



Work Trends

**How work is changing
in New Zealand**

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A Future of Work Programme report

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Ministerial foreword



The world of work is changing rapidly. Technology and global markets have a growing impact on what we do for a living, where we do it, and how. New ways of organising production and developments in employment relationships are transforming our roles and relationships in the workplace. Population ageing, international migration, and growing ethnic diversity are influencing the make-up of New Zealand's workforce. These trends in the economy and society will affect each of us for better or worse. But being more aware of the big picture helps us each make better choices for our future.

Two years ago I launched the Future of Work programme to help improve our understanding of current trends and future possibilities for the workplace, the workforce, and employment opportunities; and to provide information that helps individuals and organisations make better decisions about their involvement in work. We can't predict the future, but we can learn from the past and the present to help us manage our future, in a way that lets us control our work, and not vice versa.

Now the Future of Work programme has produced *Work Trends* to inform people about how work and employment is changing in New Zealand. *Work Trends* brings together a range of information and analysis looking at the medium term, to help prompt you to think how these trends might affect you or people that you work with, and what to do about them. Through a set of charts and related information, it covers:

- the changing economy
- the changing workforce
- work-life balance
- the changing workplace
- skills, education and training.

Work Trends is intended to sit alongside other Department of Labour publications, such as *workINSIGHT*, by providing context for your more immediate decisions about work. I hope that these publications help you and those you work with to prepare for tomorrow's world of work. Change that we can't control does happen – especially in our working lives. Anticipating changes that could affect us will help us to ride the waves, rather than getting bowled over by them.

A handwritten signature in black ink that reads "Steve Maharey". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steve Maharey

Minister of Social Development and Employment
Associate Minister of Education (Tertiary Education)

Introduction

Change is the one thing about the labour market we can take for granted. From March 2002 to March 2003, about 30,000 new jobs were created. Over the same time, however, over 300,000 people started or stopped paid work. And there are changes taking place – in the economy, in workplaces and in society – that mean New Zealand workers will need to be more skilled and adaptable than ever before.

On the whole, the changes that lie ahead will make us better off – incomes will increase and the work we do will probably be more varied and interesting. But not all people necessarily benefit from any specific change, and the change process itself can be disruptive.

We have no crystal ball to see how tomorrow's jobs will differ from today's, what technologies we will use at work or what the 'hot' new careers will be a decade from now. However, we can use our experience of the past to build a better picture of what lies ahead. We know that there are likely to be changes in the nature of work, what we actually do at work, and the rewards for different types of work. What else do we know? Our need to work will continue, although work will increasingly fit in with our lives (not vice versa). And, adaptability and versatility will continue to be sought-after attributes for workers.

We can all act to ensure we're well placed to cope with a changing environment. The ability to adapt will be a key to success in the future world of work. In part, adaptability is based on skills and knowledge. There's no doubt that training and study can improve

our future prospects in the job market and help us prepare for change. For example, having a set of skills that can be applied to a range of different jobs will be an advantage. The right attitude will be important too – actively making decisions about our working lives and being prepared to adapt will give us a head start.

Work Trends aims to help New Zealanders understand the changes taking place in work and employment so they can make better decisions about their working lives. It looks at some of the 'big picture' changes taking place in work and employment in New Zealand, and provides pointers to further sources of information and support.

Work Trends won't necessarily provide answers that directly fit your own life and circumstances. It's up to you to make the decisions about work and training that are right for you, based on your own values, aspirations, knowledge and abilities. But, it is worth bearing in mind that few New Zealanders are going to remain untouched by the changing nature of work. To make wise choices, we should all be aware of wider trends in the economy, workplace and workforce so we can work out viable strategies for the longer term. *Work Trends* presents that 'big picture' to help you make the 'big decisions'.

If you're interested in a more detailed look at many of the issues discussed in this publication, please read *Workforce 2010: A document to inform public debate on the future of the labour market in New Zealand*. The Department of Labour produced this publication in 2001 – it's available at [\[publications.asp\]\(#\). The Department's approach to the labour market is also outlined in the Human Capability Framework, which is available at the same URL.](http://www.dol.govt.nz/dol-</p></div><div data-bbox=)

Change is the norm. The best way of coping with the changing face of work is to take charge of your own destiny.

The Minister of Social Development and Employment launched the Future of Work programme in 2001. The programme aims to help people involved in the world of work (businesses, employees, unions, the self-employed, jobseekers, students and educators) take charge and plan better for the future.

Our contribution is through providing information about the factors that influence the way we work.

We want you to get involved with the debate about the Future of Work. So, if you'd like to contact the team or find out more, please visit www.futureofwork.govt.nz or email us at info@dol.govt.nz and put 'Future of Work' in the subject line.

And, if you are looking for help with career decisions try www.worksite.govt.nz.

How to use this publication

The information in *Work Trends* is aimed at every New Zealander who is interested in how working life is likely to change in the future, and how this will affect us. We will all have some big decisions to make about our working lives in the future and this publication is filled with the type of information to help you make yours. As the saying goes, knowledge is power.

This publication presents and analyses a wide range of data and information about the changing nature of work and employment in New Zealand over the last 10–15 years. It doesn't provide forecasts of what sort of jobs will exist, where they will be, or the skills needed to work in them. However, by illustrating just how much the labour market has changed in the recent past it provides a real indication of the scale, nature and scope of change that will characterise New Zealand's labour market in the years ahead.

We've also suggested how people can best prepare themselves for these changes whether they are studying, working, running a business or involved in planning and policy work.

We've targeted this publication mainly at the people who work with employees, students, employers, or families. For instance, careers and human resources advisers, community leaders, community and non-government advisers, education providers, and local and central government. It's written so you can easily refer to the sections that most interest you. We hope you find the information in *Work Trends* a useful resource and a great starting point for discussion.

We encourage you to distribute this report as widely as possible so that more New Zealanders can begin talking about the future of work and what it means for every one of us.

New Zealand's labour market – a changing picture

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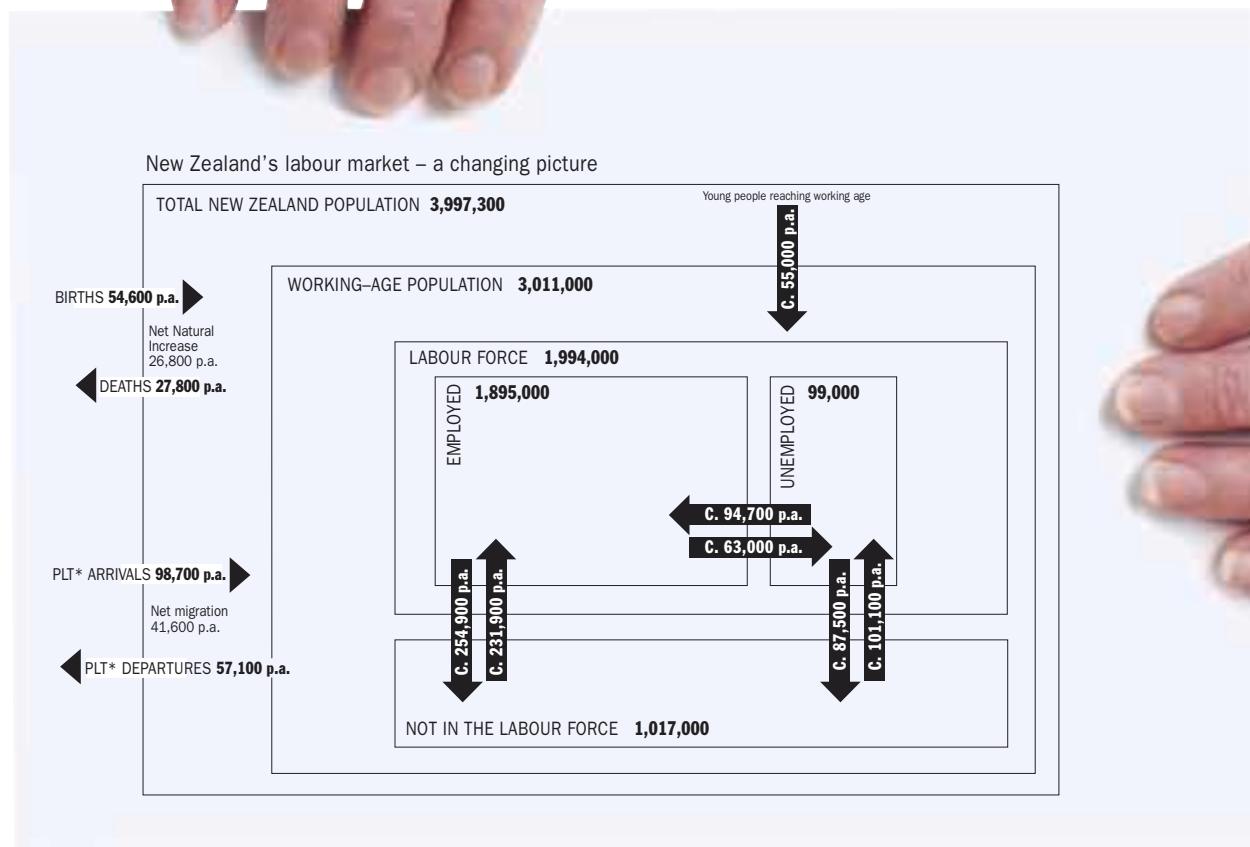
* PLT = permanent and long-term migrants

Population: number of people at 31 March 2003

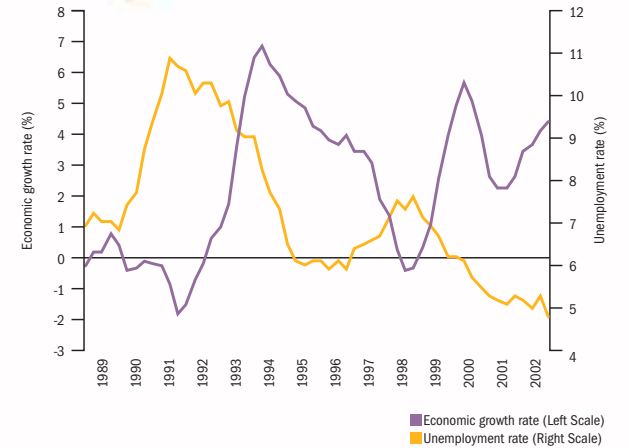
Working-age population, not in the labour force, labour force, employed, unemployed: number of people seasonally adjusted average for three months to March 2003

Flows are number of people moving between labour market states in the year to March 2003

Source: Statistics New Zealand



THE CHANGING ECONOMY



Economic growth and the unemployment rate
Source: Statistics New Zealand, Household Labour Force Survey: Gross Domestic Product

Economic growth and the job market

what's the story?

Economic growth can have a major effect on your future job prospects. We can see from the chart opposite that unemployment tends to rise when the economy weakens. On the other side, economic growth leads to job growth, lowering the unemployment rate. So when considering your own career prospects, it pays to ask the question – is the economy up or down and where are jobs more likely to be?

what's the reason?

When the economy's on a roll, new firms start operations and existing ones hire more workers. However, economic growth does not follow a smooth trend; it tends to fluctuate.

Overall, our labour market has done quite well over the past decade, recovering from a deep recession in the early 1990s. Unemployment in 2003 is around 5%, lower than the 6% low in the mid-1990s, and considerably lower than the 1991 high of 11%. But there will undoubtedly be economic shocks in the future, meaning that it won't always be plain sailing.

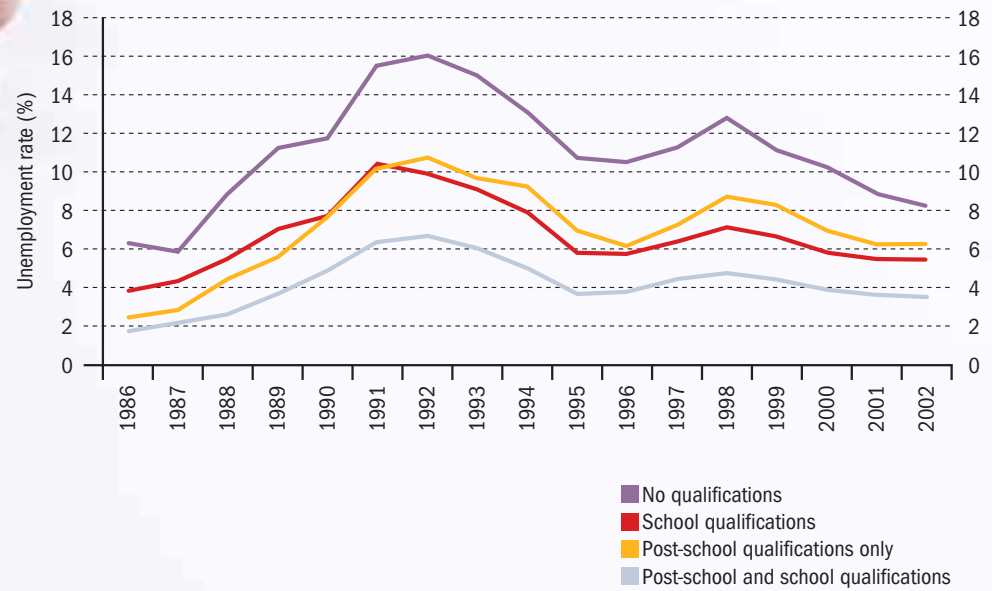
what does this mean?

The strength of our economy will continue to have a big impact on the job market. Most economic forecasters expect New Zealand's economy to grow on average by about 3% per year. This would increase the number of jobs by around 30,000 per year. We can also expect downturns from time to time, however, and jobs will not always be as easy to come by as they are today. However, the good news is that you can do things to protect yourself against a weakening economy. Having higher skills can be a good insurance against job loss and unemployment. Training can be a good way to 'future proof' yourself.

Also, some industries and regions will perform better than others, even during economic downturns. Having the flexibility to change your location or the type of job you work in can also make the difference. It pays to keep your eyes open and think ahead, not just about your immediate job prospects, but also about your ability to change in the future.

Unemployment rates by qualification

Source: Statistics New Zealand, Household Labour Force Survey



Qualifications and unemployment

what's the story?

The qualifications we gain at school or beyond greatly affect our chances of being unemployed. A person with no qualifications is, on average, about two and half times more likely to be unemployed than someone with both school and post-school qualifications. People with lower qualifications are also more likely to be affected by economic ups and downs. The chart opposite shows that the chances of being unemployed during economic downturns is much greater for those with few or no qualifications.

what's the reason?

It's much harder to get into employment without qualifications. This is partly because you can only get some skills through formal training or education. But it's not just about 'book learning'. A qualification is often seen by employers as a sign that you can apply yourself to complete a task.

When the economy's in a downturn, the risk of unemployment for less qualified people is greater as they are more likely to be working in firms that compete on cost rather than quality – so workers are more vulnerable to falls in demand. Also, when employers have more job applicants to choose from, they will generally hire the more qualified person because they assume that person will be more productive.

what does this mean?

With higher qualifications you can earn a higher income, find a job more easily and gain some protection against economic downturns. So, even if the job market looks healthy now, it makes sense to get qualified before entering the workforce. If you're already in a job, further training can also reduce your risk of unemployment.

But what you learn is also important. You're likely to do better in areas where you have some talent and that inspire you to perform. In addition to your skills and knowledge, there are a range of other attributes that you should work hard to acquire. The constantly changing nature of work means people also need to be adaptable and versatile and have a healthy attitude to change. You can increase your value to employers by 'up-skilling' and showing that you're willing to learn and accept responsibility. It also helps to have skills that can be used in more than one job so that, if the worst comes to the worst, finding a new job is easier.

What types of jobs have grown?

what's the story?

Over the last 15 years until 2002, the service industries have created most of the employment growth. Three broad industry groups, all in the services sector, added more than 90% of new jobs:

- Wholesale and Retail Trade, Restaurants and Hotels
- Finance, Property and Business Services
- Community, Social and Personal Services (this includes health, education and government administration).

On the other side of the equation, industries such as Agriculture, Hunting, Forestry and Fishing employed only slightly more people in 2002 than in 1987, and there were about 11,000 fewer jobs in Manufacturing despite a strong recovery in the 1990s.

what's the reason?

Most developed economies have seen jobs shifting from industries producing goods to industries based around the delivery of services. Why? New ways of producing and making things and new technology have increased the amount each worker can produce in areas such as agriculture and manufacturing faster than in service-based industries. This has reduced the need for labour in production-based industries.

At the same time, rising demand for services has fuelled strong job growth. In some of these industries, this has happened even during recessions. This is not just about New Zealanders consuming more services (such as residential care, tourism, health and education services) but also about an increase in the service aspect of the goods we consume. Products are increasingly customised to our individual tastes and we are willing to pay extra for this service. This creates more service-related work.

what does this mean?

Service industries are expected to be the main source of new job opportunities in coming years. American employment projections to 2010 suggest most jobs will be added in:

- business services (especially temporary staffing agencies and computer and data processing services)
- health
- education
- engineering and management services
- amusement and recreation services
- retail, including restaurants and cafes
- social services (such as residential care for the elderly).

New Zealand will probably experience similar trends. Many of the new jobs will require professional or technical qualifications, and those that don't will probably need people with a customer-service orientation and the ability to communicate well. There will still be job openings in other industries as people retire from them. However, the nature of these jobs is likely to change considerably. For instance, if you work in manufacturing, you may need to use computer-based technology a lot more and take greater responsibility for quality control and customer service.



Employment growth by industry

Source: Statistics New Zealand, Household Labour Force Survey



Where has employment grown?

what's the story?

When it comes to employment trends, New Zealand's regions can perform very differently from each other and the national average. Nationwide, employment grew on average by 2.2% a year from 1991 to 2002. However, there's a great deal of variation between regions. Otago and Southland, for example, had employment growth of 0.8% for these years, but right next door in Canterbury, employment grew at 3.3%.

The unemployment rate also shows us how the labour market in each region is doing and helps to complete the picture. For instance, despite good employment growth, Northland and Bay of Plenty did not see large falls in unemployment from 1991–2002. This was in contrast to Taranaki/Manawatu/Wanganui where there was a large fall in the unemployment rate even with relatively low job growth (partly due to modest population growth).

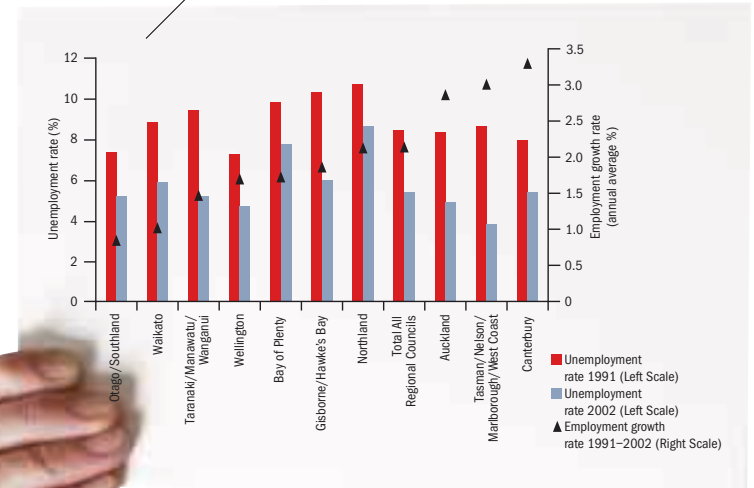
what's the reason?

Each region's labour market is different because of a number of local factors, such as the industries that employ people and the make-up of the population. This will probably remain an ongoing feature of the New Zealand economy. So, it makes sense to look at a range of regional labour market indicators, and be aware of the role that just one employer can have in a local market for instance. Even regions with modest job growth rates may have tight labour markets and shortages of certain types of skills. And regions with higher than average unemployment rates may still be creating many new job opportunities.

what does this mean?

Where you choose to live can greatly influence your job prospects. Depending on your career preferences, it may make sense to look for jobs in other parts of the country from where you live. Economic activity differs from region to region and you should look for somewhere that can offer employment that matches your skills.

Employment growth and unemployment rates by region
Source: Statistics New Zealand, Household Labour Force Survey



The Changing Economy: What does this mean for...

...your studies

People entering the workforce over the last few years have benefited from a strong job market. However, looking back, we can see that economic performance fluctuates and this can have a strong effect on your job prospects. If you're finishing school or considering study or training, it's worth thinking about what you can do to protect yourself against adverse changes in the economy by building the best qualifications base you can.

Education gives some protection from poor economic conditions as well as helping people earn more. We can also see from this section that some industries and regions significantly out-perform or under-perform the national economy. Having the skills and flexibility to move between industries and regions could help your career prospects.

For more information about the industries, regions and training courses that could offer you enhanced job prospects check out the following websites:

- www.worksite.govt.nz
- www.careers.co.nz

...your working life

The sources of job opportunities are changing and this means being versatile may be the key to keeping your career on track. Most people in the workforce today will need to continue developing their skills, or even retrain at some point in their working lives. Some lateral thinking can assist you to find job opportunities. In planning your future career it may help to look beyond your current region or industry, or even what you may regard as your occupation. Many skills can be transferred and used in what at first sight might appear to be quite different types of work. It's useful to consider the following questions. What are my strongest skills? What skills or attributes do my employer and workmates value?

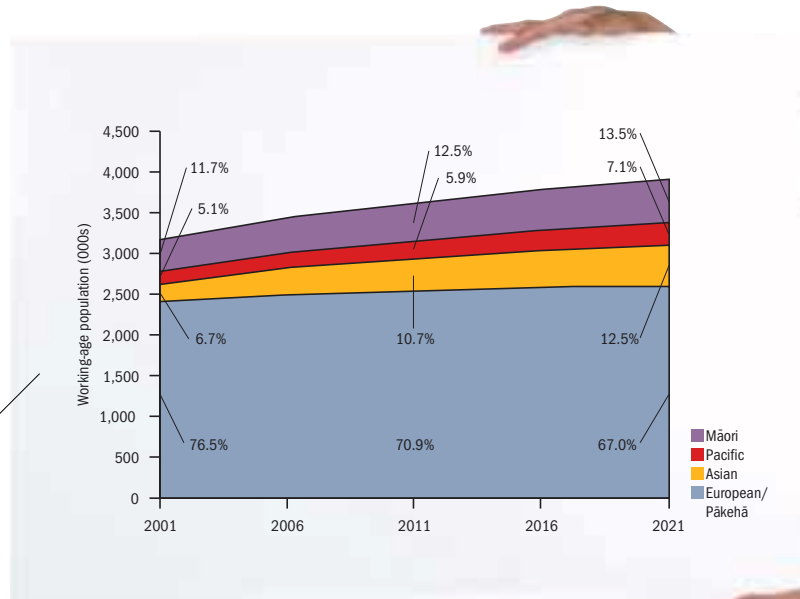
...employers

New Zealand's economy has strengthened considerably over the last ten years. As a result, labour markets have tightened and competition for skilled workers has increased. To keep your business growing, you might need to invest more in training and skill development. Also, in a competitive job market workers can afford to be choosier when it comes to accepting a job. The people you want to work for you could be seeking career development opportunities, ways of striking a balance between work and family, and a good workplace culture. A recent study for the Ministry of Economic Development found that firms that perform well on a range of employee practices have relatively less difficulty in accessing skills (www.med.govt.nz/irdev/ind_dev/firm-foundations/index.html).

...the government

Strong, stable economic growth is very important for creating a dynamic labour market with plenty of opportunities for all. While there will always be economic ups and downs, prudent economic policies can take the edge off the impact of shocks and recessions.

Regional labour markets will continue to perform differently, and pockets of unemployment are likely to co-exist with skill shortages into the future. Policies that most effectively support adjustment, mobility and local economic development need to be identified.



Working-age population by ethnicity, 2001–2021

Source: Statistics New Zealand, Population Projections (2001 base)

Note: It is important to note that these ethnic populations are not mutually exclusive because people can and do identify with more than one ethnicity. People who identify with more than one ethnicity will be included in each ethnic population.

THE CHANGING WORKFORCE



The changing face of our future workforce

what's the story?

The make-up of New Zealand's population is changing. In 2001, 11.7% of our potential workforce – people over 15 – were Māori, 5.1% Pacific people, and 6.7% Asian. The balance – 76.5% - was mainly European/Pākehā. Projections suggest that in twenty years time, European/Pākehā will make up only 67% of the possible workforce – and that the number and proportion of Māori, Pacific and Asian people in our workforce will have increased.

what's the reason?

To make population projections we have to make assumptions about various population trends – some of which we can be more confident of than others.

Discussions about New Zealand's workforce of the future have been dominated for a long time by issues about ageing. Projections suggest that over the next 25 years, across the OECD countries, 70 million people will retire, but only five million new workers will take their place. This type of change will not be so drastic in New Zealand because fertility levels have not fallen here as much as in most other OECD countries.

Māori and Pacific people will make up an increasing share of our working-age population because both of these groups are currently more youthful than the rest of the population. We can be confident of this trend because most of the new workers of 2021 are in or starting school now.

We can't be so sure about the projected increase in the Asian share of the working-age group because it is more influenced by migration – which is much more difficult to predict than likely trends for people who are already living here.

what does this mean?

New Zealand's workforce is going to become older and more culturally diverse. There will be more Māori, Pacific and Asian 'faces' in our economy – both employees and employers. And since the working-age population are also the consumers of the future, there'll be a growing diversity in demand for products and services – which will create new business opportunities.

Migration

what's the story?

Behind the ups and downs of our migration statistics, there's a pattern that has been consistent for a long time. New Zealanders leave or go overseas, especially to Australia – but we gain people from the rest of the world. Consequently, it is estimated that up to one million New Zealanders live overseas. That is, while there are now four million living in New Zealand, there are about five million 'New Zealanders' world-wide. In turn, 25% of New Zealand's workforce was born overseas.

Looking at the skills of those who come and go, the largest gains and losses have been amongst migrants within professional occupations. In 2001, 'professionals' made up almost 35% of both arrivals and departures – but only 14% of the resident workforce. This reflects the increasing mobility of professionals in the global labour market – with the right skills and qualifications you can work anywhere. It also reflects the effectiveness of a New Zealand immigration policy that sets out to attract skilled migrants.

New Zealand's exchanges of people with Australia are somewhat different from its exchanges with the rest of the world. The numbers vary, but there are always more New Zealanders moving to Australia than coming back. New Zealanders who move to Australia tend to be more of a cross-section of the New Zealand workforce, whereas those who travel further afield are more likely to be younger and more qualified than average New Zealanders. Since Kiwis have open access to Australia, anyone can migrate there, regardless of skills or qualifications. But the rest of the world isn't so open; so Kiwis who travel beyond the Tasman to find work tend to have more qualifications.

what's the reason?

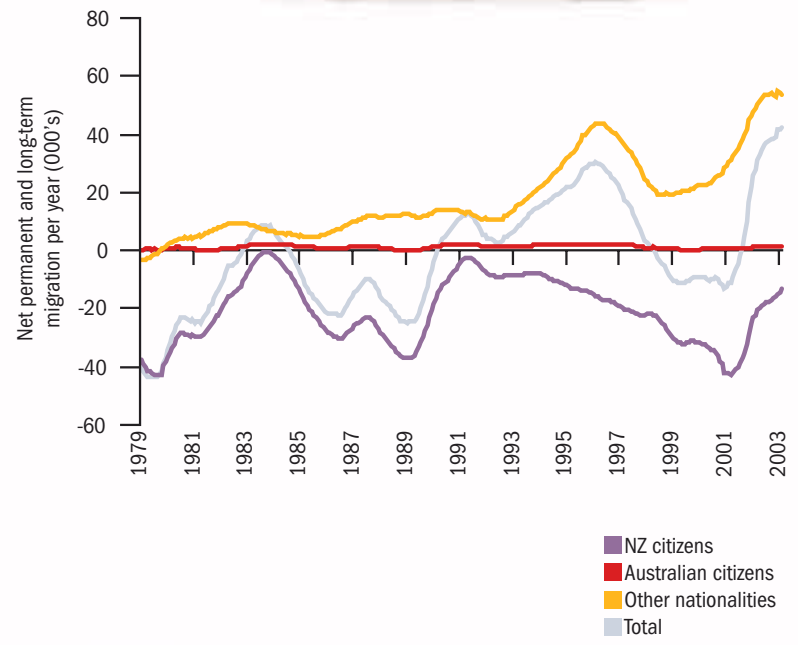
Highly-skilled workers – especially professionals – are becoming part of a global labour market. At the other extreme, less-skilled workers are less likely to travel from New Zealand, and we don't have the inflows of unskilled workers that many countries experience.

Surprisingly, looking at the occupations of people arriving and leaving, skill gains and losses are very similar. To some extent this is because there is a 'self-adjusting' aspect of the New Zealand immigration system which aims to fill gaps in the supply of skills. In general, local employers can only get a work permit for an overseas worker if they haven't been able to find a New Zealander to do the job. Likewise, New Zealand's permanent residence approval system gives significant weight to a New Zealand job offer.

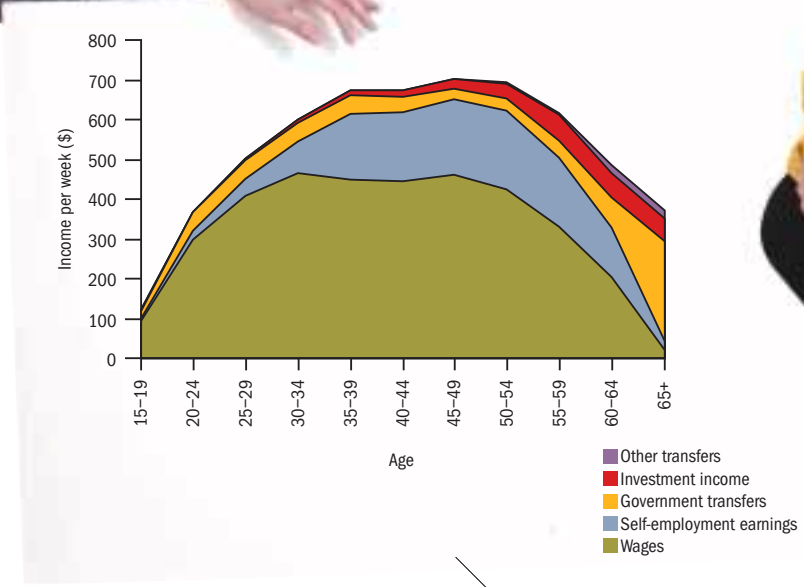
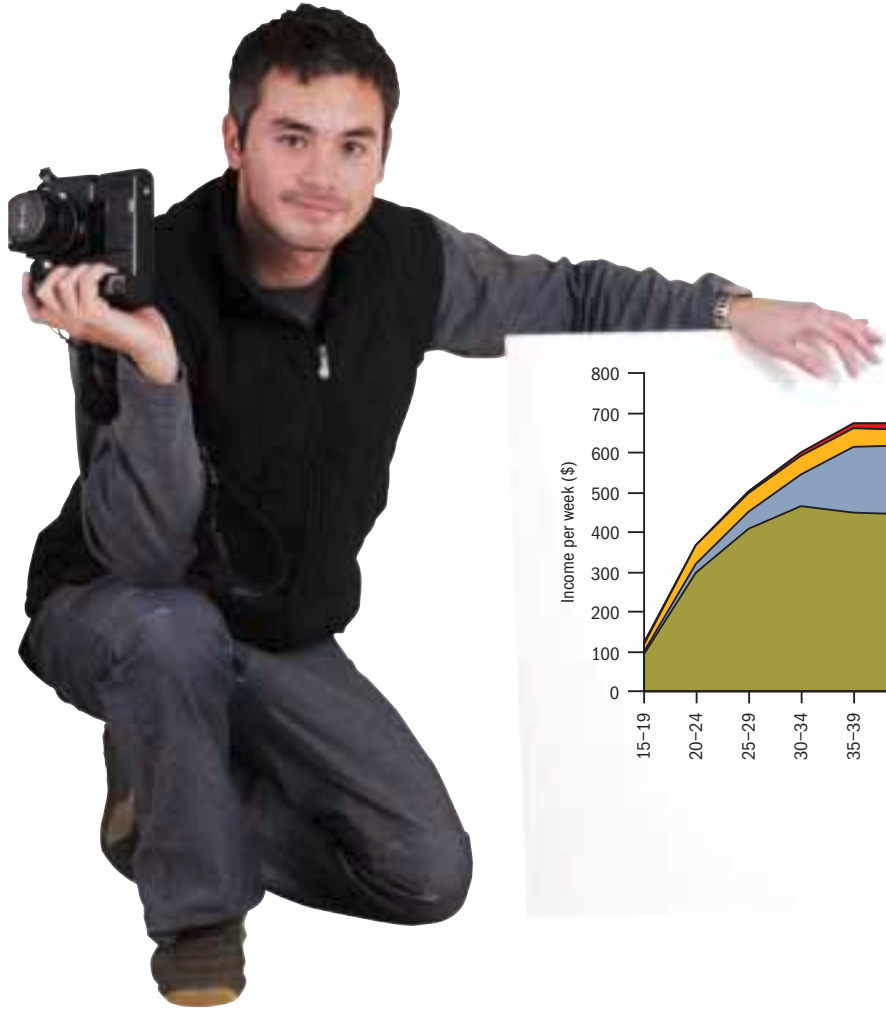
what does this mean?

International comings and goings are a major feature of the New Zealand workforce. With projections of significant falls in European labour forces in coming years, opportunities for New Zealanders to work overseas are likely to expand, and to spread to a wider range of occupations. We also have one of the highest 'overseas-born' shares of population in the OECD – and there is no sign of this changing. It makes for a high turnover of people in our workforce. A worker from overseas may not immediately slot into the workforce, a workplace, or an occupation. All parties will need to respond to these issues – employers, potential employees, professional bodies and those setting the rules that control some occupations.

As challenging as this may be, doing more to smooth the path of workers born overseas will enhance New Zealand's ability to survive and thrive in the global market-place.



Net permanent and long-term migration by nationality
Source: Statistics New Zealand, External Migration



Average weekly income by income source (2002)
Source: Statistics New Zealand, New Zealand Income Survey

Earning a living

what's the story?

In 2002, the average weekly income for people aged 15 and over was \$511. For households, average weekly income was \$1,123. For most people, wages and salaries are the main source of income during their working lives. However, as people grow older, they are more likely to get income from a greater variety of sources. Looking at data from 2002, we can see the amount earned from self-employment increases as people reach their thirties, reaching the highest levels for 35 to 60 year-olds. As people save from their income and accumulate wealth over time, older people tend to have some increasing income from investments.

what's the reason?

Money from the government in various forms (mainly welfare benefits, student allowances, family support) is a source of income for a proportion of people of all ages. People in their peak-earning years – mid-40s to mid-50s – are the least likely to receive income from government, but this changes rapidly for people in their mid-50s onwards. For the 65-plus age group National Superannuation becomes the major income source, making up 68% of their average income.

Because the Māori and Pacific populations are generally younger than the European/Pākehā population, their average incomes are lower and they are less likely to be self-employed. More of them still have their higher earning years ahead.

Over the last five years, there has been significant growth in income from self-employment, but especially by non-European/Pākehā groups previously less likely to be self-employed. Māori and Pacific people have also achieved higher-than-average growth in wages and salaries, because of their improving employment outcomes.

what does this mean?

Working, either for yourself or for others, is the most important source of income for New Zealanders. This means that for most of us the performance of the labour market will have the largest bearing on our standard of living. As we grow older, and the workforce as a whole grows older, we can expect increasing opportunities and incentives to stay in paid employment into older ages.

While age is on the side of New Zealand's more youthful Māori and Pacific populations, lifting the educational and employment achievements of these groups will be crucial for ensuring New Zealand's future prosperity. If this happens and these groups follow the pattern of incomes and savings increasing with age, then differences in employment and income outcomes between ethnic groups are likely to reduce. There are promising signs for the future – important segments of the workforce are already doing better. This trend bodes well for our economy as a whole.

Men and women in the workforce

what's the story?

Traditionally, women participate less in the paid workforce than men, across all age groups. There is also a very clear life cycle pattern of women working whilst younger, leaving the workforce to have children, and returning to paid employment as their children grow up. Women have also been more likely to retire at a younger age than men, often as a household decision when their (usually older) husband retires.

Increasingly though, women's employment patterns have become more like the 'traditional' model of male employment. This has meant a reduction in young women's participation as more of them continue into tertiary education rather than leaving school to start work. Changing norms about family are also related to women's employment patterns. Women are delaying childbearing, having smaller families, and returning more quickly to work after having children. A big difference between male and female workers though is that 30–40% of women aged 30–50 are part-time employees, but only 6–7% of men of that age work part-time.

what's the reason?

There are many arguments around cause and effect of trends in women's employment patterns: are women having fewer children because they have to be in paid work to boost household incomes? Or have better contraception and more opportunities given women more choice and enabled them to have careers? To what extent are these individual or household decisions – and what are the implications for male employment patterns?

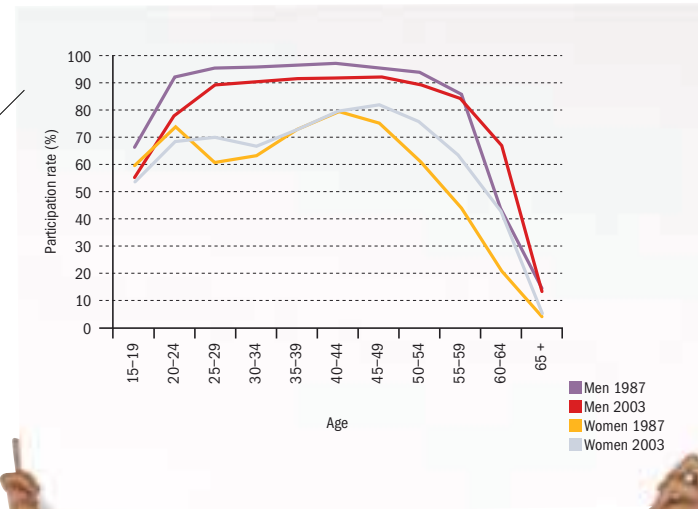
Men's participation in the workforce fell between the mid-1980s and mid-1990s. There's debate about the reasons for this too. The fall is thought to have been driven by various factors – younger men delaying work to study longer, job losses in male-dominated industries, and changing aspirations and expectations for men. One age group bucked the trend – participation by men over 60 increased significantly from the mid-1990s, due to a rise in the age of eligibility for National Superannuation and, more recently, better opportunities for older workers.

what does this mean?

Increasing numbers of parents are trying to balance the demands of home and paid work. Childcare and 'family-friendly' working conditions are therefore an increasingly important aspect of both individual and household decisions about employment. And although working is an individual's choice, both policy changes and economic conditions can affect that decision.

Labour force participation rates by age and gender

Source: Statistics New Zealand, Household Labour Force Survey



Unemployment and ethnicity

what's the story?

The peak unemployment rate in recent years was recorded in 1991 at over 11% of the workforce. It has since fallen to around 5%. Underlying this story though was a much more difficult experience for some groups. For Māori and Pacific people the unemployment rate exceeded 25%, and has yet to fall significantly below 10%.

what's the reason?

Pacific people were particularly hard hit by restructuring in the late 1980s and early 1990s, with unemployment rates rising from just over 6% in 1986 to a high of 28% in 1991. This increase reflected the loss of jobs by Pacific people who had previously been successfully employed in the manufacturing sector over a long period. As a group, they had great difficulty finding new work because of their age and lack of transferable skills, and many pulled out of the labour force completely. Unemployment rates for Pacific people have since declined, largely due to the fact that a growing proportion of Pacific people are now younger and New Zealand-born – around 60% by 2001 – and increasingly better qualified and adapted to the New Zealand labour market.

While Māori have experienced spectacular employment growth since the early 1990s, as a group, Māori were also particularly hard hit by the restructuring period. Lower levels of education, and the fact that many are still working in weaker sectors of the economy, mean that Māori remain more vulnerable to

unemployment. Higher Māori tertiary enrolments and employment growth in professional and higher-skilled occupations are signs of improvement for the future.

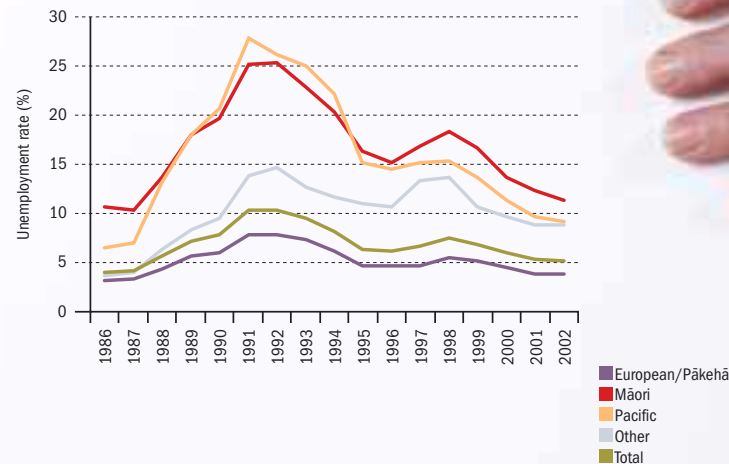
The 'other' category is mainly recent migrants to New Zealand. Migrant unemployment has increased somewhat as immigration policy has become more open to a wider range of people. New migrants who are less culturally similar, who may have difficulty speaking English, or have skills and qualifications that are unfamiliar to New Zealand employers, may find it harder to find work, especially in times of downturn.

what does this mean?

Many of the experiences of different ethnic groups can be explained by factors other than ethnicity, such as the youthfulness of the group, their past education attainments, or employment concentrated in a particular sector. The challenge for those interested in improving labour market outcomes for particular groups is to understand what causes unemployment to increase or decrease – and how to help people buffer themselves against the risk of becoming unemployed. This means improving the skills and adaptability of all workers, the openness of employers and fostering a resilient economy that adapts to changing economic conditions. Changes in employment are inevitable – ongoing unemployment doesn't need to be.

Unemployment rates by ethnicity

Source: Statistics New Zealand, Household Labour Force Survey



The Changing Workforce: What does this mean for...

...your studies

Professionally-qualified people are the most mobile internationally, but people with many sorts of skills are increasingly able to choose where they work. On the other hand – the world is becoming less welcoming to those without portable, recognised skills.

...your working life

Changing social patterns and government policy, as well as your own skills and interests, will influence your future working life. You can expect that the increasing diversity of the workforce will mean a bigger range of working conditions. The kinds of work available will diversify too. For example, as more people are employed there is increasing demand for services that were previously largely unpaid work – lawn-mowing, cleaning, cooking. And new kinds of leisure and recreational activities are booming.

As we grow older, and the workforce as a whole grows older, it is likely that more of us will either choose or have to work later in our lives than previous generations did. If our economy and labour market does not perform well enough, or we fail to save enough, there is a risk that we might not have much choice about working into older ages. For those who wish to work, though, there will probably be increasing opportunities to do so in a way that suits you. Flexible working hours, telework, and part-time work will allow people to make more gradual transitions to retirement than have been typical in the past. For more on this, visit the work-life balance section of the Future of Work website (www.futureofwork.govt.nz), or the Equal Employment Opportunities Trust website (www.eeotrust.org.nz).

...employers

The increasing diversity of our potential workforce means that the skills your business needs may well present themselves in an unfamiliar package. Your recruitment and training practices, and working conditions may have to adjust. Almost 25% of our workforce was born overseas – and likewise, up to 25% of New Zealand-born people are long-term overseas residents. When trying to recruit and retain workers, you may well be in competition with an employer on the other side of the world – not just down the road.

Increasing numbers of workers (especially, but not exclusively, parents) will want to work in more flexible ways to accommodate other aspects of their lives. Simple changes – offering work within school hours – might increase your choice of employees. ‘Lifestyle’ aspects such as more leave, or personal development opportunities, will mean as much as salary level to many employees.

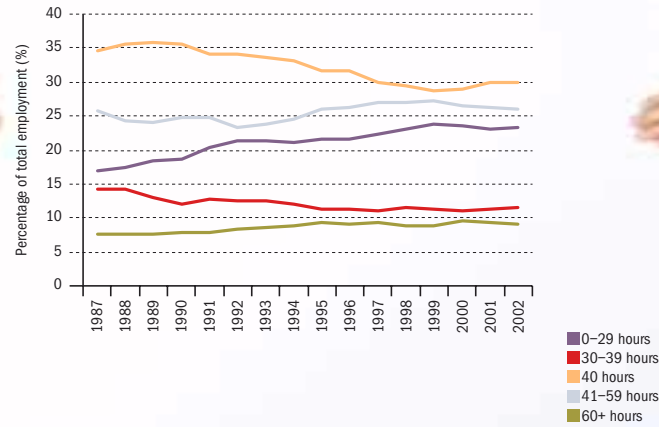
And because our population will also be the consumers of the future, there’ll be a growing diversity in demand for products and services – which means new business opportunities.

...the government

An increasingly mobile, older and more diverse workforce creates a number of pressure points for change. Just as employers have to adjust to a changing workforce, so too must government. Its regulations must find the right balance between flexibility and protection for those with little bargaining power. The global labour market will also increase pressure to standardise areas such as recognition of qualifications.

Education and training policy needs to prepare young people with foundation skills both now and in the future, as well as assisting older workers to adapt to changing skill demands.

WORK-LIFE BALANCE



Shares of employment by hours worked per week

Source: Statistics New Zealand, Household Labour Force Survey

Who works how long?

what's the story?

The proportion of employed people who work the standard 40-hour week has fallen from 35 to 30% in the past 15 years. Over the same time period, the share of people working 0–29 hours has jumped from 17 to 23%. The proportion of people who work 60-plus hours per week edged up from 8 to 9%.

However, there has been very little change since 1997. Practically all of the change in working hours took place between 1987 and 1996, especially during the recession years of the early 1990s.

what's the reason?

For many, increasing part-time work will be a good thing – for example, those who want to ‘semi-retire’. More part-time work may also be a good fit for those who are unable to work full-time, such as students and some parents. Also, a growing retail sector – which employs many part-timers – can reflect a vibrant economy, increasing consumer demand, and rising levels of discretionary income. Likewise, a rising share of people putting in longer hours (more than 40) may be an indication of achievement in a vibrant, growing economy. However, for some, these trends reflect labour market problems – part-time work may be a poor substitute for a full-time job, more ‘flexibility’ can mean more stress, and long hours may lead to ‘burn-out’.

what does this mean?

A greater range of working hours indicates that, for many, work is increasingly fitting into our lives, rather than the reverse of life having to fit around work. This trend is likely to continue as demographic developments (fewer young workers, more experienced, older workers) are likely to enhance the bargaining power of workers who seek more choices for balancing work at different stages of life.

The challenge for labour market regulators is to ensure that protections exist for vulnerable groups of workers, but that these protections do not hinder lifestyle improvements for others.

Juggling more than one job

what's the story?

In 2002, 81,000 New Zealanders held more than one job, up from 79,200 in 1998. But, the share of all workers who held more than one job actually fell slightly from 4.5% to 4.4% over that time because of the more rapidly-growing size of the overall workforce.

what's the reason?

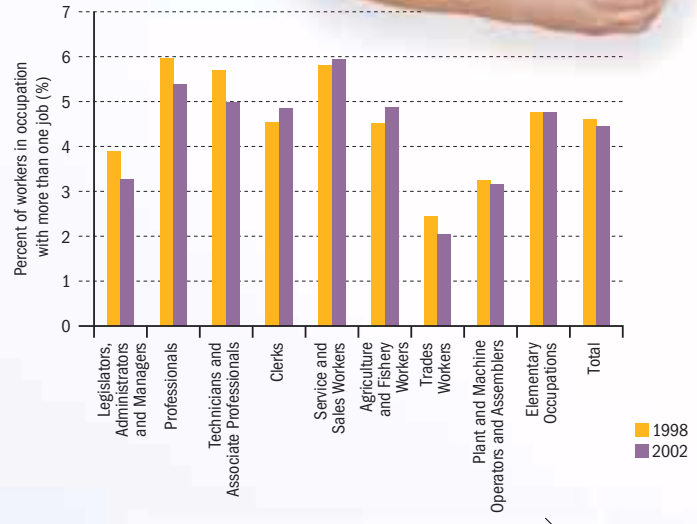
The drop in the proportion of New Zealanders holding more than one job between 1998 and 2002 was evident for men in nearly all occupation groups. Only sales and agriculture, forestry and fishing showed an increase. For women, however, the story was different: shares increased in all occupation groups but two (technicians and trades). Moreover, while there was a decline of 4,500 men working more than one job, the number of women grew by 6,300.

Nearly a quarter of all women holding more than one job in 2002 worked in sales and service occupations. But, 30% (1,900) of the increase in female numbers between 1998 and 2002 occurred in professional occupations, while only 20% were in sales and services.

Over half of those with more than one job work fewer than 10 hours in their second job; 86% work fewer than 20 hours.

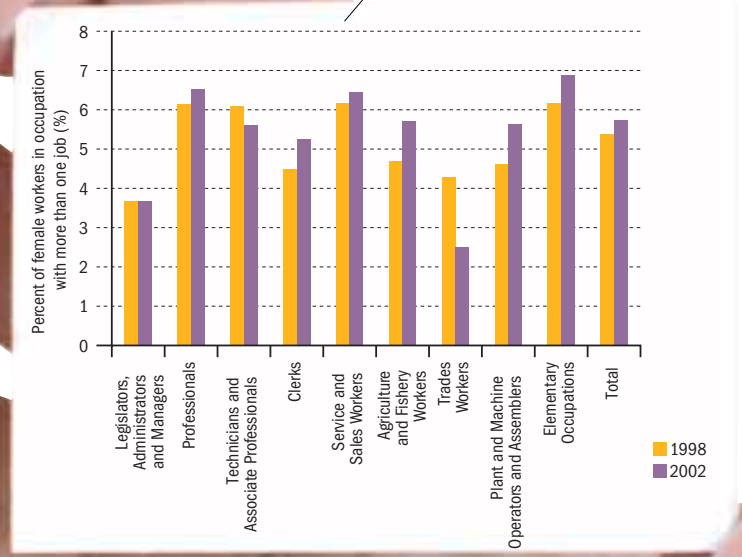
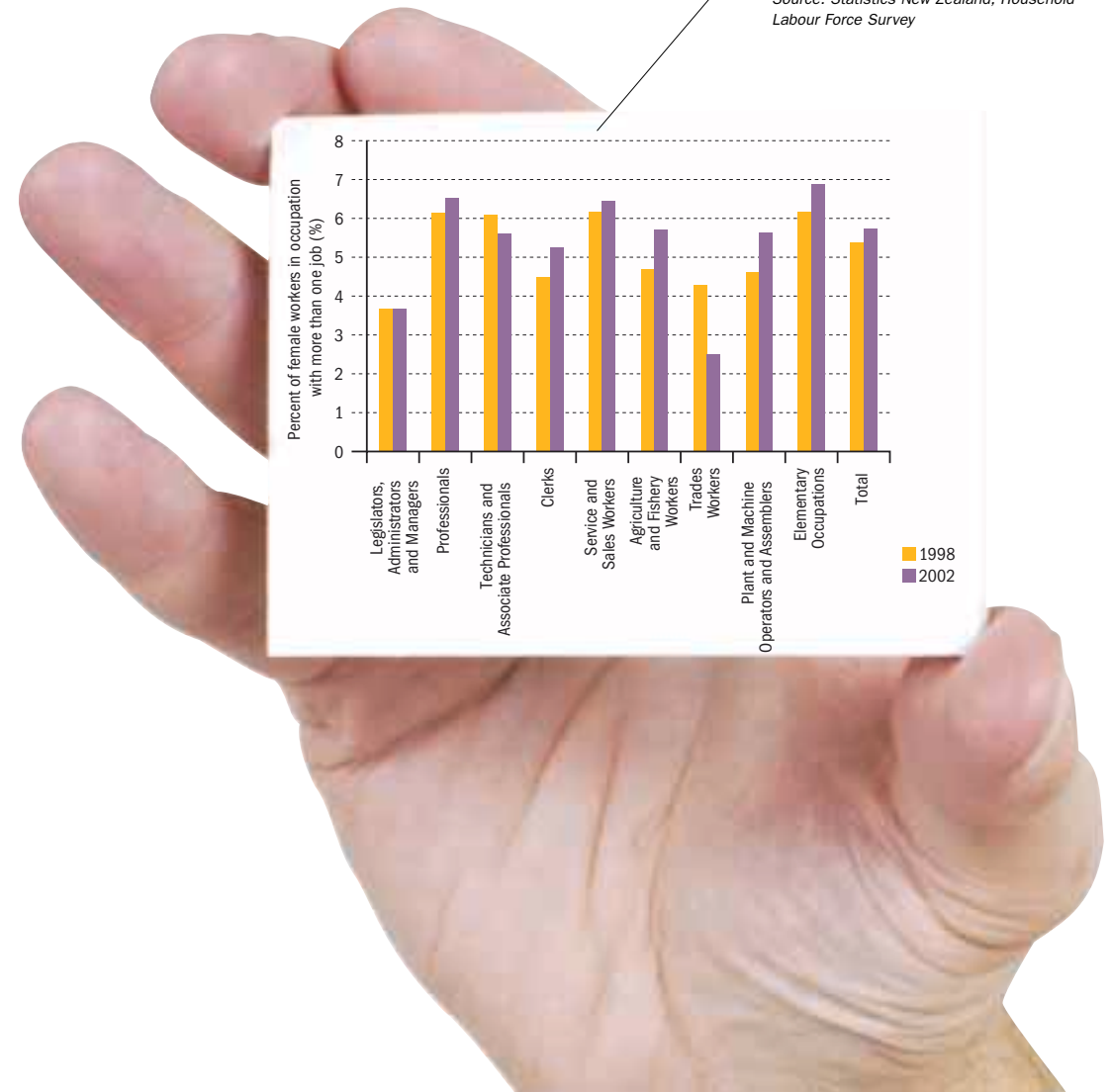
what does this mean?

The vast majority of New Zealand workers have only one job, and it's usually a full-time job. However, a small percentage of us work two or more jobs. Some of these multiple job-holders enjoy the flexibility or increased earning potential. Yet, for others, holding down more than one job may not be a rewarding option, it may be the only option. Moreover, there may be some health issues tied up in this, like stress, fatigue and increased chance of injury.



Multiple job-holders as a percentage of people employed by occupation
Source: Statistics New Zealand, Household Labour Force Survey

Multiple job-holders as a percentage of women employed by occupation
Source: Statistics New Zealand, Household Labour Force Survey



Who's looking after...?

what's the story?

At the time of the 2001 Census, there were around 435,000 families with dependent children under 15 years of age in New Zealand. About two-thirds of the mothers who have partners are employed, but over half of the mothers who are on their own are not. Fathers are much more likely to be employed. Commentators are increasingly aware of other types of care-giving responsibilities – eldercare, or family members with disabilities – but little information exists about the effects of these responsibilities on employment. Many of the issues are likely to be similar.

what's the reason?

According to the New Zealand Childcare Survey 1998, a key factor affecting the ability of some parents with children to work (or attend classes, or other activities) is access to childcare. The survey showed that a significant share of parents, especially single mothers, experienced problems with accessing daycare. Not surprisingly, the biggest issue associated with access was cost. The survey also identified a high level of unmet demand for 'before and after' school care for five to 13 year olds.

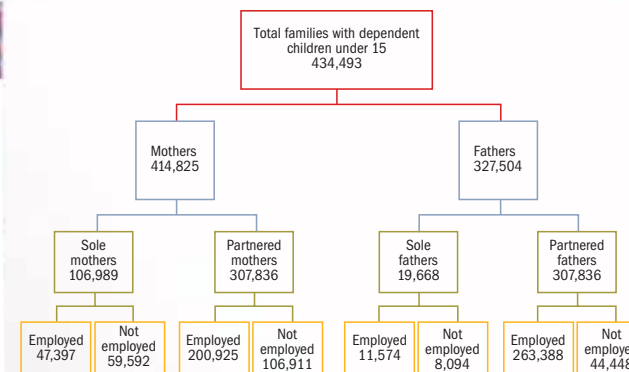
Some parents adapt their working lives to avoid using childcare. They may work in the evening or on weekends, use flexible hours, work from home or even take their children to work. Women in particular often work part-time or temporarily leave the labour force to care for their children.

As our population ages, the care of older people is also becoming a factor affecting the ability of some people to participate in work, education, or non-paid work activities. The challenges will be very similar to those faced by parents of young children and their employers.

what does this mean?

Work arrangements have to adapt to the changing realities of caregiving. How we as individuals, and as a society, respond will directly influence how well our economy and society do in the future. There are some challenging questions to answer. To what extent should the community share the costs of caring for children with parents? How should the costs of caring for the elderly fall between themselves, their families and the community? What are the relative merits of parental care for young children versus parents' participation in paid work? How can we ensure quality for people needing paid care?

We need to be aware of the challenges and opportunities associated with caregiving, and other types of valuable, but unpaid, work. At a practical level, both employers and employees have to co-operate to meet this challenge.



Employment of parents with dependent children under 15 years, 2001

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

Note: Breakdown not available for the estimated 1,100 same-sex couples with dependent children under 15.



Work-Life Balance: What does this mean for...

...your studies

More skills are likely to give you more options and control over your future working life. Work will take up a great deal of time for the average New Zealander – second only to sleep! It's important to enjoy your working life, but remember: we work to live, not live to work (even when we really enjoy our work).

...your working life

Striking a balance between career and life can be difficult. For some, the right balance may be a combination of a couple of part-time jobs, while for others the standard 40-hour week works just fine. However, others may struggle. There are options that can help and it is worth making this part of your criteria for choosing employment – whether it's an occupation or a particular employer. You should also take working hours and leave arrangements into account when negotiating with a prospective employer.

...employers

Employee morale directly affects productivity and profits. Employees may be torn between obligations to you and their children, other family members or responsibilities. Sometimes the simplest things can make all the difference.

When options like flexible working hours or shifts that correspond to school hours, for example, are feasible, they may make a world of difference to employees – to everyone's benefit. 'Family friendly'

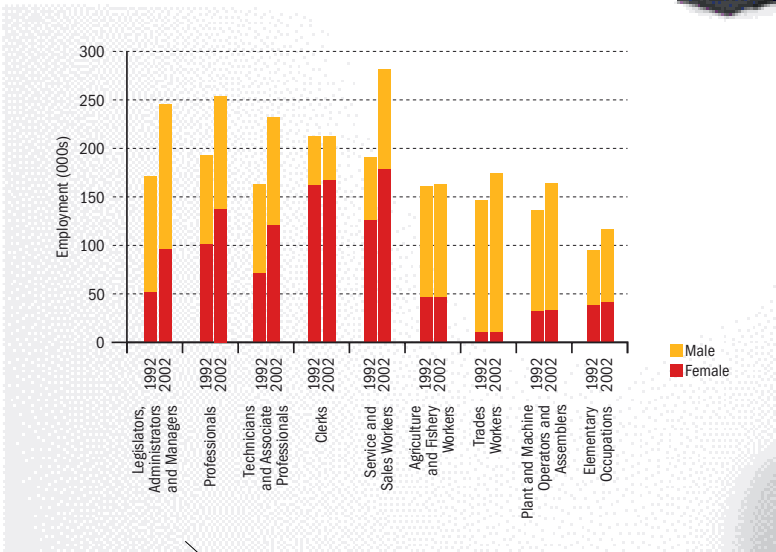
has been a catch-cry for long enough now that there are useful examples and good ideas around. (See, for instance, the Future of Work website, www.futureofwork.govt.nz, and the Equal Employment Opportunities Trust website, www.eeotrust.org.nz).

Employers may also want to begin to think about the impacts of an ageing population on their workforces – from the perspective of caregiving and potential employees. An older workforce may imply special demands on employers, like accepting a greater share of part-time workers as the more experienced older worker transitions out of full-time employment.

...the government

Work is a key part of our lives. Likewise, caregiving responsibilities and all kinds of other unpaid activities enrich society, and therefore contribute to a strong economy. Governments are rightly hesitant to interfere or try and influence personal choices about lifestyle, but good policy and labour market institutions will support and encourage work-life balance, which is in everyone's interests. The ongoing challenge for governments – and those who try to influence government – is to maintain standards that protect the people at risk while allowing maximum freedom of choice in employment arrangements so people can genuinely find and sustain their own work-life balance.

THE CHANGING WORKPLACE



Employment by occupation, 1992 and 2002

Source: Statistics New Zealand, Household Labour Force Survey

The kind of work we do – the occupations creating new jobs

what's the story?

The kind of work we do has changed considerably over the last 10 years and will continue to do so. One aspect of this change – the growth of 'white-collar' occupations – is illustrated in the chart opposite. Together, managerial, professional, technical and service and sales occupations accounted for 78% of the 327,000 new jobs added from 1992–2002.

What the chart does not show is that the nature of work within occupations is undergoing significant changes as well. Whatever the job you work in, the chances are that teamwork and communication skills have become more central to what you do, and new technology has affected the nature of your work.

There are some interesting differences between employment and employment growth for men and women. Women are more likely to work in clerical and service and sales jobs, while a large majority of agriculture workers, trades workers and machine operators are men. Women's employment increased at a faster rate than men's from 1992 to 2002, especially in the growing occupations such as managerial, professional and service and sales work.

what's the reason?

This pattern of occupational growth is fairly typical of developed economies. It has been driven by the growth of service industries such as retail trade, business services and health. At the same time, new technology and production techniques have reduced the need for workers in some occupations, such as clerical and labouring and related occupations. We would expect, for instance, that in a growing economy, more clerical workers would be needed to handle the increasing administrative workload. But, a great deal of clerical work is about storing, retrieving and processing information – a lot of which can now be done more efficiently and cheaply by computers. As a result, the number of clerical jobs has hardly changed since the early 1990s, but what is required of the workers will have changed significantly.

An important question to ask when comparing the occupations of men and women is whether these differences reflect personal choice or barriers to women, or men, entering some occupations. We also need to consider whether changing aspirations and opportunities will affect these patterns in the future.

what does this mean?

In the future, employment will probably continue to shift towards professional and service occupations. On average, the new jobs will require higher skills than existing jobs. But whatever occupation you work in, the content of your job and the skills required to do it will continue to evolve. Skills such as problem-solving, communication, teamwork and the ability to use new technology are likely to become more important.

The kinds of work we do... and the money we earn

what's the story?

Managerial, professional and technical workers enjoy the highest wages. These are followed by clerks, and skilled manual occupations (trades, and plant and machine operators and assemblers). The lowest wages are for sales and service workers, agriculture and fishery workers and elementary occupations (e.g. labouring, cleaning).

Women receive lower wages than men in all occupations. In 2002, women received on average \$15.34 an hour compared to \$17.94 for men. However, women's wages grew faster than men's in all occupations except for elementary occupations. Overall, wages increased by 12% for men and 17% for women from 1997 to 2002.

what's the reason?

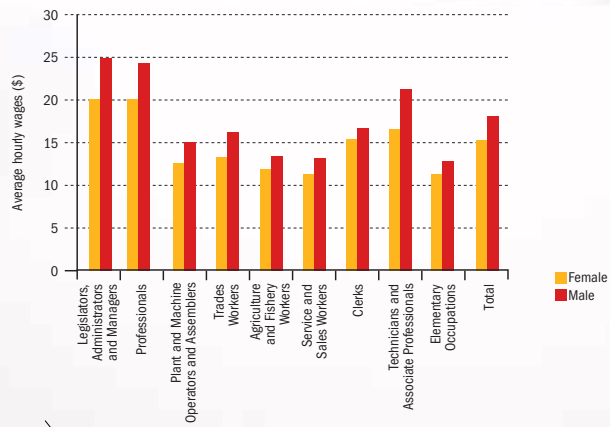
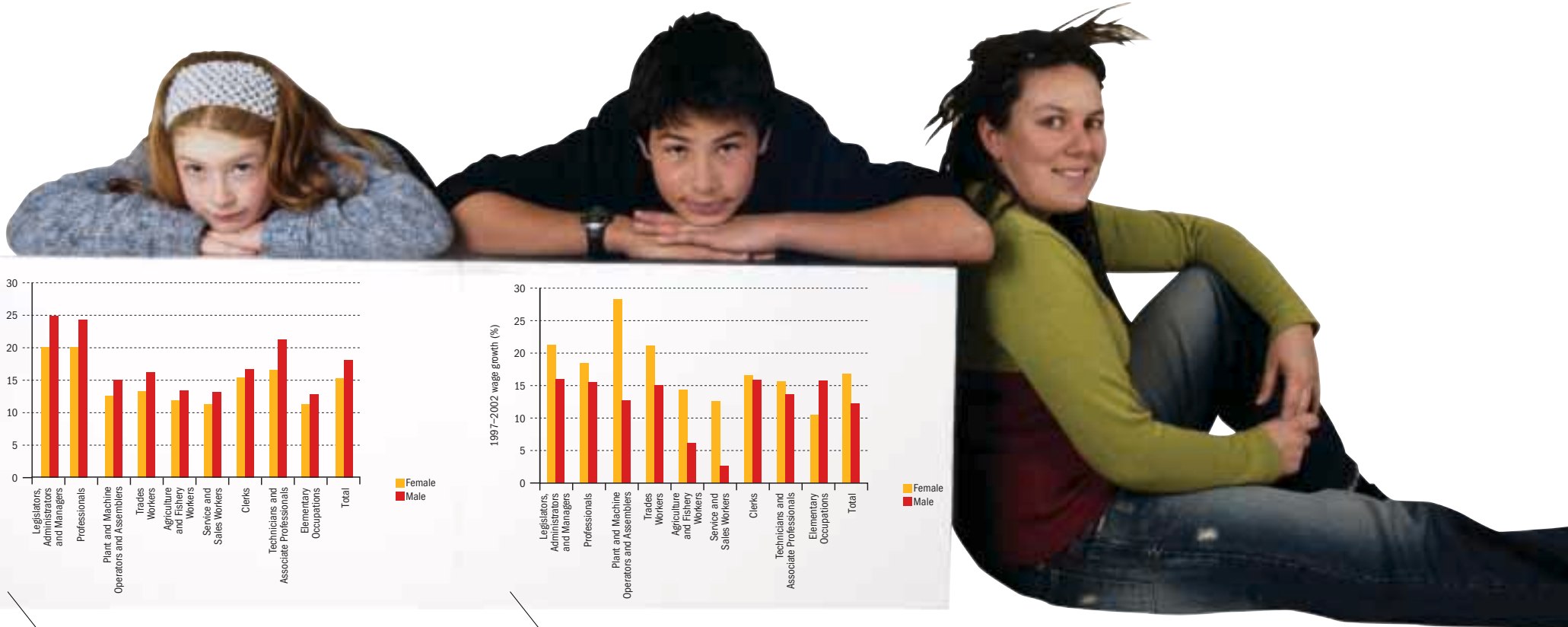
For the most part, wage differences between occupations reflect differences in the skills required to practise them, as well as the profitability of the sector they are in. People with higher skills tend to be more productive and versatile, and hence more valuable to employers.

Historically, some of the gap between men's and women's pay is due to women, on average, having fewer qualifications and less work experience. As women's qualifications and participation in work have increased, their wages are catching up. And, whereas women have historically been over-represented in some lower-wage occupations, they are now making significant inroads in formerly male-dominated occupations, especially at the top-end. But some of the gender pay gap is hard to explain in terms of skills and work experience. A concern is that traditionally female-dominated occupations may be valued less than male-dominated occupations, and so receive less pay.

what does this mean?

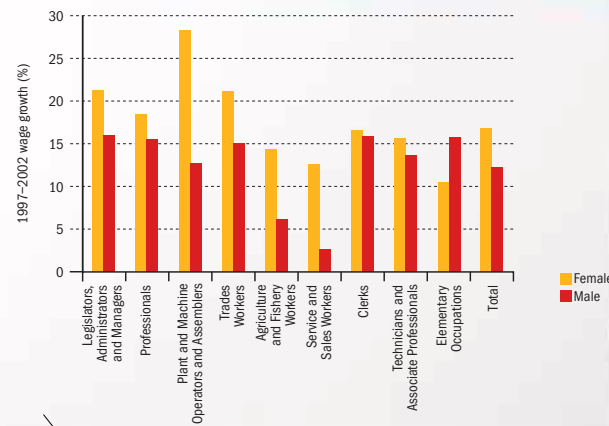
High wages generally go to those in highly-skilled occupations, but also to workers in firms that produce goods and services in high demand. Many highly-paid occupations require a post-school qualification. Some of them do not, but still require a lot of experience in relevant firms or industries or on-the-job training. Of course you don't have to stay in one occupation for life. By developing your skills, and pursuing opportunities for further education and training, it is possible to progress up the occupational hierarchy.

There remains a gap between male and female earnings. High female enrolment rates in tertiary education and increasing employment are reducing the gap. But, some of the difference in earnings is not attributable to qualifications or work experience, and there is a concern that society undervalues some types of work that women have traditionally been involved in.



Average hourly wages by occupation in 2002

Source: Statistics New Zealand, New Zealand Income Survey



Wage growth by occupation, 1997-2002

Source: Statistics New Zealand, New Zealand Income Survey

Big business and small enterprises – jobs and growth from 1997–2002

what's the story?

Small enterprises dominate the New Zealand economy. About 86% of firms have five or fewer full-time equivalent employees (FTEs). About half of all employment in New Zealand is in firms with fewer than 20 employees. Large businesses are still an important source of employment however. Although less than half a percent of New Zealand enterprises have more than 100 FTEs, they employ about 39% of the workforce.

FTE employment growth from 1997 to 2002 was concentrated among small and medium-sized firms. Firms of 6–9 and 10–49 FTEs, in particular, grew out of proportion to their share of total employment.

what's the reason?

The high proportion of small businesses in New Zealand reflects a number of factors – market size, the nature of our industries, and perhaps a preference for owner-operated working arrangements.

What is behind the relatively strong growth of small to medium-sized businesses over the last five years? Partly, it is due to growth in industries with many small to medium-sized businesses, such as retail trade and accommodation, cafes and restaurants. At the same time, large employers in industries such as manufacturing, finance and insurance and electricity, gas and water supply, have reduced their workforces. In some cases technology and changes in work organisation have allowed these businesses to operate with fewer staff. Beyond that, many larger businesses may be contracting smaller firms to carry out activities (like cleaning, catering or accounting services) that they once hired staff for directly.

what does this mean?

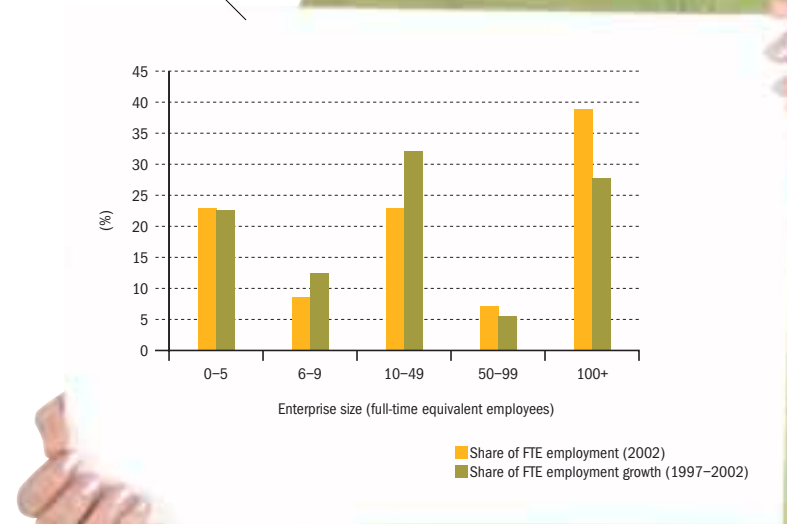
By international standards a high percentage of New Zealand's employment is in small businesses. If you're looking for a job, this means that there is a good chance that you will not be working in a firm that is a household name. What's more, many of the jobs available will be advertised through word-of-mouth rather than in the newspapers. This suggests that you should consider a variety of job search strategies.

Small business also calls for multi-skilled employees and managers. While large firms can create specialised positions for different functions, small business employees need the range of skills to undertake more than one role or cover for a sick workmate. And managers in small business need to be able to handle everything from marketing and sales to finance and personnel management.



**Percentage of employment and
employment growth by size of enterprise**

*Source: Statistics New Zealand, Business
Demographic Statistics*



Union membership in New Zealand

what's the story?

At March 2003, 334,000 New Zealanders, or 22% of wage and salary earners, belonged to a union. The number of union members fell during the 1990s from over 600,000 in 1989, or 55% of all of wage and salary earners. However, since the Employment Relations Act 2000 was passed, union membership has increased by about 31,000.

Another development under the Employment Relations Act has been a sharp rise in the number of unions – from 82 in December 1999 to 175 in March 2003. The great majority of these new unions are small, having fewer than 1000 members.

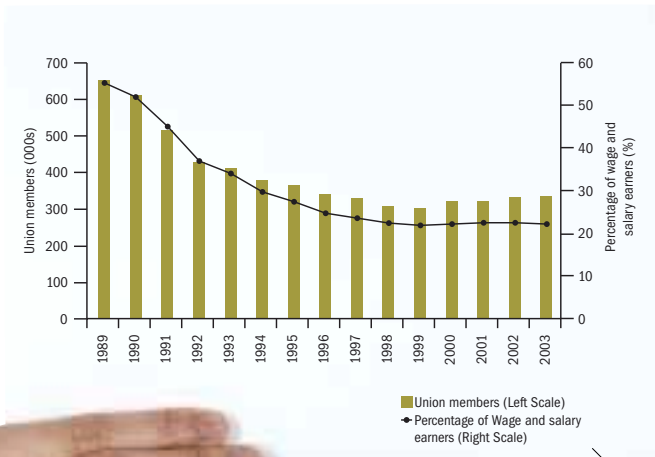
what's the reason?

Unions negotiate collective employment agreements, protect members' rights to entitlements under employment law and give members a voice in decisions about the workplace.

Union membership declined markedly under the Employment Contracts Act 1991, which brought about a shift from awards-based bargaining to individual contracting. Changes in the economy also had an impact on the membership base of unions. Full-time permanent employees in industrial sectors of the economy, who were traditionally highly organised, have seen their share of the workforce fall.

Some gains in union membership have occurred since the Employment Relations Act 2000 was introduced. The Act promotes collective bargaining by providing that only unions and employers can be parties to collective agreements, allowing unions access to workplaces to recruit, and giving them the right to strike in pursuit of multi-employer contracts. It also requires the parties to employment relationships – unions, individual employees and employers – to deal with each other in good faith.

The growth in the number of unions reflects the formation of firm-based unions to make collective agreements. However, a large majority of the new union members have joined larger, established unions.



Union membership

Source: Department of Labour figures for March 1989–90 and 2001–03; Industrial Relations Centre, Victoria University of Wellington figures for December 1991 to December 2000

what does this mean?

There is some scope for further growth in union membership in New Zealand. A recent survey of worker representation found that about 16% of the workforce would be either 'very' or 'fairly' likely to join a union if one were available in their workplace.

However, many employees who desire more representation are in hard-to-organise workplaces and workforces. Unions are faced with the challenge of recruiting non-standard workers (e.g. part-time, casual and temporary employees) and in small workplaces or those with high staff turnover.

Furthermore, rates of union membership among younger workers, who entered the workforce under the more individualised bargaining environment of the Employment Contracts Act, are much lower. Unions are having to educate these younger workers about union membership.

The Changing Workplace: What does this mean for...

...your studies

In the future, new job opportunities are likely to continue to be concentrated in professional and service occupations. This is being driven by the shift to service industries and the replacement of routine production jobs by technology. Tomorrow's jobs will, on average, require higher levels of education or developed workplace competencies (e.g. communication and relationship management skills) than comparable jobs today. Higher skills also offer rewards in terms of pay. For some this means a need for higher-level specific skills, but increasingly, it is qualities such as versatility, the ability to adapt, and customer focus that are sought and well-rewarded by employers.

In an economy of small businesses, most people will not be working in organisations that are household names. Many jobs will also be found through word-of-mouth rather than by wading through classified job ads in newspapers. You should therefore be prepared to use a variety of job search methods, such as actively networking with people to uncover potential job opportunities that may never be advertised.

...your working life

Many jobs are becoming more skilled and, in many cases, more fulfilling than they used to be. At the same time, employees are expected to take more responsibility for their performance. With the rise of service and information-based work, communication and people skills as well as computer skills are becoming more important.

Women earn less than men in all occupation groups, but their wages are growing faster as they gain more skills and work experience, and shift into the rapidly-growing, higher-skilled, white-collar occupations. Increasing female participation in work and education suggests that this trend will continue. However, as we cannot fully explain the gender pay gap through education and work experience, these gains may not equalise gender pay rates. Some change in the way society values different kinds of work may be needed to achieve this.

...employers

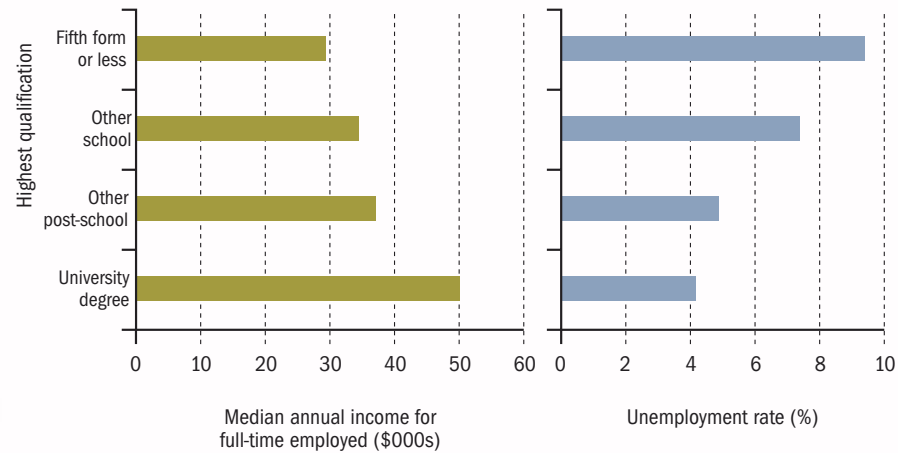
As the workforce becomes more skilled, the task of management will change. Many workers in tomorrow's knowledge-intensive workplaces will expect and require a high level of autonomy in order to do their jobs well.

Small business can be highly flexible, but demands a greater spread of skills and versatility from both workers and managers.

...the government

With an economy that is largely comprised of small businesses, every government regulation that costs money to implement hits smaller firms harder than larger firms. New Zealand policy-makers and lobbyists need to be especially sensitive as to how policy affects small businesses. They may also wish to understand better why New Zealand has so many small businesses.

SKILLS, EDUCATION AND TRAINING



Income and unemployment by qualification in 2001

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

Education, incomes and employment

what's the story?

On average, people who are more highly qualified earn more than those with less formal education. A university graduate in full-time employment receives about 70% more income a year than someone with no more than School Certificate (now NCEA Level 1). This difference comes about because more qualified workers receive higher wages and salaries, and also because they are much less likely to experience spells of unemployment.

what's the reason?

People with qualifications have skills gained through formal learning. The sorts of skills acquired may include improved literacy and numeracy, vocational skills that allow a person to better understand the requirements of their chosen jobs, and broader skills such as team-working, problem-solving, and working to deadlines. These skills often make employees more productive than less educated workers, and hence more valuable to employers. The result is higher wages and better employment prospects.

However, higher education often comes at a cost. People who attend university or polytech full-time not only have to meet the costs of studying, they also miss out on the opportunity to work while they are attending courses. (Of course, people who gain qualifications through workplace-based learning are able to combine both.) The extent to which you benefit from your post-school study depends on the demand for your qualification in the job market. But on the whole, education pays.

what does this mean?

Many of the fastest-growing job opportunities in the future will require some form of post-school education or training. Jobs are, on average, becoming more skilled, driven by changes in technology and demand for sophisticated services.

Not everyone wants or is able to continue studies beyond school. Only 40% of all full-time employees in New Zealand have a post-school qualification. However, completing a good education is the most effective thing you can do to ensure good job prospects long-term.

Fortunately, there are now a greater variety of ways to learn, and at different stages of your life, than ever before. As well as the traditional alternatives of university and polytech, there are new tertiary education providers such as wānanga and private training establishments, and a number of government workplace learning initiatives, such as Industry Training and Modern Apprenticeships. There is also a vast range of adult and community education courses – and much greater flexibility within our tertiary system to accommodate people's different needs and interests.

Here are some places to start:

www.worksite.govt.nz – Web portal for information on education and training, career planning and work

www.careers.co.nz – Career Services

www.minedu.govt.nz – The Ministry of Education

www.nzqa.govt.nz – The New Zealand Qualifications Authority

www.tec.govt.nz – The skills development section of the Tertiary Education Commission website

Industry training

what's the story?

Traditional formal education is only one avenue for gaining work-related skills. A key development over the last 10 years in New Zealand has been the rapid growth of Industry Training. Under our Industry Training system, Industry Training Organisations in over 40 industry sectors set national skill standards and facilitate the delivery of training, which is jointly funded by employers and the government. Staff can be trained on the job – and assessed by a registered assessor – or trained off-site by a registered training provider, such as a polytechnic or private training establishment. Skill standards are registered on the National Qualifications Framework. Over the last 10 years the number of Industry Trainees has increased more than five-fold, from about 15,000 in June 1993 to over 83,000 in December 2002.

A subset of Industry Training, Modern Apprenticeships, gives young people (16-21 years) the chance to engage in workplace learning. Modern Apprentices study for two to four years towards a National Certificate at levels 3 and/or 4 of the National Qualifications Framework while they work. Modern Apprenticeships started in 2001 and there are now over 5,000 Modern Apprentices in 28 industries.

what's the reason?

New technology and global competition mean that enhancing the skills of our workforce is critical to New Zealand's competitiveness. Industry Training provides opportunities for the acquisition of skills and knowledge by a wide range of people, including those who may not have gained qualifications at school or polytech. Industry Trainees, including Modern Apprentices, can gain a mixture of general and industry-specific skills, and can learn while employed. Industry Training Organisations have a strategic role – looking ahead to the types of skills that are needed to grow their industries and actively promoting the development of those skills.

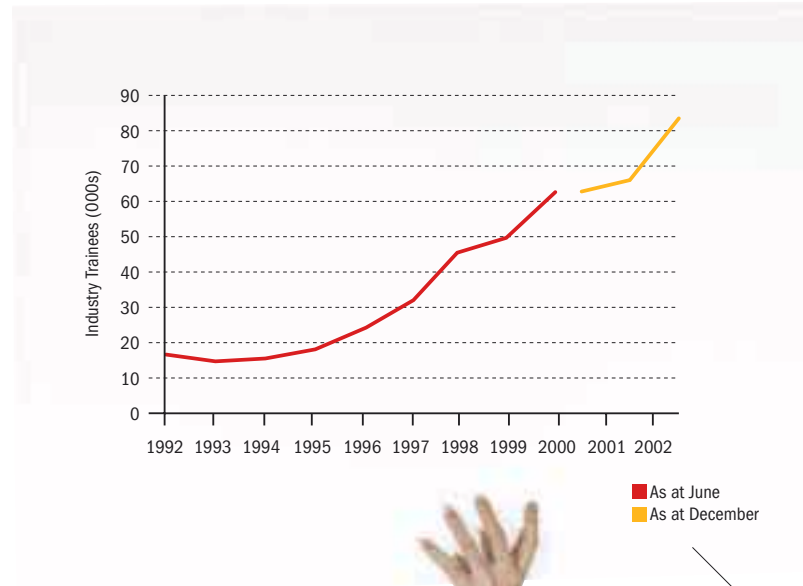
what does this mean?

To succeed in the future world of work, today's workers will need to learn new skills and knowledge throughout their lives. But not everyone can take time out from employment to attend university or polytech. Some skills are also best learned on the job. Alternatives such as industry-based learning can be relevant and accessible to more people through their working lives. Workplace learning schemes such as Industry Training therefore provide a crucial way for people to gain the skills necessary to thrive in the knowledge economy.

To find out about Industry Training and Modern Apprenticeships in your industry, visit:

the Industry Training section on www.tec.govt.nz

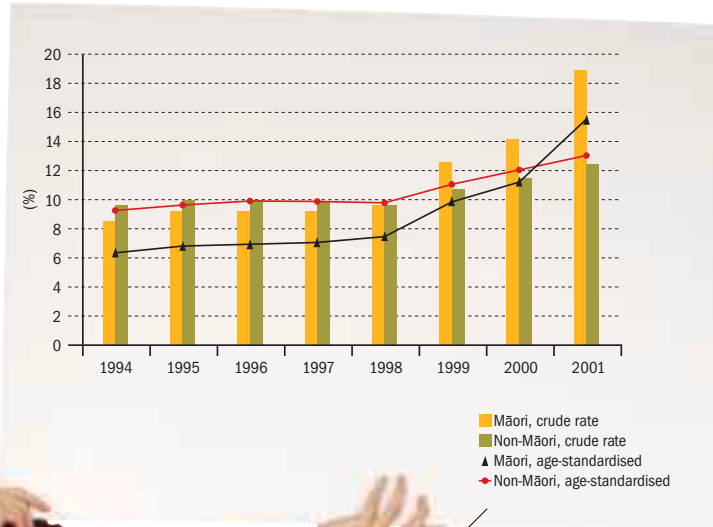
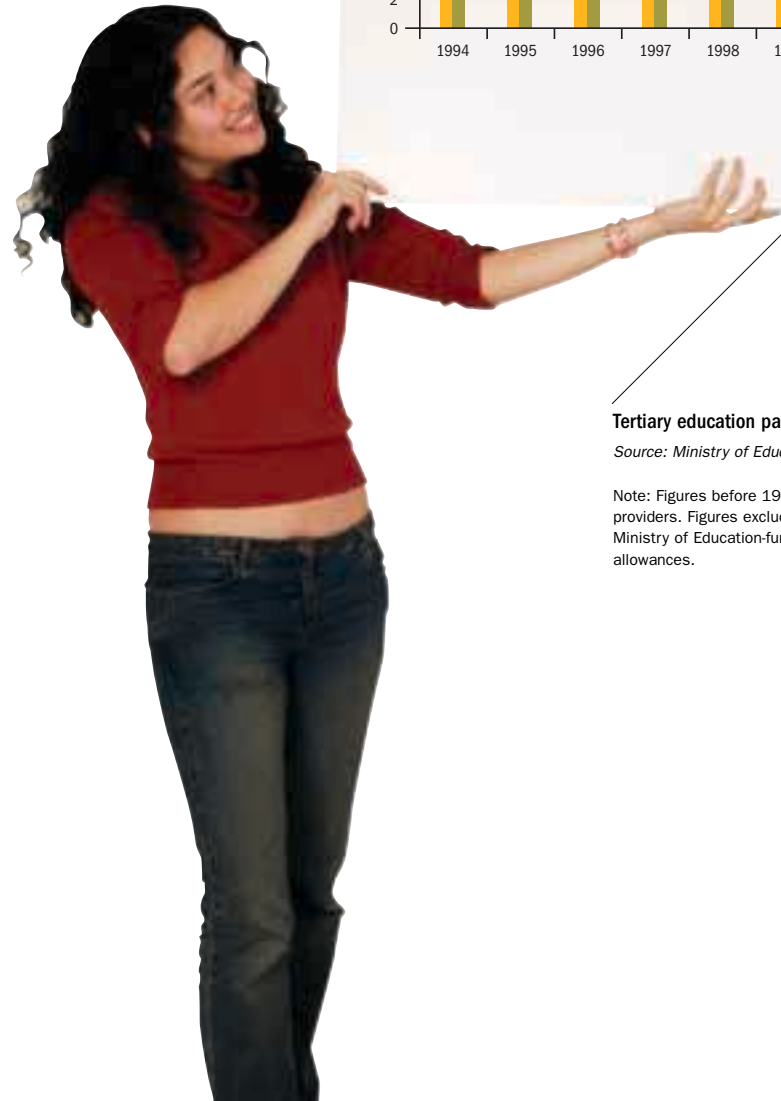
www.modern-apprenticeships.govt.nz



Number of Industry Trainees, 1992-2002

Source: Industry Training Federation





Tertiary education participation rates of Māori and non-Māori

Source: Ministry of Education

Note: Figures before 1999 do not include private tertiary education providers. Figures exclude students with providers who were neither Ministry of Education-funded nor approved for student loans and allowances.



Māori and non-Māori in tertiary study

what's the story?

13.2% of the population aged 15 and over were in tertiary study at some time during 2001. In the past few years, growth in tertiary participation has been strong, particularly for Māori, who now have higher participation rates than non-Māori, even after comparing the same age groups.

what's the reason?

Over the past few years, growth in Māori participation has been driven by enrolments in wānanga – Māori tertiary institutions where learning is based on āhuetanga Māori (Māori tradition) and tikanga Māori (Māori custom) – and private training establishments (PTEs).

The importance of standardising for age is simple. Since Māori are, as a group, younger than non-Māori, we can expect differences in participation rates. It is, therefore, significant to see that once age is taken into account, Māori participated in tertiary education at a greater rate than non-Māori in 2001.

what does this mean?

Given the strong links between higher education, higher incomes and lower unemployment, the growth of tertiary participation is a positive development. Historically, the performance of Māori in our labour market has been constrained by a lack of numbers attaining tertiary qualifications. However, labour market outcomes for Māori who do have tertiary qualifications have been very good. It is a good sign then that New Zealand's tertiary education sector has become more diverse and that the new tertiary providers have attracted more Māori into tertiary-level study. An important test of these new forms of education will be the labour market outcomes of students. Overall, however, as Māori will make up a larger proportion of New Zealand's workforce in years to come, their increasing participation in tertiary study bodes well both for the students themselves and the country as a whole.



Technology and globalisation

what's the story?

Twenty-five years ago, virtually no one had a personal computer; today it's a rare business that could function without one. A decade ago, it would have cost tens of dollars for a 10-minute call to the United Kingdom. Today, we can talk for up to two hours for less than 10 dollars. 'Out of the office' no longer means away from work since cell-phones became so popular. Internet access has revolutionised our access to information within five years. And information is what drives so many of our businesses. Data storage, access, and manipulation are the sources of much of the productivity gains that we've experienced.

The way we choose to live our lives has changed too. A couple of generations ago, we prepared just about every meal in our kitchens – and it took a long time to cook and clean up. Today, we can buy ready-to-eat meals, frozen meals, takeaways, delivered pizzas, and fast-foods, which means that there are many more hours in our days to get on with school, work and life.

what's the reason?

The simple reason is technology. Technology has freed up time that people would otherwise have spent in dull, monotonous jobs. That time can now be more productively and more enjoyably employed elsewhere. This, in turn, creates the demand for a greater variety of goods and services.

Globalisation has also contributed to the changes in our lifestyles. New Zealand has become a more specialised economy. Paradoxically, this greater specialisation has actually enhanced the variety of goods available to New Zealanders. By focussing our production on a narrower range of goods, we can actually earn more from exporting and pay for more imports with these earnings. Taken together, these trends in globalisation and technology have made our economy much more productive because it is much more responsive to change and resilient to downturns.

what does this mean?

Our worlds of work and play have been revolutionised in ways that we could not have imagined a few decades ago. Change, some of it revolutionary, is part of life. With some forms of change, we can adjust quickly and relatively painlessly. Economic and technological developments have changed what we do at work, for some in a very profound way, and these changes have tended to increase rather than reduce our work opportunities.

But change can be disruptive and disconcerting for many people. While the costs and lost opportunities are easy to identify, new opportunities and future benefits are less obvious. Overall, New Zealanders are better off in a number of ways. We now have:

- greater opportunities to market New Zealand wares to the world
- more varieties of goods and services to consume at different prices
- more efficient production that frees up people, time, and money for other activities
- higher productivity that implies more skilled labour and higher wages.

Skills, Education and Training: What does this mean for...

...your studies

In order to be competitive in the labour market, you have to have skills that are in demand. In tomorrow's world of work, that means good foundation skills (especially literacy and numeracy) at a minimum. You'll want to combine your interests with a reasonable base of skills that can be taken with you from job to job and built on by a lifetime of learning. Don't forget that technology is changing the way we live, work, and play in ways that we cannot predict; being open to this change and willing to go along for the ride will take you a long way.

There's now a variety of options for undertaking post-school study – both a wide range of courses and many different providers. So look out for opportunities to study and develop your skills.

...your working life

Success in the workplace is tied up with your skills. It's also tied up with a commitment to continue learning right through life. The economy is changing and making sure that your skills are solid, competitive, and in demand will allow you to take advantage of the change.

...employers

In order to compete in a changing economy, you may have to encourage your employees to continue learning. You may also have to think about how you can integrate workplace training into workplace operations. Research shows that offering workplace-based learning is also a great way to recruit and retain workers. You need to be continually reviewing what you are doing, what the true source of your competitive advantage is, and what are the improvements that will enhance that advantage. Very often, your advantage will depend on your skills and the skills of your employees.

...the government

Some of the skills that were in demand yesterday are not the hot skills of today. Likewise, the skills demanded tomorrow will probably differ from today's. And, there's no way to accurately predict what specific skills will be needed tomorrow because the twin forces of technology and globalisation are as unpredictable as they are unavoidable. But, we know that good foundation skills, like literacy and numeracy, will give today's and tomorrow's workers the tools necessary to adapt to a changing world of work in ways that suit them best, and thereby help all New Zealanders enjoy a better future.

Developing and maintaining higher-level skills requires a co-operative effort by many parties: workers and employers; unions and employer groups; education and training providers; and government – both through funding and regulation.

Glossary

Many of the terms used in this publication correspond to the definitions used in surveys to gather information on the labour market, and have quite a precise meaning. We have explained these terms below to help readers who may not be familiar with labour market information.

The figure opposite gives a breakdown of all people in New Zealand aged 15 years or more according to their labour market status. It helps to illustrate the definitions below.

Employment

The number of people involved in paid work for at least one hour per week.

Ethnic group

A social group with which people identify because of common origins, history, language, or some other form of solidarity. Ethnicity is self-reported by people in surveys, and so reflects an element of self-identification, rather than just biological ancestry.

Full-time employed

Those who work at least 30 hours per week for pay or profit.

Household Labour Force Survey

The Household Labour Force Survey is the official measure of employment and unemployment in New Zealand. Every three months it surveys the working-age people in about 15,000 households around New Zealand about their labour market status.

Jobless

The sum of the unemployed and those who are either actively seeking work but not available for it at the moment (e.g. students nearing the completion of a qualification) or available for work but not actively seeking it. This is a broader definition of those without work than official unemployment.

Labour force

The sum of the employed and unemployed, i.e. the number of people either in work or available and actively seeking work.

Labour force participation rate

The proportion of the working-age population that is in the labour force (i.e. in work or available and actively seeking work).

Marginally attached to the labour market

Those in the working-age population, but not the labour force, who are either (i) available, but not actively seeking work, or (ii) actively seeking, but not available for work (e.g. someone looking for a job to start when their study finishes).

Not in the labour force

Those in the working-age population who are neither employed nor unemployed. Those not in the labour force include the marginally attached; retired people; people at home looking after children; students who are not working; and people who are not participating in the labour market for other reasons.

Part-time employed

Those who work less than 30 hours per week for pay or profit.

Permanent and long-term migration

Arrivals of New Zealanders who return to New Zealand after a year or more overseas, and overseas residents who intend to stay in New Zealand for a year or more; and departures of New Zealanders who intend to be away for more than a year, or overseas residents who are leaving New Zealand after more than a year's stay in New Zealand. This measure is based on the self-declared intentions of people arriving and departing and doesn't take account of residency status e.g. whether they were students, tourists, work permit holders or approved permanent residents.

Unemployment

The number of people not in work, but who are available for and actively seeking work.

Unemployment rate

The proportion of the labour force that is unemployed.

Wānanga

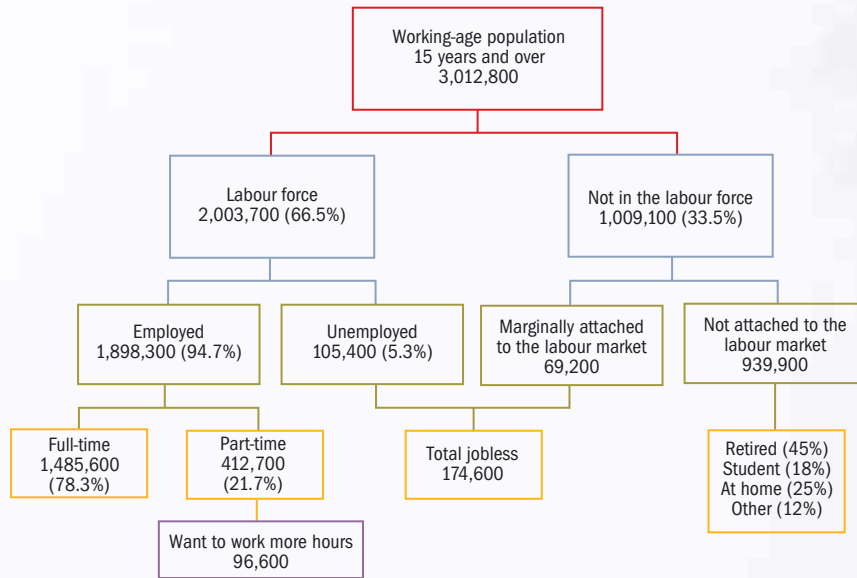
Māori tertiary institutions where learning is based on āhuetanga Māori (Māori tradition) and tikanga Māori (Māori custom).

Working-age population

Those people aged 15 years and over who normally live in New Zealand (and who aren't in institutions e.g. prison, or in the defence forces).

Labour market status of the working-age population, March 2003

Source: Statistics New Zealand, Household Labour Force Survey



Where to go for further information

...students, job seekers

Other Department of Labour publications – *workINSIGHT*
(www.dol.govt.nz/workinsight.asp)
04 915 4742

www.worksite.govt.nz
Web portal to a wide range of relevant NZ government agencies

www.careers.co.nz
Career Services
0800 222 733

...employees, employers

www.sorted.org.nz
Retirement Commission
0800 45 65 85

www.ers.govt.nz
Department of Labour, Employment Relations Service
0800 800 863

www.eeotrust.org.nz
Equal Employment Opportunities Trust
09 525 3023

www.businessnz.org.nz
Business New Zealand
04 496 6555

www.union.org.nz
Council of Trade Unions
04 385 1334

www.med.govt.nz
Ministry of Economic Development
04 472 0030

www.biz.org.nz
Web portal providing business
information online
0800 42 49 46

...future of work topics

www.futureofwork.govt.nz
Department of Labour programme
04 915 4453

www.jobsletter.org.nz
The Jobs Research Trust
06 753 4434

www.statistics.govt.nz
Statistics New Zealand
0508 525 525

