

The Jobs Letter

No. 170

12 August 2002

Essential Information on an Essential Issue

KEY

STATISTICS THAT MATTER

OVERWORK

TEACHERS LEAVING

FOREIGN STUDENT INDUSTRY

LONGER WORKING LIVES

DIARY

11 July 2002

Vodafone NZ managing director Tim Miles says the jobs of the company's 1,200 employees are safe and there are no plans for lay-offs. His comments come after Vodafone Australia announced that the two companies are considering merging their support centres in Sydney and Auckland, eliminating hundreds of jobs.

12 July 2002

A record 51,535 people found jobs (lasting at least three months) through Winz in the year ending June 30. The number is 18% higher than the number of placements made during the previous year.

15,600 beneficiaries may have had their benefits illegally cut-off between 1996 and 2000 because Winz incorrectly interpreted their living arrangements as "in the nature of a marriage". But these people will have to wait until next month before they find out if they will be reimbursed the money that they were entitled to. By then it will be 14 months after the exposure of the discrepancy in the Winz policy, and for some it will be six years since the mistakes were made.

14 July 2002

City Forests announces it is to build an export-based wood processing plant near Dunedin. The council-owned business will initially employ ten people and expects to increase to 25 staff within three years.

• The official **unemployment rate** has dropped again this quarter and is now at 5.1%, the **lowest it has been since March 1988**. The improvement was felt right around the country as all but three of the 12 districts had reduced unemployment levels. New Zealand now has the 10th lowest unemployment rate in the OECD, equal with Britain and Sweden. We include our regular *Statistics That Matter* feature in this issue of *The Jobs Letter*. Some highlights:

— unemployment has dropped in all the categories for youth, the mature, the long and the very long term unemployed.

— the unemployment rate for Pacific Island people has remained the same as last quarter but has risen over the year from 9.1% last June to the current 9.7%.

— Maori unemployment has risen in the last quarter from 10.8% to 11.0% but is still lower than it was a year ago.

— there were 57,000 new jobs created in the last year, an increase of 3.1%.

— full-time employment grew by 1% (or 14,000 jobs) in the quarter while part-time employment dropped by 1.2% (or 5,000 jobs).

— the labour force participation rate has dropped and is now at 66.7%.

— the greatest regional reduction in unemployment has been in Northland. While the region still has the highest unemployment in the country, the rate reduced from 10.5% to 8.4% this last quarter. Official jobless figures in Northland (those without a job and wanting a job) dropped from 17.5% to 13.8%.

• Council of Trade Unions has released "Thirty Families", the first part of a research project which illustrates the **impact of work hours on families** through workers' stories. CTU president Ross Wilson says that the negative effects of excessive working hours have become an unwelcome feature of life in New Zealand and it is becoming increasingly clear that there is public support for regulation of excessive working hours and the introduction of family friendly workplace policies. Wilson says the report indicates that people want to get some balance back into their lives. *Interim Report of the Thirty Families Project: The Impact of Work Hours on New Zealand Families*, a report commissioned by the NZCTU, July 2002, can be viewed in HTML format: http://www.union.org.nz/publications/1027290655_21731.html

The Australian Council of Trade Unions, which has recently released its own "Fifty Families" report says that long hours and the intensification of work is overwhelmingly the primary concern of workers. Noel Hester, writing in *Workers Online*, says that while the media, government and unions centre their attention on issues like pay, health and safety, workplace laws and the minimum wage, these issues barely register for most working people. Hester says that for blue collar and white collar, young and old, men and women, their passion rises when they talk about **how long hours and work intensification** impacts on the lives of their families.

• NZ recruitment company Pohlan Kean has also had a look at the balance between work and leisure time and found a **link between staff turnover** and employees' perception of **work/life balance**. Heather Kean says 39% of respondents say work stress is affecting their health. Workers say that having the ability to negotiate when they took their holidays is the working condition they most prized. Other issues are: being allowed study leave,

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HortResearch cuts 39 jobs. The Crown Research Institute is to phase out some projects and develop more commercial partnerships with others. Association of Crown Research Institutes president John Hay calls the redundancies the largest shake-up in the science community since contestable research funding was introduced in the early 1990s.

15 July 2002

An EU study finds that one in three European workers suffer from stress. Work stress cost EU businesses \$19.7 billion last year and contributed to anxiety, depression, heart disease and cancer in workers.

17 July 2002

Jack Links beef snack manufacturing plant in Mangere is launched. Most of the 100 staff were previously unemployed and 90% are Pacific Islanders. The company expects staff numbers to grow to 200 by the end of August and to 400 within two years.

Minister Steve Maharey tells Business NZ that the Labour Party would not introduce a fourth week of annual leave for workers, nor would it put it on the table in post-election coalition talks.

18 July 2002

Deutsche Bank economists are predicting job growth in NZ to slow to 19,000 new jobs in the next year, with economic growth expected to be at around 2%, or about half of what it was this year.

20 July 2002

An increasing number of companies are doing criminal record checks on job applicants. The number of requests for records from the Department of Courts has nearly trebled between the 1997-8 and 2001-2 periods, primarily from prospective employers.

21 July 2002

AMP research finds that before beginning to repay their loans, many students say they perceived their loan as "money to burn" and that they had not thought through the consequences of having a loan.

extra paid leave, flexible working hours, part-time work and job sharing. Being able to take unpaid leave was a key factor in retaining staff who have families. Kean says the survey affirms a study done by Peter Boxall and Erling Rasmussen of Auckland University last year that found that a major motivation for 28% of the people who changed jobs was the pursuit of a better work/life balance.

- One week before **paid-parental leave** legislation went into effect in July, the country's largest bank, WestpacTrust, announced it would provide its employees with a **top-up to the government scheme** that will see its employees reimbursed at their full-pay rate for 12 weeks of leave after the birth of their child. While an employee is on leave, the bank will add to the maximum \$325 government paid-parental leave contribution bringing it up to two-thirds of their regular pay. Three months after they return to work, the employee gets the balance ... bringing the total amount up to their full pay. The intent of the scheme is to reduce the rate of staff turnover. Karyn Herbert of WestpacTrust says it costs 2.5 times an employee's annual salary to replace them and it makes financial sense for the bank to provide a parental leave incentive that encourages staff to return to work after having a baby.
- Most of the new secondary school **teachers** who quit their jobs last year **left teaching altogether** and the Post Primary Teachers Association predicts that when the figures are in for this year, the numbers will be even higher. The next largest group of new teachers leaving their jobs were **leaving to take up teaching positions overseas**. Historically, each year just 9-10% of all new teachers — those in their first, second or third year — leave teaching. The PPTA claims that the increasing disillusionment and burn out of new teachers has intensified lately by industrial unrest and the extra work that is required of them to administer the National Certificate of Educational Achievement.

Leaving teacher Simon Walter told the *Weekend Herald* that money was not the biggest issue for teachers. He says that even \$10,000 more would not entice him to stay. Walter: "It would be good for the teacher who are staying, but it won't effect my decision. What I think would be better would be to see a workload reduction of about a fifth." Other new teachers say they are leaving because they can't earn enough to pay-off their student loans. Some say they only earn enough to pay the interest on their loans and are looking for work that pays enough to reduce the principle as well.

- It is not just new teachers who are leaving. **Experienced teachers are being lured** to various countries to teach English where they can earn as much as four times what they earn in NZ. When Hong Kong-based teaching couple Liz and Phil Jordan return to NZ after teaching in Hong Kong for six years, they say they will have saved about \$NZ500,000.
- Secondary school rolls are anticipated to grow by 35,000 students over the next six years and as part of its strategy to meet the rising need for more secondary school teachers the government plans to train 135 **primary school teachers to teach in secondary** schools. The Ministry of Education has asked colleges of education to submit proposals to conduct ten-week training courses for primary school teachers to teach at the secondary level.

The abbreviated training has drawn criticism from secondary teachers who call the scheme a short-term palliative to a major shortage issue. Director of the Teachers Council Harvey McQueen says that if secondary teacher training can be done in ten weeks, then people with straight university degrees should be allowed to train in ten weeks as well.

TeachNZ manager Irene Lynch defends the scheme saying that only experienced primary school teachers who had a minimum of one Stage Two paper in the subject they intended to teach would be enrolled in the ten-

STATISTICS THAT MATTER

ONE IN TWENTY PEOPLE OFFICIALLY UNEMPLOYED IN NZ

OFFICIAL NUMBER OF UNEMPLOYED IN NZ

June 2002

101,000

Seasonally Adjusted

OFFICIAL RATE OF UNEMPLOYED

June 2002

5.1%

OR ONE IN 20 PEOPLE

Seasonally Adjusted

DROP IN NUMBER OF UNEMPLOYED IN LAST THREE MONTHS

March 2002 — June 2002

3,000

NO CHANGE IN LAST YEAR

June 2001 — June 2002

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

June 2002

167,698

UNDEREMPLOYED

June 2002

106,800

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

GLOBAL

SPAIN	11.4%
FRANCE	9.2%
ITALY	9.0%
GERMANY	8.1%
CANADA	7.5%
OECD Average	6.9%
AUSTRALIA	6.5%
UNITED STATES	5.9%
JAPAN	5.4%
NEW ZEALAND	5.1%
BRITAIN	5.1%

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 June 2002.

NORTHLAND	8.4%	or one in 12 people
AUCKLAND	5.1%	or one in 20 people
WAIKATO	4.6%	or one in 22 people
BAY OF PLENTY	8.0%	or one in 13 people
GISBORNE-HAWKES BAY	4.6%	or one in 22 people
TARANAKI	4.4%	or one in 23 people
WANGANUI-MANAWATU	5.3%	or one in 19 people
WELLINGTON	4.5%	or one in 22 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	4.0%	or one in 25 people
CANTERBURY	4.7%	or one in 21 people
OTAGO	5.7%	or one in 18 people
SOUTHLAND	2.6%	or one in 38 people

EMPLOYED

NUMBER OF PEOPLE IN JOBS IN NZ 1,878,000

June 2002

Seasonally Adjusted

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS

March 2002 — June 2002

11,000

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR

June 2001 — June 2002

57,000

SECTORS WITH A RISE IN EMPLOYMENT IN THE LAST YEAR

WHOLESALE & RETAIL TRADE, BUSINESS & FINANCIAL, EDUCATION, CONSTRUCTION, MANUFACTURING, HEALTH & COMMUNITY SERVICES, AGRICULTURE, FORESTRY AND FISHING

SECTORS WITH A DROP IN EMPLOYMENT IN THE LAST YEAR

TRANSPORT, STORAGE & COMMUNICATION

REGIONS

REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS

March 2002 — June 2002

NORTHLAND
GISBORNE / HAWKES BAY
WAIKATO
TARANAKI
WANGANUI / MANAWATU
WELLINGTON
CANTERBURY
OTAGO
SOUTHLAND

REGIONS WITH A RISE IN UNEMPLOYMENT

AUCKLAND
BAY OF PLENTY
NELSON / MARLBOROUGH /
TASMAN / WEST COAST

FULL-TIME and PART-TIME

of the "Employed" statistics

	FULL -TIME	PART-TIME
MEN	891,900 (88%)	125,500 (12%)
WOMEN	535,100 (63%)	312,200 (37%)
TOTAL	1,427,900	437,600
OVERALL %	77%	23%

GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 41,000

GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 16,000

A SPECIAL SUPPLEMENT TO

THE JOBS LETTER

12 AUGUST 2002

ONE IN TWELVE PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF JOBLESS IN NZ
June 2002

171,600

OFFICIAL RATE OF JOBLESS
June 2002

8.4%
OR ONE IN 12 PEOPLE

DROP IN NUMBER OF JOBLESS IN LAST THREE MONTHS
March 2002 — June 2002

16,900

RISE IN NUMBER OF JOBLESS IN LAST YEAR
June 2001 — June 2002

1,000

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

12 AUGUST 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	13.8%	..... or one in 7 people
AUCKLAND	8.1%	..... or one in 12 people
WAIKATO	8.3%	..... or one in 12 people
BAY OF PLENTY	12.0%	..... or one in 8 people
GISBORNE-HAWKES BAY	8.9%	..... or one in 11 people
TARANAKI	7.2%	..... or one in 14 people
WANGANUI-MANAWATU	8.2%	..... or one in 12 people
WELLINGTON	7.4%	..... or one in 14 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	6.6%	..... or one in 15 people
CANTERBURY	7.5%	..... or one in 13 people
OTAGO	11.9%	..... or one in 8 people
SOUTHLAND	4.4%	..... or one in 15 people

AGE and LONG-TERM

YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS 15.1%
June 2002 one in 7 young people

MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS 3.5%
June 2002 one in 29 mature people

LONG-TERM UNEMPLOYED (OVER 6 MONTHS) 24,700
June 2002 24% or one in 4 of the unemployed

LONGER-TERM UNEMPLOYED (OVER 2 YEARS) 6,200
June 2002 6% or one in 16 of the unemployed

VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS) 1,800
June 2002 2% or one in 56 of the unemployed

THE SCHEMES

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

TASKFORCE GREEN	575
JOB PLUS	4,469
JOB PLUS MAORI	155
JOB CONNECTION	204
ENTERPRISE ALLOWANCE	66
ENTERPRISE ALLOWANCE WITH CAPITALISATION	249
TRAINING OPPORTUNITY SCHEME (TOPS)	8,380
YOUTH TRAINING (SKILL NZ)	5,576
LIMITED SERVICE VOLUNTEERS (ARMY)	173
CONSERVATION CORPS	1,562
YOUTH SERVICE CORPS	278
ACTIVITY IN THE COMMUNITY (still counted as unemployed)	1,173

PARTICIPATION

LABOUR FORCE PARTICIPATION RATE
June 2002
Seasonally Adjusted

66.7%
up from 65.9% last year

RACE

MAORI RATE OF UNEMPLOYMENT
June 2002

11.0%
OR ONE IN NINE PEOPLE

PACIFIC ISLAND RATE OF UNEMPLOYMENT
June 2002

9.7%
OR ONE IN 10 PEOPLE

NZ EUROPEAN RATE OF UNEMPLOYMENT
June 2002

3.7%
OR ONE IN 27 PEOPLE

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Former US president Jimmy Carter says American isolationism and the widening gap between rich and poor countries are creating hatred towards the US.

24 July 2002

A call for the next government to wipe out child poverty comes from the NZ Council of Christian Social Services, the Public Health Association, the Federation of Voluntary Welfare Organisations and the Child Poverty Action Group.

25 July 2002

Maori are less likely to get a Special Benefit than Pakeha and as much as nine times as unlikely if the Winz office in Waitara services them. "*Widening the Gaps: Ethnic Bias in the Administration of Welfare to Those Most in Hardship*" is critical of Winz service delivery to Maori. Prepared by the Wellington Downtown Community Ministry, the report compares the ethnicity of people who met the criteria for a Special Benefit but were not awarded one.

Pacific Island women are the group worst affected by student loan debt according to the NZ University Students Association. On average it would take a Pacific Island woman 33 years to repay the debt she acquired getting a three-year degree.

26 July 2002

After two years at record levels, farm incomes are expected to drop this year and analysts say this will slow the overall NZ economy.

The West Coast Development Trust has made loans totalling \$4.5 million over its first 15 months. The loans were made from the \$120 million that the government put into a local authority trust for economic development on the West Coast when it legislated against the commercial logging of native timber. The biggest loans have gone to mining and timber production companies and the nine businesses that received loans say they plan to create 150 new jobs

27 July 2002

NZ Election Day. Labour wins the most seats but will need two coalition partners to form a government.

week course. Lynch: "All they have to do is learn the difference between teaching older and younger students." However, a recent Post Primary Teachers Association report found that 25% of schools are forced to use teachers to teach outside their subject specialty.

- **Foreign students** attending NZ schools on a fee-paying basis are now a **\$1.1 billion industry**. It is now our ninth largest foreign currency earner and last year brought in more money than exported wool. Foreign students are now subsidising education in a number of our schools. Principals of schools with significant numbers and incomes from foreign students tend to be enthusiastic about the new trend. Other people are concerned that the **quality of education for NZ students may be dropping** in order to accommodate non-native speakers in mainstream classes. They are also concerned that NZ schools are becoming dependent on a volatile international market in order to provide adequate services for the rest of the school.

There were 52,696 fee-paying foreign students in NZ last year, 85% of them from Asia. More than half attend private courses but many of them attend tertiary institutions and 10,555 of them are at secondary and primary schools. The parents of foreign school children pay about \$10,000 in fees per year for their child to attend school and these fees **add as much as a third to the operations budgets** of some schools. These schools tend to sport new classrooms and upgraded language and technology suites as well as additional teachers which they say benefits more than just the foreign students.

- The financial benefits of the foreign student industry do not stop at the school gate. More than 20,000 NZ households are paid \$150 - \$200 per week to provide foreign students with homestay accommodation, while the other students fill flats and houses. All of them contribute to the economy through their demand for goods and services. In Auckland, where 40% of the foreign student population is concentrated, the language school sector has become the biggest occupier of office space in the Central Business District.
- Former Minister of Education David Lange says the **government is abdicating its responsibility** by not providing adequate operations grants to schools, forcing them to seek foreign students as a solution to their budget shortfalls. Lange says that schools are exposing themselves to international economic shocks and may be caught out by their dependence on fee-paying students, finding themselves unable to provide quality education if economic downturns in the home countries sees numbers drop. Principals of school with significant numbers of fee-paying foreign students say this income has become an important, if not vital, parts of their budgets. President of the School Trustees Association Chris France says they have regular feedback from schools that overseas students are providing large chunks of their funds. France: "We are a bit worried about that, because if something falls over what will we do to keep schools afloat?"

Minster of Education Trevor Mallards says that operations grants for schools will **never meet community expectations** but inflation-proofing the annual grants, which the government has done, was the most effective form of defence against dependence on foreign fee-paying students to augment budgets. In some schools foreign student numbers represent 10% of their roles and Mallard agrees that NZ schools have just about reached their capacity. However, Education NZ (a

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30 July 2002

The number of unemployed Japanese workers has risen every month for the past 15 months and official unemployment is 5.4%. The Japanese workforce participation rate is 61.6%.

6 August 2002

Jobs ads in NZ were 1.5% lower in July than they were in June. ANZ economist David Drage reads the slight drop as a reflection on an increased availability of workers due of greater immigration rather than a lack of demand for workers. Drage says job ads remain at levels consistent with further employment gains and he says the unemployment rate is likely to fall below 5% during the second half of 2002.

8 August 2002

The Australian unemployment rate drops to 6.2% even though the economy recorded a loss of 28,300 jobs last month. The drop was due to a greater number of people leaving the active workforce. The Australian labour force participation rate is now 63.3%.

9 August 2002

The NZ employment rate is at 5.1%, the lowest level for 14 years. Workforce participation is 66.7%. See feature in this issue.

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

government agency responsible for foreign student education) says that the foreign student industry could grow to three or four times what it is now.

- Other countries are also experiencing a **boom in Asian foreign language students**. Ireland has an estimated 30,000 foreign fee-paying students. There has been little regulation of the industry in Ireland and questions are now being asked about the intentions of some of the mainly Chinese students who go to Ireland as students but often attend jobs rather than English classes. Some Irish language schools have been closed for receiving fees for falsifying attendance records so Asian “students” could maintain their immigration status and stay in the country. In Australia, which has tighter regulations, over 100 language colleges have been closed for non-compliance with immigration regulations and over 6,000 foreign students have had their visas revoked for irregularities.

In NZ there are 820 institutions offering courses for fee-paying foreign students. The NZ Qualifications Authority has registered 110 English language schools and has about 20 applications under consideration. Courses of less than 12 weeks do not require NZQA approval. A *Code of Practice and Pastoral Care of International Students* was drafted in March this year which outlines minimum standards and good practices for educational institutions taking fee-paying students. Institutions have until September to sign, or their students will not be able to get visas.

- If the NZ health sector was concerned about its ability to retain its nurses when the UK announced plans to recruit an additional 35,000 nurses earlier this year, it must be more than a little anxious as the United States health industry reveals plans to **recruit a massive one million nurses** by 2010. Nursing leaders in Britain say that for years the National Health Service has relied heavily on migrant nurses from the Philippines, South Africa, Australia and NZ. Britain is now going to have to compete with recruiters from American health providers who can offer skilled nurses two to three times what they are paid in Britain.
- Australian women are **working until they are much older** according to the Australian Bureau of Statistics. Among women 45 – 54 years old, 70% have jobs while 20 years ago most of these women would have been out of the workforce. For women 60 to 64 years old, most of whom qualify for superannuation, 23% are in paid work compared 11% twenty years ago. During the last two decades the trend has been for both males and females in the over 45 year old age group to have a diminishing workforce participation rate. But the latest Australian figures show that workforce participation for older workers has increased over the last decade and for the 55 – 59 age group it has risen sharply from 54.1% to 61.2%, getting closer to the participation rate of the general population.
- In the US, 12.9% of those people of retirement age are in paid work and the US Department of Labour predicts that by 2015, 20% of retirement age Americans will be employed. The overall American workforce is expected to grow 1.1% per year over the next eight years but the number of retirement-aged people in the workforce will increase by 3.9% per year. The American Association of Retired People, which represents 35 million people, says that many of its members were **unwilling or financially unable to stop working**. AARP research indicates that 80% of the American baby boomers say they intend to work, at least part-time, after they turn 65 years old.

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The Jobs Letter — P.O.Box 428, New Plymouth, New Zealand phone 06-753-4434 fax 06-753-4430 email editor@jobsletter.org.nz