

# PAID WORK

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All people have access to meaningful, rewarding and safe employment. An appropriate balance is maintained between paid work and other aspects of life<sup>1</sup>

## WHY THIS IS IMPORTANT

Paid employment is a major factor in determining personal income and wider prosperity in the community. Income determines the ability people have to purchase goods and services and will therefore have effects on health, housing, and education.

Paid work is also related to the ability of people to participate in, and contribute to, the city's well-being. It provides social contact and social connectedness. People often define themselves by their employment

status and thus employment can provide people with a sense of belonging.

The quality of work is of critical importance. A meaningful job can enhance people's satisfaction with their work. An unsafe and stressful job places people's wellbeing at risk. Unemployment can isolate people from society and cause them to lose self-confidence. It is associated with poorer mental and physical health.

<sup>2</sup>

## FACTORS INFLUENCING EMPLOYMENT AND PAID WORK

There are a range of factors that impact on people's ability to secure paid work, for example:

- The strength of the economy and levels of employment are closely related. A local economy that is growing and developing contributes to employment opportunities. A diverse business environment is better able to absorb cyclical downturns and changing market trends. If too many jobs are concentrated in key industries, a downturn in these industries may have serious impacts on the local economy. The resulting cuts in consumer spending can cause other layoffs and impact on the social health of the city.
- People's knowledge, skills and experience can affect employment. People without formal qualifications are more likely to experience low levels of employment.

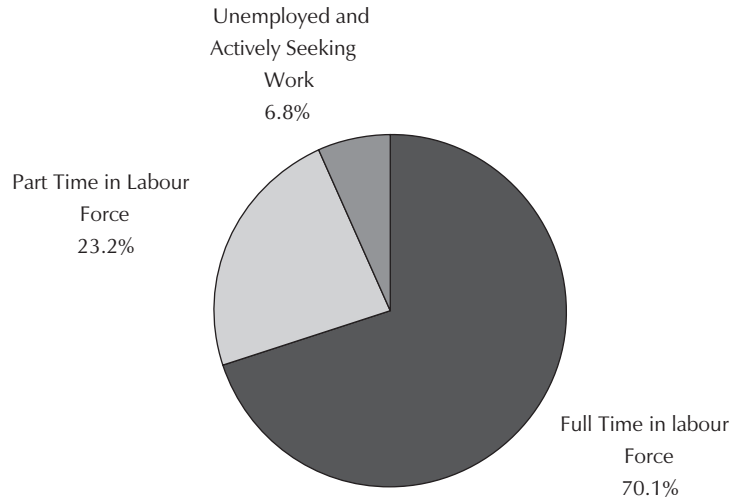
# WHAT DO THE MEASURES AND TRENDS TELL US?

The New Zealand economy has been creating more jobs, and a higher percentage of New Zealanders are employed than at any other time in the past 14 years.

- Total employment in Christchurch City has increased 9.4%, from 154,880 in 1997 to 169,480 in 2002.
- The overall number of filled jobs is growing in Christchurch, as it is in the rest of New Zealand.
- 64% of Christchurch's working age population were either employed in full or part-time employment or actively seeking work at March 2001.
- Employment growth has occurred mainly in the services sector in recent years, with declines in the importance of both manufacturing and agriculture. The greatest proportion of Christchurch City workers (full and part-time) aged 15 years and over in 2002 was **service and sales workers** (16%) and **professionals** (15%).

residents participating in the labour force (65%) was slightly lower than the national figure of 67%.

## LABOUR FORCE STATUS, 2001



Source: Statistics New Zealand, 2001 Census of Population and Dwellings.

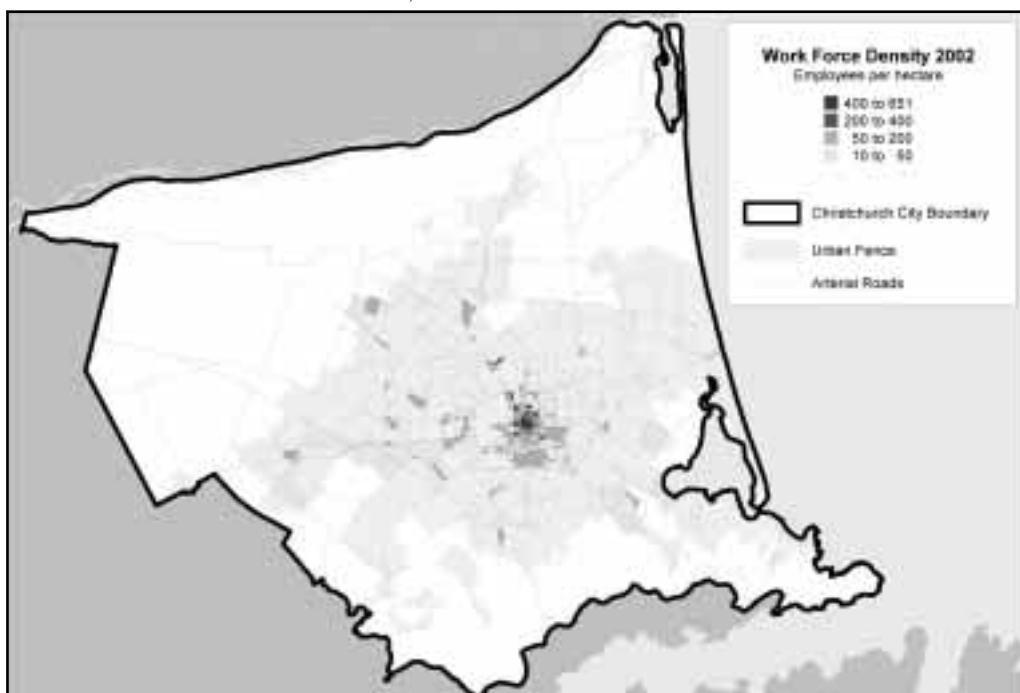
## EMPLOYMENT

### LABOUR FORCE

According to the 2001 Census, Christchurch City had a working age population of 255,093 people. Of this group, almost two thirds (162,243 people) were in the labour force in either full or part-time employment, just over a third (88,179) were not involved in paid work, while 11,013 were unemployed and actively seeking work. The proportion of Christchurch

Over the ten year period between 1991 and 2001 Christchurch City's labour force increased by just over 27,000 to 162,243 people (20%). The majority of this growth occurred in the first half of the decade, with an increase of 15%. This has been accompanied by a significant change in the type of employment from full-time to part-time and a reduction in unemployment. Of the total labour force in 2001, 113,664 people were employed full-time and 37,566 people were employed on a part-time basis.

### DISTRIBUTION OF CHRISTCHURCH'S WORK FORCE, FEBRUARY 2002



Source: Statistics New Zealand, Annual Business Frame Update, Feb 2002

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 are in the wrong age, or that the right work is not available in their area or they are only looking for jobs in the newspaper. The measure also includes those actively seeking work but not yet available for it.

#### LABOUR FORCE

	1991	1996	2001	Numeric Change 1996-2001		% Change 1991-2001		Numeric Change 1991-2001	
Labour Force									
Full Time in Labour Force	97,548	107,997	113,664	10,449	10.7	5,667	5.2	16,116	16.5
Part Time in Labour Force	23,073	35,085	37,566	12,012	52.1	2,481	7.1	14,493	62.8
Unemployed and Actively Seeking Work	14,400	11,706	11,013	-2,694	-18.7	-693	-5.9	-3,387	-23.5
Total Labour Force Status	135,021	154,788	162,243	19,767	14.6	7,455	4.8	27,222	20.2
Unemployment Rate	10.6	7.6	6.8						
Non Labour Force	97,554	89,616	88,179	-7,938	-8.14	-1,437	-1.6	-9,375	-9.6
Not Specified	1,305	4,629	4,668	3,324	255.0	39	0.8	3,363	257.7
Total Working Age Population	232,578	249,036	255,093	16,458	7.1	6,057	2.4	22,515	9.7

Source: Statistics New Zealand, Census of Population and Dwellings, 1991-2001.

### EMPLOYMENT by Type of INDUSTRY

Christchurch has a large and diverse work-force which includes people who live within the city and also workers from surrounding districts. Approximately 9% of the people who work in the city live in neighbouring

districts. In February 2002, Christchurch's total work-force was 169,480. Total numbers employed varied across industry groups. In 2001 **manufacturing, retailing, property and business services and health and community services** industry groups employed over half the workforce in the city.

#### EMPLOYMENT IN CHRISTCHURCH BY INDUSTRY

ANZSIC Industry Codes	Full-time	Part-time	Total	Numeric Change 1997 -2002	%
Manufacturing	25,760	3,120	28,880	-642	-2.2
Retail Trade	12,920	9,710	22,630	1,370	6.4
Property and Business Services	14,840	6,660	21,500	3,880	22
Health and Community Services	9,980	10,180	20,160	3,700	22.5
Wholesale Trade	9,340	2,220	11,560	-295	-2.5
Education	7,600	4,340	11,940	1,175	10.9
Accommodation, Cafes and Restaurants	4,020	6,280	10,300	1,980	23.8
Construction	8,970	1,140	10,110	680	7.2
Transport and Storage	5,680	1,480	7,160	-115	-1.6
Communication Services	2,010	3,540	5,550	2,590	87.5
Personal and other Services	4,030	1,750	5,780	519	9.9
Cultural and Recreational Services	2,510	2,130	4,640	585	14.4
Finance and Insurance	3,230	920	4,150	-217	-5
Government Administration and Defence	3,400	520	3,920	-135	-3.3
Agriculture, Forestry and Fishing	280	170	450	-162	-26.5
Electricity, Gas and Water Supply	490	80	570	-306	-34.9
Mining	200	9	209	99	90
Total All Industries	115,260	54,220	169,480	14,610	9.4

\*Australia New Zealand Standard Industrial Classification. Source: Statistics New Zealand, Annual Business Frame Update.

## EMPLOYMENT by Type of BUSINESSES

Nationally the proportion of people working in small firms is on the increase. Jobs in small firms are likely to have different types of employment relationships and be more turbulent.<sup>3</sup>

Nationally, employment in small enterprises (less than 5 people) increased from 214,200 in 1987 to 313,800 in 1999. In the same period employment in larger firms (over 50 people) fell from 726,900 in 1987 to 616,600 people in 1999. About 1 in 2 jobs come or go in a small firm in any one year, compared to about 1 in 5 for large firms.

In 2002, 14 of the 200 top ranking New Zealand companies (by annual turnover) were based in Christchurch. Together these made a significant contribution to the local and national economy.

At February 2002 there were 25,120 businesses in Christchurch. **Property and business services** was the largest industry group in the city comprising 7,460 business units. This group is made up of businesses predominantly engaged in renting and leasing assets, and also those engaged in providing property and business services such as: real estate, car hire and legal and accounting services. **Retail trade** was the second largest group of businesses, followed by **construction** and **manufacturing**.

### NUMBER OF BUSINESSES

	2002	Numeric Change 1997 -2002	%
Property and Business Services	7,460	1,495	25
Retail Trade	3,530	114	3.3
Construction	2,570	-74	-2.8
Manufacturing	2,180	-13	-0.6
Wholesale Trade	2,090	85	4.2
Health and Community Services	1,450	254	21.2
Personal and other Services	1,180	116	10.9
Finance and Insurance	990	79	8.7
Transport and Storage	980	-7	-0.7
Accommodation, Cafes and Restaurants	800	160	25
Cultural and Recreational Services	720	105	17.1
Education	520	63	13.8
Communication Services	300	-1	0.3
Agriculture, Forestry and Fishing	200	25	14.3
Government Administration and Defence	110	-23	-17.3
Mining	25	3	13.6
Electricity, Gas and Water Supply	12	-10	-45.4
Total all Industries	25,120	2,380	10.5

Source: Statistics New Zealand, Annual Business Frame Update.

Since February 1997, the number of businesses in the city increased by 2,380 (10.5%). The main contributors to this rise were **property and business services** and the **health and community services** industry groups which increased by 1,495 and 254 business units respectively. In addition **accommodation, cafes and restaurants** increased by a similar proportion to these groups at around 25%, although numerically they only increased by 160 units. In contrast, a number of groups declined, including **electricity, gas and water supply** where the number of businesses declined by over half. **Transport and storage** and **government administration and defence** also showed declines in business units.

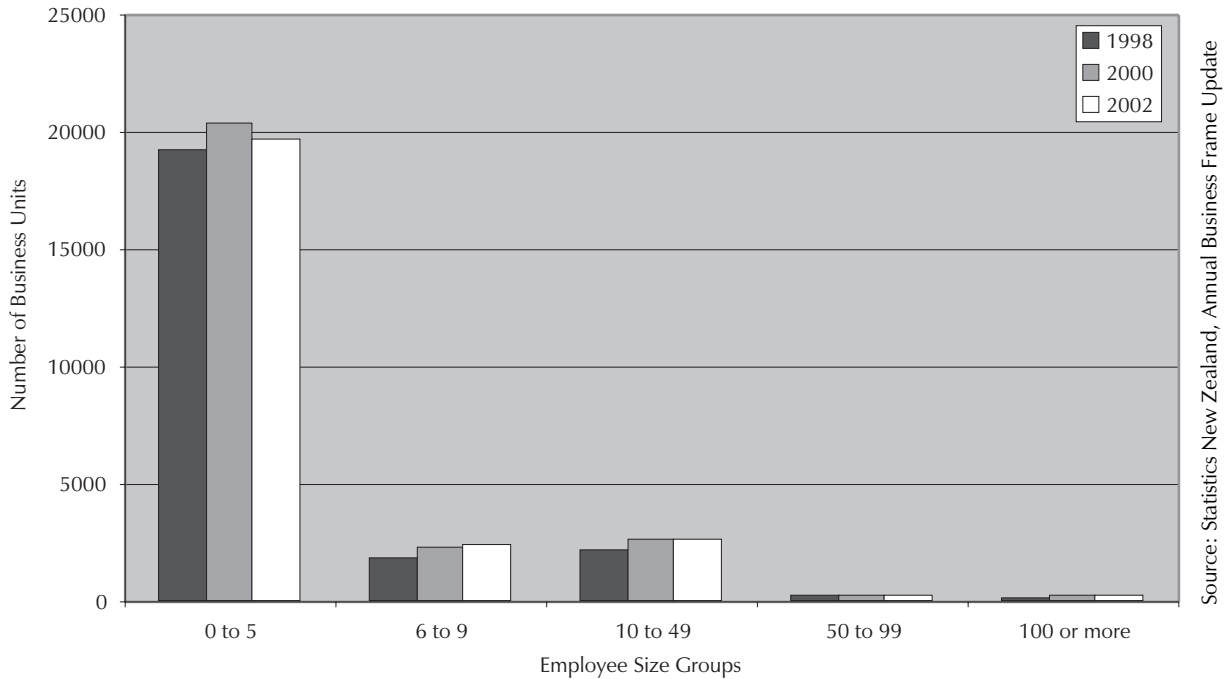
These figures suggest there will be continued growth in casual part-time jobs (for example, in cafes and restaurants). These jobs will not provide sustainable incomes in themselves but may provide work for students and be secondary income sources for others. The growth in the public sector jobs may also be seen as precarious given the political nature of the policy positions driving the growth.

Around 80% of the business units in the city employ fewer than 5 people. However business growth was greatest for businesses that employ over 6 people. Between 1998 and 2002 businesses employing over 100 people increased by 47% from 131 to 192 units.

Although the majority of business units have fewer than 5 employees, this group only employs 20% of the total workforce in the city. 30% of employment in Christchurch is provided by the 192 business units

who employ over 100 staff. **Manufacturing, health and community services** and **education** sectors are the main industries with business units employing over 100 staff.

### CHRISTCHURCH CITY: NUMBER OF BUSINESSES BY WORKFORCE SIZE GROUPS



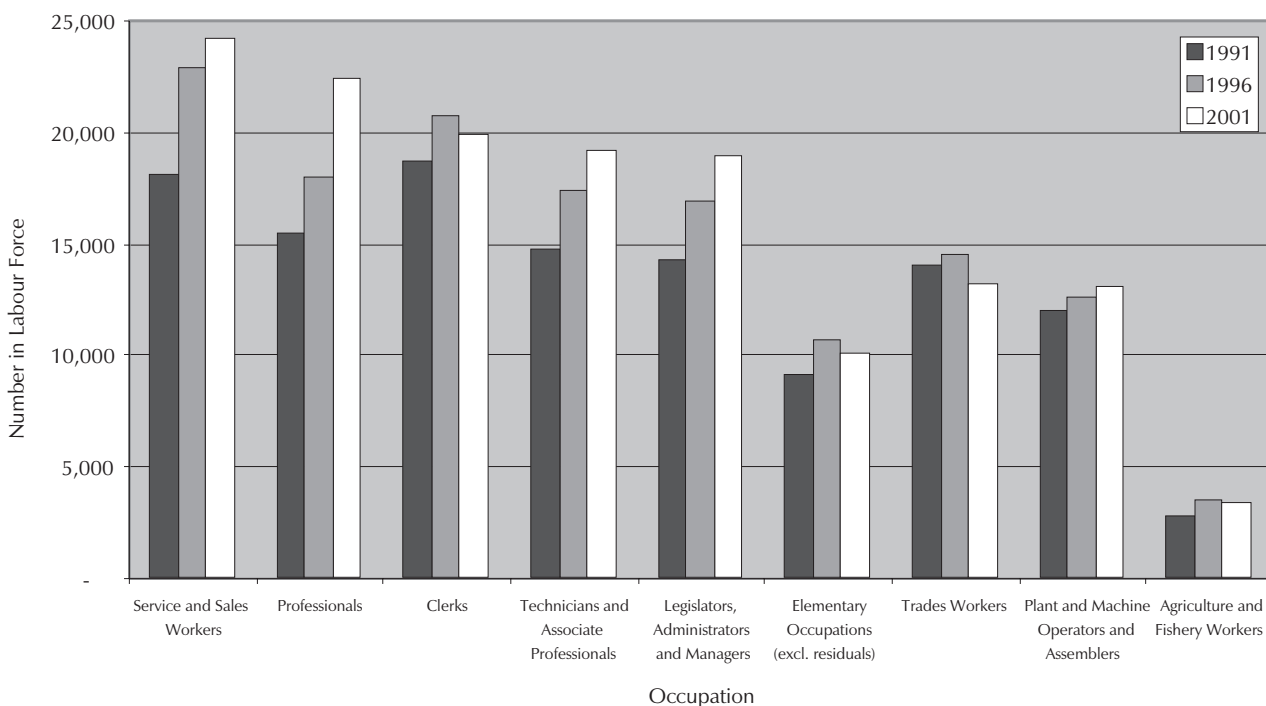
Any decrease in the numbers of larger businesses, or rationalisation of education facilities in Christchurch, would have a significant effect on employment figures and income levels.

### OCCUPATIONS

The majority of Christchurch City workers (full-time and part-time) aged 15 years and over were **service and sales workers** (16%) and **professionals** (15%). This was closely followed by **clerks, technicians and associate professionals, legislators, administrators and managers**. In contrast, the proportion of

**agriculture and fishery workers** was considerably less, which reflects the predominantly urban nature of the City.

Over the past 10 years the number of employees in all occupational groups other than trade workers have increased. The greatest increases have been in the number of **professionals** (46%), **service and sales workers** (34%), **legislators, administrators and managers** (32%), and **technicians and associated professionals** (30%). These figures follow national growth trends in the service sector.



Since 1996 the number of **professionals** has continued to increase rapidly (25%), while the number of **trade workers** continued its decline. The other occupational groups have continued to increase, except for **clerks** and **agriculture and fishery workers**, which have declined since 1996, but not to a level below that in 1991.

The increasing proportion of the city's skilled workforce reflects the presence of the Canterbury and Lincoln Universities, the Christchurch Polytechnic, hospitals and the Christchurch School of Medicine.

The decrease in trade workers has had a significant impact on skill shortages within the city. Business surveys consistently report growing skill requirements in a variety of trade occupations.

## HOURS WORKED

There has been a growth in people working part-time. Of the total labour force in 2001, 113,664 people were employed full-time and 37,566 people were employed on a part-time basis. The proportion of Christchurch residents in part-time employment increased from 17 to 23% of the total labour force between 1991 and 2001. The majority of this growth

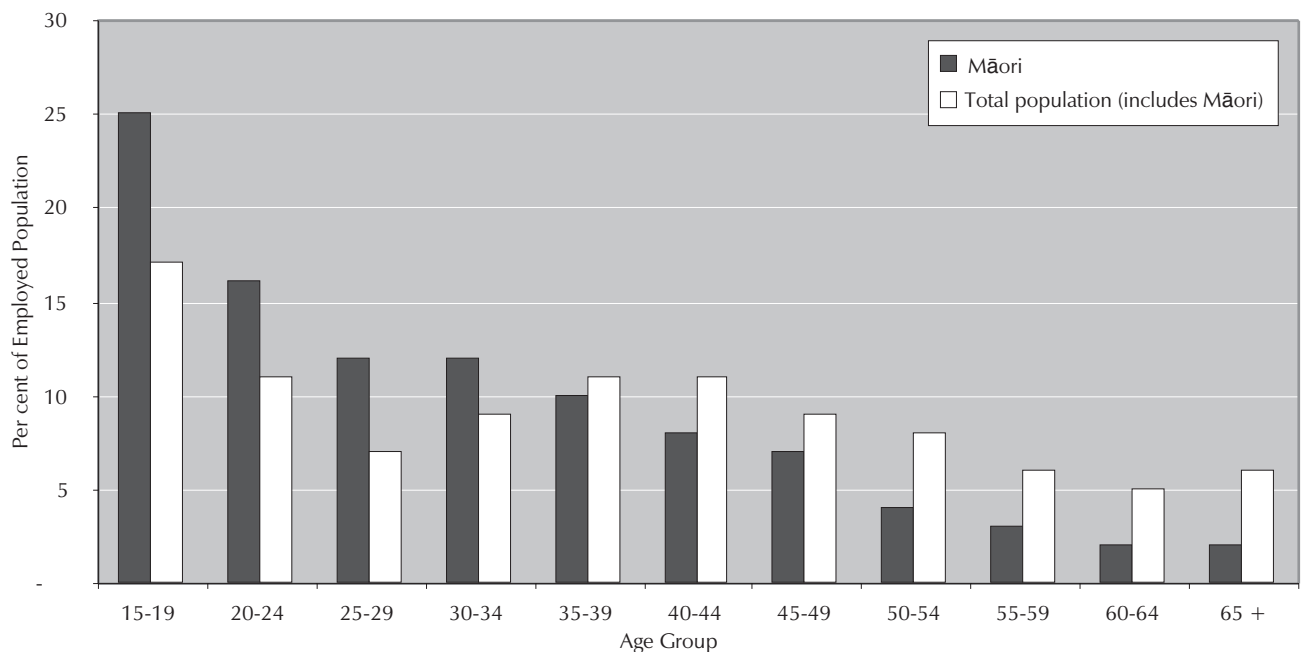
occurred between 1991 and 1996 with an increase of 52%, whereas in the 5 years to 2001 there was only a 7% increase.

### HOURS WORKED PER WEEK

	Per cent of Employment	
	Christchurch	New Zealand
<b>Part-time</b>		
1-9 Hours	24.1	24.5
10-19 Hours	34.6	33.0
20-29 Hours	34.2	34.0
Not Stated	7.2	8.4
<b>Total Part Time</b>	<b>100</b>	<b>100</b>
<b>Full-time</b>		
30-39 Hours	16.5	14.6
40-49 Hours	53.9	49.5
50-59 Hours	14.6	16.0
60+ Hours	10.1	14.5
Not Stated	5.0	5.5
<b>Total Full Time</b>	<b>100</b>	<b>100</b>

Source: Statistics New Zealand, 2001 Census of Population and Dwellings

### PART-TIME EMPLOYED FOR THE MĀORI ETHNIC GROUP AND THE TOTAL POPULATION, 2001\*



For the population aged 15 years and over. Source: Statistics New Zealand, 2001 Census of Population and Dwellings.

Of the working age population (15 years and over) who work part-time in Christchurch City, 24% work 1 to 9 hours a week. The majority of part-time workers work between 10 and 29 hours a week.

Participation in full-time and part-time employment varied with gender. Males comprised 70% of residents

working full-time, while females accounted for 73% of part-time employment in 2001. Young workers, in particular, are heavily concentrated in part-time work in the city, and especially in semi-skilled and unskilled work in the service sector.

The increase in people working part-time may reflect changing opportunity structures in paid employment or it may reflect people's changing preferences toward paid employment and leisure. It may also reflect changes in consumer preference for longer shopping hours or changing employer preferences.<sup>5</sup>

Anecdotal evidence suggests that there is a growing number of people working in more than one job and that those in self-employment may supplement their income with other part-time work.

## OVER WORK

Over half of the Christchurch residents who are employed full-time work between 40 to 49 hours a week. Christchurch workers work on average fewer hours when in full-time employment than the New Zealand average. However the number of hours worked by part-time employees tend to be similar to national figures.

A recent report commissioned by the New Zealand Council of Trade Unions noted the adverse affect of long hours on the health of workers, their families and their social networks.<sup>6</sup> Many participants in the study relied on a female partner to maintain domestic duties largely alone and most reported that they no longer had time to take part in external social and leisure pursuits. The impact of new technologies like cell phones and e-mail, which required them to be constantly available to their employer was also noted. The research highlights the adverse outcomes for worker health, gender equity, family life and social capital on a wider scale, of long hours.

## WAGE RATES

In 2001, majority of city residents (58.8%) received income from wages and salaries. This was followed by investments (26%), government funded benefits (16.9%) and self employment (12.7%).

In general, personal incomes in Christchurch are below the national average. For example in the 2001 census:

- the median personal income for people over the age 15 years and over in Christchurch was \$17,600, and \$18,500 for New Zealand
- 49.8% of people aged over 15 years in Christchurch had an annual income of \$20,000 or less, compared with 46.9% for New Zealand
- 8.6% of people aged 15 years or over in Christchurch had an annual income of \$50,000 or more, compared with 10.2% for New Zealand

Further information on incomes is reported in the section Economic Standard of Living.

## MARGINAL EMPLOYMENT

New Zealand evidence tends to confirm overseas research indicating that varying proportions of the labour market are employed in jobs that can be described as "marginal".<sup>7</sup>

Low wage jobs are disproportionately found among those with relatively little education, among women, and among youth and older workers. The types of people who do low wage work comprise 4 main groups. These are:

- school leavers (or current students) with no prior work experience
- sole mothers
- people previously unemployed, or out of the labour force, such as mothers returning to the workforce
- displaced workers made redundant by business closures or restructuring who cannot find employment in their field of specialisation (such as men who lose jobs in manufacturing)

Young people are more likely to be in low wage jobs than are older workers. This is to be expected, as young people are making the transition from student/child to independent working adult. If all low wage workers were young then there would be little reason to worry about low wage jobs and every reason to believe that they represented a widely used means into higher paying jobs and that the duration in a low wage job is temporary.<sup>8</sup> For the large majority of young people, the low wage jobs are temporary, and can indeed be seen as the first foot on the ladder. However, for a minority of young people, initial low wage jobs do not lead on to better things, but rather to a cycle between low wage employment, unemployment and non-employment.

For older workers who are sole mothers, have lost their previous job, or who have lower levels of education, low wage jobs often do not lead anywhere. Many are inherently low skilled and are not associated with promotional ladders (e.g. truck drivers, cashiers, nurse aides, child care assistants, teachers aides and cleaners). For this group, there is considerable cycling between low wage work, unemployment and non-employment. Where there is some wage mobility, it is frequently inadequate to lift workers out of poverty. The combination of low wages and part-time or part-year employment produces very low annual earnings.

Low wage jobs are concentrated in particular occupations and industries. "They are prevalent in service industry jobs that broadly replicate in the

market the sort of activities that were once done by women in the home. These include child care, elder care, nonqualified nursing care, cleaning, food preparation and serving. These types of jobs are not part of any sort of career path and workers in them can expect a pay rise only if they move to some different job/industry. Truck driving and labouring are comparable jobs for men".<sup>9</sup>

Small firms in the private sector were found to be systematically linked with low propensities for wage gains for their low wage workers. Public sector employment is in most cases a relatively high wage employer of low skilled people, and provides relatively large amounts of on the job training.

Another recently identified trend is that of low incomes for men, particularly young men. Almost a third of adult New Zealand men in their prime earning years are struggling to make ends meet. Research by The Jobs Letter, based on 2001 census figures, has found that 30% of New Zealand men aged 25-44 years earned less than \$25,000 (about two-thirds of the average wage at the time of the census). This level of

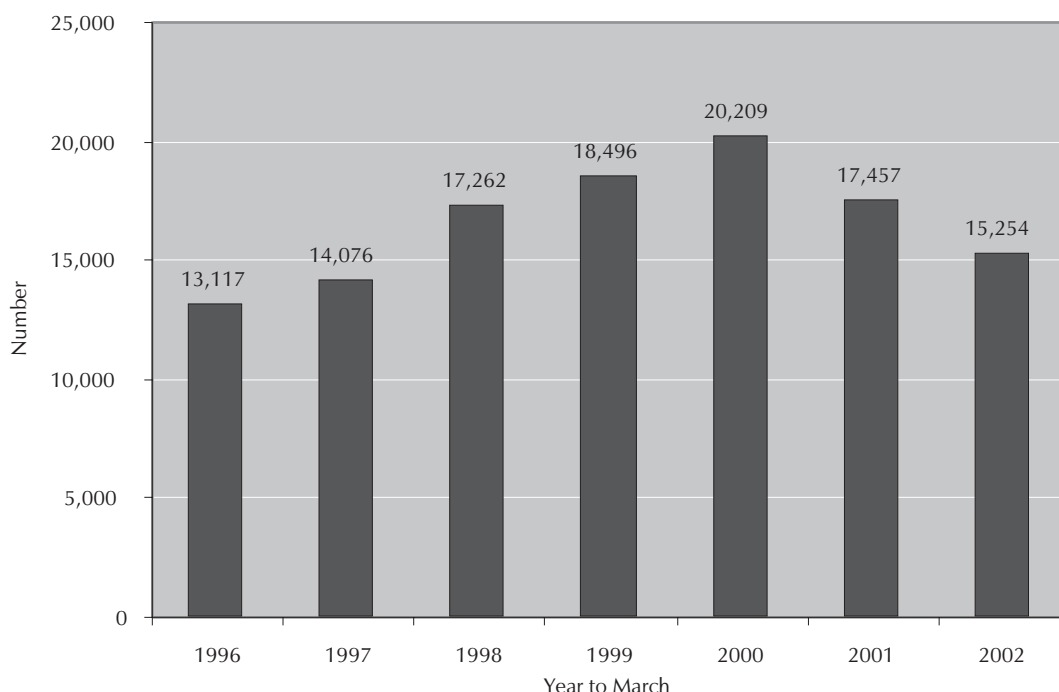
income is not considered enough to buy a house, and perhaps not even a realistic income upon which to start a family. An equally worrying statistic from the 2001 Census is the fact that, as men get older, the proportion earning low incomes increases. For the 55-64 years age group, 42% were on less than \$25,000 per year in 2001. Unless they already have substantial assets or savings, these men will probably not be able to save for retirement, leaving most of them dependent on state assistance for their income and healthcare as they get older.<sup>10</sup>

## UNEMPLOYMENT

The official rate of unemployment is measured by Statistics New Zealand through the Household Labour Force Survey.<sup>11</sup> The unemployment rate is the number of unemployed people expressed as a percentage of the labour force.

Unemployment in Christchurch declined from 7.6% in 1996 to 6.8% in 2001. At the end of February 2003 there were 11,292 people registered as unemployed at Christchurch Department of Work and Income (DWI) service sites.

### REGISTERED JOBSEEKERS

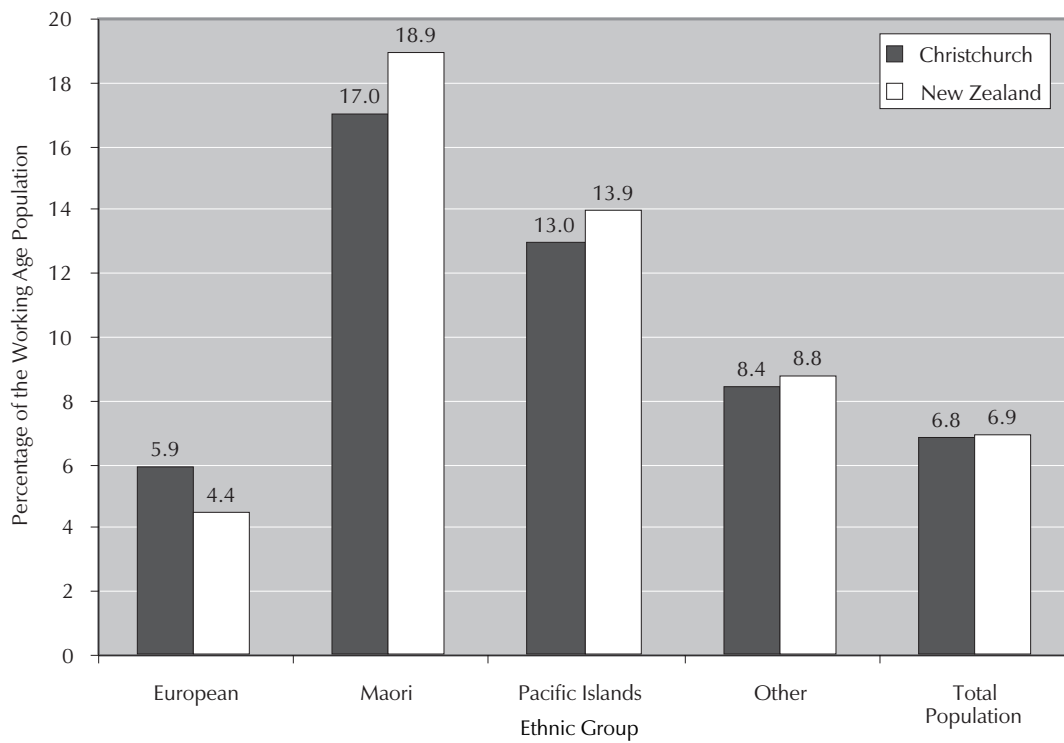


Source: Work and Income New Zealand, 2002.

There are considerable differences in unemployment rates by ethnicity. In the March 2002 quarter, the national unemployment rate for Europeans was 4.2% while rates for Māori were 10.8%, Pacific people 9.7%

and Other ethnic groups 10.2%. This pattern appears to be replicated in the 8 largest cities and for the rest of New Zealand<sup>12</sup>.

## REGISTERED UNEMPLOYED BY ETHNICITY, MARCH 2001



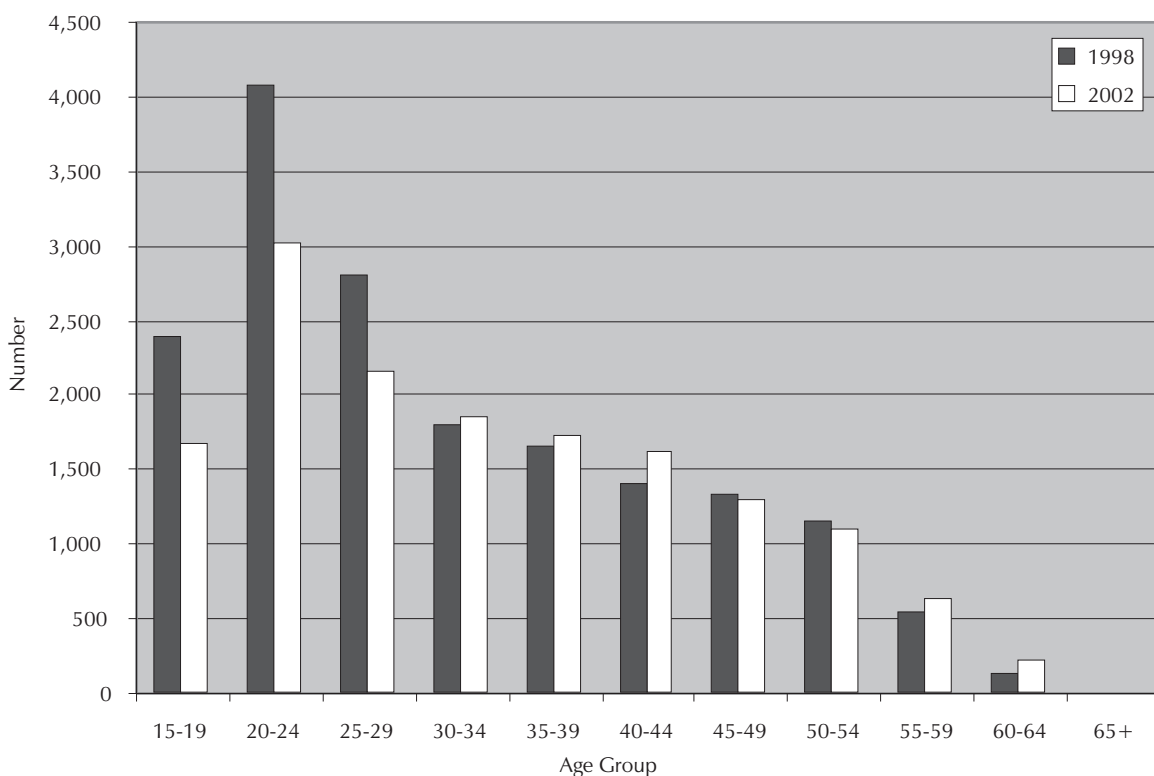
Note: The working age population is the population aged 5 years and over.  
Source: Work and Income New Zealand, and Statistics New Zealand, 2001  
Census of Population and Dwellings.

People with disabilities are less likely to be employed. The national unemployment rate among disabled working aged people was 9.4% in 2001. Adults with disabilities tend to have lower incomes.

Over the last decade people with no formal qualifications have found it harder to find and retain work and have become increasingly over-represented among the unemployed and those not participating in the labour market.<sup>13</sup> Qualifications and skills have continued to be prerequisites for paid employment, especially in higher income industries and occupations.

Young people are also over represented in the unemployment statistics. 40% of all unemployed people are under the age of 25 years. The 2001 census showed the unemployment rate for 15-25 year olds was 17.6%; more than double the rate of the general population. Furthermore young people have not been getting the new jobs that have been created recently. Census figures show that people under 25 years have been getting around 15% of the new jobs while two-thirds of new jobs have gone to people aged 45 years and over.

## REGISTERED JOB-SEEKERS BY AGE

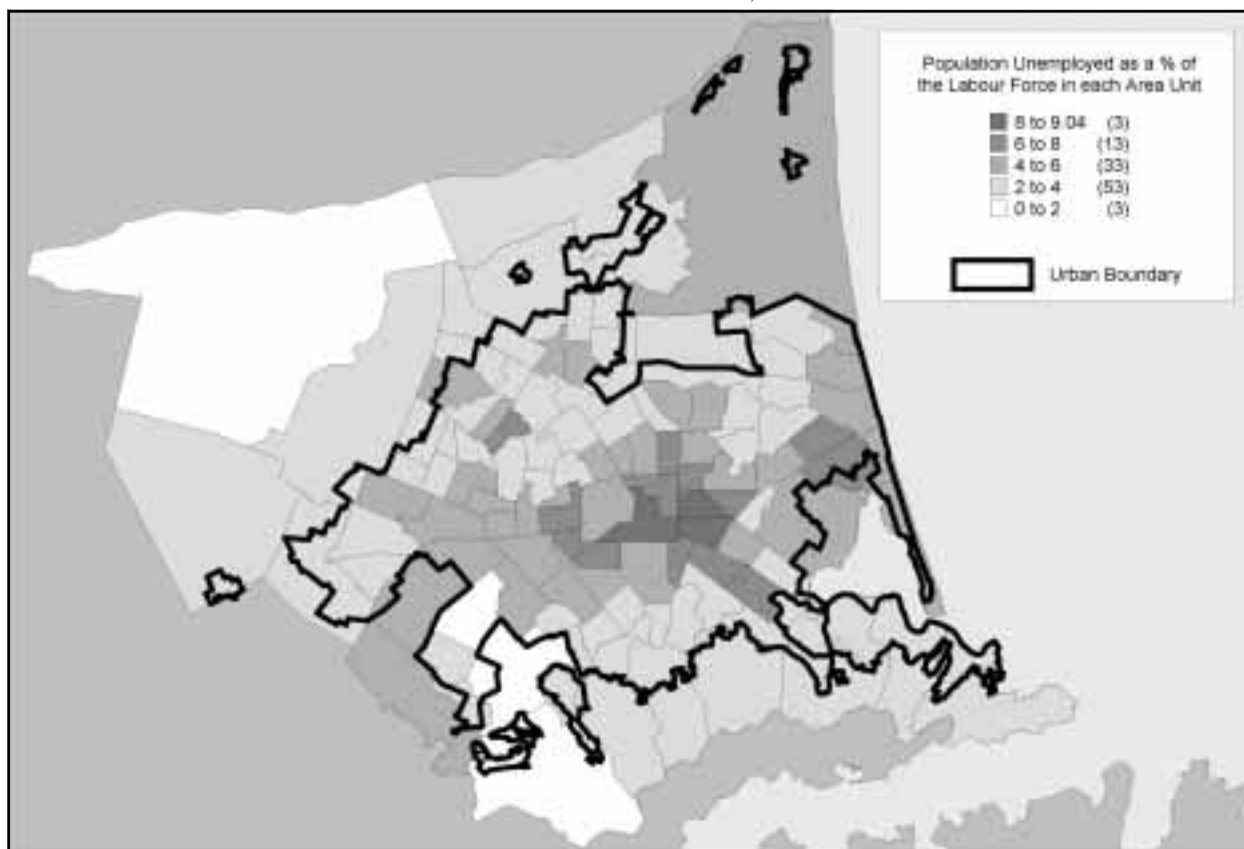


Source: Work and Income New Zealand, 2002

In Christchurch there are 2,324 (April 2003) young people under 25 years receiving the unemployment

benefit. This includes 858 people aged 16-19 years (Department of Work and Income figures).

### POPULATION UNEMPLOYED AND ACTIVELY SEEKING WORK BY AREA UNIT, 2001



Source: Statistics New Zealand, 2001 Census of Population and Dwellings

## TRAINING AND APPRENTICESHIPS

Over the last decade there have been increasing concerns about the level of apprentice training in New Zealand. In 1994 Independent Training Organisation's were reporting that only half as many people were doing apprenticeships as during each of the previous 10 years.<sup>14</sup> This decline in apprenticeships left a huge gap between higher education and the industrial workplace.

In 2000 the government introduced the Modern Apprenticeship scheme to deal with the lack of young people entering apprenticeships. The number of positions for young people 16-21 years has increased over the last 3 years to the 2003 budget where it was announced the scheme would be increased from the current 5,000 to 7,500 places from 2006 onwards.

## PARTICIPATION IN NON PAID WORK

Ruth Dyson, Associate Minister for Social Services and Employment, noted (in 2001) that it makes sense to promote a wider definition of work since "there are roughly 3.8 million people living in New Zealand. About 1.75 million of us are in paid jobs. A further

120,000 are actively looking for a job. This leaves around 1 million working age people (15-65) who are not in paid employment or actively seeking paid employment. To leave these people out of the definition of "work" would be to ignore their contribution to our economy and communities, as well as their needs and rights."<sup>15</sup>

The 2001 Census indicated that:

- 84% of Christchurch's population participated in one or more unpaid activities, compared to 82% of New Zealand.
- the most common form of unpaid work was activities based in the home, 79% of responses in Christchurch and 78% in New Zealand participated in household work, including cooking, gardening and repairs.
- child minding also had high participation rates (26% of Christchurch responses and 29% of New Zealand)

## UNPAID ACTIVITIES (TOTAL RESPONSES\*) FOR THE POPULATION AGED 15 YEARS AND OVER, 2001

	Male	%	Females	%	Total	%
No activities	13,344	11	9,738	7.3	23,082	9
<b>Own Household</b>						
Household work for own household	92,745	76.7	109,680	81.8	202,428	79.4
Childcare	27,732	22.9	39,315	29.3	67,047	26.3
Care for ill or disabled person	6,798	5.6	9,858	7.4	16,656	6.5
<b>Another Household</b>						
Childcare	12,819	10.6	24,177	18	36,999	14.5
Care for ill or disabled person	7,065	5.8	13,308	9.9	20,373	8
<b>Other Activities</b>						
Voluntary work	14,595	12.1	19,335	14.4	33,930	13.3
Studying 20 hours or more per week	12,129	10	13,668	10.2	25,797	10.1
Studying 20 hours or less per week	7,494	6.2	11,475	8.6	18,969	7.4
Population Aged 15 Years or Over	120,981	100	134,112	100	255,093	100

\* Total responses = people may participate in more than one unpaid activity.

Source: Statistics New Zealand, 2001 Census of Population and Dwellings.

Refer to the Social Connectedness section for further information on unpaid work.

## PRODUCTIVITY

Trends in labour productivity growth (the growth in output produced per hours worked) in New Zealand break down into three phases.

- after major reforms in the 1980s, labour productivity growth was achieved mainly by cutting costs and shedding workers, as a result participation, employment and hours worked all dropped
- during most of the 1990s growth was labour-

intensive, with little increase in productivity

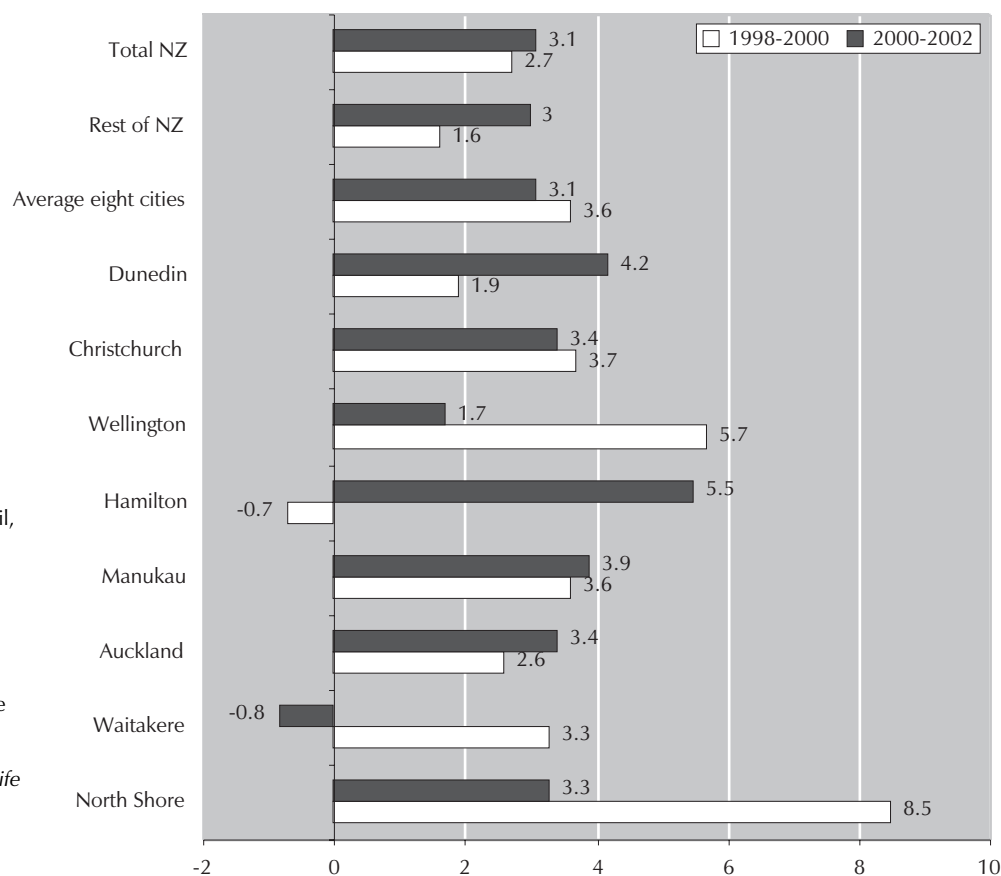
- only since 1998 has the expansion of employment been accompanied by stronger productivity growth.<sup>16</sup>

Labour productivity growth and total factor productivity (the combination of people and capital) remains low compared to other OECD countries.

## GROSS DOMESTIC PRODUCT (GDP)

Christchurch City enjoyed relatively strong rates of economic growth since 1998.

### ANNUAL AVERAGE PERCENTAGE CHANGE IN GROSS DOMESTIC PRODUCT, ESTIMATES 1995/96 PRICES (1998 TO 2002).



Source: Auckland City Council, Christchurch City Council, Dunedin City Council, Hamilton City Council, Manukau City Council, North Shore City Council, Waitakere City Council, Wellington City Council (In print) *Quality of Life in Big Cities of New Zealand*, www.bigcities.govt.nz.

## GLOBALISATION

The implications of globalisation for the New Zealand labour market includes the transfer offshore of some manufacturing jobs, the ability to tap into expertise and skills located anywhere in the world, and potential wage and tariff pressures. New Zealand will also increasingly become part of the global labour market and we will be competing for our skilled people with the rest of the world. It may therefore become increasingly important to protect the quality of life in our country. For Christchurch this will most certainly mean ensuring the upkeep of public amenities, the maintenance of open spaces and recreational facilities and the promotion of lifestyle benefits to the population. Decreasing disparity will also add to the attractiveness of the city.

## WORKPLACE SAFETY

Workplaces and other places are generally safer than they once were. Injury numbers, as recorded by ACC, are trending down for both work and non-work injuries.

A recent study on the cost of injury estimated that the economic and social cost to New Zealand imposed by all accidental and intentional injury is in the region of \$7 billion per annum.<sup>17</sup>

The total number of claims accepted by ACC is one indicator of injury numbers in New Zealand. While ACC's claims' costs are increasing, the total number of claims accepted by ACC has been fairly stable at around 1.4 million per year. The work-related claims have shown a gradual decline from 280,000 in 1994-95 to 192,000 in 2001/02.<sup>18</sup>

## WHAT DID PEOPLE TELL US ABOUT PAID WORK?

This section describes the responses to issues of paid work by representatives from the community provider sector, government agency frontline staff and managers, local government agency staff, local councillors and Community Board members, local Members of Parliament, Ngai Tahu and iwi/ Māori organisations, key intersectoral networks and other key stakeholders. Respondents discussed the common themes outlined in the introduction to this section.

- Quality and commitment of staff was identified as critical to the achievement of positive outcomes. The importance of appropriately trained and/or qualified staff and adequate levels of staffing. There is great difficulty in recruiting skilled Māori staff;
- Consultation and collaboration across and between sectors was viewed as essential in achieving positive outcomes;
- Relationship building was also considered a key factor contributing to positive outcomes;
- A "case management" approach was identified as a key contributor to positive outcomes, particularly for clients with complex needs;
- Resource/funding limitations were viewed as barriers to achieving positive outcomes.

Specific feedback about paid work is summarised below

Respondents noted that labour market conditions have improved employment outcomes, with unemployment

dropping. However, government agencies also reported that they are now often working with people with more complex problems, which make finding work more difficult. Some government agency respondents suggested that good outcomes require a significant investment of time and understanding to meet the complex needs of some individuals and families. One participant noted:

*Attempts to find quick fixes to complex problems are barriers to achieving good outcomes — complex problems require complex solutions.*

Many community sector and government sector respondents suggested that forms of employment assistance that are not directly linked into the labour market are unlikely to be of much help to job seekers. For instance:

*Training schemes offering generic training, and work experience programmes that are not associated with actual, on-going employment don't really help unemployed people.*

Community providers identified that barriers associated with people gaining and retaining work included problems travelling to work, childcare and lack of appropriate support. Some respondents suggested that the stand down regulations associated with benefits should be changed so that short-term and probationary employment contracts can be entered into without financial risk or disadvantage. Employment opportunities for older workers was also identified as a continuing issue:

*We need to start planning for our ageing population now — there is no point planning for it when it is already upon us.*

Respondents from all sectors identified a range of factors that are changing the way we think about work:

- family structures
- employee/employer relations
- population growth and structure
- work-life balance and societal values
- economic growth
- corporate strategies
- changing demand for skills
- changing demand for goods and services
- computerisation
- rate of technology development and adoption

Central government and community respondents noted the impacts of globalisation on paid work:

*Given the globalisation of the labour market we know there will be increasing pressure on our skilled workforce from around the globe. Our policies need to ensure we can provide not only quality of life but also intellectual challenges and stimulation. These policies must include encouragement for business to increase competitiveness, continued support for regional development and community economic development as well as address the problems inherent in the current student loan scheme.*

Respondents identified that increased resources need to be allocated to areas such as the Modern

Apprenticeship programme.

*The modern apprenticeship programme, and other industry based training focusing on the 'earn as you learn' principles, are having positive impacts on the apprenticeships and trainees and the workplaces as a whole.*

Some respondents also suggested alternative employment promotion initiatives, for example:

*There are two job rich areas which have the potential to be big employers in the future. The first sector contains those jobs that will come from us choosing to look after one another better. The second sector contains those jobs that come from choosing to look after the earth better. This will require the investment of public funds and could include a new public works strategy. Such public investment will require considerable debate about the levels of funding we are prepared to make in order to stimulate these real opportunities.*

Respondents identified a range of perceived trends, including fewer jobs at the bottom and longer hours at the top, increasing skill shortages, inability to attract and retain skilled labour in the regions, increasing Māori and Pacific populations with few formal qualifications, an ageing population which may result in labour shortages, increasing casualisation of the labour market, the increasing speed and impact of new technology, and growing disparity. One person commented:

*There has been an increase in 'work rich' families, in which both parents are in full-time employment, and 'work poor' families, where neither parent is in paid work.*

## CONCLUSIONS

The measures and trends section of this report identifies some very positive characteristics relating to paid work in Christchurch. However there are also

some indicators which show that there are significant challenges.

### KEY CHALLENGES

The key challenges emerging from the project have been grouped around the following key areas:

- productivity and employment
- underemployment and marginal employment
- healthy workplaces
- increasing skills and capabilities
- youth training and employment

## PRODUCTIVITY AND EMPLOYMENT

Since the late 1990s there has been a combination of job growth and labour productivity. The trends indicate that the New Zealand economy has been creating more jobs, and a higher percentage of New Zealanders are employed than at any other time in the past 14 years. However, productivity growth needs to be improved if New Zealand is to catch up with the income levels of other developed countries. A key challenge is developing a more productive and innovative economy while still protecting the most vulnerable in society.

Unemployment is still an important challenge for our city. There are still 11,000 job seekers in Christchurch. Those who are disadvantaged in accessing job opportunities tend to be those with less skills - particularly Māori, Pacific peoples, youth, people with disabilities and new migrants. Other key at risk groups include young people growing up in low income families, young people with low academic ability, behavioural problems, and those engaged in criminal activity. There is a need to improve the labour market participation of disadvantaged groups.

Individuals who are unemployed often face considerable financial hardship as well as stress and social isolation. Unemployment is also of concern because of its impact upon children. This is partly because lack of earning may contribute to poverty but also because parental unemployment is associated with a number of poor outcomes. For some people who are unemployed the experience is only transitory. However, for others unemployment may lead to harm or social exclusion if it becomes long term.

A key challenge is creating quality work. The evidence does not support the view that any job is better than no job. The low income associated with being unemployed is a major source of the distress caused by unemployment. But the overwhelming evidence from a number of longitudinal studies is that being employed in a poor job does not lead to better mental well-being than being unemployed, once the effects of any income difference are accounted for.<sup>19</sup>

## MARGINAL EMPLOYMENT AND UNDEREMPLOYMENT

Workplace arrangements are becoming more diverse. This diversity suits both employers and employees. For example, employees often want flexibility to suit their varied living arrangements and commitments.<sup>20</sup> However, some employees in more casual and precarious employment would prefer more secure employment.

Christchurch has a strong service-based economy. Consequently, there is a concentration of part-time relatively low skilled, low paid and casual jobs, which offer few opportunities for advancement. Further research would be useful regarding whether part-time semi-skilled or unskilled work is the preferred option for an employee or whether the employee would prefer longer hours and more stable employment conditions. As a number of these workers are young people, this kind of work could potentially provide an opportunity to gain skills, qualifications and work experience that will be useful for future upward mobility in the labour market.

## WAGE RATES

Since 1996, there has been an increase in personal income in Christchurch. However, the average weekly income in Christchurch is still less than other large cities. There is still a large proportion of people living on low wages. A key challenge is increasing the income of all residents, particularly those on very low incomes.

## HEALTHY WORKPLACES

There is an increasing debate about family friendly workplaces, the need to retain skilled and experienced staff and issues of workplace culture. The new Labour Relations Act also makes employers aware of stress related problems and the potential for negative outcomes (including personal grievances) if left unchecked.

Over half of the Christchurch residents, who are in full-time employment, work between 40 to 49 hours a week. 15% of those who are in full-time employment work 50 to 59 hours a week and 10% work over 60 hours. Working long hours can indicate that people need to work long hours to meet their financial needs. It also can adversely impact on leisure and family time and unpaid contributions to society. Planning at a community level regarding a response to this issue might be beneficial.

## INCREASING Skills

Lifting the skills of all residents is a key challenge. Education and training provides people with skills and techniques and also allows them to more easily adapt to changing environments. Enhancing skills of the workforce is an integral part of creating a more productive and sustainable economy.

## YOUTH TRAINING AND EMPLOYMENT

With the massive restructuring, cost cutting and downsizing in New Zealand businesses and the creation of State Owned Enterprises (SOEs) from government departments over the last 20 years, the trade training offered to young people by large firms and government departments is now only a fraction of what is needed. It was big business and government departments which used to take on the young people to give them work experience and assist them to develop a work ethic. In the early 90's SOEs and ex-government departments ceased to implement such training programmes. Large employers in major industries throughout the country commenced multi skilling their existing workforce rather than engaging and training new young staff. This means the average age of employees is increasing. In some notable industries the average age is in the mid 40's.

We need a new approach to youth employment, which will ensure young people are able to enter the workforce, increase their skills and lift their incomes. Again the key challenge is finding quality work. There is little evidence that a bad job is better than no job, in terms of securing higher pay. Evidence suggests that employment in a low wage job provides no statistically significant advantage over an episode of unemployment in the search for a higher paying job.<sup>21</sup>

## AGEING WORKFORCE

The working age population is ageing. The number of people aged 65 years and over is increasing - the oldest of the baby boomers are now approaching their 60s. Long term predictions by Statistics NZ tell us that growth in the workforce will actually fall away in the next twenty years. This is because New Zealand's overall population growth is gradually slowing down.

## POSSIBLE RESPONSES

Local economic development problems are complex – no single facet of the economic/employment problem is easily attacked and / or resolved. The objective is to increase the relevance, number and variety of job opportunities available to local people and success will rest with a long-term commitment by a sustained coalition of local government, union, business and community interests in planning and implementation in this regard.

## EMPLOYMENT INCENTIVES

It may be useful to further consider how people can be assisted in to permanent employment through

incentives that reduce barriers to undertaking work. For example, travelling to work, childcare and other forms of support. Employment strategies and opportunities for older workers would be useful. There is also opportunity to further support the provision of on-the-job training for employees.

## LOCAL ENTERPRISE

Local enterprise is important to achieve lasting economic success. Continuing support for business start-ups as well as investment in local firms and local entrepreneurs would be beneficial.

## UNEMPLOYMENT, UNDEREMPLOYMENT, OVERWORK

There is a need to implement strategies to share the current work, for example reducing paid and unpaid overtime, new forms of long-term leave, shifting overtime to time in lieu, capacity building schemes, sabbaticals. Denmark has been a pioneer in leave provision policies. Since 1994 all employees have been able to take educational, parental, and personal sabbatical leaves of up to one year, subject to the agreement of their employers. While they are away employees can receive unemployment benefits: 100% of regular benefits for educational leave, 60% for parental and sabbatical leave. The parental leave option gives both mothers and fathers the choice of spending up to a year at home for each child under 8 years, in addition to a relatively generous regular maternity and paternity leave. A worker can also take a sabbatical for any purpose, as long as the company hires an unemployed person as a replacement.<sup>22</sup>

Such initiatives require attitudinal shifts by employers, employees, unions, public and community sectors. A pilot project in the public and private sector to encourage different approaches could be trialled.

## HEALTHY WORKPLACES AND LEARNING ORGANISATIONS

Working with the various employer organisations in the city to encourage family/friendly workplaces, greater diversity in employment practices and acknowledgement of good practice could ensure a more focused approach to positive outcomes in this area.<sup>23</sup>

There is increased recognition of the importance of lifelong learning opportunities and its implications for people already in employment. If the full potential of people is to be realised, a process of developing

learning organisations is important as well as encouragements for people to participate in such learning.

Greater encouragement and support for work-based learning initiatives is important. There is an opportunity to develop closer partnerships with unions to increase work placement opportunities for students, work based training and learning options, and to advocate for an increase in apprenticeships.

## INCREASING Skills

Focussed studies to ascertain skill requirements of industry would assist education and training institutions to better equip people for the workforce. There is opportunity to increase the interface between schools and businesses and to develop ways to strengthen such partnerships.

Higher and further education sectors are enormously significant to the city. Greater integration between providers should be encouraged. Similarly, greater collaboration between tertiary sector and business and the economic development sector should be encouraged.

## YOUTH EMPLOYMENT

The school - training - work transition for young people needs to be better supported and resourced. Young people should be provided with relevant opportunities to consider and experience different careers and training pathways. Equally important is a more co-ordinated approach to information about where young people go on leaving school and what their aspirations are. Mayors for Jobs has initiated some positive response to youth employment and training which deserve ongoing support.

## CASE MANAGEMENT

The success of the individual case management model by the Department of Work and Income suggests this could be increased to include “family case management”, supporting the strengthening families model of collaborative working with families and also “community case management”. Community case management would mean involving facets of the community (community groups, schools, sports groups, parents etc) in the goals of increasing participation and raising incomes.

## LABOUR MARKET PLANNING

One of the key requirements for effective employment

policy is the development of long-term strategies which acknowledge the volatility and rapidly changing dynamics of the global market place; focus on the regions; allow flexible delivery and local funding mechanisms and encourage collaboration between the key players – public, private and community sectors. Such strategies need to be developed at all levels of governance and need to include implementation plans and funding mechanisms. The country also needs a coherent national strategy on youth employment.

Analysis of local business surveys, economic forecasts and regional statistics needs to be done in the context of trend information and central government planning. This information needs to be available to employers, employees and unions in appropriate forms. An economic development and employment strategy and action plan developed in conjunction with the key stakeholders needs to be monitored and reported on regularly. Analysis of labour market trends and evaluation of the effectiveness of employment policies and programmes is also essential.

## COLLABORATION AND INTEGRATION

The issues surrounding paid work are complex and interrelated. No one agency or government department can address the problems and devise solutions. There needs to be a collaborative approach from a variety of agencies and organisations to joint outcomes. There are already a number of inter-agency networks operating in Christchurch and these networks need to be encouraged and empowered to work on outcomes together to improve the situations of those most in need in our community. Joint projects, collaborative funding, reduction in compliance costs and commitment to collaboration will provide the community with increased positive outcomes overall.

## POLICY RESPONSES

Other responses include :

- intervention at an early age in the education system to encourage consideration, enterprise and reflection on job choices
- flexible and appropriate use of government subsidies and benefits
- regional and local delivery of employment initiatives
- commitment to research and development, on-going review and reflection

- <sup>1</sup> Ministry of Social Development (2003d) *The Social Report 2003*, Ministry of Social Policy, Wellington.
- <sup>2</sup> Ibid.
- <sup>3</sup> Department of Labour (2002) *Briefing to the Incoming Minister*, Department of Labour, Wellington.
- <sup>4</sup> The data cannot indicate how viable the new businesses are, most business failures occur within two years of their start up.
- <sup>5</sup> New Zealand Government (2001) *Work Force 2010*, New Zealand Government, Wellington.
- <sup>6</sup> New Zealand Council of Trade Unions (2002) *Thirty Families - Interim Report of the Thirty Families Project: The Impact of Work Hours on New Zealand Workers and their Families*, New Zealand Council of Trade Unions, Wellington.
- <sup>7</sup> Millward, N., Stevens, M., Smart, D. and Hawes, W.R. (1992) *Workplace Industrial Relations in Transition*, Aldershot, Dartmouth.
- <sup>8</sup> Richardson, S. and Miller-Lewis, L. (2002) Low Wage Jobs and Pathways to Better Outcomes in *New Zealand Treasury Working Paper 02/29*, The Treasury, Wellington.
- <sup>9</sup> Ibid.
- <sup>10</sup> Department of Labour (2003) The Jobs Letter [www.jobletter.org.nz](http://www.jobletter.org.nz) in *Department of Labour's Work Insight Site*, [www.worksite.govt.nz](http://www.worksite.govt.nz), Department of Labour, Wellington.
- <sup>11</sup> The Household Labour Force Survey is undertaken quarterly among 15,000 households and 30,000 individuals. This measure uses the International Labour Organisation definition of 'unemployed' that requires that individuals must have actively looked for work in the previous four weeks or have a job to start within four weeks. This measure is less sensitive to administrative or legislative changes than other measures such as registered jobseekers.
- <sup>12</sup> However sample errors make it difficult to draw generalisations. This may be linked to the younger age structures and higher proportions of people leaving school with no or limited educational qualifications in these populations.
- <sup>13</sup> Ministry of Social Policy (1999) *Post Election Briefing Paper*, Ministry of Social Policy, Wellington.
- <sup>14</sup> Vasil, A. (1 November 1994) *Apprentice Numbers Drop to New Low in New Zealand Herald: 1 November 1994*, New Zealand Press Association, Auckland.
- <sup>15</sup> Dyson, Hon. R. (2001) Address to Canterbury Volunteer Centre Annual General Meeting, 17<sup>th</sup> July 2001.
- <sup>16</sup> Department of Labour (2002) *Briefing to the Incoming Minister*, Department of Labour, Wellington.
- <sup>17</sup> Ibid.
- <sup>18</sup> Ibid.
- <sup>19</sup> Richardson, S. and Miller-Lewis, L. (2002) Low Wage Jobs and Pathways to Better Outcomes in *New Zealand Treasury Working Paper 02/29*, The Treasury, Wellington.
- <sup>20</sup> Department of Labour (2002) *Briefing to the Incoming Minister*, Department of Labour, Wellington.
- <sup>21</sup> Richardson, S. and Miller-Lewis, L. (2002) Low Wage Jobs and Pathways to Better Outcomes in *New Zealand Treasury Working Paper 02/29*, The Treasury, Wellington.
- <sup>22</sup> Hayden, A. (2000) *Sharing the Work, Sparing the Planet: Work, Time, Consumption and Ecology*, Zed Books, London.
- <sup>23</sup> Responses and initiatives can be found on the EEO Trust website at [www.eeotrust.org.nz](http://www.eeotrust.org.nz)