

# The Jobs Letter

No. 220

8 December 2004

*Essential Information on an Essential Issue*

## KEY

AUSTRALIA TO SPEND \$1B ON  
TRADE SKILLS TRAINING

KIWIS WORKING LONGER

STUDENTS NEED BETTER  
PREPARING FOR WORK

VOLUNTEER WORK  
MEASURED

- The Australian government will spend \$1.06 billion over four years on initiatives aimed at **increasing trades skill** development and strengthening the trades training system. The government says it is committed to continue working with industry to solve critical skill shortages and is to set up 24 new Australian Technical Colleges to provide trade training.

Minister for Vocational and Technical Education Gary Hardgrave says the range of initiatives represents the most significant boost to vocational education and training ever undertaken in Australia. He says a new Institute for Trade Skill Excellence will be set up and have an important role in recognising that training providers need to respond to industry and promote the trades as exciting career options for young people. Hardgrave: "This is a ground-breaking concept and will significantly raise the profile of technical education. This funding is in addition to the \$2.1 billion already committed to support vocational education and training and to support the record numbers of New Apprentices. Continuing strong economic growth has seen our existing pool of skills fully utilised; if we are to sustain this growth then additional skills development is urgently needed."

- New Zealanders are **working longer hours**, and working couples have boosted their time at work by up to an extra day a week between them. Research by economist Dr Paul Callister has found that, between 1986 and 2001, a greater number of NZers worked longer hours, and the number of paid hours worked per household increased significantly.

Callister found that couples aged 25 to 59 with no dependent children had boosted their hours at work by close to **an extra day a week**. And those with dependent children weren't far behind — working five hours a week more. On average, women still work shorter hours than men, but the increases in household working hours have been primarily due to the increased employment rates of women, particularly among mothers of young children.

The research also found that, when you average out the figures, hours of work have not changed much for individuals. But looking more closely at the figures, it is clear that there has been a **polarisation** or increase in both "work-rich" and "work-poor" households in New Zealand.

- In all age groups there were higher proportions of men working shorter hours — less than 20 hours a week. This has been a significant trend for young men aged 15 to 24.
  - At the same time, there was an increase in the proportion of both men and women working more than 50 hours per week.
  - The proportion of couples who worked 100 hours or more a week also increased over the 1986 – 2001 period.
- Callister has found that, in 1986, the people working the longest hours tended to be the least qualified ... but, by 2001, those working

## DIARY

22 November 2004

ACT MP Muriel Newman launches an on-line petition to encourage a "proper submission process" for the Charities Bill, inviting all those who will be affected by the proposed Charities Commission regulations to make a submission. The petition can be found at [www.charitiesbill.co.nz](http://www.charitiesbill.co.nz)

Newman is also calling for greater consultation on the Disabled Persons Employment Promotion Bill that she says will close down sheltered workshops, affecting the lives of thousands of disabled people. The petition to support wider consultation can be found at [www.disabledpersons.co.nz](http://www.disabledpersons.co.nz)

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## DIARY

23 November 2004

In Queenstown there are at least 200 job vacancies as the town braces for what is expected to be a record number of overseas visitors this season.

NZ businesses continue to be upbeat about their future. 25% of businesses expect their business to improve and 28% expect to raise their prices over the next year.

24 November 2004

The Security Intelligence Service is to be the subject of an inquiry after allegations the service has been spying on "Maori activists".

25 November 2004

Wellington has about twice the rate of hospital admissions for children with skin infections than Australia or the US. Public health registrar Darren Hunt says the reason is not clear but it could be linked to household overcrowding, lack of access to family doctors and lack of home first aid supplies.

28 November 2004

The Maritime Union is concerned that new free-trade agreements will see waterside jobs given to Asian workers. General secretary Trevor Hanson says the Port of Lyttelton has recently applied to import waterfront workers, which are now on the occupational shortlist. Hanson: "We are not opposed to foreign workers but we are strongly opposed to companies exploiting cheap foreign labour to undermine wages and conditions for local workers."

the longest hours had shifted to the most highly qualified people. He suggests that working longer hours is no longer done out of sheer economic necessity but may be driven by "expectations" of putting in the longer hours at the office.

— *The future of work within households: Understanding household-level changes in the distribution of hours of paid work*, 4 November 2004, published by the Department of Labour, can be downloaded (PDF 83pg, 490kb) from [www.dol.govt.nz/pdfs/fow-changes-in-working-hours.pdf](http://www.dol.govt.nz/pdfs/fow-changes-in-working-hours.pdf)

- Skill shortages will not improve until employers and the tertiary education sector work together more effectively. Unitec's Dave Hodges, co-organiser of the 5th Asia-Pacific Cooperative Education Conference in Auckland, says tertiary institutions must prepare their students for the world of work if they are to meet employer's needs. He says missing from the dialogue about the skills gap and difficulties in recruiting staff are the **personal skills deficiencies** that many employers say are lacking in tertiary education graduates. Hodges says employers want well-rounded graduates who have a broad range of skills that go beyond the technical knowledge base of their subject area.

Hodges: "According to employers from a variety of sectors, the highly desirable graduate skills and attributes are those like interpersonal effectiveness, customer and client service, teamwork, problem solving, flexibility and initiative — the sort of skills best developed in the workplace. The key is to make internships or industry placements a part of tertiary education programmes, so that the students gain a clearer understanding of what is required in the workplace and what it means to be a professional practitioner. This international conference will give the Government, education providers and industry a chance to develop effective partnerships to help improve the work-readiness and career insights of graduates."

- The amount of time worked each year by volunteers in New Zealand (7.6 million hours) is comparable to the number of paid hours worked in the dairy industry. It is also about two-thirds that of paid staff at the Ministry of Social Development, the largest government department. The Federation of Voluntary Welfare Organisations, with Pricewaterhouse Coopers, has produced a report that provides measures for **the work voluntary organisations do** which is often difficult to qualify.

One aim of the report is to shift perceptions that community and voluntary organisations are "takers" or a liability to society and to demonstrate that they are, in fact, "givers". The report maintains that for every dollar provided to a voluntary agency, between two and three dollars is returned to the community.

— *Counting for Something. Value Added by Voluntary Agencies, The VAVA Project*, September 2004, published by NZ Federation of Voluntary Welfare Organisations, ISBN: 0-9582580-0-7, can be downloaded (pdf 69 pg 389kb) from [www.nzfvwo.org.nz/files/file/VAVAO\\_overview\\_report.pdf](http://www.nzfvwo.org.nz/files/file/VAVAO_overview_report.pdf)

- An Auckland property developer is believed to have applied to the Immigration Service to **bring in 85 Chinese workers** to work on a large downtown construction project. Developer Andrew Krukziener has apparently supported the application by citing the labour shortage

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29 November 2004

Nearly 1,500 Wellington primary school children regularly go to school without breakfast and nearly a third of those often bring no lunch, according to research done by a Victoria University graduate student. Regional public health dietician Bronwyn Wood says the problem is often money-related or caused by parents working shifts and not getting up in the morning to prepare food.

About 200 Polish dentists will join the British National Health Service, recruited through an overseas drive aimed at plugging the gaps in state-funded services across England.

30 November 2004

Student debt for NZers living overseas is twice that of those still living in NZ. University Students Association co-president Fleur Fitzsimons says the figures prove there is a clear link between the size of loans and people's decision to go overseas.

1 December 2004

NZIER predicts NZ economic growth to halve from 4.8% this year to 2.4% next year.

NZ signs a trade liberalisation agreement with Thailand. One aspect of the deal is an "exporting labour" provision that will allow Thais with qualifications to work in NZ. Thais qualified in such areas as traditional Thai massage therapy or as chefs will be able to bypass normal immigration tests to work here for up to four years, providing they have a job offer before leaving home.

in the industry. An Immigration Service spokesperson says the service is currently reviewing eight applications for construction industry-related work permits representing a total of 133 overseas workers.

Amalgamated Workers Union organiser Ray Bianchi says importing labour **isn't warranted**. Bianchi: "There may be a shortage but that is because construction companies are not offering the workers enough in wages and conditions. There would not be a labour shortage if New Zealand pay rates were comparable with Australia's. We would attract ex-pats back."

Council of Trade Unions secretary Carol Beaumont says there would be concern if cheap labour was being brought in to maintain a low-paid local workforce. Beaumont: "Workers are open to exploitation in an industry that has not invested well in training and where in some cases employers offer poor pay and working conditions. At a time of low unemployment they are now struggling."

- House prices have risen much faster than working incomes over the last 10 years and an increasing number of **working people can't afford** to buy their **first home**. Housing New Zealand researcher Rob Graham says that the rate of home ownership has fallen, and soaring house prices are creating a "can work — can't buy" generation. The sharpest decline in home ownership has been among people under 40 years old.

In Wellington, which rates as the ninth most expensive housing local authority area in the country, 60% of first-home buyers couldn't afford to buy a house. In 13 local authority areas, fewer than half of families in working households couldn't afford to buy even the lowest-priced two bedroom house. According to PMI Mortgage Insurance and Infometrics, property prices in most regions are predicted to continue to rise through to 2007.

- The start of pre-harvest fruit thinning has already soaked up the available seasonal workforce in Hawkes Bay and it looks as though **horticultural labour shortages** will be a reoccurring theme again this season. Fruitgrowers Association executive officer Dianne Vesty says she had contacted Work and Income but was having little success in filling jobs such as picking, pruning and vine-tying. She has advertised 54 jobs in Hawkes Bay and has had just 11 replies.
- Contributing to the problem is that the **supply of illegal workers** has dried up. Last year the Immigration Service cracked down on illegal workers, deporting many and laying charges against several contractor operations for tax fraud. Vesty: "Where we had a lot of people working in the industry illegally, they are not there now and we need to have a legal alternative. We need to look at the future and how we are going to manage it — I don't see long-term immigration as an answer." For a start, Vesty is calling for the establishment of a nation-wide database of seasonal horticultural jobs and workers.

Associate Minister of Employment Rick Barker says the industry needs to more actively recruit overseas for workers.

- The number of young people from overseas who are allowed to **work while on holiday** in New Zealand will soon increase from 31,000 to

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2 December 2004

The number of NZ armed forces personnel has dropped by about one-third since 1991, with many people leaving the service after they have trained. Defence chief Bruce Ferguson tells a parliamentary committee that some military staff are being lured away by big salaries overseas. People with special forces skills can attract private contractor rates of between \$200,000 to \$300,000 a year to work in Iraq. But not all those leaving the service go overseas. Ferguson says since the economy has improved over the last few years, more people have gone to civilian jobs where they can earn more.

Pacific Island expert Helen Hughes says that widespread government corruption and reliance on foreign aid is stunting economic growth in the Pacific Islands. Hunt says the islands could support high standards of living within a generation if their governments and foreign donors concentrate on economic reform, increased agricultural production and job creation schemes.

40,000 per year. The Working Holiday Schemes allow people aged 18 to 30 (who aren't bringing children) from 22 countries, to work here for up to a year. Each of the countries reciprocate by issuing similar visas for young New Zealanders. Minister of Immigration Paul Swain: "With unemployment at just 3.8%, working holidaymakers are a good source of temporary labour for New Zealand. Last year, just under a quarter of all working holidaymakers were employed in our horticultural and agricultural sectors. They are also a potential pool of talent for the longer-term Skilled Migrant Category."

Other changes to the scheme include having a group quota — rather than specific limits for each country — on working holiday makers from the UK, Germany, Sweden and the Netherlands. France and Canada may also be included in this category, pending negotiations on reciprocal agreements. British working holidaymakers will be able to stay for up to two years and legally work for up to half of that time.

From 2005-6, an extra 10,000 places will be reserved for young people from Canada, the US, Belgium, Denmark, Finland, France, Ireland, and Italy. And work restrictions will be eased for those from the US, Belgium, the Netherlands and Sweden, who will now be allowed to work for the entire duration of their stay.

- The **independent youth benefit** has come under fire as new Ministry of Social Development figures show about a quarter of the teenagers who received it continue to go on to another benefit for income support. ACT MP Muriel Newman says the independent youth benefit establishes a pathway to the dole and early dependence on welfare and is calling for it to be scrapped. Newman: "There's too many young people who see this as a way of early independence and it breaks families apart."
- The independent youth benefit is available to people aged 16 or 17 who are unable to live with their parents, have no children, are seeking work or unable to work, or are in training or at school. The Ministry figures showed 27% of teenagers who received the benefit in the past year moved on to the unemployment benefit. But the Ministry also points out this proportion is down from 34.5% doing this in the 1999-2000 year. This year, the independent youth benefit supported 2,341 teenagers.

The Minister of Social Development Steve Maharey says the benefit helps young people in extremely difficult situations. Maharey: "We are proactive in making sure that young people who go on it acutely need it. Teenagers on the benefit are often difficult to place in jobs because they have had tough lives and sometimes suffer from disabilities. The Government is putting many resources into ensuring teenagers further their education and go into jobs."

- An Oxford University social scientist says there is little evidence to show New Zealand has succeeded in its declared intention to eliminate **child poverty**. Ryan Orange, in a paper delivered at a Ministry of Social Development conference in Wellington, says that while in 1999 both the New Zealand and British governments had

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3 December 2004

Taking a break from the office at lunch or taking the full entitlement of breaks improves worker productivity, according to a survey by recruitment firm Hays. The survey also found that 41% of people said it showed increased commitment to their employers to take less than their allocated break, but 75% said their productivity benefited from taking a break away from the office at lunch time.

Students who begin training to be pilots this year are having to sign a document that stipulates that continued funding for the second year of their course cannot be guaranteed. The Aviation Industry Association says, as a result, few if any training organisations will be able to fill their courses this year. Enrolments in Auckland and Christchurch are down 70%. Being a two-year course, the lack of people doing the training this year will have a flow-on effect for subsequent years and limit the number of pilots available for work. The association says this will have restricting effects on both tourism and agriculture.

4 December 2004

The Hospitality Association of NZ says there is a desperate shortage of qualified chefs in NZ and urges the government to return chefs to the immigration occupational shortlist. The Immigration Service removed chefs from the list last year after concerns that many of the job applications were fraudulent.

Over 60% of NZ workers do not believe management is open and honest with them, nor does management “inspire trust”, according to recruitment website Seek’s annual *Intelligence Survey*.

stated their intention to eliminate child poverty, New Zealand had made little, if any, progress.

Orange: “Both governments were elected at the end of a decade in which their countries had led the world in growth of income inequality. Although both governments have ‘talked the talk’, it is the United Kingdom Labour government that has been comparatively successful in implementing policies and establishing measurement tools for pursuing the elimination of child poverty. On the basis of available official indicators, Britain has achieved a significant reduction in the number of children living in poverty since 1999 but the same cannot be said about New Zealand.”

Green MP Sue Bradford is disappointed that the government has been “sluggish” in responding to the child poverty issue. Bradford: “Successive Governments have known that around a third of our children are growing up either on or below the poverty line but fixing the problem has never been a priority. In its briefing papers to the incoming Government of 2002, the Ministry of Social Development stated that poverty was a critical issue facing New Zealand children, and it was time for Labour to heed the voices not only of the NGO community through reports like *Making it Happen* (See *The Jobs Letter No 174*), but also of its own Department,” (*The Agenda for Children*, see *The Jobs Letter No 167*).

- The Australian Government Productivity Commission is researching how the **ageing population** will affect the labour market over the next 40 years. *The Economic Implications of an Ageing Australia* estimates that a quarter of the population will be aged 65 or more by 2044, roughly double the present proportion. This reflects the improved life expectancy and people having fewer children. But it will also impact on the economy and poses significant policy challenges.

Labour force participation rates in Australia are significantly lower for people aged over 55. As more people shift into older age groups, overall participation rates are projected to drop significantly. Both falling participation and average hours worked per person will curtail the growth in number of available workers, even if unemployment rates continue to decline.

Assuming the same worker productivity level of the past 30 years, GDP growth per capita will slump to 1.25% per year by the mid 2020s, roughly half its present level. The report argues that new policies must concentrate on lifting **worker productivity**.

— *Economic Implications of an Ageing Australia*, 25 November 2004, published by the Australian Government Productivity Commission, can be downloaded (PDF 44pg 525kb) from [www.pc.gov.au/study/ageing/draftreport/ageing1.pdf](http://www.pc.gov.au/study/ageing/draftreport/ageing1.pdf)

- The number on a people on the **disability pension** in Australia has doubled over the last 13 years and the government has recently run a pilot programme to see if some of these people could be forced to look for work. Australian Minister Peter Dutton says he is pleased with the result of a “work first — welfare second” programme which showed a combination of coercion and incentives could cut dependence on the pension. The pilot, involving 671 pensioners,

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5 December 2004

Poor public perception of council workers has emerged as the leading cause of flagging staff morale and skill shortages in local government. A survey of employees in the five main skills areas where councils have the most difficulty recruiting found 65% said the main reasons for the poor image of council staff include perceptions they are lazy and overpaid, that there is excessive bureaucracy, and that councils hinder development. The five areas of skills shortages are in building consents, engineering, environmental health, planning, and policy.

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*Research sources for the main items in The Jobs Letter are available in our internet edition at [www.jobsletter.org.nz](http://www.jobsletter.org.nz)*

found that within three months a third of them were in employment or education. Dutton says the programme showed people with disabilities want to work but are not aware of existing services and wrongly fear losing their pension if they take up work.

The Physical Disability Council of New South Wales has objected to the widespread distribution of the programme. Executive officer Dougie Herd says he believes the minister is merely aiming to cut the disability support pension budget. Herd: "It's just fanciful nonsense to suggest that you can force people with a disability into a working environment that still remains for many of them hostile."

- People who go to work when they are sick double their chances of developing heart disease, according to a British study. Health and attendance records of 10,000 British civil-servants reveal that 30 to 40% of those who continued **to work when ill** — even with minor afflictions like the common cold — later suffered twice the rate of heart disease. Leader of the University College London study Professor Michael Marmot: "Many people force themselves in to work when they are not well and have little knowledge of the consequences. Far from contributing to their companies or spreading a few germs around the office, they could be hastening their own death."

But the Institute of Directors in the UK is not convinced. A spokesperson said that the research had failed to establish a convincing, causal link between stress in the workplace and heart disease. "Stress in the workplace should surely be seen as a separate issue to 'presenteeism'. To draw conclusions that the two are related is yet to be established, despite this study."

- In the United States people are increasingly using **plastic surgery** to make them look younger and help them get and keep jobs. Visiting US plastic surgeon William Little says more than half his patients have had surgery to "extend their careers". There has been a large increase in cosmetic surgery in the US, which topped 8.7 million procedures last year.

The trend may also be happening here. While no figures are kept on New Zealand cosmetic surgery rates, Auckland plastic surgeon Tristan de Chalain estimates the growth rate is more than 10% a year. He says keeping youthful in the workplace is a strong motivating factor for many. A common line de Chalain hears is: "People at work say I look tired and grumpy, and I'm not."

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*To develop and distribute information that will help our communities create more jobs and reduce unemployment and poverty in New Zealand.*

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