

The Jobs Letter

No. 194

9 October 2003

Essential Information on an Essential Issue

KEY

OECD MINISTERS MEET FOR
MORE AND BETTER JOBS

TARIFF FREEZE OFF

POOR FAMILIES LOSE
\$2 BILLION

HOUSING BOOM COSTLY

DIARY

23 September 2003

The real hourly earnings of New Zealand workers dropped 6.5% between 1980 and 2001, according to the Canadian Centre for the Study of Living Standards. The Centre has found NZ workers fared worst among workers in all of the 16 OECD countries it surveyed.

24 September 2003

In view of rising house prices and falling home ownership, Minister of Housing Steve Maharey is making a bid for more home ownership initiatives in the next Budget.

The Green Party calls for a capital gains tax on rental properties. Co-leader Rod Donald says that investors are partly to blame for the current rise in house prices.

United Future MP Gordon Copeland calls on the government to end tax breaks for property investors.

Minister of Finance Michael Cullen tells a World Bank/IMF meeting in Dubai that the call for an increase of \$16 billion in aid was a mere 4%-5% of the total spent on agricultural subsidies by the world's richest countries. Cullen: "Demolition of these rotten structures will increase the incomes of poorer nations and free up resources in the richer ones to increase aid."

- Employment and Labour Ministers from OECD countries gathered in Paris last week to boost international efforts to **create more and better jobs**. The Ministers are being challenged to revitalize their labour markets, especially as many OECD countries struggle to emerge from the most severe economic slowdown in a decade. The Ministers are also grappling with how to improve employment opportunities for people on the fringes of labour markets, and also how to address the challenges posed by ageing populations.

The "Towards More and Better Jobs" meeting was held at the OECD headquarters in Paris on 29-30 September 2003 and two-thirds of the member countries sent their Employment or Labour Ministers. Our own Minister of Social Development and Employment Steve Maharey was unable to attend, and New Zealand was represented by government officials Paul Barker of the Labour Market Policy Group (LMPG) of the Department of Labour, and by Neil Martin of the Ministry of Social Development.

— The website and background papers for the OECD "Towards More and Better Jobs" conference (Paris, 29-30 September 2003) can be found at www.oecd.org/subject/elm/index.htm

- The *OECD Employment Outlook 2003* report, also published this week, warns that governments **must do more to improve the job opportunities** for women, older workers, people with disabilities and the low-skilled. It says that economic growth could be choked by the cost of ageing populations unless more and better jobs are found for under-represented groups in the workforce. And getting such groups into paid work makes good political sense because this will also generate more tax revenue and ease up on the cost of benefit claims.

The OECD estimates that, unless action is taken, the annual growth of the workforce in its member countries will slow from an average 1.3% over the past thirty years to 0.3% over the next thirty. In some countries such as Italy and Japan, the labour force will actually decline. And on current trends, the ratio of over 65 yr-olds to the total workforce will rise from 27% in 2000 to 47% in 2030, straining current pension schemes and threatening living standards.

- The OECD recipe for action is based on its traditional policies of supporting economic growth and demand for labour. But it also recommends governments need to **keep more older workers** in the job market by removing incentives to early retirement. It says that disability benefit schemes should also be reformed in order to prevent long-term dependency and encourage work among the disabled.

The OECD **singles out women** — mothers and lone mothers in particular — as groups that governments should target to join, or return to, the workforce. It says governments need to pay attention to subsidising childcare and promoting flexibility in working hours. Governments should also look at offering companies tax credits that are conditional on employment or exempting employers from social security contributions if they recruit low-skilled workers.

—*OECD Employment Outlook 2003 — Towards More and Better Jobs* (OECD 2003)

The Jobs Letter

DIARY

25 September 2003

1,500 new jobs are being created in Melbourne as General Electric redevelops its headquarters and creates an Asia-Pacific employee training centre.

Treasury reports a Budget surplus of \$5.6 billion.

Statistics NZ reports a national current account deficit of \$5.9 billion.

The waiting list for families to go into state houses tops 12,000.

The NZ Commerce Commission will not oppose the sale of the National Bank by ANZ Bank.

26 September 2003

Finsec, the bank workers' union, believes hundreds of jobs will be lost if the ANZ bank buys the National Bank. Secretary Andrew Cassidy says that previous bank mergers have resulted in between a fifth and a quarter of the staff working for both banks losing their jobs. The ANZ has about 3,700 staff and the National Bank has about 4,600 staff.

In Australia, dole payments may be suspended if a beneficiary misses an interview. New rules could see the dole cut off if a person cannot be contacted within four days of failing to attend a Job Network meeting or a scheduled job interview.

27 September 2003

IT company EDS is shedding 50 jobs in NZ. EDS has a contractual obligation with the government to generate 360 new jobs by March 2006 as part of its Best Shores scheme.

Nelson area construction contractors, desperate for skilled labour, are poaching staff from other firms. Master Builders president Mark Vining says he has heard of tradespeople being enticed away from firms with promises of higher pay and other benefits.

- The government has decided to **end the tariff freeze** on clothing, textiles and footwear imposed in its first year of office. The move (which won't come into force until after the next election) will mean cheaper imports for shoppers ... but both unions and employers say it will cost jobs.

From July 2006, the highest tariffs — of up to 19% on clothing, textiles, footwear and carpets — will be gradually cut to 10% by July 2009. Rates on other goods will drop by 5% by July 2008. The move is still well short of the APEC target of zero tariffs by 2010. However, Minister of Commerce Lianne Dalziel says that New Zealand could jump to zero tariffs after 2009, but that would depend on what other countries were doing.

- Bruce Goldsworthy of the Employers and Manufacturers' Association warns that the decision **will lead to further job losses** and deteriorating national accounts. Goldsworthy: "Our textile clothing and footwear manufacturers and their 18,000 employees fail to understand why New Zealand must continue to lead the world in freeing up trade." Goldsworthy argues that any tariff reductions should be closely aligned to those in Australia where apparel tariffs of 25% will drop to only 17.5% by July 2005.

Robert Reid, from the Clothing Workers Union says New Zealand is mad to lead the way on tariff reduction and should wait until its major trading partners make some concession. He says a World Trade Organisation agreement allows a 37% tariff on textiles, clothing and footwear for New Zealand, and the collapse of the recent WTO talks means there is even less reason for the government to act.

- New Zealand is financially **punishing its poorest children** simply because of the origin of their parents' income, according to Susan St John, Senior Lecturer of Economics at the University of Auckland and a major advocate for the Child Poverty Action Group (CPAG). Writing in *The Independent*, St John points out that in 1996, when the NZ government introduced the child tax credit of \$15 per week, it made families who were in receipt of income support ineligible for it. This abandoned an important principle that all children should be treated the equally.

St John estimates the families of 300,000 children have missed out on the child tax credit because they were unlucky enough to have a parent on a sickness, invalid or unemployment benefit, ACC, student allowance, or NZ superannuation. She says the discrimination is exacerbated by the complexity of the system as many parents, who fall in and out of the benefit system over the year, do not claim their entitlements. She estimates that over the past seven years, these poorest families have **sacrificed around \$2 billion** in lost payments due to this policy. St John: "While not politically fashionable to make the link, it is hard not to conclude that their sacrifice contributes significantly to the current Budget surpluses flowing into the New Zealand Super Fund."

- St John also points out that for those who do qualify for the credit, it has **steadily been losing its value**. The child tax credit has stayed at \$15 per week from 1996 to 2002. And, as wages have increased to cover the cost of living, more and more families have lost their eligibility for the child tax credit as their income has crept up above the \$20,000 per year household income threshold.

St John contrasts the NZ situation with Australia and Britain, where family support levels are significantly higher and apply universally to all children. The level of support and income eligibility thresholds are also **regularly adjusted** for inflation. Currently, Australian families can earn \$A31,755 before their family tax benefit begins to reduce. And there is a second family tax benefit that provides additional assistance for single income families.

St John: "Why is New Zealand such a laggard? Nothing has been done since the 1996 Budget, apart from a tiny crumb of a marginal change in the threshold for abatement of family support in the 2003 Budget. This gave, at most, \$1 a week

(continued on page seven)

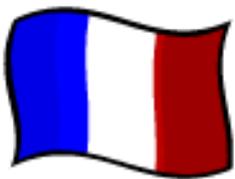
VOICES

WHAT ARE THE OECD EMPLOYMENT and LABOUR MINISTERS DOING?

Last month, the *OECD Observer* invited Employment and Labour Ministers from a cross-section of OECD countries to answer a straightforward question:

“What measures are you taking in your country to raise the level of employment and how do you propose to create opportunities for better jobs?”

We reprint their responses...

**FRANCE**

Promoting employment and lifelong learning

*François Fillon, Minister for Social Affairs,
Employment and Solidarity
Chair of the 2003 OECD Meeting of Employment
and Labour Ministers*

- The worldwide cyclical downturn that France has faced for the past two years has underlined the need for a comprehensive range of policies to promote employment.

Our difficulties are not the result of the current situation alone. It is obvious that we suffer from an excessively high structural unemployment rate, coupled with under-utilisation of the labour force, particularly of young people and older workers.

Refusing to take a Malthusian, administered approach to the labour market, our government has launched a series of structural reforms aimed at

raising our growth potential, which alone can provide lasting and high-quality jobs.

Our strategy is based on four pillars: to reaffirm the value of work; to lower employers' social contributions; to make it easier for those in greatest need to find jobs; and to raise skill levels, while tapping into the experience of older workers.

Work is a fundamental value of our society to which the French are deeply attached. Raising the minimum wage, extending the employment bonus for low-paid workers and introducing the minimum employment income (RMA) will ensure that effort and work are more fairly rewarded than in the past.

Greater freedom to work overtime, lower taxes and measures to make it easier to start a business will encourage effort and initiative over the long term.

Reducing the social contributions paid by employers on low salaries is no doubt the most effective tool for promoting the employment of low-skilled workers. We are going to lower these costs by some €7 million annually between now and 2005.

Through specific programmes that are better targeted and better adapted to needs, the government intends to make it easier for persons in difficulty or at risk of exclusion to return to work. Through one programme for businesses, some 90,000 young people with low skill levels have already been hired on permanent contracts.

Through the RMA, spending that now goes to a welfare programme will be used to put the unemployed back to work. Modernisation of the public employment service will ensure more fluid labour market and more effective job placement.

Vocational training is key for the competitiveness of our businesses and making individual careers more secure. It is a field in which business and labour organisations hold considerable responsibilities.

Negotiations under way should lead to the creation of an “employment insurance” programme that will enable every individual to upgrade and renew their skills on a lifelong basis.

Finally, it is vital for people to extend their working lives. In conjunction with a more favourable regulatory framework providing stronger incentives to work longer, the government intends to organise a nationwide campaign to promote employment and access to training for people over the age of 50.

These are the challenges we face. And we fully intend to rise to them, as employment is our priority.



CANADA

Innovation culture

Jane Stewart, Minister of Human Resources Development

- The quality of life Canadians have earned and enjoy is rightly recognised as among the highest in the world. At the same time, the government must help develop people's talent and provide the opportunity for all to contribute to and benefit from the rapidly evolving, knowledge-based economy.

As part of its Innovation Strategy, launched in February 2002, the government of Canada committed to helping build a culture of lifelong learning. While helping Canadians enhance their skills capabilities and participate in learning opportunities is admittedly a long-term partnership among governments, business, labour, the voluntary sector and individual Canadians, progress has been made.

For example, we have strengthened funding for student loans to ensure more Canadians have access to postsecondary education. We have extended assistance for people with disabilities to enhance their participation and retention in the labour market. We are helping immigrants to fully participate in the workforce. We have taken steps and introduced programmes to better equip aboriginal people with the skills they need to take full advantage of employment opportunities.

Starting in 2004, Canadians will help in making decisions about acquiring the skills and learning they need through the newly created Canadian Learning Institute.

No doubt there will be many more challenges ahead as we continue to deal with the issues of shifting demographics, a shortage of skilled workers in some key areas and an ever-increasing demand for a well-educated and adaptable workforce. The government of Canada believes those challenges can be met by making strategic investments in our people.



FINLAND

Tackling unemployment

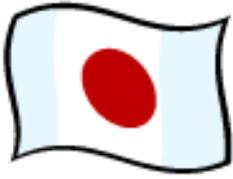
Tarja Filatov, Minister of Labour

- The main goal of the Finnish government is to increase employment. We have set ourselves a target of creating 100,000 new jobs over the next four years. Finland's particular problem is structural unemployment, and special measures are needed to deal with it. Another distinct problem is Finland's rapidly ageing population.

We have set up a Special Employment Programme that involves various ministries and many other players, as well as a programme for supporting entrepreneurship. One important task of the programme is to change regional service structures, through co-operation and collaboration between the different authorities, to achieve more effectiveness. The aim is to provide each unemployed person with suitable individualised employment, rehabilitation, training and other similar measures. The Special Employment Programme also tackles the unemployment funding systems to ensure that the respective fund administrators will be encouraged to look for employment-promoting solutions, while the unemployment benefit system needs to support employment-promoting and active participation measures too.

Another problem we are addressing is that of short career lengths. In Finland, the average retirement age is 59 and young people enter the labour market relatively late. The average retirement age has to be increased, while studies and the transition to the labour market have to be accelerated. To retain ageing employees in work, it is essential to enhance the quality of working life as well as the upkeep of skills, while removing obstacles to the employability of older workers. Many companies have applauded the National Workplace Development Programme, the programme on Well-Being at Work and the Productivity Programme which are already well under way.

As far as the young are concerned, educational guidance needs to be improved and student financial assistance schemes reviewed to encourage more focused and goal-oriented studying. The Finnish Government Programme includes the provision of training and work placements for the young after a maximum period of three months unemployed.

**JAPAN***One-stop centres*

Chikara Sakaguchi, Minister of Labour

- The 2003 meeting of OECD Employment and Labour Ministers is timely, as it will look at the acute problem posed by ageing societies, as well as discussing comprehensive policy changes to promote the employment of under-represented groups. To secure and stabilise employment in today's world, where ageing is a growing feature and economic and industrial structures are changing, it is essential that real job opportunities be provided to those who wish to work, including people with caring responsibilities and older people, and that labour productivity be improved. We must solve various labour issues if we are to create a society where people can work hard and, concurrently, enjoy sufficient free time.

Japan's labour situation is severe, with the unemployment rate still high, and we are taking every possible step to dispel concerns about unemployment by, for example, promoting early re-employment, particularly of middle-aged workers that are displaced by restructuring or downsizing.

Frankly, too many younger people are without jobs. If they stay unemployed for too long, they will not be able to enhance their employability or develop their careers. We are concerned that this may lead to serious social problems, such as a rise in precarious employment and expanding income disparities, not to mention the collapse of the economic infrastructure resulting from declining socioeconomic competitiveness and productivity in the long run. To tackle these problems, we are currently considering establishing one-stop centres that will support youth employment and business start-ups through local initiatives, and introducing a system to train them as professionals by combining practical experience in companies and educational/vocational training. The one-stop centres would be designed to provide information, consulting and employment services. We are determined to take these measures to solve the employment problems facing the younger generation.

**MEXICO***Human capital*

Carlos Abascal-Carranza, Secretary of Labour and Social Welfare

- In Mexico, we are fostering a new labour culture that recognises the person as source, centre and driving force of economic activity. We consider work to be a tool to achieve personal fulfilment and development, and a means to create wealth. We endeavour to find fair and intelligent formulas of co-operation, dialogue and consensus, placing human beings and human dignity at the centre of our activities.

We believe that workers, employers and governments should work together towards ensuring competitiveness, legal certainty, lifelong learning, quality jobs, and a higher standard of living for all workers. Systematic co-operation and communication among social partners is the best antidote against parochial interests, exclusion, exploitation and the erosion of fundamental values. Mexico's Consejo para el Diálogo con los Sectores Productivos, which is modelled on the economic and social councils found in Europe, has served since 2001 as a permanent advisory body and discussion forum to this end.

Our challenge lies in creating conditions to generate all the high-quality jobs that Mexico demands, and the government has launched several new programmes to this end. The federal Training System for Work (SICAT) provides training scholarships for the unemployed. Our Training Support Programme (PAC) is aimed at increasing productivity and firm competitiveness in small and medium-sized enterprises. Such policies are designed to improve employability and entrepreneurial skills, thus reducing poverty and improving everyone's standard of living.

We work actively with our partners to improve access to the job market for target groups, such as women and older adults. For example, the Abriendo Espacios programme is a job-matching and training system that seeks to promote employment of ageing adults and disabled persons. We are convinced that better job opportunities require lifelong learning and training, not only to improve employability, but foster higher productivity and competitiveness. Workers and entrepreneurs must renew constantly their ability to grasp new technologies and develop new skills, for their own personal fulfilment as well as meet the needs of firms that operate in a competitive and globalised environment.



UNITED KINGDOM

Age-positive campaign

Des Browne, Minister of State for Work

- On the whole, the outlook of employment and job opportunities in the UK is positive. The OECD Jobs Study identified the UK as one of four countries where structural reform had led to sustained improvement in employment opportunities as well as to a reduction in structural unemployment.

The UK has coped as well as anyone during the recent global economic downturn. We now have one of the highest employment rates in the world, as well as the lowest unemployment rate of all the major industrialised countries.

However, the OECD also identified long-term unemployment and weaknesses in basic education as areas where more needed to be done. There has been improvement in these areas.

Macroeconomic stability is necessary to provide employment opportunities for all, but it is not sufficient. Reforms to the education system have drastically reduced the number of people without qualifications.

One of our schemes has been the introduction of the New Deal, which now provides universal support for long-term unemployed benefit recipients. It has contributed to the virtual eradication of long-term unemployment for the young and a reduction for adults of three-quarters since 1997. The public employment service, Jobcentre Plus, is being transformed to combine benefit payment and labour market help for all, while extra help is also available for people on lone parent, sickness and disability benefits to increase job opportunities.

Another way to raise the level of employment is to make sure there is a diverse workforce – which is why we are taking action against ageism with the Age Positive campaign to let more people work.

So we have done a good deal, but there is more to do. Success will benefit the economy, individuals, families and society and will allow the UK to continue to enjoy a positive employment situation.



NEW ZEALAND

Building capability

Steve Maharey, Minister for Social Development and Employment

- The efforts New Zealand is making to reduce unemployment are paying off. Unemployment has fallen from 6.3% in December 1999 to a 16-year low of 4.7% in August 2003. Strong job growth has accompanied this drop, with 148,000 more New Zealanders in jobs than in March 2000.

New Zealand has an active programme to ensure that job growth benefits all job seekers. We have focused on: enhancing the capability of New Zealanders; maximising the opportunities available for people to use their skills; and ensuring that capacities and opportunities are well matched.

This “human capability framework” has influenced our thinking about employment, training and skills policy, and it has reinforced the point that government activities need to be well co-ordinated to achieve employment and social development objectives.

Young people are our future and New Zealand is working to ensure successful transitions from school to further education and training or employment. We need young people to make well-informed choices about the skills they need. If a young person is at risk of falling out of the system or into long-term unemployment, we have to help as early as possible.

To focus our efforts, the government and most of the country’s local authorities have set a goal that “by 2007, all 15 to 19-year-olds will be engaged in appropriate education, training, work or other options which will lead to long-term economic independence and well-being”.

We have invested significantly initiatives that help young people make the transition by both building the capabilities of young people and helping them access the opportunities available. Our Modern Apprenticeship programme and Gateway programme (which enables senior secondary school to participate in structured learning in the workplace) are particular examples that are making a positive impact.

We are now turning our attention to improving careers information, advice and guidance, improving post-school support for those at risk, and to expanding vocational education and training pathways.

Source — OECD Observer No. 239, September 2003

The Jobs Letter

DIARY

27 September 2003

Business leaders dismiss the government's economic development programme as a waste of time and money. A *Business Herald* survey of 50 business leaders did not generate one positive comment and they rated Jim Anderton's programme a 3.2 out of 10.

Jeans maker Levi Strauss is closing its five remaining North American factories with the loss of nearly 2,000 jobs. Manufacturing will be shifted to a "third-party global sourcing network company."

Unite, the largest North American clothing workers union, blames the Levis closures on the US government's trade policies which allows firms to "scour the globe for the cheapest, most vulnerable labour".

29 September 2003

The Lincoln University Students Association says the government surplus means that there is no excuse for not implementing a universal student allowance scheme.

30 September 2003

The government decides it will end the tariff freeze on clothing, footwear and textiles in 2006.

Waikanae-based footwear manufacturer Kushla Buswell says the lowering of tariffs will give her competitors a 9% advantage. Buswell: "It will make it even more enticing for local retailers to buy foreign-made products."

Desperate employers in the Manawatu are sending a talent scout to South Africa in the hope of recruiting skilled workers. The scout is specifically looking for hydraulic and refrigeration engineers, nurses and carpenters.

for some children in particular income ranges. In the light of increasing concern about levels of child poverty in New Zealand and its alarming consequences, this lack of action is unfathomable. Families have been told to wait for the 2004 Budget, when they will get a boost to their family payments if the surpluses are large enough."

- Vernon Small, political columnist for *The Dominion Post* says that calls for better government **support for children** may indeed be heeded **in the next Budget**. Minister of Finance Michael Cullen said in his last Budget speech that if last year's \$4 billion government surplus was maintained, and if other conditions were met, he would deliver a \$500 million package of assistance to families which would also include incentives to assist people moving from welfare to work. Since that time, the government's fiscal position has improved with the government tax take up 9.9% on this time last year, and the government's fiscal position is at a record \$5.6 billion surplus. It looks like Cullen's conditions for a family assistance package will be met.
- New Zealand **houses** are selling quicker and **prices are rising** faster than they have for 20 years. Nationally, the price of the average house have risen by 14% this year, fuelled by low interest rates and the demands being made by recent population growth. The *New Zealand Herald* says that Auckland builders are booked up for at least the next six months. Throughout the country, local authorities issued consents for 2,704 dwellings last month, the highest August tally for 25 years.
- This housing boom has pumped up the construction industry, creating many jobs and exposing skills shortages ... and it may also be underpinning the re-birth of the New Zealand apprenticeship system.

But the boom is putting real **pressure on low-income families**. First time house buyers in Auckland now need an annual income of at least \$100,000 to afford to buy a traditional three bedroom bungalow. Aucklanders who earn less than this and don't already own a house must consider buying well outside of the city, or continue to rent. This has increased the demand for rentals and pushed rents beyond the reach of many middle-income, much less low-income families.

- Housing activist Alan Johnson is adamant that the current housing policy is **not working for the poorest** New Zealanders. In a report commissioned by the Child Poverty Action Group, Johnson points out that the relief provided by the reintroduction in 2000 of income related rents for state houses, benefited the 53,000 state tenants but ignored the 150,000 low-income households who weren't in a state house.

Johnson: "The poorest New Zealand households are now not state tenants but private sector tenants depending on inadequate subsidies for their housing. It's ironic that a government which campaigned on the need to reintroduce income-related rents for state tenants has remained so indifferent to the continuing relative poverty of the three times as many families who continue to rent from private sector landlords."

Johnson recommends that Michael Cullen makes provision in the next Budget for at least \$500 million annually for the next decade for a New Zealand Housing Strategy. Johnson argues that in setting its budgetary framework, the government need to give the adequate **housing of children** the same **priority** that it presently gives to the future retirement incomes of the baby boom generation.

— *Room for Improvement: Current New Zealand housing policies and their implications for children*, by Alan Johnson, (CPAG, September 2003) can be downloaded (PDF 82 pg, 924 kb) from www.cpag.org.nz

- Many countries may soon experience serious **teacher shortages** because not enough young people in the world's richer countries want to be educators. An annual OECD report, *Education at a Glance*, warns that teacher shortages may become a policy challenge to governments as student enrolment levels rise while older teachers retire and **not enough**

The Jobs Letter

DIARY

1 October 2003

More NZ'ers are working in higher-paid jobs. The average NZ wage rose by 6.9% over the last year, according to Statistics NZ.

2 October 2003

The dearth of midwives has left the Palmerston North and Feilding hospitals eight midwives short. Two English midwives are expected to start next month and MidCentral staff are in Britain trying to recruit more.

Forestry company Carter Holt Harvey warns that the high exchange rate is costing jobs. Chief financial officer Jonathan Mason urges the Reserve Bank to lower interest rates, saying the government and Reserve Bank has to understand that when exporters go out of business the jobs won't necessarily come back when the exchange rates goes down again.

3 October 2003

The US job numbers rise for the first in eight months.

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The Diary is sourced from our media watch of New Zealand daily and weekly newspapers.

Research sources for the main items in The Jobs Letter are available in our internet edition at www.jobsletter.org.nz

younger people join the profession. In 15 out of 19 OECD countries surveyed, the average age of teachers is increasing and the majority of primary school teachers are over 40 years. In Italy and Germany, almost half of secondary teachers are over 50 ... and in Sweden, Iceland, the Netherlands, Norway and New Zealand, more than a third of the teachers are older than 50 years.

A survey of upper secondary schools in 14 OECD countries showed an average of 12% of **teaching posts were vacant** at the start of the 2001/2002 school year, and an average of 14% of full-time teachers and 31% of part-time teachers in these schools failed to fully comply with official training and qualification requirements. Science, technology and computer sciences, mathematics and foreign languages were cited as the areas where hiring difficulties were most acute.

- Can we get more men into primary school teaching? More than 80% of primary school teachers in New Zealand are women. The 4,433 men in the profession make up just 18% of all primary teachers — a drop from 22% ten years ago. Marlborough Boys' College principal John Rodger says that while there is little evidence linking teacher gender with student achievement, some parents have expressed concern at the impact on boys learning when they had come from a predominately female teacher environment.
- A report, commissioned by the NZEI has found that there are three reasons why men are not joining the profession: 1) men see primary teaching as a low-status job because it has a high proportion of women; 2) primary teaching is perceived as being poorly paid; and 3) men are concerned that as part of the job there will be physical contact with children and that will put them at risk of being accused of sexual abuse. The report refers to this as the "Peter Ellis syndrome" ... the NZEI itself instituted a "no contact" policy for its members, after the Peter Ellis Christchurch Civic Creche sexual abuse case.

One recommendation from the New Zealand Educational Institute (NZEI) is to offer scholarships to men in order to help correct this gender imbalance. But Minister of Education Trevor Mallard is not keen on the idea. Mallard: "My key priority is to have qualified teachers. I am yet to find a parent who would prefer their child be taught by an inferior male teacher rather than a better woman teacher."

- The low proportion of men primary teachers is not unique to New Zealand. In 1999 men made up only 23% of the primary teaching workforce in the OECD countries that were surveyed. In Canada the figure was 32%, Britain 24%, New Zealand 18%, Ireland 15% and the United States 13%.
- The government hopes to reduce unemployment benefit dependency through a new **series of seminars** being offered throughout the country at Winz offices. WRK4U (work-for-you) is a voluntary service which is offered to anyone applying for an unemployment benefit. It provides unemployed people with information about their full and correct entitlements and about their obligations while on a benefit and then focuses on what steps the unemployed person can take in order to find work.

WRK4U has been piloted since March in three Auckland Winz offices and Associate Minister of Employment Rick Barker says the interim results from the pilots are encouraging. Barker: "The Auckland pilot suggests that the number of people requiring the unemployment benefit from the three sample communities dropped 19% below what was predicted. Early indications suggest that WRK4U is helping clients take on jobs sooner, but it will be some weeks yet before we can ratify that. This is an extremely promising trend ..."

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