

27 October 2011

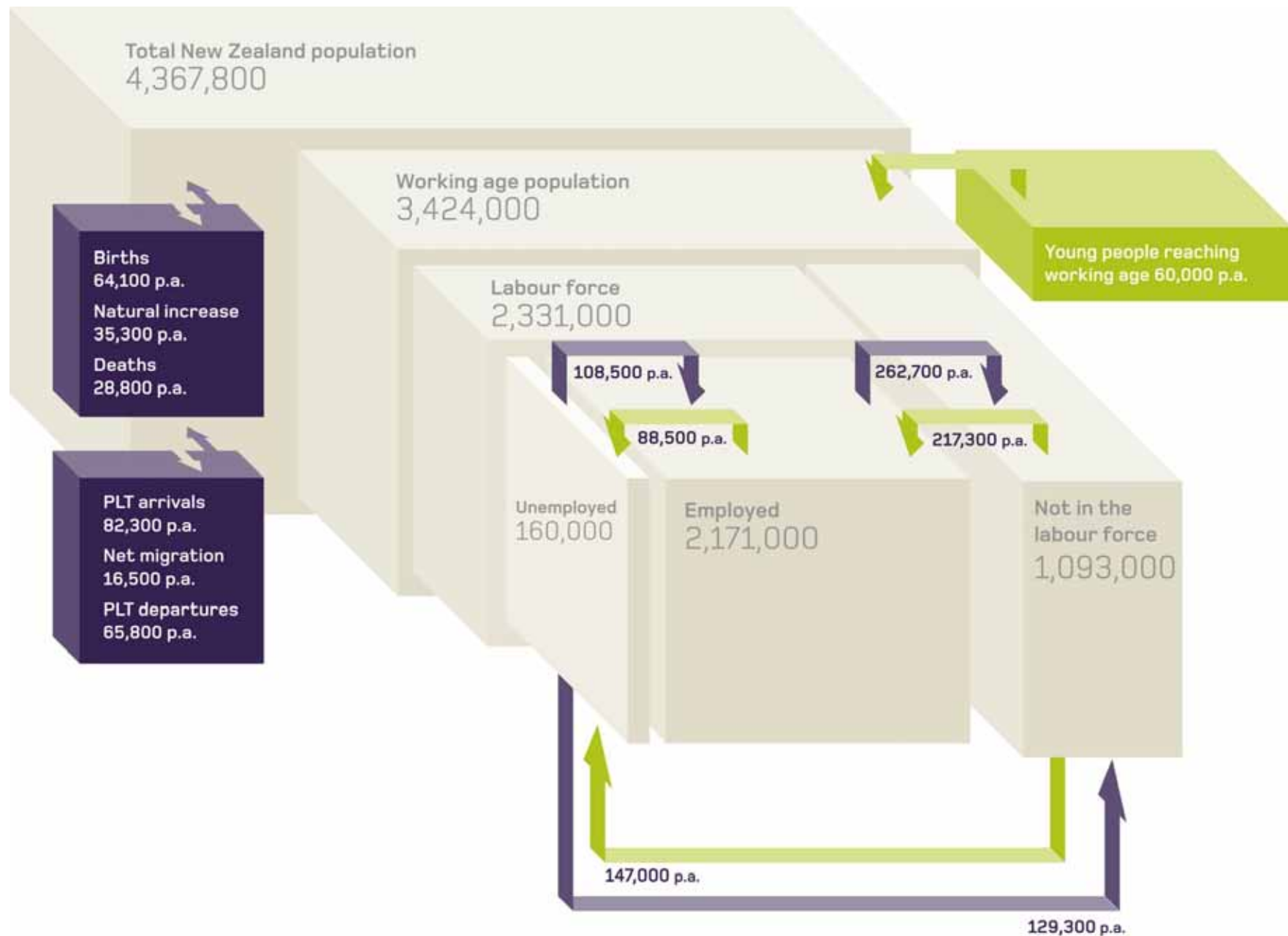
Labour market outlook

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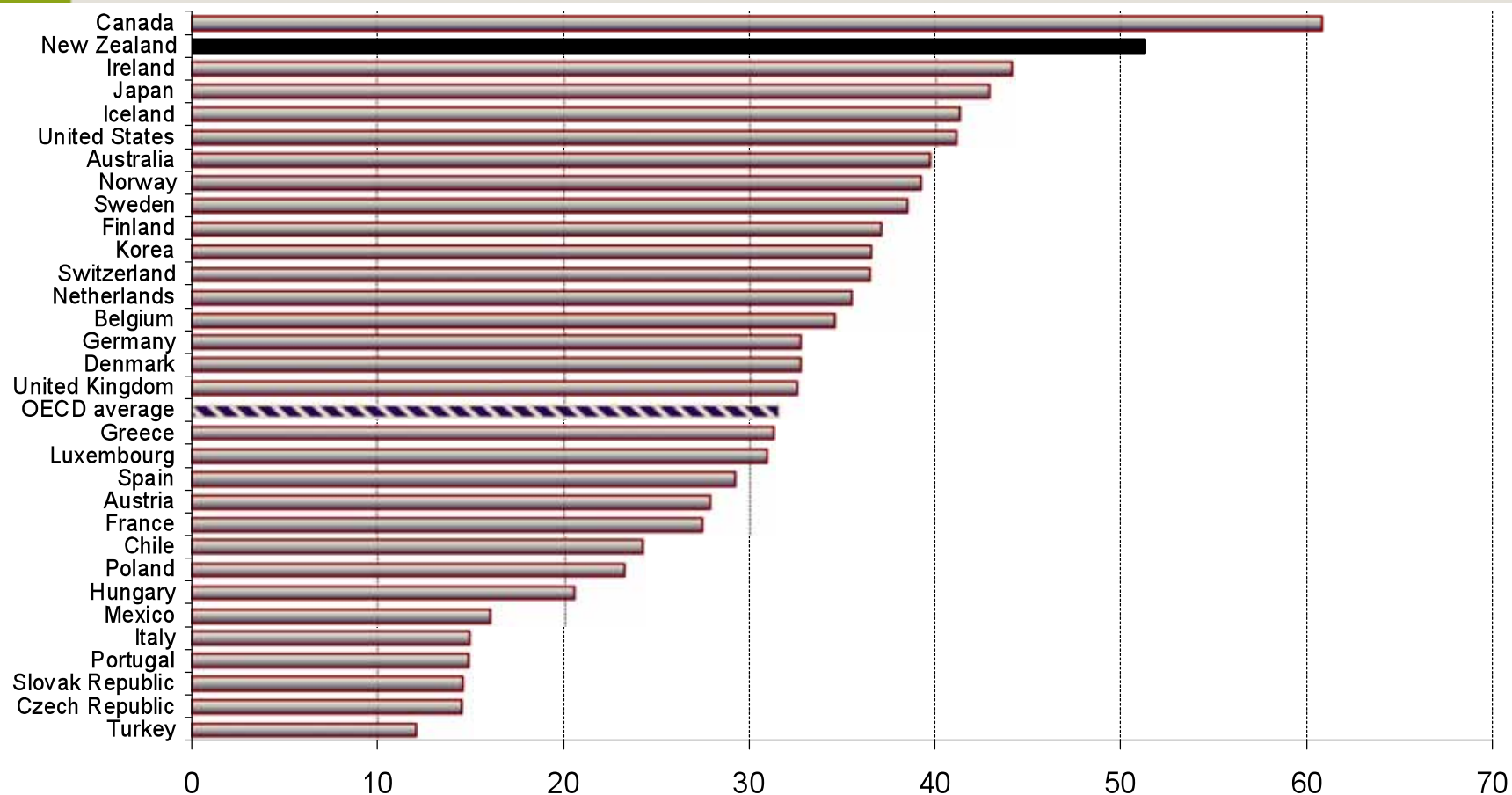


New Zealand's labour market is very dynamic



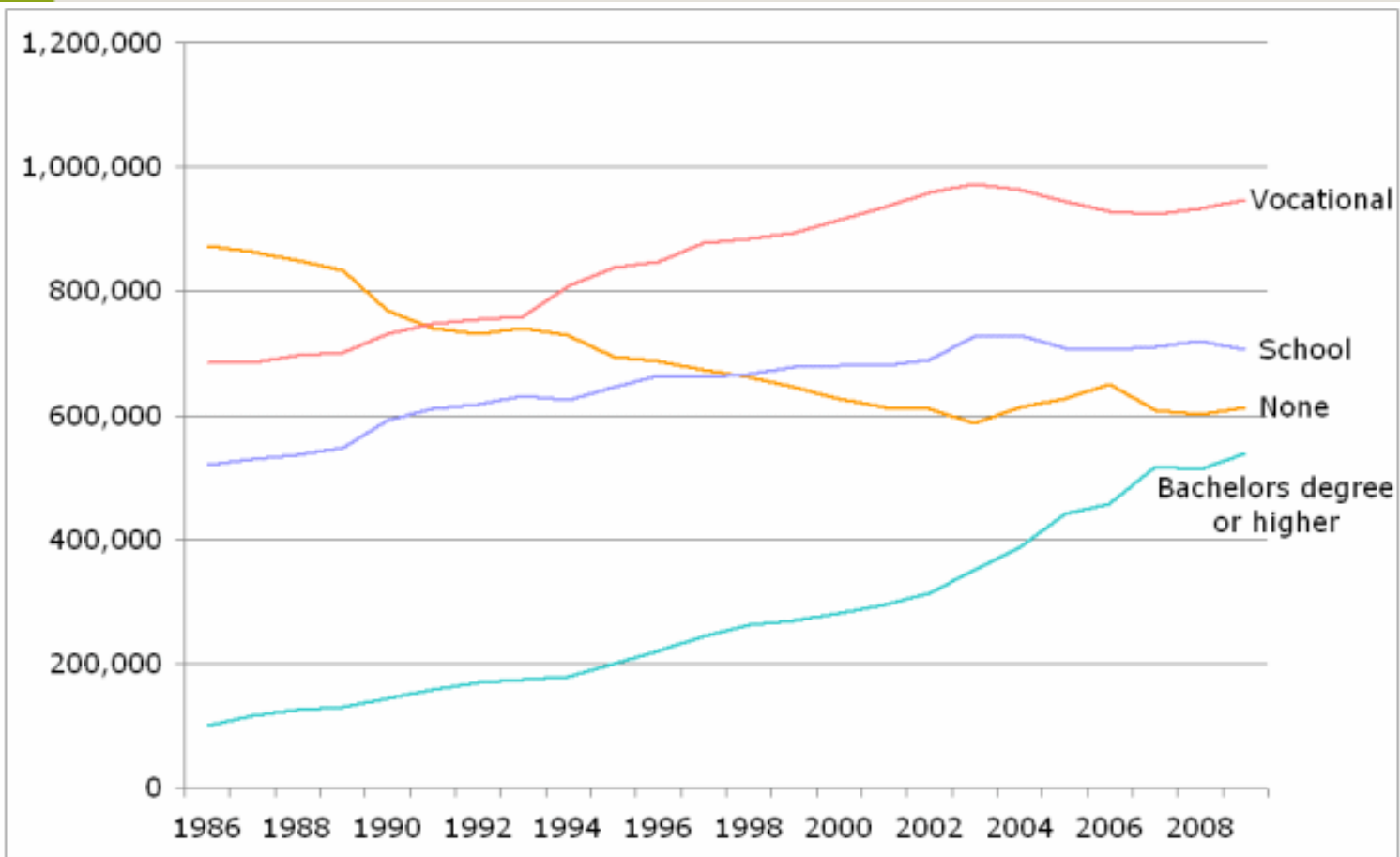
We have a well-qualified labour force ...

Share of the adult population with a tertiary qualification (%), 2008



We are becoming better educated

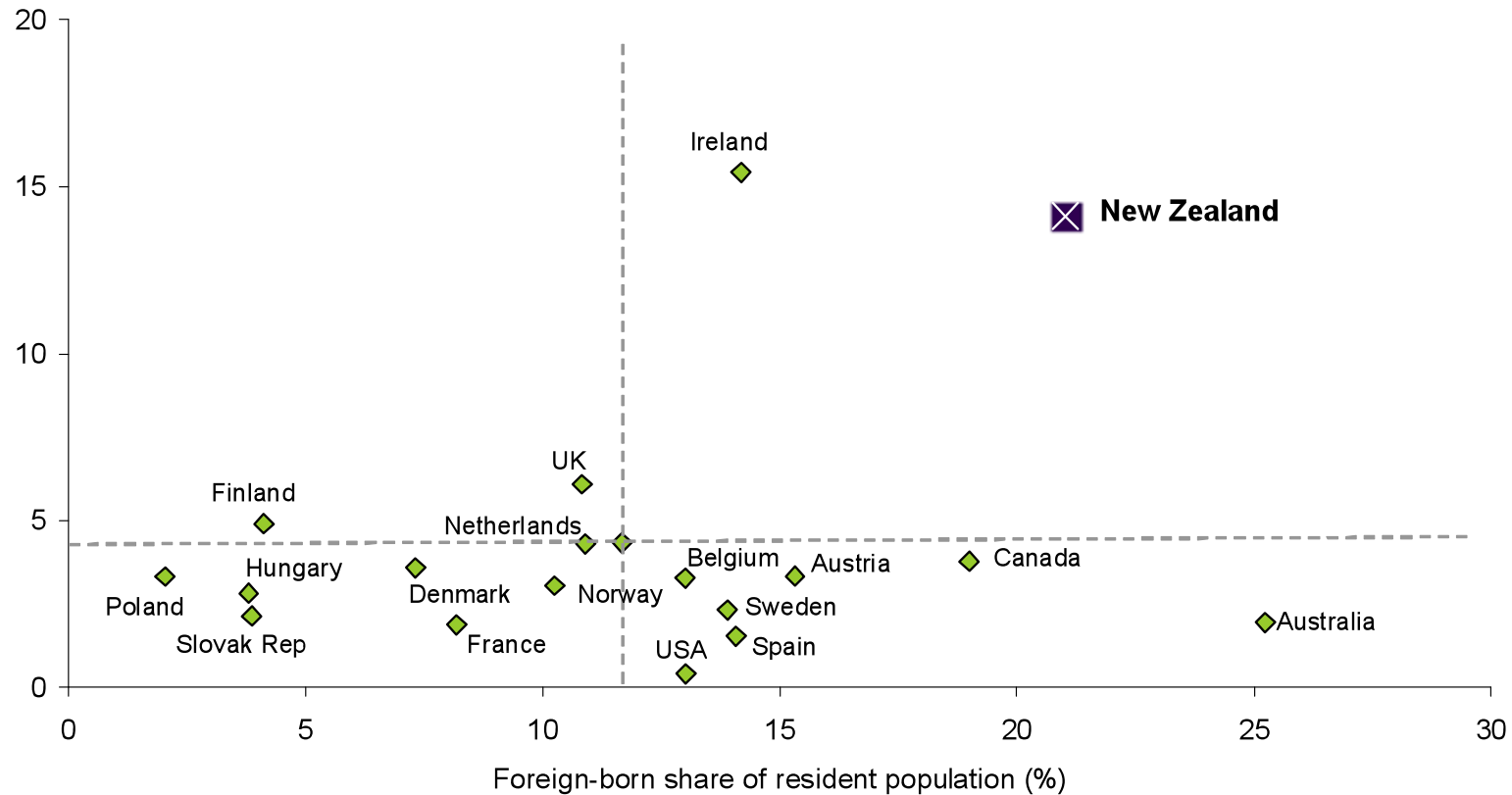
Highest qualification 1986-2009 (25 to 64 year-olds)



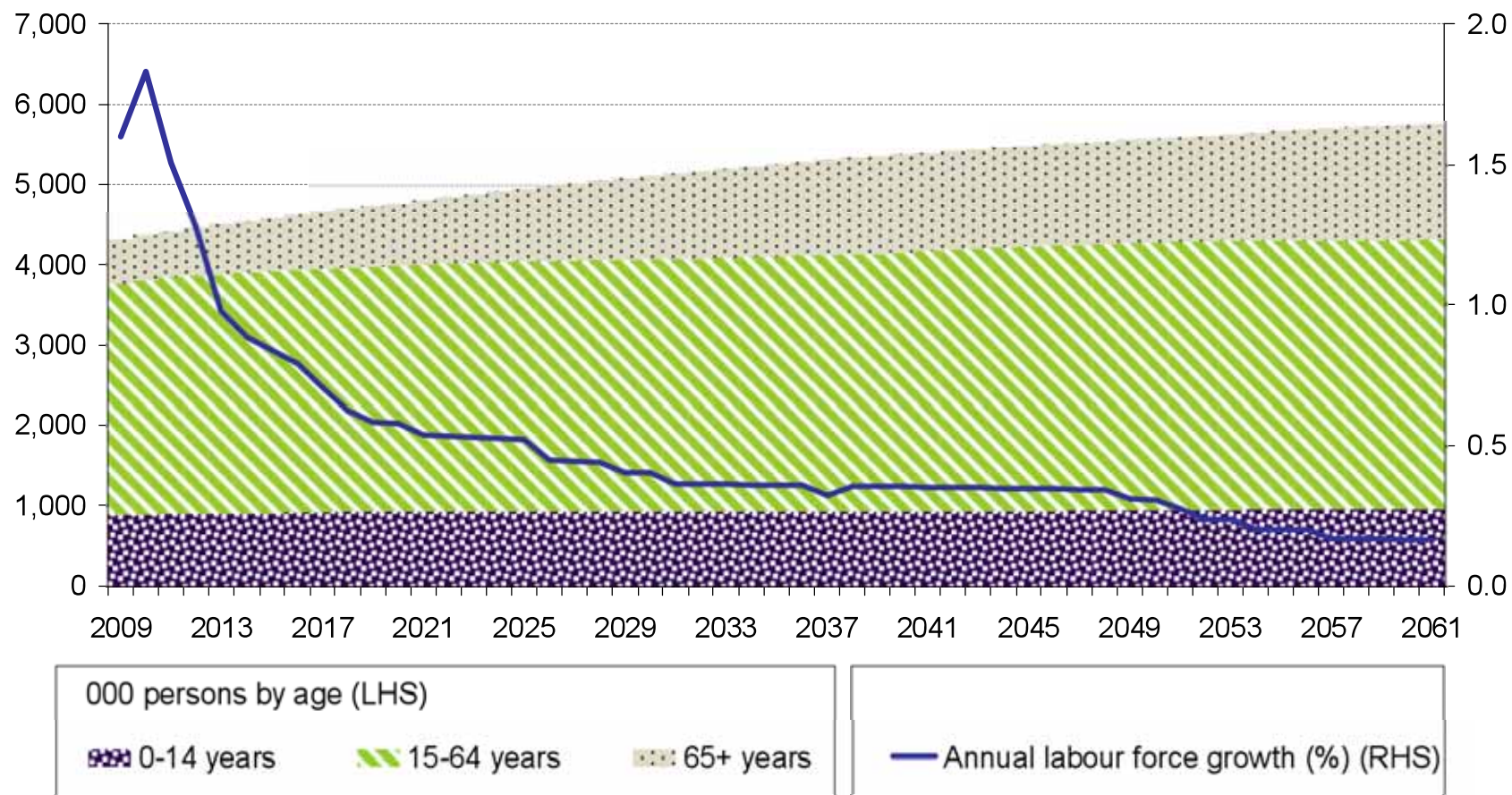
Kiwis are mobile people in a mobile world

543,000 people born in NZ lived abroad in 2006

Expatriate share of locally-born population (%)

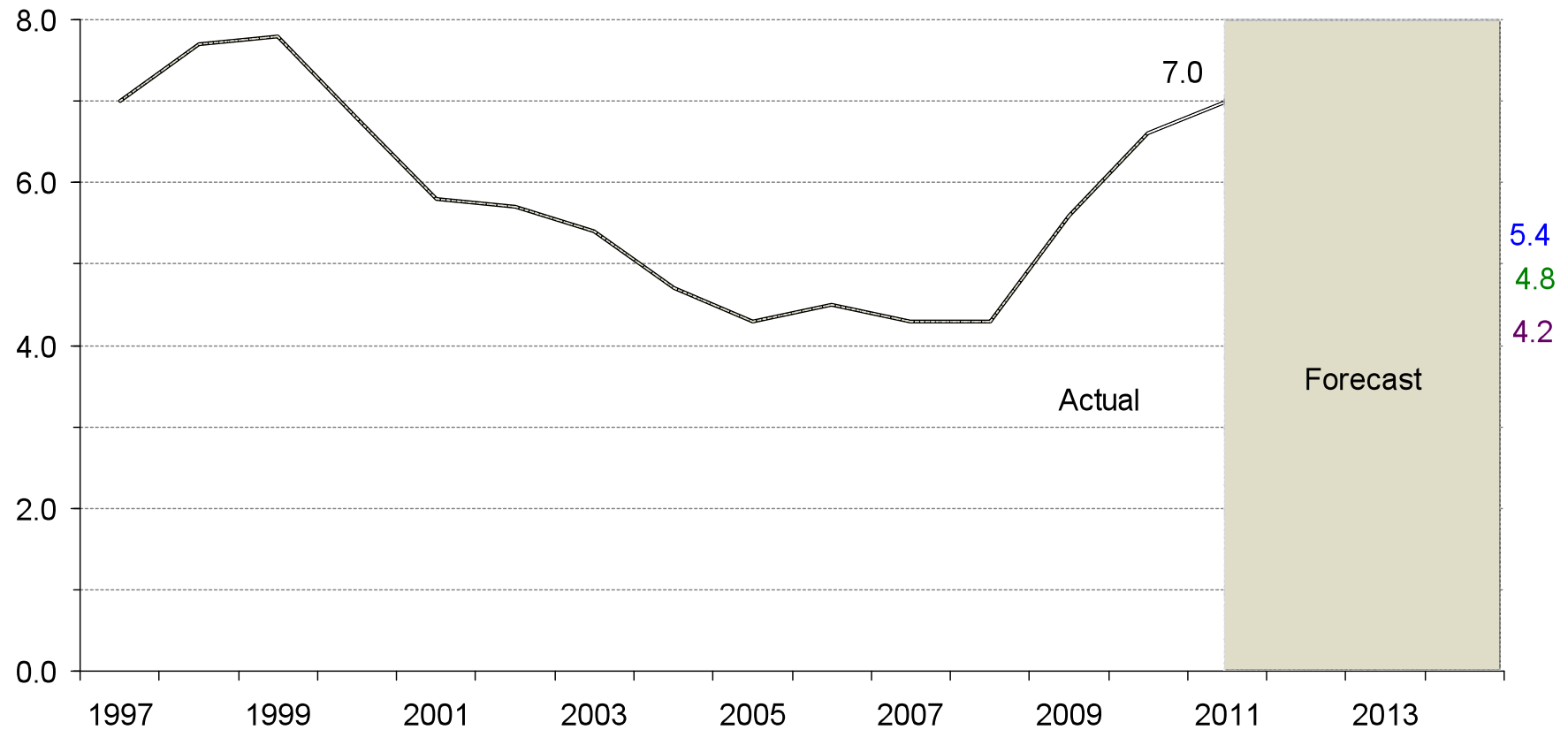


The ageing population means our labour force will grow at a slow pace



In the short term unemployment will fall and employment will rise

Unemployment rate (% of the labour force) March quarters



Earthquake related demand

- \$20bn worth of work
- Construction and related rebuild work- starting 2012
- Ancillary industries – flow-ons from construction to other sectors



Key issues

- Planning
- Finance
- Labour
- Confidence



Skills and training

- Opportunities
- Cantabrians/ NZers first
- Range of skill levels required



Short term demand for people within industry groups

Forecast employment in industries 2013	Workers 2013	% change (2010-13)
Education, Health, Govt Admin, Social Community etc	650,000	0.6%
Wholesale & Retail Trade, Restaurants	510,000	2.3%
Financial, Insurance, Real Estate, Business & Communications Services	370,000	1.4%
Manufacturing	265,000	1.2%
Construction	181,000	0.8%
Agriculture, hunting, forestry, fishing	170,000	3.0%
Transport & Storage	88,000	1.1%
Electricity, gas, water	9,800	0.4%
Total	2,234,000	1.4%

Short term demand for people in occupations

Projected jobs in 2013	Workers 2013	% change (2010-13)
Professionals	404,000	2.4%
Managers	325,000	2.2%
Service & Sales Workers	313,000	1.1%
Technicians & Associated Professionals	309,000	2.1%
Clerks (e.g. lower skilled office workers)	249,000	-1.2%
Trades People	185,000	0.8%
Plant & Machine Operators	162,000	1.4%
Elementary Occupations	170,000	1.5%
Primary Sector Workers	131,000	1.9%
Total	2,246,000	1.4%

Longer term demand by industry

Forecast employment in industries 2019	% change in jobs (2009-19)
Education, Health, Govt Admin, Social Community etc	1.1%
Wholesale & Retail Trade, Restaurants	1.1%
Financial, Insurance, Real Estate, Business & Communications Services	0.9%
Manufacturing	0.4%
Construction	0.4%
Agriculture, hunting, forestry, fishing	1.6%
Transport & Storage	1.3%
Electricity, gas, water	0.1%
Total	1.0%

Implications

- a mixed bag from a productivity perspective
 - base case
- some changes in the mix for vocational education
 - ongoing need to train people with skills for today and tomorrow
 - impact of new technologies and better ways of doing things on the job
- strong growth in volume
 - 6% pa higher vocational, 2% pa degree



Even longer - next 25 years

- NZ workforce will age, grow more slowly, and diversify
 - health care, aged care
- Continued globalisation of labour and of trade
 - Increased mobility of skilled workers
 - Increased demand for NZ primary products
- To thrive NZ relies on people, participation and productivity



In summary – New Zealand has:

- A dynamic and resilient labour market
- Steadily falling unemployment
- A generally well educated workforce
- Low labour productivity and modest productivity growth
- Some trend in demand for people who are higher skilled

- www.dol.govt.nz/research/index.asp

