchers, most were born in affluent areas. Researcher Liz Craig says the reasons for the premature births were inconclusive but several studies have shown strong associations between the number of paid hours worked and pre-term deliveries.

— **The National Party** says that they will “... ensure that all young people stay in school until they have well developed plans for the future”. Bob Simcock believes that far too many young people are going from school to a life on welfare “... which is a terrible waste of human talent.”

— **NZ First** supports the introduction of military training or community service for the young unemployed and first-time offenders — which is a moderation of their 1999 election call for compulsory military training for all 18-year olds.

• Mayors attending the special forum with political parties included Sukhi Turner (Mayor of Dunedin), Jenny Brash (Porirua), Tim Shadbolt (Invercargill), Paul Matheson (Nelson), Juno Hayes (Clutha), Chas Poynter (Wanganui), Tony Arps (Hurunui), Les Probert (Wairoa), Owen O'Connor (Gore), Alan Milne (Kapiti Coast), Mark Bell-Booth (Palmerston North), John Terris (Hutt), Colin Hammond (Whakatane), John McIver (for Basil Morrison, Hauraki), Sue Piper (for Kerry Prendergast, Wellington), and Anne Candy (for Sir Barry Curtis, Manukau). Also present were representatives from Local Government NZ and the NZ Business Council for Sustainable Development. *The Jobs Letter* editor, Vivian Hutchinson, attended in his capacity as Community Adviser to the Taskforce.

• Spokespeople for political parties at the forum included Steve Maharey (Minister of Social Services and Employment) for the Labour Party, Muriel Newman MP for the Act Party, Sue Bradford MP for the Green Party, Bob Simcock MP for the National Party, Liz Gordon MP for the Alliance Party, and Jim Anderton (Minister of Economic Development) for the Progressive Coalition Party. No representative from NZ First turned up to the forum.

Surprisingly — despite that fact that employment issues remain high on surveys of voter concerns, and that the Mayors who attended represent most areas of the country — **no mainstream media** organisations responded to the invitation to attend and cover the forum.

• As the election approaches, political parties are **publishing policies almost daily**. Here is *an essential summary* from the last few weeks on what is being promised on employment and social welfare issues.

• **Labour** leader Helen Clark has published this year's “**credit card**” of **commitments** which include: “Work with all sectors to create an innovative growing economy with more jobs”; “Keep tertiary education affordable. Get more teachers into schools”; and “Double the number of apprenticeships.”

• Labour will continue to regionalise employment service delivery with resources increasingly directed to front-line service provision. It would focus on the needs of long-term job seekers, mature job seekers, youth and migrants and set the goal of having 250,000 people participating in industry training by 2007.

Labour will double the number of Modern Apprenticeships to 6,000 by December 2003 and to continue to expand the scheme after that as well as including a further 300 Maori on trade training initiatives in the next year. Gateway, a school-to-work transition programme, will be extended to all decile 1 to 5 state schools by 2007, as well as providing post-training support for all 13,000 participants in the Skill NZ Youth Training programmes.

• On paid parental leave, Labour says that, as resources permit, it would extend the leave to 14 weeks and include those who have had more than one employer during the year as well as the self-employed.

• A Labour government would introduce a **new voucher-style funding scheme for unemployed people** which will see money from Work and Income placed in “Individual Jobseeker Accounts” (IJAs) to be spent on programmes and services. The scheme will be piloted in two Work and Income regions over the next year.

(continued on page four)

REVIEW

IN A LAND OF PLENTY



In a Land of Plenty — the Story of Unemployment in New Zealand

(documentary NZ 2002) 112 minutes
written and directed by Alister Barry
narration by Ian Johnstone
produced by the Community Media Trust
in association with Vanguard Films
with the assistance of the
Screen Innovation Production Fund

Film Festival Screening Times — Wellington

Sunday 21st July 3.15pm
Tuesday 23rd July 3.45pm

Auckland

Thursday 25 July 6.15pm
Friday 26th July 11.15am

also available on video from

The Community Media Trust

P.O.Box 3563, Wellington
Fax 04-472-5259
\$30 incl GST for individuals
\$70 for groups, \$110 for institutions

ALISTER BARRY'S new film *"In a Land of Plenty"* will be showing at the Film Festivals in Wellington and Auckland over the next two weeks. It is an excellent overview of the story of unemployment on New Zealand from 1984 to 1999.

Barry, the director of the acclaimed *"Someone Else's Country—the story of the New Right revolution in New Zealand"*, has again brought together a collection of speeches and interviews from political leaders and ordinary New Zealanders — much of

which has been retrieved from TV news archives. The documentary charts the rise of unemployment amidst the "new right" policies in the 80s and 90s and the political and bureaucratic response that followed.

Barry reminds us that from the 1930s to the mid 1980s, successive New Zealand Governments regarded full employment as the first objective of economic policy. With the election of the fourth Labour government in 1984, the policies and institutions which had sustained full employment were abandoned or modified, and unemployment became an instrument of economic management. This film traces the close links between monetary policy, the fight against inflation, and the consequential levels of unemployment over this 15-year period.

The 2-hour documentary stops its historical narrative at the election of the Labour-led government at the end of 1999. In the midst of another election campaign three years later, viewers are naturally left wondering how Alister Barry would present the more recent initiatives on these issues ... as the story of unemployment in New Zealand continues. — *vivian Hutchinson*

"Much of the material would be hilarious if the consequences were not so tragic ... a powerful piece of history."

— Gordon Campbell, The Film Festival 2002 Programme

• *Alister Barry*: "New Zealand used to be a country of full employment. When I was a youth I could expect to get a well paid job any time I wanted one. There was some, what experts call, "frictional" unemployment but this didn't involve high levels of anxiety. Another job was always just around the corner. Families and individuals may have had problems of one sort or another, but they weren't stressed out about being unable to find work or feed the family."

"So why did it change? That is what I set out to investigate in my research for this film. A script was developed and then the huge NZ Television archives database and film library searched for relevant material. Interviews were planned and filmed. In many ways this documentary is a more revealing film than *"Someone Else's Country"*, more "investigative" in the sense that people don't know much of this story in the same way that we all intuitively knew the story of the new right revolution".

• *Gordon Campbell, writing in the Film Festival 2002 Programme*: "A lot of this footage is priceless, capturing the endless capacity for self-delusion among the prophets of Rogernomics. Much of the material would be hilarious, if the consequences were not so tragic — and Barry has edited it all into a powerful piece of history that puts to shame the dreck that our channel bosses have demanded that television current affairs must all too often be in this country ..."

The Jobs Letter

DIARY

23 June 2002

WestpacTrust bank announces it will top up the government paid parental leave scheme for its employees bringing the payment up to their full pay, if they return to work within three months.

24 June 2002

The TMP Worldwide Job Index Survey finds 39.2% of NZ employers expect to take on full-time staff over the next 12 months while 9.2% plan to cut staff. The survey identified job prospects being best in the upper North Island fueled by the development of new call centres and a building boom that is accompanying increased immigration.

25 June 2002

The merging of *The Evening Post* and *The Dominion* newspapers will see the loss of as many as 90 jobs.

The Minister of Maori Affairs Parekura Horomia tells the Maori Affairs select committee that while all Maori "capacity building" projects funded by Te Puni Kokiri are monitored against their contracts, there is no framework for evaluating what the spending has achieved.

Chris Abbiss of KPMG challenges the claim by Minister of Finance Michael Cullen's that NZ is a low-taxed country. Abbiss compares the income tax rates of the countries with which NZ most closely identifies and finds NZ high, if not highest, in every income band up to \$80,000.

26 June 2002

The G8 country leaders meet in Canada. UK PM Tony Blair hails a rescue plan for Africa as a "real significant step forward". However, *The Guardian Weekly* says African leaders invited to the summit expressed deep disappointment that the plan did nothing to open up Western markets to developing countries, cancel debts of the poorest countries or provide the financial aid needed to meet UN targets for tackling global poverty by 2015.

The scheme will place a greater onus on the job seeker to find their own options for improving their employment situation. Details of the scheme are still being finalised, but the IJAs will contain an amount of money to enable unemployed people to access all forms of employment assistance to which they are eligible. This assistance may be provided by Work and Income and/or private and community-based training providers. Wage subsidies and other post-placement support may also be available through the IJAs.

- **The National Party** employment policy would give Winz the power to require unemployed people to do community work that will help restore work disciplines. National would reintroduce a work-test that requires recipients of the DPB to be available for employment as their circumstances permit and it would make much greater use of non-government agencies to place and support people in jobs.

The National Party says that current benefits are not appropriate for young people who are making the transition from school to work and it challenges the notion that a young person who has never been employed can be unemployed.

National also wants to replace the current unemployment and domestic purposes benefits for people under 20 years old with a **Youth Transition Programme**. This would be designed to meet the specific needs of each young person but would in every case include a commitment to job or parent training, further education, supported employment, job search activity, and/or community employment. All participants in the proposed Youth Transition Programme would be screened to assess any literacy and numeracy deficiencies, as well as drug or alcohol problems, and it would support participants to enrol in programmes to deal with those. Financial support would be made available to those who participate fully in the programme at the same levels as current benefits.

- National has a **"You Stay We Pay" programme** aimed at keeping new graduates in NZ. It would write-off 10% of a graduate's debt every year for the first five years after graduation if they stayed in NZ and worked. It would not apply to people if they were unemployed and if a person went overseas during their first five years, the "You Stay We Pay" scheme would only apply to the time they were working in NZ.
- Jim Anderton's **Progressive Coalition** says a commission of inquiry into the **balance between work and family** would be a top priority. It says the biggest challenge facing working families is the competing demands of work and family which is largely overlooked in political debate, and is an economic development issue.
- All of the **Green Party** policies, from employment and unemployment, to over-work, industrial relations, tax, trade and education, begin with **ecological sustainability** as an underlying value. The Green Party says that new jobs will be created with the implementation of policies that: reduce greenhouse gas emissions; focus on forest recovery through controlling pests; create a waste free New Zealand and an organic nation; clean-up contaminated sites; and provide solutions to urban traffic congestion and pollution.

The Greens: "We see huge opportunities for local eco-development and the creation of green jobs in areas such as: house insulation, energy efficiency and solar energy, erosion control, development and production of sustainable technologies, organic growing and marketing, waste reduction, recycling industries, restoring native vegetation, restoring historic buildings, building cycleways, local tourism, urban beautification and planning, crafts and the arts."

- Green welfare policy includes a Universal Child Benefit, a significant revamp of benefit levels, abatements rates and removing stand-down times for benefit eligibility for those who lose their job. It would also provide support for

The Jobs Letter

DIARY

27 June 2002

The proportion of solo parent families, comprised mostly of solo mothers with dependent children, has increased from 10% to 27% of families over the last 25 years. Charlotte Paul of Otago University says the change is mainly due to the decline of "shotgun marriages", which were a social norm until the 1970's.

28 June 2002

NZ gross domestic product grew by 3.2% in the twelve months to the end of March.

The US Federal Reserve Bank announces it will hold interest rates at 1.75%.

1 July 2002

The 2002 election campaign is officially launched.

Paid-parental leave comes into effect. The scheme pays a parent their full wage up to maximum of \$325 per week gross for 12 weeks if they have been working for the same employer for at least 10 hours per week for a year.

The Wellington Downtown Community Ministry sets up a street-side Special Benefit Project outside the Newtown Winz office. Co-ordinator Richard Noble says three advisors found that about 50 of the 70 people who made inquiries were missing out on their full benefit entitlements.

3 July 2002

Job cuts are expected at BHP NZ Steel in Glenbrook. Numbers are not yet known, but management has told unions that job cuts are likely if the company is to weather the recently announced US tariffs on steel products.

The Minister of Tertiary Education Steve Maharey tells the Aotearoa Tertiary Students Association that he sees capping tuition fees at about \$1,250 would be a "fair contribution" from students.

The NZ Reserve Bank raises interest rates to 5.75%.

community groups that provide advocacy and other services for beneficiaries. The Green Party supports a universal student allowance at the rate of the dole, with fees capped at \$1,500. It would write-off the student debt of people who stay in NZ and worked, and it would bring back the emergency unemployment benefit for any student unable to find summer work.

- **ACT's** welfare policy has three key planks: putting a lifetime maximum limit of five years on how long a person could be on a domestic purposes or unemployment benefit, with a maximum of two continuous years; compulsory work and training; and denying the domestic purposes benefits to women who do not name the father of their child. ACT would offer increased childcare subsidies, individual work placement support and help with relocation costs when needed.

ACT says sound industrial relations and full employment requires a full range of policies and different, more entrepreneurial, values. The party says it is promoting sound economic and fiscal policies to encourage sustainable growth; flexibility of work time; an entrepreneurial culture and legislative framework which encourages and rewards "giving it a go"; measures to encourage employers to offer work to young people and the long term unemployed; social welfare reform to encourage a return to work; competitive ACC and voluntary insurance; lower compliance costs; lower taxation; sanctity of contract; and protection of property rights.

- **NZ First** supports the community wage as a way of identifying the state and the individual's mutual obligations to each other. It would promote training and utilising community wage workers to build houses for low-income people on multiple-owned land; and encourage local governments to use the community wage scheme for conservation and weed control activities

In tertiary education, NZ First says that within three years it would implement universal student allowances; provide fees abatements to encourage graduates to provide services in areas the country that suffer from skills shortages; charge student loan interest rates at the CPI, which would rise by a further 2% once they have finished studying.

- The **Alliance** employment policy is broadly based on improving tertiary education and revising the youth minimum wage and benefit policies. The party would return to a universal student allowance; also restore the emergency unemployment benefit for all students who could not find work in the summer holidays; immediately freeze the interest on all student loans, not just for those on low-incomes, and eventually write-off student loan debt with the aim that tertiary education would become free within three years; increase funding for public educational institutions to reduce teacher workloads and improve staff/student ratios, and cut funding to private education providers.
- The Alliance will also push for the introduction of a PEP-style work programme aimed at the long-term unemployed. The **Zero Waste of People (ZWOP) programme** would be a community-based employment project which participants would be signed up to for 12 months. During this time they will receive training in vocational areas of their choice, assistance to deal with any practical, social or individual issues (including literacy counselling and health-related services) as well as private sector workplace training that relates to their career choice.

ZWOP would initially be targeted to regions that are particularly affected by long-term unemployment, such as Northland, East Coast and the Bay of Plenty. They would work in conjunction with local or regional councils on public works projects that would otherwise not occur.

The Jobs Letter

DIARY

4 July 2002

About 300 jobs are expected to be created on the East Coast as Malaysian-owned Hikurangi Forest Farms says it will build the country's largest wood processing plant in Gisborne. The company announces its plan after the government and the Gisborne District Council all sign an agreement that commits them to developing the Port of Gisborne.

8 July 2002

Telstra Retail, a division of the dominant Australian telecommunications company, says it will cut hundreds of managerial jobs in Australia.

10 July 2002

The Wood Processing Strategy Group issues a report on how to develop value-added forestry processing in NZ. The group says the industry has the potential to treble in size and become our largest export industry by 2025.

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

VOICES

from THE MEETING WITH MAYORS

"Can we work with you on your goals? The answer is yes. Have we made a start in working towards satisfying your goals? Again it is yes ... both in the general sense of creating more employment, but also in the specific areas of creating very specific policies which will be useful to your overall goals as a Taskforce.

"I think that one of the most important steps you have taken as Mayors over the last couple of years is to begin this type of dialogue with Central Government."

— **Steve Maharey, the Labour Party**

"We fully support the goals of the Taskforce, but I also think we need to take a wider perspective on the whole issue because the problems of youth unemployment and the increase in welfare dependency are caused by decades of systemic failure and managerial failure. If we are going to address it in a holistic way then we need to look at some of the underlying causes."

— **Muriel Newman, the Act Party**

"We believe that full employment with dignity and a living income is achievable for everyone in this small country. We believe that we could lead the way in the developed world in terms of working again to obtain a full employment economy.

"We want to work more closely with the Mayors Taskforce. We are very keen in seeing the government take a role in fostering inter-sectoral co-operation of the very sort that you epitomise. We believe the government should look at working a lot more closely than it does with local government, with the private sector and with the community to promote increasing employment opportunities and pro-active job creation ..."

— **Sue Bradford, the Green Party**

"I want to personally congratulate the Taskforce for setting bold goals. Politicians generally are not too keen on bold goals. They are always nervous that somewhere down the track someone is going to say: you didn't meet

it. I personally welcome goals that have got some real stretch ...

"It just seems to me that there are more than enough opportunities in the world to keep four million New Zealanders pretty active. That drives us to the conclusion that the employment challenges that we have today are largely challenges of how we organise ourselves, the priorities we set for ourselves and the commitments we make for ourselves ... rather than the idea that the work doesn't exist..."

— **Bob Simcock, the National Party**

"Goals of full employment and a high quality trained workforce are absolutely crucial ... but the means of getting there are far less than clear. My argument is that the current policy settings will not get us where you want us to be. The Alliance has a range of policies which will address the real issues that we have in terms of addressing child poverty, health marginalisation, access to education and closing the inequalities that have grown up in New Zealand society over the past twenty years ...

"There are actually more children living in poverty in New Zealand than there are adults living in poverty. The poor in New Zealand are the children. Its important to realise that the workforce of the next generation is going to come from children living in Manukau City, in Porirua, and in the poorer areas of the country, because that's where more children are living. So there is a responsibility on us to focus in particular on those people in terms of addressing poverty ... because they're going to be paying for our retirement years, so we need to look after them quite well now."

— **Liz Gordon, the Alliance Party**

"The partnership concept between industry and local government and local communities and central government agencies is now, in my view, the model for working. We have to work with each other to deal with the reality of these problems and see what we can do together.

"I think we are at the edge of a new era for New Zealand, and that doesn't mean that it will succeed. We have built a foundation in the last two and a half years ... but we have to maintain the momentum that we have established in order to get the building up ..."

— **Jim Anderton, the Progressive Alliance Party**

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