



Māori in the New Zealand labour market



ACKNOWLEDGEMENT

The contribution of key personnel in the following Ministries and agencies to the formulation or reviewing of this report is acknowledged:

- Te Puni Kōkiri
- Hui Taumata Trust
- Minister of Māori Affairs' Māori Economic Taskforce
- Tertiary Education Commission

Disclaimer: The Department of Labour has made every effort to ensure that the information contained in this report is reliable, but makes no guarantee of its accuracy or completeness and does not accept any liability for any errors. The Department may change the contents of this report at any time without notice.

Access to the Survey of Working Life data used in this report was provided by Statistics New Zealand under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results presented in this study are the work of the author, not Statistics New Zealand.

ISBN 978-0-478-33388-6

December 2009

© **Crown copyright 2009**

This material is Crown copyright unless otherwise stated and may be reproduced free of charge without requiring specific permission. This is subject to it being reproduced accurately and not being used in a derogatory manner or in a misleading context. The source and copyright status should be acknowledged. The permission to reproduce Crown copyright protected material does not extend to any material in this report that is identified as being the copyright of a third party.

Department of Labour
PO Box 3705
Wellington
New Zealand

www.dol.govt.nz

For labour market information, visit
www.dol.govt.nz/services/lmi/index.asp

CONTENTS

List of tables, diagrams and charts.....	5
Executive summary	7
Māori labour force participation	8
Youth not in education, employment or training (NEET)	9
Māori in education	9
Māori in employment	10
Demographic factors influencing Māori labour market outcomes.....	11
Introduction	12
Background	12
Why focus on Māori labour market outcomes?	14
Definition of Māori as used in this report	15
Changes in labour market conditions	15
1. The recession's impact on Māori: A Summary.....	16
1.1 Māori unemployment.....	16
1.1.1 The unemployment rate.....	16
1.1.2 Unemployment benefit numbers	17
1.1.3 Unemployment by region	18
1.2. Māori labour force participation	18
1.3. The impact on Māori employment.....	19
1.3.1 Affect on key industries	19
1.4 How have previous recessions affected Māori?.....	21
1.5 The impact on Māori youth	22
1.5.1 Unemployed youth	22
1.5.2 Youth not in education, employment or training (NEET)	22
1.5.3 Measures to assist youth.....	23
1.6 Outlook for the labour market	24
2. The Māori population: labour market implications.....	26
2.1 Regional distribution	26
2.2 Māori age profile	28
2.3 Population growth	29
2.3.1 Population projections to 2021.....	29
2.3.1 Māori fertility rates.....	30
2.4 Māori migration	30
2.4.1 Migration motivations within New Zealand.....	32
2.4.2 Māori migration to Australia	32
2.5 Discussion	33
3. Māori in education and training	35
3.1 School leaver qualifications	35
3.2 Participation in tertiary education	37

3.2.1 Participation rates	37
3.2.2 Qualification completions	38
3.2.3 Field of study	41
3.2.4 Wānanga	42
3.3 Industry training	43
3.3.1 Industry training	43
3.3.2 Modern apprenticeships	44
3.4 Discussion	45
4. Māori Labour Force participation	48
4.1 The Māori labour force participation rate.....	49
4.1.1 Participation rates by gender	50
4.1.2 Participation rates by age.....	50
4.2 Discussion	52
5. Māori in employment.....	54
5.1 Employment rates	54
5.2 Employment by Industry	56
5.2.1 Changes in employment by industry from 2004–2009	56
5.2.2 Employment by industry, September 2009.....	57
5.2.3 Changes in employment by industry to 2018.....	57
5.3 Employment by Occupation	58
5.3.1 Changes in employment by occupation from 2004–2009.....	58
5.3.2 Employed Māori by occupations, September 2009.....	60
5.4 Māori in the Knowledge Economy	61
5.5 Employment relationship and income.....	63
5.5.1 Employment relationship.....	63
5.5.2 Income	63
5.6 Discussion	64
6. Unemployment trends and youth who are not in education, employment or training.....	66
6.1 Unemployment	66
6.1.1 Unemployment benefit numbers	67
6.1.2 Unemployment by gender	68
6.1.3 Unemployment rate by Region.....	70
6.2 NEET rates	71
6.2.1 NEET by age and gender.....	72
6.3 Discussion	74
7. Opportunities and challenges	76
7.1 The outlook for Māori in the labour market	76
7.2 How will the labour market look in 2020 and beyond?	76
Glossary	80

LIST OF TABLES, DIAGRAMS AND CHARTS

Chart 1: Māori and non-Māori unemployment rates, 2004–2009.....	17
Chart 2: Māori and non-Māori Unemployment Benefit recipients, 2004–2009....	17
Chart 3: Unemployment rate for Māori by region in the year to September 2009	18
Chart 4: Māori and non-Māori labour force participation rates, 2004–2009.....	19
Chart 5: Māori NEET rates by age group and gender, 2004–2009.....	23
Table 1: Māori population distribution and growth by region, 2001–2006	27
Chart 6: Proportion of the Māori population by territorial authority, 2006	28
Chart 7: Māori age distribution, 2006	29
Table 2: Projected age group distribution of ethnic populations, 2006 (base) –2021.....	30
Table 3: Māori Migration behaviour, 2001–2006.....	31
Chart 8: Māori inter-regional migration, 2001–2006	31
Table 4: Main reasons for moving to current residence by ethnic group, 2007	32
Table 5: Highest attainment of Māori and non-Māori school leavers, 2005– 2007	36
Table 6: Māori and non-Māori tertiary participation rates by age group, 2001–2008	38
Table 7: Share of domestic Māori and non-Māori tertiary students by completed qualification, 2001–2008	40
Table 8: Fields of study for Māori and non-Māori students at bachelor’s level and lower, 2007.....	41
Chart 9: Wānanga enrolments, 2000-2007	42
Table 9: Full-time enrolments by field of study and tertiary provider for all ethnic groups, 2007	43
Table 10: Total Māori and non-Māori industry training by age group, March 2009	44
Table 11: Leading modern apprenticeships undertaken by Māori and non- Māori, 2007.....	44
Diagram 1: Summary of Māori in the Labour market, September 2009	49
Chart 10: Māori and non-Māori labour force participation rates, 2004–2009.....	49
Chart 11: Māori and non-Māori labour force participation rates by gender, 2004–2009	50
Chart 12: Māori labour force participation rates by age group, 2004–2009	51
Chart 13: Non-Māori labour force participation rates by age group, 2004– 2009	51
Chart 14: Māori employment rates by age group, 2004–2009.....	55
Chart 15: Māori and non-Māori employment rates by gender, 2004–2009	55
Table 12: Māori and non-Māori employment by industry, 2004–2009	56
Chart 16: Proportion of employment by industry, September 2009.....	57
Table 13: Employment growth forecasts for all ethnic groups, 2018	58
Table 14: Māori and non-Māori employment by occupation, 2004–2009.....	59
Chart 17: Māori occupations grouped by skill level, 2004–2009.....	60
Chart 18: Proportion of employment by occupation, September 2009	61

Table 15: Māori and total employment in selected knowledge-intensive industries, 2006.....	62
Table 16: Employment relationship (percentage), March 2008	63
Table 17: Māori and total median hourly earnings, 2004–2009	64
Chart 19: Māori and non-Māori unemployment rates, 2004–2009	67
Chart 20: Māori Unemployment Benefit recipients, 2004–2009	68
Chart 21: Māori and non-Māori unemployment rates by gender, 2004–2009	68
Chart 22: Māori unemployment rate by age group, 2004–09	69
Chart 23: Non-Māori unemployment rate by age group, 2004–09	69
Chart 24: Unemployment rate for Māori by region, September 2009.....	70
Diagram 2: Study status of employed and not employed Māori youth, September 2009	72
Chart 25: Māori and non-Māori NEET rates (15–19 year age group), 2005-2009	73
Chart 26: Māori and non-Māori NEET rates (20–24year age group), 2005-2009	73

EXECUTIVE SUMMARY

This report, the second in the National Monitoring Series of labour market reports,¹ provides a detailed examination of Māori labour market performance over the last five years, with particular focus on the recession's impact.

Māori in the New Zealand labour market presents a broad range of indicators and provides data from as recently as September 2009, in order to capture the impact of the current economic downturn on the labour market. The data used in this report is largely drawn from Statistics New Zealand's Household Labour Force Survey and the 2006 Census of Populations and Dwellings, as well as Ministry of Education and Tertiary Education Commission data.

The report will assist those making strategic and policy decisions at a national level by providing a comprehensive picture of Māori labour market outcomes relating to education, employment, unemployment and disengaged youth. The report also paints a picture of the future Māori workforce and the forces that will shape it.

This report has a national rather than regional or iwi focus in order to meet the information needs of a wider range of stakeholders, such as Te Puni Kōkiri and the Minister of Māori Affairs' Māori Economic Taskforce.

The outlook for Māori in the labour market

- **The outlook for the labour market over the short-term both nationally and for Māori remains relatively weak.** Unemployment is likely to continue to increase into 2010, with Māori expected to remain disproportionately affected, with employment growth not expected to return until the June quarter and at a subdued rate.
- **Weakness is expected to continue in industries with a disproportionately large share of Māori workers.** A large proportion of Māori are employed in the manufacturing, retail and tourism-related industries which are expected to experience a fall in employment over the short-term, so this means that Māori will continue to be disproportionately affected. However, confidence in another key employer of Māori, the construction industry, is beginning to return.
- **Gains that have been made in Māori participation in training and education should help dampen the impact of the recession.** Data from September 2009 shows a 17.2% increase in 15–24 year old Māori engaged in formal study, compared with a year earlier. This will translate into upskilling and should help ensure students entering (or

¹ The National Monitoring Series began with the 'Youth in the New Zealand labour market' report published in June 2009. That report signalled a redirection and strengthening of the Department of Labour's labour market reporting programme towards more in-depth analysis of national level trends over the past five years and their impacts on selected groups. The reports are stakeholder driven and present information that can be regularly updated so that trends can continue to be monitored.

re-entering) the workforce are better positioned once the labour market improves.

- **Over the years ahead, treaty settlements will also support iwi to realise their economic potential.** In turn, this should improve Māori labour market outcomes by creating a demand for a wide range of workers of all skill levels, including some highly skilled workers to administer iwi-led projects. This should help address high Māori unemployment.

Māori unemployment

- **The unemployment rate for Māori has risen at a faster rate than the rate for non-Māori** over the last year and stood at 11.2% in the year to September 2009, compared with 4.7% for non-Māori.
- **In September 2009, 20,900 (or 34.5%) of those receiving an unemployment benefit were Māori**, following a period of decline in Māori unemployment beneficiary numbers between 2004 and 2008.
- **Among Māori, youth had the highest rates of unemployment, with 23.1% of those aged 15–24 years unemployed in September 2009.** Youth generally have the highest unemployment rates as they have less experience and are lower skilled, making them generally less likely to get jobs and more likely to be laid off earlier than other workers.
- **By region, the highest Māori unemployment rate was in Gisborne/Hawkes Bay** at 15.8%, followed by Northland at 12.6%.

Māori labour force participation

- **The labour force participation rate for Māori has increased strongly over the past five years**, at a greater rate than for non-Māori. It now stands at 67.7% in September 2009, just below the rate of 68.6% for non-Māori. However, there is evidence that it is beginning to decline.
- **Māori participation rates by gender are relatively similar to those of non-Māori**, which show higher participation by males. Notably, Māori male and female participation over the past five years grew at a faster rate than for non-Māori.
- **By age group, the participation rate was highest for Māori aged between 25–54 years old**, at 78.4% in September 2009. The participation rate for Māori aged over 55 years was 47.6%, while for Māori youth aged 15–24 years it was 58.2%. Māori participation was lower in the 15-24 and 25-54 years age groups compared to non-Māori, but higher for those 55 years and over. In all three age groups, Māori participation since 2004 has grown more quickly than for non-Māori.

Youth not in education, employment or training (NEET)

- **Māori have noticeably higher NEET rates than non-Māori.** In the 15-19 year age group, 14.2% of Māori and 6.8% of non-Māori were NEET. In the 20–24 years age group, the rates were slightly higher, with 16.1% of Māori and 9.7% of non-Māori being NEET.
- **In the 15–19 year age group, 14.2% of Māori youth were NEET in September 2009,** which represents a recent increase after a general decline over the past five years. The Māori male rate stands at 15.0% and the female rate at 13.7%. Recently, there has been little difference between the rates for Māori males and females in this age group.
- **The 20–24 year age group shows a higher NEET rate of 16.1%** than for the 15–19 year age cohort. However, there has been a sharp rise in the Māori male rate since December 2007. There are significant differences between the Māori male and female rates in this age group. In September 2009, the rate for Māori males was considerably higher at 19.1%, than for Māori female at 14.1%.

Māori in education

- **Over recent years, more Māori have left school with NCEA level 3 or higher and fewer have left school without qualifications.** The percentage of Māori school leavers achieving the highest level of schooling, NCEA level 3 or higher, increased between 2005 and 2008 from 10.8% to 19.3%. Significantly, the percentage of Māori pupils who left school with little or no formal attainment dropped from 25.0% to 10.4% over this time.
- **The number of Māori leaving school with little or no qualifications declined at a far quicker rate than that of non-Māori since 2005,** while improvements in NCEA level 3 attainment were at a similar rate to those shown by non-Māori school leavers.
- **Māori females continue to noticeably outperform males at the school level,** with 24.3% of females but only 13.5% of males attaining NCEA level 3 in 2008.
- **Māori youth participate less in tertiary education than non-Māori.** Approximately one-third (34%) of Māori aged 18–19 years participated in some form of tertiary education last year, with the rate stable since 2001.
- **Māori had higher tertiary participation rates in the 25–39 year and 40 years and over age groups than the population as a whole,** despite fewer 18–19 year olds in study.
- **Successful course completions by Māori have increased by two-thirds** since 2001 but Māori are less likely to complete degrees, enrol in post graduate study or take courses relevant to the 'knowledge economy' such as the natural and physical sciences, and engineering and related technologies.
- **The tendency among all ethnic groups for females to outnumber males among those completing a qualification was most pronounced among Māori.** This suggests that Māori males are

less likely than females to have gained the skills necessary for a labour market that increasingly demands high skills.

- **Māori comprised 18.5% of all industry trainees**, which is well above their share of the population.
- **Overall 15.6% of modern apprentice trainees are Māori.** While only 15.5% of Māori modern apprentices were female, this is higher than the rate for females of all ethnicities. The two most popular modern apprenticeships for Māori were building & construction and engineering.

Māori in employment

- **Three out of every five working age Māori were in employment** in the year to September 2009.
- **Māori represent 11.7% of all workers.**
- **There were 5,100 fewer Māori in employment in September 2009 compared with the same time in 2008**, a drop of 2.0%, which indicates the impact that the economic downturn has had on Māori. In comparison non-Māori employment was much more stable, and dropped by only 400 jobs.
- **Among the industries employing the most Māori, the biggest decline in the last year was seen in utilities and construction** (down 15.0%, or 4,100 workers) and transport and storage (down 12.9%, or 2,000 workers).
- **By occupation, the number of Māori trades workers had the largest fall over the last year** (down 15.0%, or 3,600 workers), followed by elementary occupation workers (down 9.2%, or 2,700 workers). The latter are the least skilled workers who are always most at risk in a recession.
- **Over the five years to September 2009, the number of Māori in employment increased by 13.0%, or 29,300 jobs**, well ahead of the 8.3% growth for non-Māori.
- **Over the past five years there has been a noticeable increase in the number of Māori in higher skilled occupations and a drop in the number of Māori in semi-skilled and lower-skilled occupations.** In particular, growth has been highest in the legislators, administrators and managers occupation group and for trade workers.
- **By industry, the number of Māori workers in health and community services showed the highest growth rate** over the past five years.
- **Māori comprise 9% of workers in knowledge-intensive sectors of the fast-growing 'knowledge economy'.** Māori were relatively well represented in the public sector areas of government administration, education, and health, but were under-represented in some of the largest private knowledge intensive sectors, including legal and accounting services, and scientific research services.

The future Māori workforce

- **The New Zealand workforce in 2020 will be largely determined by what happens internationally**, particularly globalisation, technology developments and climate change.
- **Māori-generated economic development will play a more significant role in shaping the 2020 Māori workforce**, independently of these international forces.
- **Globalisation will see more Māori head overseas to work** and more migrants arriving in New Zealand for work. Furthermore, higher numbers of businesses will relocate overseas, taking with them low skilled jobs in sectors such as manufacturing, currently a leading employer of Māori.
- **The development and utilisation of new technology will mean that workers will need to upgrade their skills, knowledge and experience by training more frequently**. Māori should aim to continue their recent gains in educational achievement and look to further enrol in courses that tomorrow's knowledge economy will demand.
- **Environmental pressures, especially climate change and natural resource constraints, may have a larger impact on Māori** because of the concentration of Māori businesses in the agriculture and fisheries sectors.

Demographic factors influencing Māori labour market outcomes

- **Māori have a younger age profile compared with the rest of the New Zealand population**, due in part to a higher birth rate and lower birth expectancy. This significant demographic difference means proportionately more Māori are likely to currently be in school or in training, compared with the broader population.
- **The Māori population is projected to grow at an annual average rate of 1.4% to 2021**, from its 2006 level of 565,300. By 2021 Māori are projected to represent around 16% of the New Zealand population compared with 14% currently.
- **Over the next twenty years, considerably more Māori will enter the workforce**, and will represent an increasing share of it, as more non-Māori retire.
- **Many Māori live in areas where job opportunities are lower and unemployment is higher**, such as rural and northern areas.
- **An estimated 100,000 Māori now live in Australia** according to Te Puni Kōkiri, and have moved there primarily for economic reasons, such as better job prospects.

INTRODUCTION

Background

This report, the second in the National Monitoring Series of labour market reports, provides a detailed examination of Māori labour market performance over the last five years.

The National Monitoring Series began with the *Youth in the New Zealand labour market* report published in June 2009. That report signalled a redirection and strengthening of the Department of Labour's labour market reporting programme towards more in-depth analysis of national level trends over the past five years and their impacts on selected groups. The reports are stakeholder driven and present information that can be regularly updated so that trends can continue to be monitored.

Māori in the New Zealand labour market presents a broad range of indicators and provides data from as recently as September 2009, in order to capture the impact of the current economic downturn on the labour market. The data used in this report is largely drawn from Statistics New Zealand's Household Labour Force Survey and the 2006 Census of Populations and Dwellings, as well as Ministry of Education and Tertiary Education Commission statistics.

The report will assist those making strategic and policy decisions at a national level by providing a comprehensive picture of Māori labour market outcomes relating to education, employment, unemployment and disengaged youth. The report also paints a picture of the future Māori workforce and the forces that will shape it.

This report has a national rather than regional or iwi focus, in order to meet the information needs of a wider range of stakeholders, such as Te Puni Kōkiri, the Minister of Māori Affairs' Māori Economic Taskforce and the Hui Taumata Trust. In part this approach was also determined by data availability, and a desire to be able to present clear, updatable trends.

Interested in your iwi's labour market performance?



The Tū Mai Iwi Tool provides a customised profile of iwi labour market indicators that allows for comparison between about 100 individual iwi, Māori and the general New Zealand population.

<http://www.dol.govt.nz/services/LMI/tools/tu-mai-iwi.asp>

Why was the Tū Mai Iwi Tool developed?

The Tū Mai Iwi Tool provides iwi with 'at the fingertips' labour market information in one place. Bringing together data in an easily accessible way, the tool is designed to add value to iwi decision making in policy, business and career planning. It can assist with planning by identifying growth skills and informing workforce investment decisions that support the growth of human capability.

What type of data does the Tū Mai Iwi Tool provide?

Using census data from 2001 and 2006 it identifies iwi changes over a five-year time period and allows for comparisons to be made with all Māori and the general population.

Twelve categories are available for analysis. They are:

- Age
- Gender
- Qualifications
- Top 5 Field of Study
- Study Involvement
- Regions
- Labour Market
- Total personal income
- Top 10 Industries of Employment
- Top 10 Occupations of Employment
- Rate of Attainment of Qualifications
- Top 5 Fields of Study Completion

What kind of data comparisons can the Tū Mai Iwi Tool provide?

Using the Tū Mai Iwi Tool, an iwi can develop a clear picture of their skills and talent profile. The sorts of questions an iwi might want to use the tool to answer are:

- What does my iwi's age profile look like?
- What kind of skills do my iwi have?
- What kind of jobs do most of my iwi work in?
- How much does my iwi participate in the labour force?
- What are the income levels for my iwi?

Why focus on Māori labour market outcomes?

There are many reasons Māori and government policy-makers require in-depth information about what is occurring in the economy and labour market.

- Māori make up a relatively young and fast-growing share of the New Zealand working age population.
- As Māori acquire and develop a growing portfolio of assets and investments and move away from traditional employment areas (such as forestry and fishing), Māori have a growing need for better information about their own labour market. They have more control over their economic resources and more opportunities to leverage off this asset base.
- While strong gains in the labour market have been made in the past few years, many challenges remain before Māori can realise their full potential. (For instance, unemployment rates remain above average).
- Treaty settlements and education reforms have provided Māori with an opportunity to become more active partners in making investment and planning decisions for their future workforce. Being able to “pull their own levers” means they will require more information.
- In particular, skill sets of Māori need to be better aligned to the new and growing areas of economic opportunity (directly or indirectly influenced by Māori) that are opening up.

The gains that Māori have made in recent years across economic, social and cultural dimensions have created a need for the Department of Labour to better understand and respond to Māori economic development issues. To achieve these aims, the Department developed the Māori Strategy 2008–2013,² based on the following:

- There are some key changes currently transforming our economy. To achieve economic transformation we must recognise that Māori economic development and the growth of the New Zealand economy are inter-dependent.
- The Department’s activities in relation to Māori economic and labour market development are set within a constitutional framework that recognises the Treaty of Waitangi and the special place Māori have as tangata whenua.
- It is clear that Māori are experiencing greater economic advancement. The Department can act as an enabler to this process by building and fostering high quality strategic relationships with Māori to share the information and knowledge the Department has access to and lock in the gains for Māori from an expanding involvement in the workforce.
- The vision for this Strategy is that Māori organisations, workplaces and workforces are a thriving and dynamic component of the New Zealand economy.
- There are two areas that the core business of the Department can contribute to in order to support the vision of the strategy: Māori Business Development and Māori Workforce Development.

² For more on the Department of Labour’s Māori Strategy, please visit <http://www.dol.govt.nz/services/LMI/maori/strategy.asp> (retrieved 15 June 2009).

- These areas fit into a framework based upon the Department’s overall outcome of Productive Work and High-Quality Working Lives and supported by the Department’s Intermediate Outcomes relating to Our Place in the World; Our Workplaces; Our Workforce; and Our People.
- In order to achieve the desired outcomes, the Department will be focussing its efforts across Māori labour market development; service delivery, policy and our sector and regional engagements; and internal staff, capability and culture.

Definition of Māori as used in this report

Statistics New Zealand’s Household Labour Force Survey (HLFS) and education data sourced from the Ministry of Education and Tertiary Education Commission uses the prioritised, “total response” method of counting Māori. With this method, survey respondents who reported more than one ethnic group are counted once in each group reported. Using this method ensures that all people who report Māori ethnicity are captured in the data analysis.

Changes in labour market conditions

Like most developed countries, New Zealand is currently experiencing a downturn in economic performance. The financial crisis first seen in the United States of America in September 2008 has had a significant impact on New Zealand, and exacerbated the downturn New Zealand had been experiencing in the months beforehand. This situation continues to evolve and will have a pronounced impact on the labour market. For more on the outlook for the labour market, see section 1.6 or our monthly Labour Market Update.³

This report includes Household Labour Force Survey data from the September 2009 quarter in an effort to capture the impact of the downturn on the labour market. It begins with a special section devoted to the impact of the recession on Māori. More in-depth information on topics raised in that section are found elsewhere in the report.

³ For more, see Department of Labour, Labour Market Update November 2009, <http://www.dol.govt.nz/publications/lmr/lmr-labour-market-update.asp> (Retrieved on 16 November 2009).

1. THE RECESSION'S IMPACT ON MĀORI: A SUMMARY

The recession has had a significant impact on Māori. Working Māori are especially vulnerable in a recession because of their over-representation in lower skilled jobs in at-risk industries. Other factors, such as the concentration of Māori in regions dominated by only a few susceptible industries and the lower qualification levels of Māori overall can make finding alternative work more difficult. The comparatively youthful age profile of the Māori population has also heightened the impact. Traditionally, youth have twice the unemployment rate of older groups, due to their lower skill levels and limited work experience.

This section begins with a look at two traditional measures of labour market performance – the unemployment and labour force participation rates. A detailed focus on how Māori employment patterns have changed is then presented. The performance of Māori youth receives special focus, including a look at Not in Education, Employment or Training (NEET) rates and targeted assistance programmes. The section concludes with an outlook for Māori in the short-term. More detail on many of the themes raised here can be found throughout the report.

1.1 Māori unemployment

Māori are less resilient⁴ than other groups in a recession and thus subject to higher levels of unemployment when a recession occurs. Māori unemployment is exacerbated by Māori having comparatively fewer qualifications, a youthful population, and the decline of industries like manufacturing and forestry that have traditionally employed high proportions of Māori workers. Once unemployed, Māori are also more likely to stay unemployed longer.

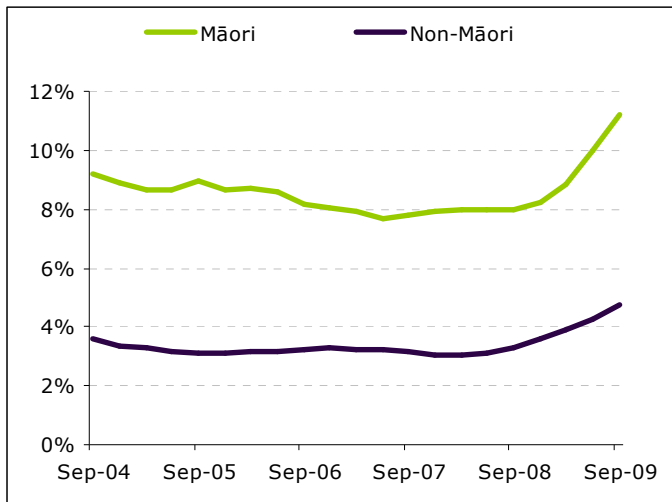
1.1.1 The unemployment rate

The unemployment rate for Māori has risen at a faster rate over the last year to an annual average of 11.2% in the September 2009 quarter,⁵ while the non-Māori unemployment rate reached 4.7%. This equates to an estimated 31,900 unemployed Māori in September 2009, which followed a declining trend in the Māori unemployment rate over the period 2004 to 2008, as shown in Chart 1.

⁴ A recently released Department of Labour report measures 'resilience' in the face of economic downturn, including the resilience of Māori: 'Identifying the Resilience of the New Zealand Workforce in a Recession': <http://www.dol.govt.nz/services/LMI/workforce2020/recession.asp>. (Retrieved on 10 October 2009)

⁵ The Household Labour Force Survey data presented throughout this report is annual average data. Four quarter moving averages are used to reduce the effects of sample error and seasonal variation. These numbers may differ from those found in other publications, which do not use this method.

Chart 1: Māori and non-Māori unemployment rates, 2004–2009

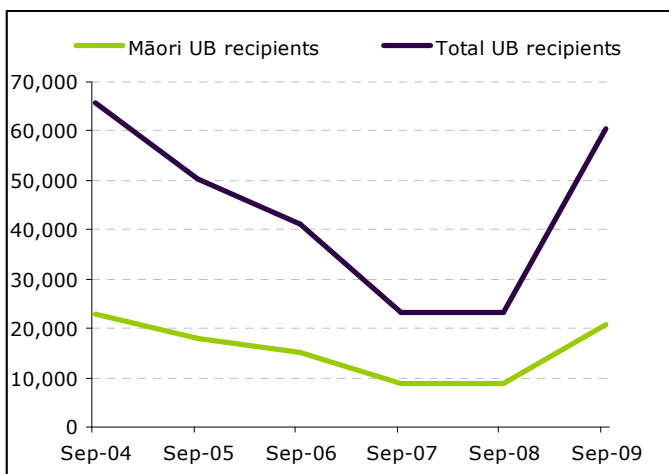


Source: Household Labour Force Survey, Statistics New Zealand.

1.1.2 Unemployment benefit numbers

While unemployment beneficiary statistics are not the official measure of unemployment, and are subject to policy changes, they are nevertheless a useful guide to labour market performance. In September 2009, 20,900 or 34.5% of those receiving an unemployment benefit⁶ were Māori. This is a sharp rise of 134% between 2008 and 2009, which indicates the impact of the recession. However, over the last year, the number of recipients of all ethnicities grew at a faster rate (161%). Between 2004 and 2008, there had been a noticeable decline in the number of Māori benefit recipients, as Chart 2 highlights. In part, this is a result of gains in Māori educational achievement and the sustained period of economic growth over this period.

Chart 2: Māori and non-Māori Unemployment Benefit recipients, 2004–2009



Source: Ministry of Social Development

⁶ Unemployment Benefits include Unemployment Benefits and Unemployment Benefits – Hardship and excludes Unemployment Benefits – Student – Hardship. Source: <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/2009-national-benefit-factsheets.html> (Retrieved on 3 November 2009).

1.1.3 Unemployment by region

Chart 3 shows the Māori unemployment rate for different regions as at September 2009. The highest unemployment rate was in Gisborne/Hawkes Bay at 15.8%, followed by Northland at 12.6%. In the larger centres, the rates were 10.4% in Auckland, 10.2% in Wellington and 8.5% in Canterbury.

The majority of the Māori population is based in northern regions, and there are often high proportions in remote regions. These regions have some of the highest rates of unemployment and lowest rates of labour force participation. Some of the areas where Māori represent a relatively high share of the population are heavily reliant upon one industry. These communities are vulnerable to a downturn in their key industry, putting the employment of local Māori at risk, especially as many of these industries produce commodities where profitability tends to be susceptible to changes in world prices.

Chart 3: Unemployment rate for Māori by region⁷ in the year to September 2009



Source: Household Labour Force Survey, Statistics New Zealand.

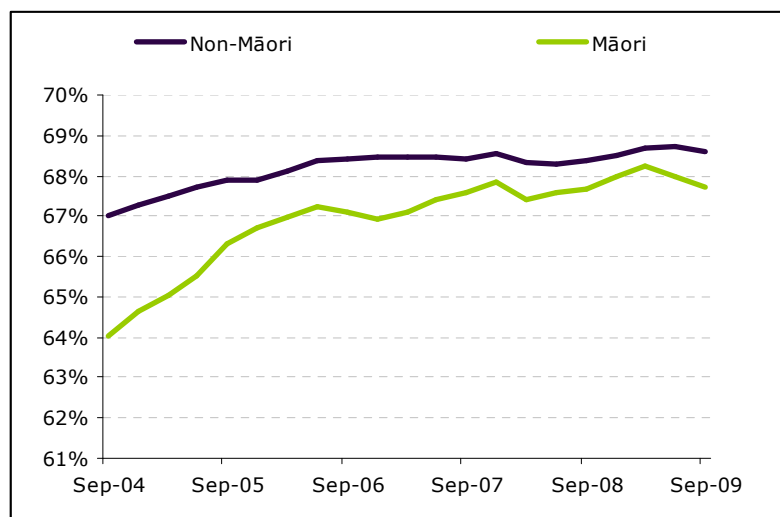
1.2. Māori labour force participation

Despite the easing in the labour market over the past eighteen months, labour force participation has remained relatively steady in New Zealand. For both Māori and non-Māori, the participation rate is similar to that recorded at the beginning

⁷ Statistics New Zealand suppresses data from the Household Labour Force Survey (HLFS) with a low cell estimate count as these estimates are subject to sample error to great for practical purposes. This was the case with the number of unemployed in some of these regions from which the unemployment rates were derived.

of the recession. The participation rate for Māori was 67.7% in the year to September 2009. This was slightly lower than the non-Māori rate of 68.6%. Perhaps more importantly, Chart 4 shows the beginning of a slight drop in Māori participation, which could potentially undo much of the closing over the gap between the Māori and non-Māori rates that has occurred over the last five years.

Chart 4: Māori and non-Māori labour force participation rates, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

During a recession, the participation rate is expected to fall over time as people are discouraged from participating in the labour market due to weak job prospects and instead turn to other activities such as study and childcare. Over the next year, as the labour market eases further, it is likely that the participation rate for both Māori and non-Māori will fall slightly.

1.3. The impact on Māori employment

The recession has impacted strongly on Māori employment, in part because some of the industries and occupations in which many Māori work are particularly vulnerable to international economic problems and are feeling the full brunt of the downturn. In the year to September 2009, 253,700 Māori were employed. This was a drop of 2.0% (or 5,100 jobs) on the same period a year earlier. In comparison non-Māori employment was much more stable, and dropped by only 400 jobs.

By occupation, the number of Māori trades workers had the largest fall (down 15.0% or 3,600 workers), followed by elementary occupation workers (down 9.2% or 5,100 workers). The latter are the least skilled workers who are frequently most at risk in a recession.

1.3.1 Affect on key industries

It is important to note that nearly all industries have felt the impact of the recession. Declines in one industry can have flow-on effects on others. For example, declining manufacturing leads to decreased demand for transport.

Similarly, fewer tourists can lead to a decline in retail sales and hospitality activity. Given that many Māori-owned businesses are associated with tourism, this is a significant concern.

It is useful to look at the effect of the recession on Māori employment in selected key industries, including construction, manufacturing, as well as agriculture, forestry & fishing and transport & storage, to better understand the impact of the recession.

Construction

Over the five years until 2008, Māori employment in construction grew strongly, but much of this progress has been undone over the last year, with employment in utilities and construction down 15.0% or by 4,100 jobs in the year to September 2009. The number of Māori trade workers fell 15.0%. Construction activities tend to move in conjunction with the economic cycle. The Department's recent *Construction Sector Outlook* report⁸ concluded that the construction industry is approaching the bottom of its downturn. However, employment is likely to fall further before starting to recover in 2010. When employment picks up the rise is likely to be gradual, as the working hours of existing staff can be increased again before firms need to recruit.

Manufacturing

While the number of Māori working in manufacturing has declined over the past five years, it continues to be the largest employer of Māori, employing 40,200 Māori in the year to September 2009. However, over the last year, Māori employment in manufacturing has fallen 3.0% or by 1,300 jobs. Manufacturing has had high levels of redundancy, as workers in the industry tend to have longer job tenure, be older and lower skilled and have limited levels of self-employment.⁹

Agriculture, forestry and fishing

Māori employment in this industry has declined over the past five years and is no longer a leading employer of Māori. While over the last year Māori employment in these primary industries has increased by 700 jobs, many Māori-owned businesses are concentrated on the production of commodities within this sector. Because commodity markets are particularly vulnerable to global economic conditions, the impact on Māori has been significant.¹⁰

Transport and storage

Māori employment in this industry declined 12.9% or by 2,000 jobs in the year to September 2009. Manufacturing and transport are industries containing a

⁸ Department of Labour, Construction Sector Outlook report, <http://www.dol.govt.nz/publications/lmr/construction-sector/summary.asp> (Retrieved on 18 October 2009).

⁹ Department of Labour, 'Identifying the Resilience of the New Zealand Workforce in a Recession': <http://www.dol.govt.nz/services/LMI/workforce2020/recession.asp> (Retrieved on 5 November 2009).

¹⁰ For more analysis of the social and economic impact of the recession on Māori see <http://www.tpk.govt.nz/en/in-print/our-publications/publications/the-implications-of-a-recession-for-the-maori-economy/> (Retrieved on 22 August 2009).

relatively high proportion of workers likely to face greater difficulty reattaching to work.¹¹

But there have been a few promising signs...

Māori employment has stood up well in some industries and occupations over the last year. In part this is due to an increase in Māori employment in skilled and highly skilled jobs across a range of sectors over the past five years, linked to improved educational outcomes.

There were gains in the number of Māori employed in some skilled and semi-skilled occupation groups over the past year, with technicians and associate professionals up 4.0% or 1,000 workers and clerks up 5.5% or 1,500 workers, despite the recession. By industry, around 19% of Māori are now employed in the education, health and community sectors, which have continued to grow through the recession. Māori employment has held up better than total employment (for all ethnicities) in property and businesses services (up 4.7% or 800 workers). These trends are an indication of a growing knowledge economy, based upon an increasingly skilled labour market.

Agriculture and construction, two badly affected industries, have been found to have resilient workforces. Agriculture contains a high proportion of workers with more experience of shifting to other work areas. Similarly, construction has workers who are relatively skilled, more flexible and more used to changing jobs. This resilience may help mitigate the longer-term consequences of job loss for workers in these industries.

1.4 How have previous recessions affected Māori?

In the past two recessions,¹² Māori unemployment rates have risen by more than the average for the total population. During the 1991/92 recession, the overall unemployment rate rose from 7.2% to 11.2%, however the Māori rate rose from 18.4% to 26.2%. Similarly, during the 1997-98 recession associated with the Asian Financial Crisis, the unemployment rate for Māori increased from 15.3% to 18.7% while the overall rate increased from 6.2% to 7.9%.

One of the reasons Māori are typically more affected can be attributed to their over-representation in lower skilled occupations. During the past two recessions, employment in highly skilled occupations also continued to rise while there were declines in the number of lower skilled jobs. With the recent movement towards higher skilled employment, this impact is likely to occur less in future recessions.

¹¹ For more, see <http://www.tpk.govt.nz/en/in-print/our-publications/publications/the-implications-of-a-recession-for-the-maori-economy/> (Retrieved on 22 August 2009).

¹² For more on the scale of the recession, see our recent report: <http://www.dol.govt.nz/publications/discussion-papers/current-recession/summary.asp> (Retrieved on 13 October 2009).

1.5 The impact on Māori youth

Youth are particularly vulnerable during the economic downturn due to their relatively low skill levels and lack of work experience. The younger Māori age profile means that the impact of youth labour market disengagement has had more severe consequences. According to the 2006 Census of Population and Dwellings, over half (53%) of Māori were younger than 25 years of age, compared with just over a third (36%) of the total New Zealand population.

1.5.1 Unemployed youth

Among Māori, youth have been worst affected by unemployment. Youth frequently have an unemployment rate around double that of all workers. A quicker increase in the rate of youth unemployment is also common in recessions. This is particularly evident over the last year, where the unemployment rate for Māori aged 15–24 years rose from 16.8 percent in the year to September 2008 to 23.1 percent in the year to September 2009. In comparison, the overall youth unemployment rate increased from 10.5% to 15.0%, over this time.

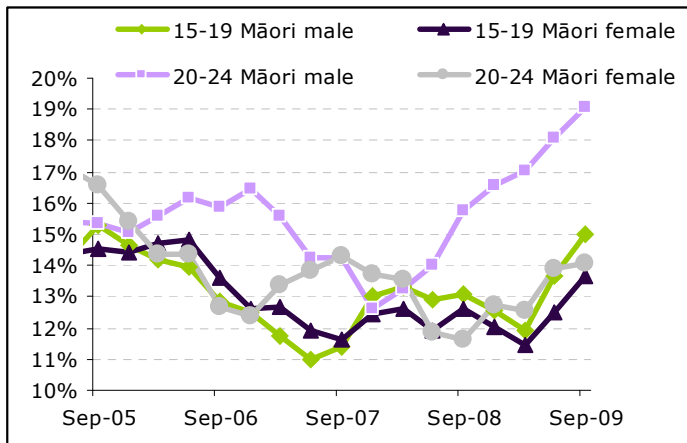
1.5.2 Youth not in education, employment or training (NEET)

Another way to see the impact of the recession on youth is via the Not in Education, Employment or Training (NEET) rate. In the year to September 2009, the NEET rate for Māori aged 15–24 years stood at 14.9%, well above the 8.2% for non-Māori.

Between 2005 and 2008, there had been a declining trend in the NEET rate for Māori males and females, with the exception of males aged 20–24 years whose rate has sharply increased since late 2007. The female rate for those 20–24 years was highest in 2005, but has shown the greatest decline. Among 15–19 year old Māori, the male and female rates have largely mirrored each other.

In the 15–19 year age group, 14.2% of Māori youth were NEET in the year to September 2009, which indicates an increase from 12.5% a year ago due to the recession, after a general decline over the past five years. The 20–24 year age group shows a higher NEET rate (16.1%) than the 15–19 year age cohort, but there has been a sharp rise in the Māori male rate since December 2007 due to the recession. There were significant differences between the Māori male and female rates in this age group. In the year to September 2009, the rate for Māori males aged 20–24 years was considerably higher at 19.1%, compared with a Māori female rate of 14.1%.

Chart 5: Māori NEET rates by age group and gender, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

1.5.3 Measures to assist youth

Several important policies should play a large role in addressing the problems faced by Māori youth in the recession.

The government focus on national infrastructure projects¹³ will create job opportunities over the next few years for specialised construction skills such as engineering within major civil construction projects. The government has also recently announced that more than 1,800 Māori will receive training in industries with strong employment prospects, including 250 in civil infrastructure, and more in the seafood industry in the months ahead.¹⁴

The new job opportunities package for youth - 'Job Ops'¹⁵ - targets unskilled 16-24 year olds with low or no qualifications who have limited job prospects by providing subsidies to employers prepared to take employ them.

'Community Max'¹⁶ provides a wage subsidy for six months for young people helping complete community-based projects. Community Max projects could include projects such as renovating public buildings or public spaces such as marae, or improving access to local environment such as parks and reserves. It provides an opportunity for young people to build skills and work experience while contributing to the community. In October 2009, Māori youth were the majority of the programme's over 800 participants.

The Employment Relations Amendment Act 2008, which provides new workers with a 90 day probation period¹⁷ also potentially gives more at-risk youth a chance to succeed in the workforce.

¹³ For more, see <http://www.beehive.govt.nz/speech/speech+throne+0>, (Retrieved on 9 December 2009).

¹⁴ For more, see http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=10586163, (Retrieved on 23 July 2009).

¹⁵ <http://www.beehive.govt.nz/release/job+ops+young+kiwis> (Retrieved on 9 August 2009).

¹⁶ For more, see <http://www.workandincome.govt.nz/community/a-z-grants-and-other-help/community-max.html> (Retrieved on 8 September 2009).

¹⁷ For more, see <http://www.parliament.nz/en-NZ/PB/Legislation/Bills/BillsDigests/8/b/1/49PLLawBD16501-Employment-Relations-Amendment-Bill-2008-Bills-Digest.html> (Retrieved on 15 September 2009).

The Youth Guarantee programme,¹⁸ which will be implemented in 2010, aims to keep young people in education who otherwise might be left behind, recognising that some students can be better motivated in non-work settings. The programme provides free study towards school-level qualifications in settings such as polytechnics, wānanga and private training establishments. A key objective of the programme is increasing the educational achievement of 16 and 17 year olds who are not engaged in education or who would have otherwise entered work by providing them with improved access to study towards qualifications at level 1 to 3 on the National Qualifications Framework. Māori youth will be specifically targeted, with trade and service academies within schools set to be selected in areas with high proportions of NEET Māori youth.

1.6 Outlook for the labour market

The outlook for the labour market over the medium-term remains relatively weak. While the labour market exited recession in the June 2009 quarter, growth is expected to remain subdued throughout the remainder of 2009. In addition, any improvement seen in the labour market will lag that of the recovery in the wider economy.

Employment growth is expected to remain weak in coming quarters with the unemployment rate to continue to increase into 2010. The September 2009 National Bank Business Outlook and Quarterly Survey of Business Opinion both show that firms are intending to keep staff numbers at current levels. This may signal that job destruction has slowed, but may also suggest there is little sign of job creation. Employers may be waiting to see if the recovery will be sustained before hiring new staff. As a result, we could see employment losses begin to slow in the near future, but unemployment continue to rise as new entrants to the labour force struggle to find work.

Weakness is expected to continue in a number of industries such as manufacturing, retail and tourism-related industries, such as hospitality that are expected to experience a fall in employment over the short-term. Māori are over-represented in these industries, so Māori are likely to be disproportionately affected by the downturn in employment. However, confidence in another key employer of Māori, the construction industry, is rising.¹⁹

Gains that have been made in Māori participation in training and education should help dampen the impact of the recession. One important upside of the recession is evident in Māori tertiary enrolments. September 2009 Household Labour Force Survey figures show a 17.2% increase in 15-24 year old Māori engaged in formal study, compared with a year earlier. This will translate into upskilling and should

¹⁸ For more, see <http://www.beehive.govt.nz/release/jump-start+youth+guarantee>, (Retrieved on 16 November 2009).

¹⁹ For more, see the Department of Labour's Construction Sector Outlook report, <http://www.dol.govt.nz/publications/lmr/construction-sector/summary.asp> (Retrieved on 15 October 2009).

help ensure students entering (or re-entering) the workforce are better positioned once the labour market improves.

For more on the outlook for the labour market, see our monthly Labour Market Update.²⁰

²⁰ For more, see Department of Labour, Labour Market Update November 2009, <http://www.dol.govt.nz/publications/lmr/lmr-labour-market-update.asp> (Retrieved on 16 November 2009).

2. THE MĀORI POPULATION: LABOUR MARKET IMPLICATIONS

When analysing Māori labour market outcomes, it is important to first look at key demographic factors that determine the available labour supply. Understanding the regional distribution of Māori across New Zealand and how this has changed in recent years informs potential labour supply issues. Some regions have fewer job prospects than others, for instance, and many of these are home to large pockets of the Māori population. Māori also migrate more regularly within the country than other groups, as migration data reveals, and many head across the Tasman for work, taking with them valuable skills and experience.

The comparatively younger age profile of Māori has implications for educational and training needs. The Māori population is also growing quickly, meaning there will be a larger Māori workforce in the future, which is discussed in more detail in Section 7.

This section examines several important characteristics of the Māori population, beginning with a look at population distribution. An examination of the age profile and population growth estimates follows. Māori migration patterns, both within New Zealand and to Australia, are outlined. The labour market implications of these findings are then discussed.

2.1 Regional distribution

According to the 2006 Population Census, there were 565,300 people who identified as having Māori ethnicity, equivalent to 14% of New Zealand's total population. Table 1 shows how the Māori population is distributed by region, and the growth between 2001 and 2006. The large majority of Māori (87%) live in the North Island, particularly in the regions of Auckland, Waikato and Bay of Plenty. However, the highest rates of population growth have been in the South Island, in the regions of Canterbury and Otago, two regions with traditionally small Māori populations.

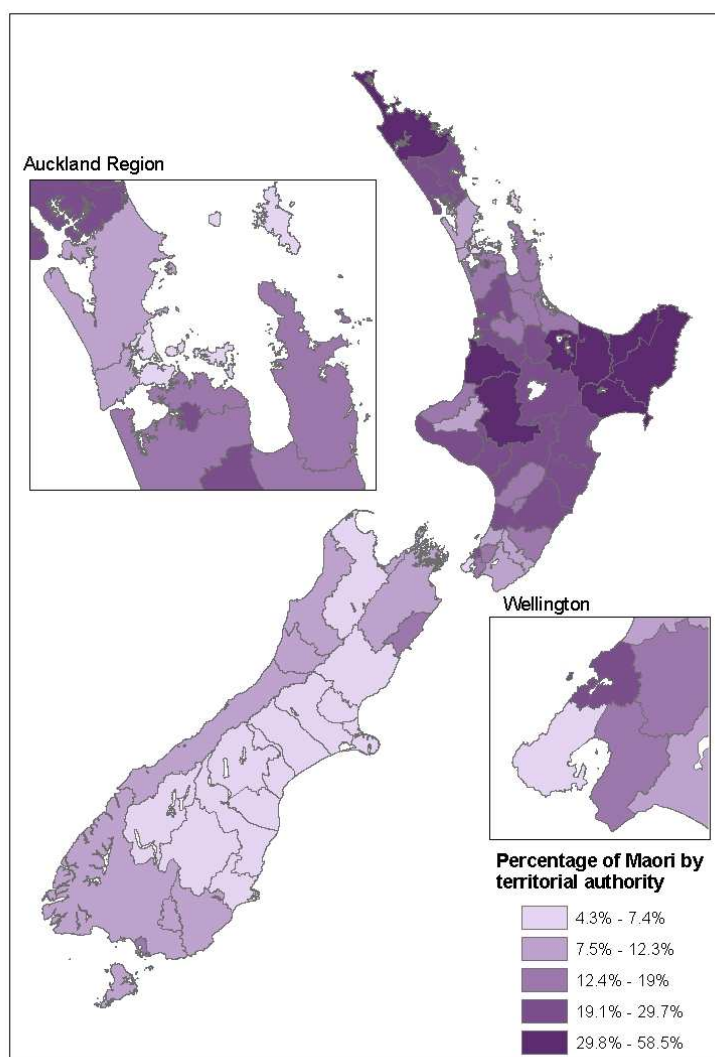
Table 1: Māori population distribution and growth by region, 2001–2006

Region	2006		Share of all	Growth
	Male	Female	Māori (%)	2001–2006 (%)
Northland	20,973	22,554	8	6.9
Auckland	65,823	71,310	24	7.4
Waikato	37,305	39,267	14	5.1
Bay of Plenty	32,700	34,962	12	6.3
Gisborne	9,468	10,290	3	2
Hawke's Bay	16,125	17,430	6	4.6
Taranaki	8,004	7,794	3	8.5
Manawatu–Wanganui	20,706	21,579	7	7.7
Wellington	26,742	28,692	10	8.4
<i>North Island</i>	<i>237,846</i>	<i>253,878</i>	<i>87</i>	<i>6.6</i>
Tasman	1,539	1,527	1	10.3
Nelson	1,758	1,854	1	12.3
Marlborough	2,127	2,151	1	9.8
West Coast	1,464	1,455	1	14.5
Canterbury	18,453	18,216	6	15.9
Otago	6,186	6,084	2	16.4
Southland	5,280	5,139	2	3.8
<i>South Island</i>	<i>36,807</i>	<i>36,426</i>	<i>13</i>	<i>13.3</i>
<i>Total New Zealand</i>	<i>274,860</i>	<i>290,466</i>	<i>100</i>	<i>7.4</i>

Source: 2006 Census of Population and Dwellings, Statistics New Zealand.

Chart 6 shows the relative concentration of Māori in each territorial authority throughout New Zealand. The lowest proportion of Māori was located in Wellington and Auckland cities, Rodney, Waitakere City, the Kapiti Coast and most of the South Island. In contrast, the highest share of Māori was found in Gisborne, eastern Bay of Plenty, Far North, Waitamo and Ruapehu. Māori represented a relatively high proportion of the population through the central North Island and the Northland region. More than half the population in the areas of Kawerau, Wairoa and Opotiki were Māori. Māori are over-represented in many centres where one industry is responsible for 10% or more of employment, which makes them more vulnerable in times of recession.

Chart 6: Proportion of the Māori population by territorial authority, 2006



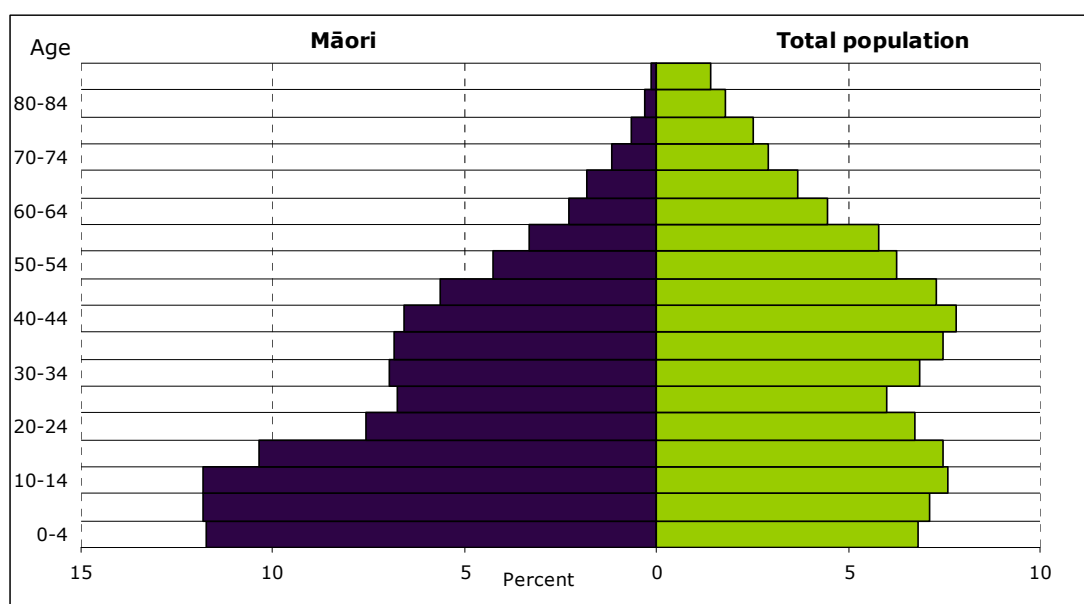
Source: 2006 Census of Population and Dwellings, Statistics New Zealand.

2.2 Māori age profile

Māori have a younger age profile compared with the rest of the New Zealand population, due in part to a higher birth rate. According to the 2006 Population Census, over half (53%) of Māori were younger than 25 years of age, compared with just over a third (36%) of the total New Zealand population.

Chart 7 illustrates the different age profile of Māori compared with the total population. There were significantly higher proportions of Māori aged under 20 years. The age profiles of Māori and non-Māori were quite similar in the age bands from 20 through to 49 years. It is in the over 50 year age group that Māori are under-represented, with only 6% of Māori aged over 60 years compared with 17% of the total population. This significant demographic difference means Māori are more likely to still be in school or in training, compared with the broader population. Over the next twenty years, many more Māori will also enter the workforce.

Chart 7: Māori age distribution, 2006



Source: 2006 Census of Population and Dwellings, Statistics New Zealand

2.3 Population growth

2.3.1 Population projections to 2021

The Māori population is projected to grow at an annual average rate of 1.4% over the period 2006–21.²¹ This is higher than the projected growth rate for Europeans (0.4%) over the same period, but lower than the projected growth for Pacific peoples (2.5%) and for Asians (3.7%). By region, the highest projected rates of average annual growth for Māori are in Nelson (2.4%), Canterbury (2.2%), Otago (1.8%) and Auckland (1.7%). By 2021, Māori are projected to represent around 16% of the New Zealand population.

The age group distributions for each ethnic group in 2006, and projected age group distributions for 2021, are summarised in Table 2. In 2006 the median age for Māori (22.9 years) was nearly 13 years younger than the median age for all New Zealanders (35.8 years). The median age of Māori is projected to increase by 2021 to 24.6 years, but this would be more than 14 years younger than the projected median age for all New Zealanders (38.8 years old). The age distribution of Māori is projected to shift slightly towards the older age-groups by 2021, but the difference in age distribution between Māori and the older European population is projected to increase as the European population will age faster than Māori.

²¹ All population projections are sourced from the Subnational Ethnic Population Projections, produced by Statistics New Zealand. The medium series of projections have been used in each case (Statistics NZ also produce a high and low series).

Table 2: Projected age group distribution of ethnic populations, 2006 (base) – 2021

Ethnic group	Projected age group (years) distribution of ethnic populations (percent)					Median age (years)
	0–14	15–39	40–64	65+	All ages	
	2006 (base)					
European or Other	20%	32%	33%	14%	100%	38.3
Māori	34%	39%	22%	4%	100%	22.9
Asian	21%	48%	27%	5%	100%	28.5
Pacific	37%	40%	20%	4%	100%	21.7
Total	21%	35%	32%	12%	100%	35.8
	2021					
European or Other	18%	29%	32%	20%	100%	42.2
Māori	34%	35%	23%	7%	100%	24.6
Asian	22%	39%	30%	9%	100%	34.5
Pacific	36%	37%	21%	6%	100%	22.7
Total	19%	32%	31%	17%	100%	38.8

Note: Due to rounding, the percentages for each age group may not always sum to 100%.

Source: Subnational Ethnic Population Projections, Statistics New Zealand

2.3.1 Māori fertility rates

The total fertility rate for Māori women in the March 2009 year was 2.96 births per woman, up from 2.87 in 2008 and 2.60 in 1999, and well above the rate for the total population (2.18 births per woman). Māori women giving birth tend to be younger, with a median age of 26 years in the March 2009 year. The median age for Pacific, Asian and European women was 27, 30 and 31 years, respectively.²² In terms of labour market outcomes, this means comparatively more Māori women are out of the labour force and often for longer periods at younger ages. It is often the work experience gained at younger ages that determines career development the most. Being out of the labour force during these years is likely to hamper employment opportunities in later years.

2.4 Māori migration

One significant feature of the Māori population is its high degree of mobility. Nearly two-thirds (63%) of Māori moved addresses in the five years between 2001 and 2006, as shown in table 3.²³ This is due to the younger age structure of Māori, and the fact that younger age groups (particularly those aged 20–39 years) tend to have the highest migration rates. This reflects a trend of increasing Māori mobility. Twenty years earlier, in the five year period 1981–86, under half of Māori (48%) had moved in the previous five years. The total New Zealand population has also become more mobile, due to improved economic conditions and employment opportunities.²⁴

²² http://www.stats.govt.nz/browse_for_stats/population/births/BirthsAndDeaths_HOTPMar09qtr/Commentary.aspx (Retrieved on 30 June 2009).

²³ The figure of 63% is calculated by summing those Māori who have moved, and dividing this by total Māori minus 'not stated' and 'not born five years ago'.

²⁴ Material on Māori migration has been sourced from the Statistics New Zealand paper "Māori mobility in New Zealand", which analyses results from the Censuses over the period 1986 to 2006:

Table 3: Māori Migration behaviour, 2001–2006

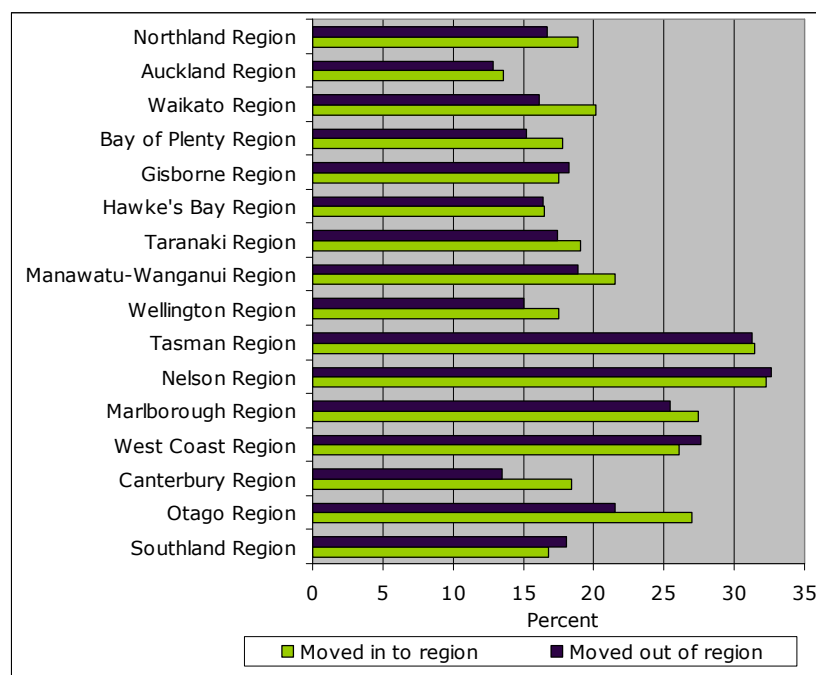
	Male	Female	Total
Non-movers	86,316	90,819	177,135
Moved within New Zealand	135,453	150,765	286,221
Moved to New Zealand from overseas	5,706	5,610	11,316
Not Born Five Years Ago	34,071	32,352	66,423
Not Stated	13,314	10,920	24,234
Total	274,860	290,469	565,326

Source: 2006 Census of Population and Dwellings, Statistics New Zealand

Most migration occurs within a region, but Māori were also more likely than other groups to move between regions. Auckland lost 13% of its Māori population between 2001–06 due to migration to other regions, but gained 14% of its Māori population from inward migration from other regions. The net inter-regional flows were most positive for the Otago, Canterbury and Waikato regions. The migration flows in and out of each region are shown in Chart 8. The main urban areas gained more Māori migrants than they lost to other areas. The majority of this net gain was due to flows between minor urban areas and main urban areas.

An increasing number of Māori were born overseas, or returned to New Zealand after a period of living abroad. About 2.4% of Māori in the 2006 Census of Population and Dwellings who were aged over five and provided their address five years ago lived overseas in 2001. This is still a much lower rate than for the total New Zealand population (9.4%) who were living overseas in 2001. The large majority of Māori who came from overseas were living in main urban areas.

Chart 8: Māori inter-regional migration, 2001–2006



Source: 2006 Census of Population and Dwellings, Statistics New Zealand

<http://www.stats.govt.nz/analytical-reports/internal-migration-report/Māori-mobility-in-new-zealand/m%c4%81ori-mobility-in-new-zealand.htm> (Retrieved on 28 June 2009).

2.4.1 Migration motivations within New Zealand

Statistics New Zealand also measures migration through their 'Survey of Dynamics and Motivation for Migration in New Zealand'. Table 4 shows the main reasons, by ethnicity, for choosing to move to the current residence for persons who moved in the two years prior to the survey.

Social factors, such as wanting to live with or close to family, were the main reason for recent Māori moves. This was followed by economic factors. Europeans, by contrast, were most commonly motivated to move to their current residence by environmental factors such as availability of services, the local area and quality of life.

Table 4: Main reasons for moving to current residence by ethnic group, 2007

Ethnicity	Most common reason ranked:		
	1 st	2 nd	3 rd
European	Environment	Social	Economic
Māori	Social	Economic	Housing
Pacific	Social	Economic	Environment
Other	Education	Environment	Employment

Source: Survey of Dynamics and Motivation for Migration in New Zealand: March 2007 quarter, Statistics New Zealand.

2.4.2 Māori migration to Australia

The 2006 Australian Census of Population and Housing revealed that 92,912 people stated Māori ancestry amongst their first two ancestry responses.²⁵ A Te Puni Kōkiri report in 2007 provides additional information on why Māori move to Australia and their experiences there.²⁶ The report suggests that, due to under-reporting, the true figure may be at least 10% higher, or around 100,000 people.

The report found that Māori migrate to Australia primarily for economic reasons. In the Te Puni Kōkiri survey sample of 1,205 Māori living in Australia, most Māori moved there in years when the Australian economy was doing relatively well compared with New Zealand's. Over half (60%) of the sample said they had moved to Australia to get a better job, or for the chance to get better work. Joining family already in Australia was a reason for just over one-third of migrants.

According to the 2001 Australian Census of Population and Housing, Māori represented 14% of the New Zealand-born population in Australia.²⁷ The age-structure of Māori living in Australia was concentrated in the 15–44 years age range, with this group making up 54% of the Māori population in Australia

²⁵ For more, see <http://www.censusdata.abs.gov.au> (Retrieved on 1 July 2009).

²⁶ The full "Māori in Australia" report and a summary are available on the Te Puni Kōkiri website: <http://www.tpk.govt.nz/en/in-print/our-publications/fact-sheets/Māori-in-aus/?q=australia> (Retrieved on 3 July 2009).

²⁷ The Te Puni Kōkiri report, "Māori in Australia", was released shortly before the 2006 Australian census results became available so it mostly refers to results from the 2001 census.

compared with 46% in New Zealand. Because migration is more common for young adults, New Zealand may primarily be losing Māori who have quite recently entered the labour force.

Two-thirds (65%) of Māori aged 15 years and over in Australia were employed, compared with only 54% in New Zealand. This suggests that those who left for better job opportunities had experienced success.

Nearly 87% of survey respondents in the report said their employment was either "much better" or "a bit better" since moving to Australia. There were high concentrations of Māori in shearing, mining, construction and security. Other common roles included machine operating, labouring and clerical work. It was not uncommon for Māori to say they had doubled their salary since moving to Australia, particularly for those moving from the lowest paid jobs in New Zealand. They tended to be doing the same work they had done in New Zealand, but for significantly more money.

It is important that New Zealand's labour market remains competitive and offers opportunities to encourage Māori to continue to work in New Zealand, as well as aiming to attract these Māori back to New Zealand.

2.5 Discussion

Around one in seven New Zealanders (or 14%) were Māori, according to the 2006 Census of Population and Dwellings. The Māori population is projected to grow more quickly than the European population over the period 2006–21. As Māori are projected to represent a bigger share of the population over time it will become increasingly important to improve Māori labour market outcomes.

Māori have a young age structure compared with the total New Zealand population, which is projected to continue. This means that a relatively high proportion of Māori is still in education, while a relatively low proportion is aged over 65 years.

As the total New Zealand population ages, with the numbers aged over 65 years set to increase significantly, Māori will be increasingly important segment of the labour market, and so there is a need to maximise the potential of young Māori as they enter the labour market. This is important as New Zealand has relatively low labour productivity. The government has announced a target of matching Australia's productivity by 2025. For this to occur, New Zealand's labour force will need to be increasingly skilled, which will require an increasing involvement by and reliance on Māori.

Youth are particularly vulnerable during the economic downturn due to their relatively low skill levels and lack of work experience. The younger age profile of Māori means that the impact of youth labour market disengagement hits harder, as discussed in Section 6.

The movement of Māori youth to study in the major centres brings with it many benefits. The acquisition of skills and knowledge can help ensure successful labour market outcomes for the individual concerned. However, for some regions and iwi the consequences of youth leaving to study can be costly, as skills shortages hinder social and economic development.

All too often the best students who leave to study do not return. Greater opportunities exist in larger centres. Consequently, efforts to entice educated youth to return to their home regions should be encouraged, provided appropriate job opportunities exist. One good example is Te Rūnanga o Ngāti Porou, which has visited all universities and met with their students (predominantly from Gisborne) to inform them about local developments in Gisborne, the skills the region requires and potential careers in the region.

Some of the areas where Māori represent a relatively high share of the population are heavily reliant on one industry. One example is around Gisborne, where over 20% of employment is in the 'sheep, beef cattle and grain farming' industry. The 'dairy cattle farming' and 'fruit and nut tree growing' industries account for over 20% of employment in some parts of Rotorua and eastern Bay of Plenty.

While these are not at-risk industries in the current economic climate, there are areas which are vulnerable to a downturn in their key industry, putting the employment of local employment at risk. Many of these industries produce commodities which by nature tend to be susceptible to price changes and drought. The Māori population is also more concentrated in more rural and northern areas where labour force participation is lower and unemployment is higher.

Around 100,000 Māori are now living in Australia, with the majority having moved there to take advantage of better employment opportunities and higher pay. Māori in Australia overwhelmingly report that they have found better employment and enjoy a reputation of being hard-working and reliable. From a labour market perspective, valuable skills and experience are lost. If Māori can be attracted back home, then the work experience gained in Australia will be invaluable in the labour market. The Hui Taumata Trust's linkages with networking website Kea New Zealand²⁸ to build better business and employment networks with Māori living overseas is a positive step in this regard. While more concrete actions may be required to achieve this, the economic downturn may well help reverse this labour flow over the next 12 months.

²⁸ Kea New Zealand is a business networking website that links New Zealanders all around the world. For more, see <http://www.keanewzealand.com/index.html>, (Retrieved on 17 November 2009).

3. MĀORI IN EDUCATION AND TRAINING

Examining how Māori are able to attain skills is an important dimension in evaluating Māori labour market outcomes. The majority of school leavers go straight into the labour market, so school leaver statistics tell us about the skills they bring with them. Information on the qualifications of school leavers is also essential for identifying how many youth will enter tertiary education, which is a guide to the level of skills likely to be available in the future.

Knowing how well tertiary students are performing and what they are studying also helps shape our understanding of the labour market in the years ahead. As will be shown, an increasing number of adult Māori participated in tertiary studies in recent years. This will improve job prospects for those already in or re-entering work. Yet formal study is not the only type of education in which Māori engage.

For Māori already in the workforce, workplace training is the key means of improving or creating new workplace skills. These skills are important within a changing workplace environment influenced by new technology. Industry training and modern apprenticeships also have the additional benefit of contributing to an increase in New Zealand's productivity.

This section begins with a discussion of school leaver trends, and then examines Māori participation in tertiary education. Participation rates, fields and levels of study, and qualification completion rates are then discussed. It finishes with a look at trends in Māori participation in industry training and the Modern Apprenticeship programme.

3.1 School leaver qualifications

School leaver data reveals that Māori have made much progress since 2005. Table 5 shows that the percentage of Māori school leavers achieving the highest level of attainment, NCEA level 3 or higher, increased between 2005 and 2008 from 10.8% to 19.3%. Significantly, the proportion of Māori pupils who left school with little or no formal attainment dropped from 25.0% to 10.4% over this time.

These improvements in NCEA level 3 attainment were at similar rates to those shown by non-Māori school leavers, while the decline in those leaving without qualifications far exceeded the non-Māori rate. The declining rate of no formal attainment is very important, as it is the lowest qualified school leavers who are the most at risk of poor labour market outcomes. In part, this decline is the result of dedicated Ministry of Education programmes within schools, including Achievement In Multi Cultural High Schools (AIMHI), Te Kōtahitanga, and Student Engagement Initiative (SEI).²⁹

²⁹ For more, see <http://www.minedu.govt.nz/NZEducation/EducationPolicies/MaoriEducation/Initiatives.aspx> (Retrieved on 6 July 2009).

Māori females are outperforming males at school. In 2008, 13.9% of Māori male school leavers left with NCEA level 3, compared with 24.7% of females. Amongst those who left with little or no qualifications, the gap was less noticeable, at 11.6% of Māori males and 9.2% of females.

Table 5: Highest attainment of Māori and non-Māori school leavers, 2005–2007

School leavers (%)	Non-Māori		Non-Māori		Non-Māori		Non-Māori	
	2005	2006	2005	2006	2007	2007	2008	2008
NCEA Level 3 or higher (1) Halfway to a Level 3 qualification (2)	10.8	34.1	13.5	37.1	17.1	39.6	19.3	43.7
NCEA Level 2 (3) Halfway to a Level 2 qualification (4)	8.4	12.8	8.7	12.8	9.3	12.7	11.5	14.1
NCEA Level 1 (5) Halfway to a Level 1 qualification (6)	13.4	16	14.5	15.8	17.5	18.2	19.5	17.2
Less than halfway to a Level 1 qualification (7)	10.4	8.1	10.8	8.0	12.2	8.5	11.9	7.3
Little or no formal attainment (8)	8.0	6.8	8.5	6.2	9.2	6.3	8.11	5.2
Total	13.5	7.5	12.6	7.2	14.5	6.8	11.7	5.2
	10.4	4.7	9.5	4.4	10.0	4.1	7.51	3.1
	25.0	10.0	21.8	8.6	10.1	3.7	10.4	4.3
	100	100	100	100	100	100	100	100

Source: School leaver data, Ministry of Education

Notes:

1. Includes NZ Scholarship, National Certificate at level 4, NCEA level 3 and other level 3 NQF qualifications.
2. Includes 30+ credits at NCEA level 3 or above and International Baccalaureate year 13 or Cambridge International Exams year 13 or Accelerated Christian Education Certificate year 13 or other overseas awards at year 13 level.
3. Includes NCEA level 2 and other NQF level 2 qualifications.
4. Includes 30+ credits at level 2 or above and International Baccalaureate year 12 or Cambridge International Exams year 12 or Accelerated Christian Education Certificate year 12 or other overseas awards at year 12 level.
5. Includes NCEA level 1 and other level 1 NQF qualifications.
6. Includes 40+ credits at level 1 and International Baccalaureate year 11 or Cambridge International Exams year 11 or Accelerated Christian Education Certificate year 11 or other overseas awards at year 11 level.
7. Includes 14–39 credits at NCEA level 1 or above.
8. Includes fewer than 14 credits at NCEA level 1, 2 or 3.

3.2 Participation in tertiary education

Tertiary education is an important stepping stone. It plays a large part in determining the successful entry of youth into employment. It also aids the upskilling of those who are already in work or wishing to return to the workforce and those seeking to progress to a more highly skilled position.

3.2.1 Participation rates

Māori had higher tertiary education participation rates³⁰ in the 25–39 years and over 40 years age brackets than the population as a whole. However, younger Māori (those aged 18–24 years) participated less in tertiary study than those of the same age in the total population.

Since 2001, Māori participation rates in tertiary study have been relatively stable among young Māori, as shown in Table 6. The proportion of Māori students younger than 18 years participating in tertiary study in 2008 was 12.3%, but declined by 3.5 percentage points between 2001 and 2008. This was largely because of a change in tertiary education priorities in 2005, which meant fewer funded courses were open for those under 18 years.³¹

Just over one-third (34.0%) of Māori aged 18–19 years participated in tertiary education in 2008. This number was relatively static between 2001 and 2008. In recent years, Māori youth in this age group have made a positive shift away from level 1 to 3 qualifications towards study at level 4 and above, including degree-level study. This is significant as learners who enrol in tertiary study directly from school have higher completion rates and are more likely to undertake higher level study than other learners. Earlier tertiary participation by youth also plays a key role in maximising the career and financial gains that stem from higher-level qualifications.

Despite these gains, the gap between the participation rate for 18–19 year old Māori and non-Māori 18–19 year olds has grown over the last six years from 12.1 percentage points in 2003 to 14.6 percentage points in 2008. This widening gap will have repercussions for the labour market outcomes for Māori in this crucial age group, and needs to be an area of focus in the short term.

In the 20–24 year age group, 28.1% of Māori were in tertiary study. The small decline in Māori participation in this age group between 2001 and 2008 matched that of the total population.

In 2008, 21.1% of Māori aged 25–39 years and 14.3% of those aged over 40 years were studying, which was well ahead of the non-Māori population, with the gap growing between 2001 and 2008. A recent Ministry of Education study³²

³⁰ The participation rate is the percentage of the population aged 15 and over who were enrolled in tertiary study at any time during the year.

³¹ In 2005 education reforms, higher qualifications were prioritised, leading to a series of reviews of level 1–3 qualifications. One of the consequences was a major shift in the distribution of enrolments, with fewer people taking these qualifications. These qualifications were most popular among under 18 year olds.

³² Ministry of Education, "Māori achievement in bachelors degrees revisited", June 2008.

showed that Māori participation increased the most among those people aged 40 years or over.

While the overall rate of Māori tertiary participation exceeds that for non-Māori, Māori are more likely to participate at the lower level. In 2008, for instance, 10.4% of Māori were taking level 1-3 courses, compared with 4.9% of the total population. These trends have largely remained constant since 2001.

Table 6: Māori and non-Māori tertiary participation rates by age group, 2001–2008³³

Age groups	Year enrolled								Percentage point change	
	2001	2002	2003	2004	2005	2006	2007	2008	from 2001	from 2007
Māori										
Under 18	15.8%	12.8%	12.8%	13.3%	15.9%	13.0%	12.6%	12.3%	-3.5	-0.3
18–19	34.7%	36.0%	34.8%	34.6%	33.8%	34.5%	34.6%	34.0%	-0.7	-0.6
20–24	28.3%	32.0%	32.9%	32.8%	30.9%	29.7%	28.7%	28.1%	-0.2	-0.6
25–39	19.7%	25.6%	27.3%	27.6%	26.1%	23.8%	22.5%	21.1%	1.4	-1.4
40+	9.8%	14.7%	16.6%	16.9%	16.9%	15.9%	15.6%	14.3%	4.5	-1.3
Total	17.7%	21.7%	22.9%	23.1%	22.5%	20.9%	20.2%	19.1%	1.4	-1.1
Non-Māori										
Under 18	9.7%	9.3%	8.8%	9.1%	12.7%	9.2%	8.7%	8.2%	-1.5	-0.5
18–19	46.8%	45.1%	44.2%	45.7%	47.2%	48.3%	49.0%	48.6%	1.8	-0.4
20–24	34.1%	33.8%	32.9%	32.9%	33.0%	33.3%	33.8%	33.8%	-0.3	0
25–39	12.7%	13.7%	14.7%	15.6%	15.8%	14.9%	14.4%	13.2%	0.5	-1.2
40+	4.0%	4.6%	5.4%	6.1%	6.7%	6.7%	6.5%	5.7%	1.7	-0.8
Total	10.5%	11.1%	11.7%	12.4%	12.9%	12.5%	12.3%	11.5%	1	-0.8

Source: Ministry of Education

3.2.2 Qualification completions

It is worthwhile looking at qualification completion rates for tertiary courses as these reflect the extent to which students have acquired all the knowledge and skills required for that qualification. The prospects for those entering or re-entering the labour market are also enhanced.

Between 2001 and 2008, Māori students made strong gains, increasing their number of qualification completions by 67.7%, compared with an increase of 28.1% for non-Māori, as shown in Table 7. Over this period, the strongest gains were among Māori females, with the number of completions rising 81.3%. The tendency among all ethnic groups for females to outnumber males among those

³³ For domestic students enrolled in more than 0.3 EFTS of a formal qualification from a tertiary education provider at any time during the year. It excludes all non-formal learning and on-job industry training as well as those private training establishments that neither received tuition subsidies nor were approved for student loans or allowances.

completing a qualification was most pronounced among Māori.³⁴ In 2008, 65.9% of all Māori students who completed a qualification were female. This disparity between Māori females and males was consistent among almost all qualification types. That there is a substantial achievement gap between Māori females and males suggests that Māori males are less likely than females to have gained the skills necessary for a labour market that increasingly demands high skills.

While more Māori have gained qualifications in recent years, Māori were less likely than non-Māori to complete higher qualifications. In 2008, Māori comprised only 9.0% of all those students who completed a bachelors degree, 7.5% of those who completed a masters degree, and 5.2% of all those who completed a doctorate. These proportions have changed little from 2001 to 2008.³⁵

³⁴ Te Puni Kōkiri, "For Māori Future Makers", Te Puni Kōkiri research report, October 2007. <http://www.tpk.govt.nz/en/in-print/our-publications/publications/for-maori-future-makers/> (Retrieved on 17 August 2009).

³⁵ For more, see Nga Haeata Mātauranga – Annual Report on Māori Education 2007-2008, pp 78-79. <http://www.educationcounts.govt.nz/publications/series/5851> (Retrieved on 2 November 2009).

Table 7: Share of domestic Māori and non-Māori tertiary students by completed qualification, 2001–2008

Number of completions	Year completed								% change	
	2001	2002	2003	2004	2005	2006	2007	2008	2001–2008	2007–2008
<i>Māori</i>										
Female	7,392	11,656	15,548	15,502	14,201	14,892	12,318	13,404	81.3	8.8
Male	4,737	5,774	7,134	6,532	7,451	6,493	6,173	6,942	46.5	12.4
Total	12,129	17,430	22,682	22,034	21,652	21,385	18,491	20,346	67.7	10.0
<i>Non-Māori</i>										
Female	36,770	38,485	42,206	49,229	50,833	50,956	45,232	47,831	30.1	5.7
Male	25,272	25,999	29,366	33,001	42,070	34,701	30,448	31,614	25.1	3.8
Total	62,042	64,484	71,572	82,230	92,903	85,657	78,596	79,445	28.1	1.1

Source: Ministry of Education

Notes:

1. There were process changes to the collection of completions in 2007. Because of transitional problems, some private training establishments were unable to return their completions records for 2007. Due to this reason results for private training establishments are not available for 2007. The Ministry of Education has adjusted the grand total to compensate for this.
2. Data for 2008 has been extracted from the April 2009 Ministry of Education data collections, and is subject to change.
3. Data excludes those private training establishments which did not receive government tuition subsidies.
4. Students who completed a qualification at more than one level have been counted in each level. Consequently, each row may not sum to 100%

3.2.3 Field of study

Examining the fields of study in which students are enrolled is important, as it is an indication of the range of skills that will become available when students eventually enter employment. Field of study data for 2008 shows that at the bachelors level and below, both Māori and non-Māori were most likely to study courses in society and culture, and management and commerce.

Non-Māori were more likely than Māori to take courses in the natural and physical sciences, and engineering and related technologies. These more specialised courses will be increasingly important in the future in the 'knowledge economy' (for more on the knowledge economy see Section 5). These jobs are likely to lead New Zealand's productivity growth, to be better paid, to have better work conditions, and to be at less risk of 'off-shoring'.

It is predicted that by 2020, significantly greater demand will exist for workers who specialise in biotechnology, nanotechnology, new agricultural production methods, and intellectual property (as highlighted in Section 7). Encouraging Māori to take advantage of these study paths should be a priority.

Table 8: Fields of study for Māori and non-Māori students at bachelor's level and lower, 2007

Top ranked fields of study	%
Māori	
Society and Culture	52.7
Management and Commerce	40.5
Mixed Field Programmes	20.8
Health	13.9
Creative Arts	11.5
Non-Māori	
Society and Culture	41.9
Management and Commerce	41.1
Natural and Physical Sciences	16.2
Engineering and Related Technologies	15.8
Health	14.6

Source: Ministry of Education

Notes:

1. Students can enrol in more than one field. They are counted in each field that they enrolled in.
2. Data are based on those students enrolled certificates 1-3, certificate 4, diplomas, and bachelors study.

3.2.4 Wānanga

Wānanga are well placed in delivering education from a cultural perspective for those wanting tikanga-based education. Wānanga also provide a wide range of employment-specific and academic courses, which can benefit labour market outcomes.

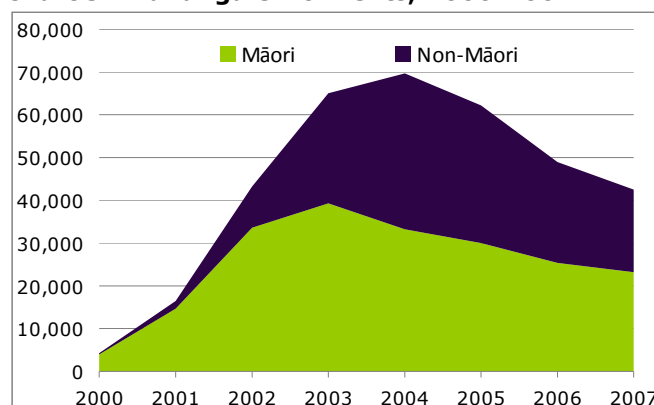
Several wānanga offer certificates, diplomas, and bachelor degrees, with one providing tuition through to the doctoral level. They play an important role in providing opportunities for those returning to study and catering for the existing workforce's need to upskill and upgrade qualifications.

Approximately 10% of all tertiary participants were enrolled in a wānanga in the 2007 academic year, making wānanga an important part of the tertiary education landscape. However, enrolments have dropped significantly in recent years, with total enrolments down 35% from a 2004 peak of 70,000 (see Chart 9). In 2001, the vast majority of students enrolling at wānanga were Māori (88%). In 2007, 45% of wānanga students were non-Māori and studying at Te Wānanga o Aotearoa.

Compared with other tertiary institutions, wānanga have a lower share of youth, but it is a government priority to attract more Māori aged under 25 years.³⁶ In 2008, 55% of all wānanga students were aged 40 years or above, compared with 36% at institutes of technology and polytechnics, and 16% at universities, though many of these are non-Māori. Only 4,900 wānanga students (12%) in 2008 were younger than 25 years (compared with 33% at institutes of technology and polytechnics, and 59% at universities).

While there is quite a variation between individual wānanga in the level of courses offered, more than half of all 2007 wānanga students were taking courses in society and culture (Table 9). They were also less likely to be studying more career-focused courses like natural and physical sciences, engineering and related technologies, or health than students in other tertiary institutions.

Chart 9: Wānanga enrolments, 2000-2007



Source: Ministry of Education

³⁶ The Tertiary Education Strategy 2007-12 has a key aim of increasing the educational success of young Māori, through more Māori youth achieving qualifications at level four and above by age 25. For more on the strategy see <http://www.minedu.govt.nz/NZEducation/EducationPolicies/TertiaryEducation/PolicyAndStrategy/ReleaseOfTheSecondTertiaryEducationStrategy.aspx> (Retrieved on 28 September 2009).

Table 9: Full-time enrolments by field of study and tertiary provider for all ethnic groups, 2007

Full-time enrolments by field of study	Universities	Institutes of technology and polytechnics	Wānanga	Private Training Establishments	Total
Natural and Physical Sciences	13.5%	2.0%	0.5%	1.0%	7.0%
Information Technology Engineering and Related Technologies	3.6%	3.6%	3.5%	4.9%	3.8%
Architecture and Building	5.7%	13.9%	0.4%	4.2%	7.4%
Agriculture, Environmental and Related Studies	1.9%	8.7%	0.1%	1.4%	3.7%
Health	1.0%	8.4%	0.3%	6.2%	3.9%
Education	9.5%	10.6%	1.2%	5.7%	8.5%
Management and Commerce	10.5%	2.8%	3.9%	8.0%	7.2%
Society and Culture	15.2%	18.1%	24.7%	23.8%	18.2%
Creative Arts	30.6%	14.4%	51.6%	19.1%	26.0%
Food, Hospitality and Personal Services	7.6%	8.5%	4.5%	9.0%	7.8%
Mixed Field Programmes	0.4%	4.4%	0.0%	10.9%	3.1%
	0.7%	4.6%	9.5%	5.8%	3.4%

Source: Ministry of Education

3.3 Industry training

The previous section looked at the qualification attainment of Māori in school and tertiary education. This section focuses on Māori participation in industry training.

3.3.1 Industry training

Upskilling workers helps ensure that workers potentially have a broader range of transferrable skills that can be used throughout their working lives. Since 2000, the number of workers engaged in industry training grew because of increased government funding and worker demand.

In March 2009, 34,932 Māori were engaged in some form of industry training, which equates to 18.5% of all trainees. Table 10 shows that the distribution of industry training (comprising the total of industry training and modern apprenticeships) is relatively similar for Māori and non-Māori, with the 20–29 year age group receiving the most training. In 2007, forestry (4,150 enrolments), and hospitality (1,829) were the individual industry training organisations with the most Māori enrolments.³⁷ Some ITOs, such as Te Kaiawhina Ahumahi (Social Services ITO) provide specific Māori programmes.³⁸

³⁷ For more see http://www.educationcounts.govt.nz/statistics/tertiary_education/participation (Retrieved on 8 July 2009).

³⁸ For more, see <http://www.socialservices.org.nz/> (Retrieved on 17 November 2009).

Table 10: Total Māori and non-Māori industry training by age group, March 2009

	Māori	Non-Māori
15–19 years (%)	15.1	17.3
20–29 years (%)	28.9	27.9
30–39 years (%)	24	21.9
40–49 years (%)	20.3	19.4
50 years or older (%)	11.7	13.6
Total (%)	100	100
Total (Number)	34,932	153,986

Source: Ministry of Education

3.3.2 Modern apprenticeships

Modern apprenticeships are an important means of upskilling youth and help address the skills shortages faced by key industries. In 2007, 15.6% of modern apprentices were Māori. While only 15.5% of Māori modern apprentices were female, this is larger than the proportion of non-Māori females in modern apprenticeships (9.7%).

The two most popular modern apprenticeships for Māori (building & construction and engineering) were also the two most popular modern apprenticeships for non-Māori (see Table 11). However, Māori were more likely than non-Māori to favour apprenticeships in forestry industries, which suggests there is potentially a pool of skilled Māori workers in the industry.

Table 11: Leading modern apprenticeships undertaken by Māori and non-Māori, 2007

Industry	Male		Female		Total	
	Māori	Non-Māori	Māori	Non-Māori	Māori	Non-Māori
Building & construction	210	1,403	1	4	211	1,407
Engineering	167	1,354	1	14	168	1,368
Agriculture	118	414	42	116	160	530
Forest industries	142	198	13	5	155	203
Motor engineering	145	1,262	5	47	150	1,309
Horticulture	92	465	49	136	141	601
Road transport	76	155	25	35	101	190
Electricity supply	79	331	4	14	83	345
Hospitality	31	190	30	119	61	309
Public sector	13	33	40	78	53	111
Total	1,432	8,366	262	790	1,694	9,156

Source: Tertiary Education Commission

3.4 Discussion

For New Zealand to achieve the goal of increasing productivity to match Australia's by 2025,³⁹ important changes must occur within the labour market. More than ever, a workforce with a greater range of skills, experience and knowledge is essential. Improving participation in tertiary study must be a key driver of change, as it increases the skill sets and career prospects of Māori, with flow-on benefits for the economy, society and the individual. Those with higher education levels are more likely to participate in the labour market, face lower risk of unemployment and redundancy, and have greater access to further training.

Academic success is also strongly linked to higher earnings once students join the workforce. A recent study⁴⁰ revealed that young students who left tertiary education in 2003 with a bachelor's degree earned 51% more than those who gained a certificate at level 1 to 3 (upper-secondary level equivalent) three years post-study. Students who left with a master's degree earned 16 percent more than those who left with a bachelor's degree. Earnings for leavers who completed a qualification increased 30 percent between their first and third year of employment.⁴¹

Over the past decade, tremendous progress has been made in Māori educational outcomes. Fewer Māori are leaving school with few or no qualifications, while considerably more have achieved in NCEA and become eligible for university or other tertiary study. Māori aged over 25 years are studying at noticeably higher rates than non-Māori in this age group and will be well-placed to re-enter the workforce with valuable skills. Māori are also completing more tertiary qualifications than previously, and working Māori are participating in more industry training. In short, Māori educational outcomes are improving. A solid foundation exists through the Ministry of Education's *Ka Hikitia - Managing for Success: The Māori Education Strategy 2008 – 2012*,⁴² which is a long-term strategy likely to contribute to ever further gains in Māori educational achievement.

However, challenges remain. Non-Māori have also experienced improved educational achievement in recent times, so a gap still remains in school leaver attainment. At the tertiary level, Māori participation tends to be clustered in the older age bands, with younger Māori (those aged under 25 years) less likely to be enrolled at a tertiary institution. Furthermore, two-thirds of Māori who complete their qualifications are female. Indeed, Māori male underachievement is noticeable at all levels of the education system. Māori tertiary participation also tends to be highest at the lowest level (level 1-3), with slightly fewer Māori than the total population at the degree level or higher.

³⁹ As announced by the National Government in the Speech from the Throne, 9 December 2008: <http://www.beehive.govt.nz/release/2025+taskforce+be+established> (Retrieved on 30 June 2009).

⁴⁰ For more, see <http://www.stats.govt.nz/Publications/WorkKnowledgeAndSkills/LEED-reports/eote-prototype-statistics-employment-outcome.aspx> (Retrieved on 22 October 2009).

⁴¹ Ibid.

⁴² For more, see <http://www.minedu.govt.nz/theMinistry/PolicyAndStrategy/KaHikitia.aspx> (Retrieved on 24 October 2009).

These disparities contribute to the comparatively lower skills of younger Māori. Developing skills among younger Māori is crucial not just for the individuals concerned, but for the future of the labour market. The goal for New Zealand to become a highly productive 'knowledge economy' requires a range of focussed technical and professional skills. Māori are not participating in these qualifications at the same rate as non-Māori. This raises important questions about how the school and tertiary education system respond to Māori educational needs and aspirations, as well as issues about the quality of careers guidance advice youth receive, and whether cultural or financial considerations (such as course fees) are determining study choice.

Specialist upskilling will be increasingly important as iwi economic potential increases on the back of Treaty settlements. The recent Central North Island Forests Iwi Collective settlement,⁴³ for example, may create greater demand for specialised forestry-related occupations, from forest managers to soil scientists, at a time when the New Zealand economy is becoming more knowledge intensive. Therefore, greater efforts must be made to ensure that the supply of trained people is met by a demand for their skills.

To respond to globalisation, productivity and technology challenges over the next 15 years, a workforce with a greater range of skills, knowledge and experience is needed. A more highly educated workforce can adapt to new technology more easily. Technology change will play a leading role in improving productivity, and it will increasingly transform the workplace and bring new skill demands. The development of existing technologies and the creation of new technologies has contributed to the development of new products, services and markets at a tremendous rate in recent years. Some industries, such as transportation, communications, and the financial services sectors, have been faster to utilise new communication technologies, the most visible type of new technology. Other sectors such as farming, forestry and fisheries have significant opportunities to embrace new technology.

There will also be increased demand for skills associated with 'knowledge work': cognitive skills, such as abstract reasoning, problem-solving, communication and collaboration. Existing skills in the most high-value sectors of the workplace will need to be frequently updated in the future. The majority of the current workforce will still be in the workforce in 2020, so prioritising Māori workplace training must be a priority. Following on from the Prime Minister's Summit on Employment,⁴⁴ Te Puni Kōkiri has recently initiated cadetships and professional and group training to target emerging industries and to increase the quality of training in professions where Māori are well represented and where strong future employment growth is predicted. These programmes should help strengthen the position of Māori in the knowledge economy.

⁴³ For more on the Central North Island Forests Iwi Collective settlement, see <http://www.ots.govt.nz/> (Retrieved on 21 October 2009).

⁴⁴ For more, see <http://www.beehive.govt.nz/release/prime+minister039s+summit+employment>, (Retrieved on 6 September 2009).

The current economic climate has made entry into employment much harder for youth, as highlighted throughout this report. One upside is an increase in Māori tertiary enrolments. Household Labour Force Survey figures from the September quarter of 2009 show a 17.5% increase in 15-24 year old Māori engaged in formal study, compared with a year earlier. Increased tertiary enrolments will translate into upskilling and should help ensure students entering (or re-entering) the workforce are better positioned, assuming courses are completed and appropriate jobs are available.

The government's focus on national infrastructure projects⁴⁵ will create job opportunities over the next few years for specialised construction skills such as engineering within major civil construction projects. The government has recently announced that more than 1,800 Māori will receive training in industries with strong employment prospects, including 250 in civil infrastructure, and more in the seafood industry in the months ahead.⁴⁶ One challenge remains: to ensure that Māori are aware of such career possibilities and able to benefit from them.

⁴⁵ For more, see <http://www.beehive.govt.nz/speech/speech+throne+0> (Retrieved on 30 June 2009).

⁴⁶ For more, see http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=10586163 (Retrieved on 28 July 2009).

4. MĀORI LABOUR FORCE PARTICIPATION

The previous section told us about Māori in education who are preparing themselves to enter or re-enter the workforce. It is now useful to focus on those who are actively participating in the labour force. Labour force participation is a key measure of how efficiently the labour market is performing. It is also a critical element of New Zealand's capacity to produce goods and services and partly determines our standard of living.

Our labour force is made up of people who are either employed or unemployed. It is useful to group these people together because it tells us how many people are willing and able to work, and whether they are currently in work or not. Knowing how many people are not in work tells us about the potential supply of labour available at any one time. This group is different from those who are not participating in the labour force due to factors such as study, retirement or looking after children.

Traditionally, the level of engagement of any given group in the labour market is measured by the labour force participation rate (or participation rate). This rate is defined as the proportion of the working-age population (people 15 years old and above) who are employed or unemployed, where the unemployed are defined as those without a job who are available for work and have actively sought work in the past four weeks.

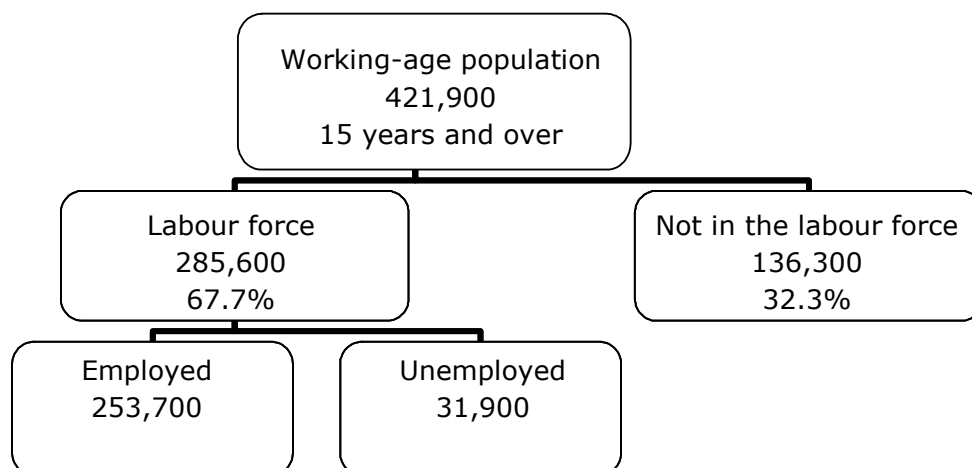
This section begins with an overview of Māori in the labour market in the year to September 2009. It then looks at changing participation rates in the past five years, broken down by gender and age, before discussing some of the implications of these findings.

Māori in the labour market

In the year to September 2009, it is estimated that there were 421,900 Māori aged 15 and over in New Zealand.⁴⁷ Of these, 136,300 were not in the labour force (32.3%) while 285,600 were in the labour force (67.7 %). Of Māori in the labour force, 253,700 were employed and 31,900 were unemployed, as shown in Diagram 1.

⁴⁷ The Household Labour Force Survey data presented throughout this report is annual average data. Four quarter moving averages are used to reduce the effects of sample error and seasonal variation. These numbers may differ from those found in other publications, which do not use this method.

Diagram 1: Summary of Māori in the Labour market, September 2009



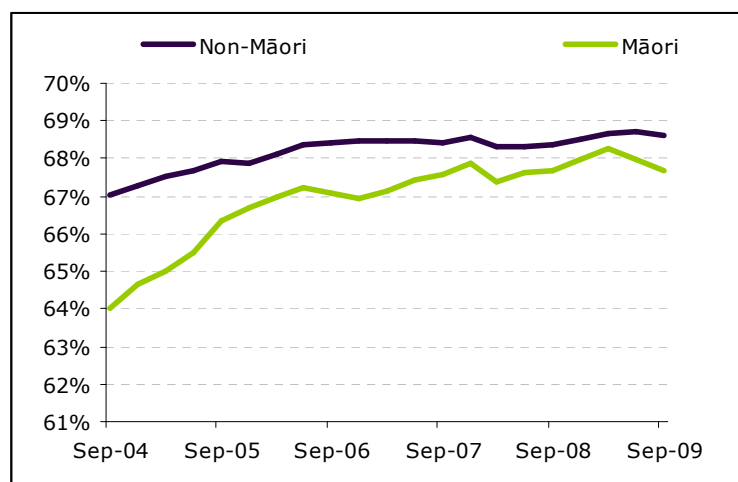
Source: Household Labour Force Survey, Statistics New Zealand

4.1 The Māori labour force participation rate

The labour force participation rate for Māori was 67.7% in the year to September 2009. This was slightly lower than the non-Māori rate of 68.6%. The participation rate for Māori has increased strongly over the past five years, up from 64.0% in September 2004. While the non-Māori participation rate has also increased, up from 67.0% in September 2004, the rise has been less than that recorded for Māori. As a result, the difference between Māori and non-Māori participation rates has narrowed over the past five years, as seen in Chart 10. Generally, a strengthening economy leads to increased participation, and this was the case for much of the five year period.

Māori have historically had lower labour force participation rates than non-Māori. This can largely be attributed to factors such as age structure, educational attainment, and geographic distribution, with many Māori living in rural areas with few employment prospects, as discussed in more detail in Section 4.2.

Chart 10: Māori and non-Māori labour force participation rates, 2004–2009



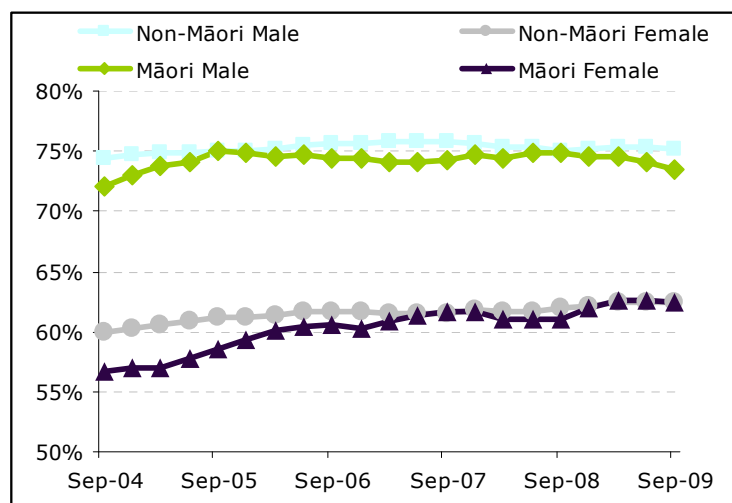
Source: Household Labour Force Survey, Statistics New Zealand.

4.1.1 Participation rates by gender

Māori and non-Māori participation rates for males are relatively similar. In the year to September 2009, the participation rate for Māori males was 73.5% while the rate for non-Māori males was slightly higher at 75.1%, as shown in Chart 11. Māori and non-Māori participation rates for females are currently identical (at 62.4% in the year to September 2009). Over the last five years, the non-Māori rates for both males and females have been more stable, while the corresponding rates for Māori showed more growth.

The reasons for the difference between the male and female participation rates are likely to be similar for Māori and non-Māori. Women are more likely to be out of the labour force because of family reasons, such as having and raising children. The higher fertility rates for Māori women (as discussed in Section 2) mean that a higher rate of Māori women are likely to be out of the labour force.

Chart 11: Māori and non-Māori labour force participation rates by gender, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

4.1.2 Participation rates by age

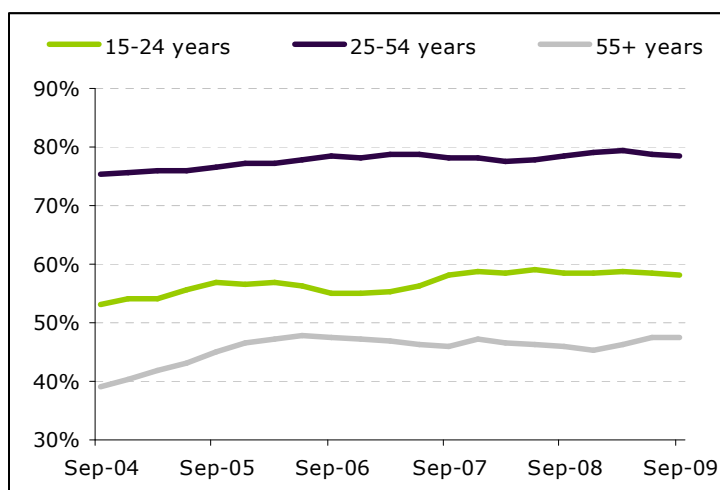
Māori labour force participation rates have increased for all age groups (15–24; 25–54; and 55 years and over) during the past five years. Māori participation is lower than non-Māori in each age group, as illustrated in Charts 12 and 13.

The participation rate for Māori youth aged 15–24 years was 58.2% in September 2009, up from 53.1% in the year to September 2004. While it remains well below the non-Māori youth rate of 63.5%, the difference between the two rates has fallen from 7.3 percentage points in 2004 to 5.3 percentage points in 2009. For all ethnic groups, the lower rate for youth is due to the high proportion participating in study. When looking at youth, a low participation rate is not necessarily problematic, provided it is supported by high youth training rates. While non-Māori in this age group have a higher rate of tertiary education, Māori have higher numbers of children (and are thus out of the labour force raising children), which helps explain the difference.

Māori aged between 25–54 years had the highest participation rate, at 78.4%, for the year to September 2009. The participation rate for this group has increased by 3.1 percentage points over the past five years and has grown faster than the non-Māori rate. Nevertheless, the Māori participation rate in this age group remains low compared with the non-Māori rate of 85.3%. The 6.9 percentage point difference between the Māori and non-Māori rates represents a substantial pool of unutilised labour.

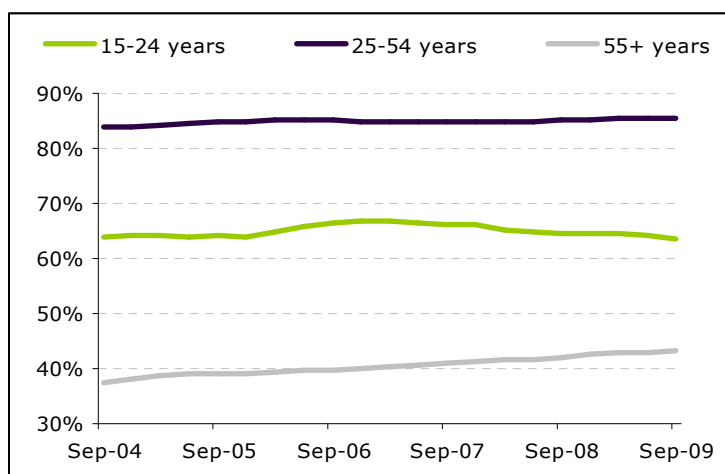
The participation rate for people aged 55 years and over is generally lower than that for youth and those aged 25–54 years. This is due to the large proportion of people in this age group who are retired. The participation rate for Māori aged over 55 years was 47.6% in the year to September 2009, higher than the 43.3% for non-Māori. Over the past five years there has been strong growth in the participation of older workers, which accounted for nearly half of all growth in the labour force. The participation rate for Māori aged over 55 years has increased by 8.5 percentage points since 2004, more than the 5.7 percentage point increase for non-Māori.

Chart 12: Māori labour force participation rates by age group, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

Chart 13: Non-Māori labour force participation rates by age group, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

4.2 Discussion

Māori have historically had lower labour force participation rates than non-Māori. This can largely be attributed to factors such as educational attainment, location and age structure.

The lower educational achievement of Māori youth has impacted on participation rates. In general, people who have lower levels of qualifications are less likely to find work. Location may also be a factor in explaining lower participation rates. Māori are concentrated in more rural and northern areas where labour force participation is lower and unemployment is higher (see Section 2). One partial explanation for why Māori have lower participation rates is because the Māori population is much younger than its non-Māori counterpart. One in five (19%) Māori were aged between 15 and 24 years in 2006, compared with 14% of non-Māori. Young people are less likely to participate in the labour force for a variety of reasons, such as their high rate of participation in tertiary study.

Despite the easing in the labour market over the past eighteen months, labour force participation has remained relatively steady in New Zealand. For both Māori and non-Māori, the participation rate is similar to that recorded at the beginning of the recession. During a recession, the participation rate is expected to fall as people are discouraged from participating in the labour market due to weak job prospects and instead turn to other activities such as study and childcare. Over the next year, as the labour market eases further, it is likely that the participation rate for both Māori and non-Māori will fall slightly.

An interesting point to note is that older Māori (those aged 55 years and over) have a higher participation rate than older non-Māori. For all other age groups, Māori have a lower labour force participation rate. It is in part due to Māori having lower incomes (see Section 5.5) and being less able to afford retirement. This is probably also due to Māori having a younger age structure, with fewer Māori aged 65 years and over. Over half (58%) of Māori aged over 55 years are in the 55–64 years category, compared with only 45% of non-Māori. In general, people are less likely to participate in the labour force the older they get.

Notably, the gender gap in participation rates is now lower for Māori compared with non-Māori. The difference between Māori male and female participation rates fell from 15.5 percentage points in 2004 to 11.1 percentage points in 2009. This compares with a fall from 14.4 percentage points to 12.7 percentage points for non-Māori.

The labour force participation rate is a key measure that is internationally recognised, and one that can reveal much about the characteristics of any given group. Yet it has its limitations. The boundary between those who are unemployed and not in the labour force can be blurry. To be unemployed, a person must be both willing to work *and* be available to work. For this reason, the employment rate can better illuminate the boundary between those in work and those not in work. Trends in the employment rate are discussed in the following section. When looking at youth specifically, the 'Not in Education, Employment or Training' (NEET) measure is arguably a more reliable indicator of

youth engagement with the labour market than the participation rate, simply because so many youth are not in the labour force because they are studying. NEET rates are examined in Section 6.

5. MĀORI IN EMPLOYMENT

The previous section has shown how the labour force is made up of those who are employed and those who are unemployed. It also analysed the rates at which people participate in the labour market. It is useful now to look at Māori employment more closely. Discussing the types of jobs and industries in which Māori work and how this has changed in recent years provides us with a richer understanding of the position of Māori in the labour market. It also allows us to consider how the Māori workforce may evolve in the next decade.

Improved Māori education outcomes in recent years have meant more Māori have entered higher skilled jobs, such as trades and professional occupations. This is particularly important as a more highly skilled workforce will be at the core of the 'knowledge economy' of the future. But challenges remain. Māori are currently under-represented among knowledge-intense occupations, despite these gains. Furthermore, Māori remain over-represented in certain industries, such as manufacturing, and in the less skilled occupation groups. It is in these sectors where much of the fall in employment has occurred in the last 12 months.

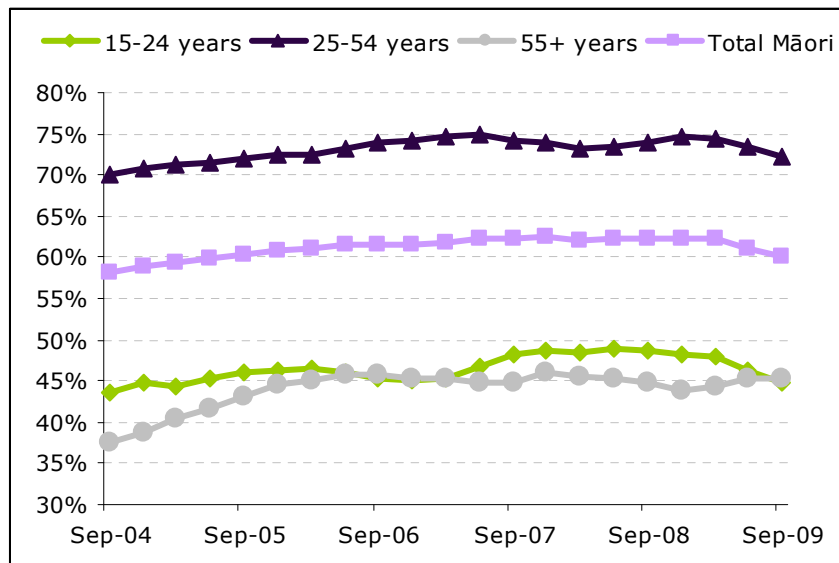
This section begins with analysis of changing Māori employment rates, by age and gender. Discussion of Māori employment by industry, focusing on the Māori share and the changing patterns since 2004 follows. The occupation distribution of Māori employment is then presented. The position of Māori within the knowledge economy is also assessed. Finally, some important employment characteristics, such as income, are discussed.

5.1 Employment rates

The employment rate is a key measure that is particularly useful for looking at how the labour market is functioning. The employment rate is defined as the proportion of the working age population in work to avoid confusion over whether to classify people as unemployed or not in the labour force.

Chart 14 shows that overall employment rate trends for Māori when broken down by age have remained relatively stable over the last five years. The employment rate for Māori aged 15–24 years was 44.8% in the year to September 2009. This rate is lower than for older people, as many youth are not working because of their study commitments. The age group with the highest employment rate is the 25–54 year age group, at 72.3%. Older workers (those aged 55 years and over) had a lower rate (45.3%), due to the fact that many in this age group are retired. For all Māori, the employment rate was 60.1%, which was lower than the rate for non-Māori of 65.3%.

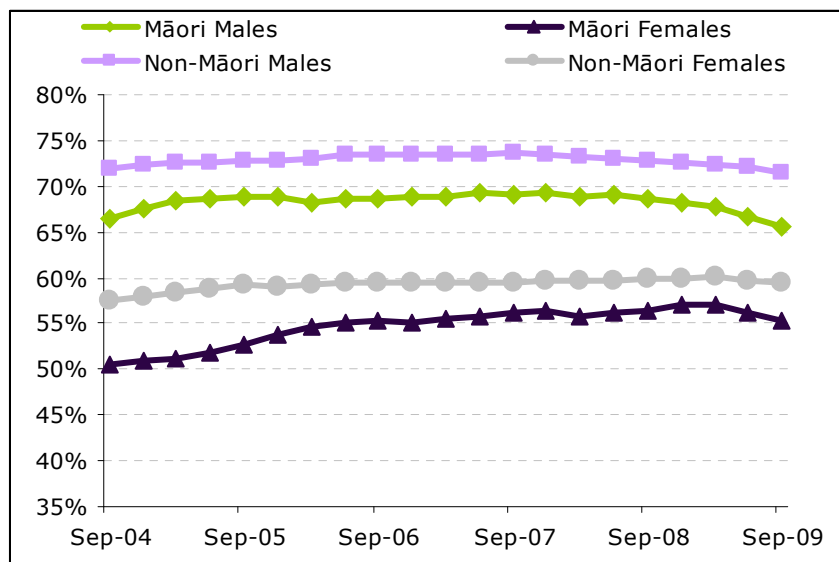
Chart 14: Māori employment rates by age group, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

By gender (Chart 15), employment rates for Māori are lower than for non-Māori. In the year to September 2009, the rate for Māori males stood at 65.6% and for Māori females at 55.2%, compared with respective non-Māori rates of 71.5% and 59.5%. Although Māori females have a lower employment rate, the gap with non-Māori females reduced over the last five years.

Chart 15: Māori and non-Māori employment rates by gender, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

5.2 Employment by Industry

5.2.1 Changes in employment by industry from 2004–2009

Over the five years to September 2009, the number of Māori in employment increased by 13.0%, well ahead of the 8.3% growth for non-Māori. By individual industry,⁴⁸ Māori employment in health and community services grew the most over this time (63.9%), followed by the property and business services (30.5%), wholesale and retail (28.9%), and finance and insurance (20.6%), as presented in Table 12. The growth in health and community services can in part be attributed to increased contracting of government services through NGOs in recent years.

Compared with the change in employment of non-Māori, the growth of Māori employment in these industries was substantially higher. Māori employment dropped in other industries over the last five years, with agriculture and mining having the greatest loss (-12.6%), followed by communication services (-10.6%), and manufacturing (-2.7%). These industries also experienced an overall decline in non-Māori employment.

Table 12: Māori and non-Māori employment by industry, 2004–2009

Industry (ANZSIC96)	Māori			Non-Māori
	Year to September 2004 (000)	Year to September 2009 (000)	2004-2009 change (%)	2004-2009 change (%)
Agriculture and Mining	21.8	19.1	-12.6	-1.3
Manufacturing	41.3	40.2	-2.7	-10.2
Utilities and Construction	19.4	23.2	19.5	18.1
Wholesale & Retail	29.8	38.4	28.9	4.6
Accommodation Cafes and Restaurants	12.1	12.0	-0.6	10.3
Transport & Storage	13.2	13.3	0.9	4.5
Communication Services	4.7	4.2	-10.6	-8.6
Finance and Insurance	3.2	3.8	20.6	11.2
Property and Business Services	14.0	18.3	30.5	21.1
Education	19.8	22.2	12.2	11.3
Health and Community Services	16.5	27.1	63.9	19.9
Other Services	28.4	30.6	7.6	13.5
Total Employed (including Not Specified)	224.5	253.7	13.0	8.3

Source: Household Labour Force Survey, Statistics New Zealand.

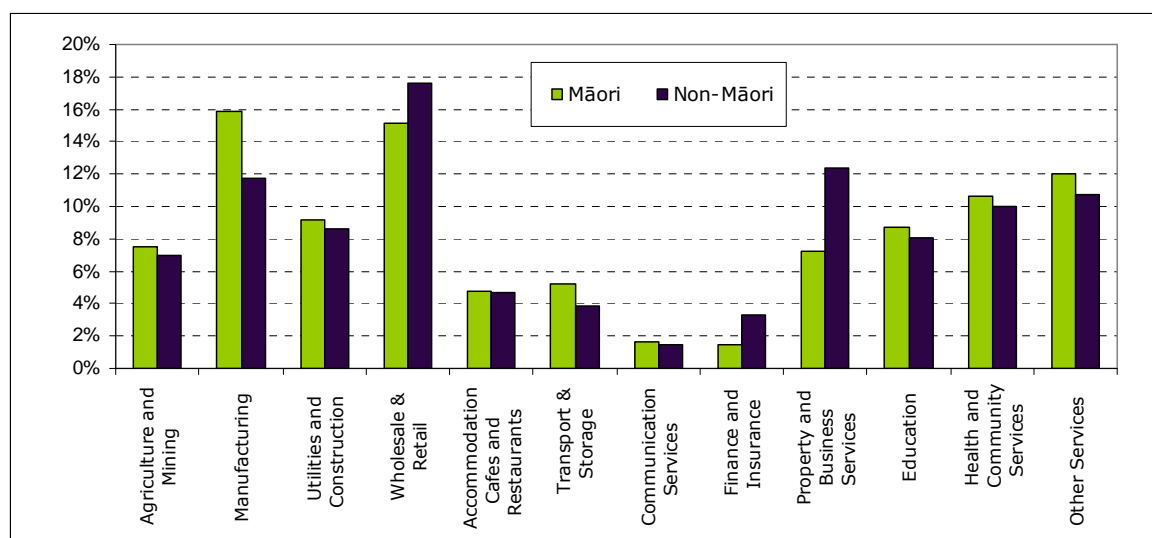
⁴⁸ Some industries have been combined here into a new, larger category because when broken down by ethnicity, the counts of workers in each were too small to be publicly released by Statistics New Zealand. For instance, in the standard ANZSIC96 classification, the retail and wholesale industries are separate. Agriculture, forestry and fishing has been combined here with mining and called 'agriculture and mining' and electricity, gas and water supply and construction have been added to create 'utilities and construction'. The 'other services' category includes government administration and defence, cultural and recreational services, and personal and other services.

5.2.2 Employment by industry, September 2009

In the year to September 2009, 11.7% of all workers were Māori. Māori showed some key differences in their distribution across industries compared with non-Māori. When looking at the proportion of Māori employment, manufacturing had the highest share of Māori workers (15.8%, or 40,200 workers), followed by the wholesale and retail industry (15.2%, or 38,400 workers). These two industries are the largest in New Zealand.

The industry with the smallest proportion of the Māori workforce was the finance and insurance industry, with 1.5% of all Māori workers (3,800) in the year to September 2009, as shown in Chart 16. This may be largely due to the higher skill and qualification levels required to work in this industry. The gap between Māori and non-Māori was also noticeable in the larger and property and business services industry, which employed 7.2% of Māori compared with 12.4% of non-Māori.

Chart 16: Proportion of employment by industry, September 2009



Source: Household Labour Force Survey, Statistics New Zealand.

5.2.3 Changes in employment by industry to 2018

The Department of Labour's forecasts of employment growth by industry for workers of all ethnicities to 2018 (Table 13) reveal that health and community services are expected to grow at 4.1% per annum, well ahead of the average of all industries (1.1%). Business services, personal and other community services and communications are other industries predicted to experience sizable growth.

These forecasts reinforce the changing patterns of Māori employment seen between 2004–2009, which saw health and community services, and property and business services experience the highest growth.

The predicted growth in forestry and logging employment to 2018 (2.6% per annum) is likely to be even larger for Māori given the recent Central North Island Forests Iwi Collective settlement treaty settlement. Perhaps of more concern are the predicted declines in many of the manufacturing subsectors, construction and agriculture as well as the static rate for retail, as these are among the leading current employers of Māori.

Table 13: Employment growth forecasts for all ethnic groups, 2018

Industry	Annual average change (%)
Health and community services	4.1%
Business services	3.2%
Personal and other community services	2.9%
Communication services	2.9%
Cultural and recreational services	2.7%
Property services	2.6%
Forestry and logging	2.6%
Finance and insurance	2.4%
Transport and storage	1.8%
Machinery and equipment manufacturing	1.4%
Wholesale trade	1.1%
Metal product manufacturing	1.0%
Government admin. and defence	0.8%
Accommodation, cafes and restaurants	0.6%
Chemicals manufacturing	0.1%
Retail trade (including motor vehicle repairs)	0.0%
Printing, publishing and recorded media	-0.5%
Wood and paper products manufacturing	-0.6%
Education	-0.6%
Electricity, gas and water supply	-0.7%
Non-metallic mineral products manufacturing	-0.8%
Mining and quarrying	-1.0%
Agriculture	-1.0%
Food, beverage and tobacco manufacturing	-1.0%
Furniture and other manufacturing	-1.4%
Textiles and apparel manufacturing	-1.6%
Construction	-1.8%
Fishing	-2.5%

Source: Department of Labour Employment Forecasts 2009.

5.3 Employment by Occupation

5.3.1 Changes in employment by occupation from 2004–2009

Over the past five years, there was sharp growth in the number of Māori workers in higher skilled occupations. In particular, growth was highest in the legislators, administrators and managers occupation group (up 60.8%, or 8,000 workers), technicians and associate professionals (up 40.3%, or 7,500 workers) and for

trade workers (up 36.2%, or 5,400 workers). The number of Māori trade workers grew at over ten times the rate that it did for non-Māori over this period, as Table 14 illustrates. Overall, most trade workers are employed in the construction sector. While Māori employment in construction has grown strongly between 2004 and 2008, it has fallen substantially in recent months⁴⁹ as the industry is particularly vulnerable during economic downturns, as highlighted in Section 1.

The number of Māori workers in occupations requiring lower skill levels has declined over the last five years. Māori who identified as agriculture and fishery workers decreased by 25.7%, while those in elementary occupations fell by 12.7%. The fall in agriculture and fishery workers was due to the employment contraction in the primary industries in the past five years for all workers. The fall was considerably greater for Māori than non-Māori. These industries display seasonal and cyclical employment patterns over time, meaning employment numbers in these industries can be volatile.

Table 14: Māori and non-Māori employment by occupation, 2004–2009

Occupation group (NZSCO)	Māori			Non-Māori
	Year to September 2004 (000)	Year to September 2009 (000)	2004-2009 change (%)	2004-2009 change (%)
Legislators, Administrators and Managers	13.1	21.1	60.8	16.2
Professionals	22.7	29.1	28.1	31.1
Technicians & Associate Professionals	18.7	26.2	40.3	18.8
Clerks	25.8	28.0	8.3	3.8
Service & Sales Workers	35.9	43.0	19.9	-1.2
Agriculture & Fishery Workers	22.0	16.3	-25.7	-6.8
Trade Workers	15.1	20.5	36.2	3.2
Plant & Machine Operators & Assemblers	40.4	41.5	2.6	-3.2
Elementary Occupations	30.2	26.4	-12.7	-13.6
Total Employed (including Not Specified)	224.5	253.7	13.0	8.3

Source: Household Labour Force Survey, Statistics New Zealand.

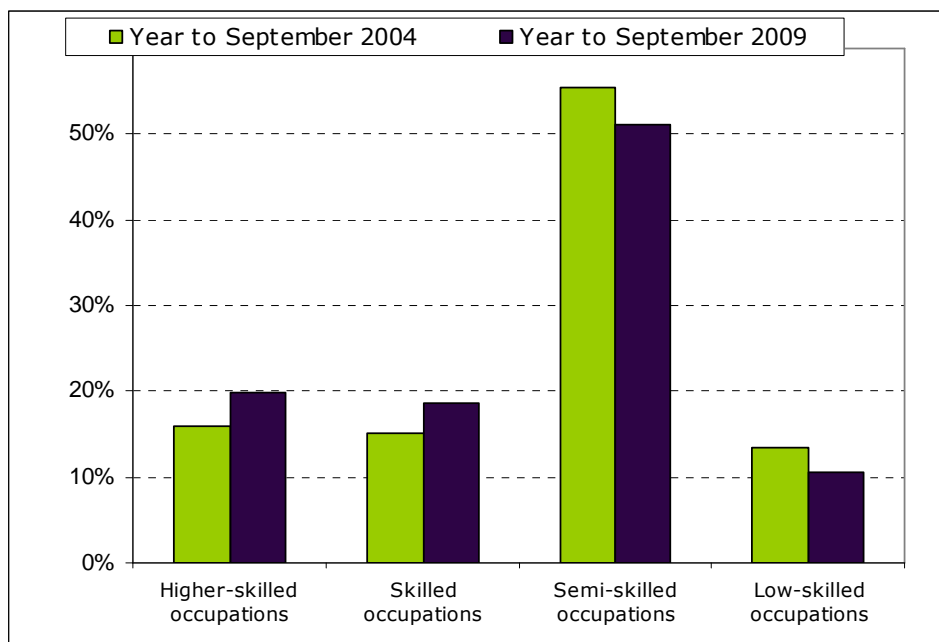
When the occupations categories are grouped by skill level⁵⁰ over the last five years, some very positive patterns emerged. As Chart 17 shows, there were more

⁴⁹ For more, see our recently released Construction Sector Outlook report, <http://www.dol.govt.nz/publications/lmr/construction-sector/summary.asp> (Retrieved on 15 October 2009).

⁵⁰ Higher-skilled occupations include legislators, administrators and managers, and professionals; skilled occupations include technicians and associate professionals, and trades workers; semi-skilled occupations include clerks, service and sales workers, agriculture and fishery workers, and plant and machine operators and assemblers; lower-skilled occupations include elementary occupations.

Māori workers in the higher-skilled occupation group (19.9% in the year to September 2009 compared with 16.0% in the year to September 2004). Over the five year period, there were also more Māori in skilled occupations in September 2009 (18.5%) and fewer Māori workers in the semi-skilled and lower-skilled occupations (51.1% and 10.5%, respectively). This is due in part to the increasing qualification levels of Māori, as outlined in Section 5. A similar trend is also evident for the non-Māori population.

Chart 17: Māori occupations grouped by skill level, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

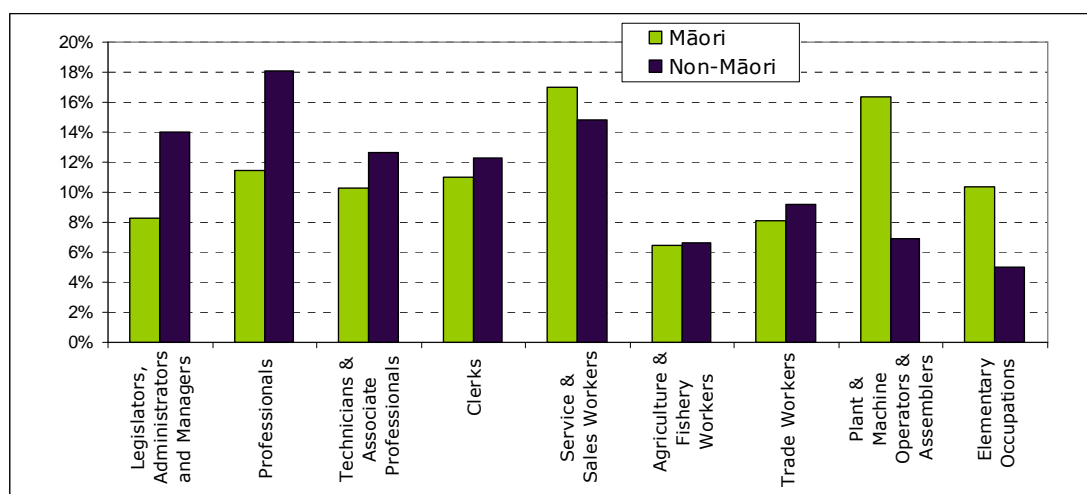
5.3.2 Employed Māori by occupations, September 2009

There were noticeable differences in the distribution of Māori across occupation groups compared with non-Māori in the latest data. When looking at the proportion of Māori employment by occupation in the year to September 2009, the most prevalent occupations for Māori workers were service and sales workers (17.0% or 43,000 workers), and the plant and machine operators and assemblers (16.3% or 41,500 workers), as Chart 18 shows. The high proportion of Māori working as service and sales workers is largely due to the wholesale and retail industry being the second largest industry employing Māori.

There was a noticeable gap between Māori and non-Māori employment in the higher skilled occupations groups. There was a greater proportion of Non-Māori than Māori workers in the legislators, administrators and managers group (8.3% of Māori compared with 14.0% of non-Māori) and in the professionals group (11.5% of Māori compared with 18.1% of non-Māori). Conversely, in the lowest skilled occupation groups, Māori were more dominant. The plant and machine operators and assemblers group employed 16.3% of Māori compared with 6.9%

of non-Māori, while the elementary occupations group employed 10.4% of Māori compared with 5.0% of non-Māori.

Chart 18: Proportion of employment by occupation, September 2009



Source: Household Labour Force Survey, Statistics New Zealand.

5.4 Māori in the Knowledge Economy

In June 2009, the Department of Labour published a paper on New Zealand's 'knowledge economy'.⁵¹ The 'knowledge economy' is a term that has been widely used in international discussions on economic development. While there are some variations in usage, the term refers to those industries and occupations that are primarily based on highly skilled employment and sophisticated production. These sectors represent an increasing share of the New Zealand economy's output and employment, and are the most likely source of the future gains in innovation and knowledge that will be needed to improve productivity.

Knowledge intensive sectors have generated a steadily increasing proportion of national economic output (GDP) over the past fourteen years. Over the eight year period from 2000 to 2008, employment across the combined knowledge intensive industries increased by 28% (from 459,000 to 587,000). This is substantially higher than the 23% employment growth seen across the rest of the economy over the same period.

Table 15 shows the number of Māori workers in selected knowledge intensive industries, and the proportion of the total workforce they represent for that industry. Overall, 9% of workers in knowledge intensive sectors were Māori,

⁵¹ 'The New Zealand Knowledge Economy', Department of Labour: <http://www.dol.govt.nz/publications/lmr/knowledge-economy/index.asp>

The report followed international best practice in defining the knowledge economy as those industries that meet the following two criteria: at least 25 per cent of the workforce must be qualified to degree level or higher, and at least 30 per cent of the workforce must be employed in the professional, managerial and scientific and technical occupations (Retrieved on 10 September 2009).

which indicates that Māori are employed at a lower than average rate in these sectors. Despite this there are some areas where Māori were relatively well represented, such as in the public sector areas of government administration, education and health.

Māori were under represented in the private knowledge intensive sectors. Māori comprised only 5% of the workforce in the major sectors of legal and accounting services and architectural, engineering and technical services, and only 8% of the workforce in management and other consulting services. The lowest levels of representation were in computer system design and scientific research.

Overall, the private knowledge-intensive sectors have seen the quickest employment growth across New Zealand for the total population. Employment in 'Management and Consulting Services' and 'Computer System Design' increased by around 90% over the period 2000–08, while employment in 'Architectural, Engineering and Technical Services' increased by nearly 70%. The low representation of Māori in these sectors means Māori are not utilising some of the major employment growth opportunities, which are likely to be the cornerstone of the workforce in 2020, (as discussed in Section 7).

Table 15: Māori and total employment in selected knowledge-intensive industries, 2006

Industry (ANZSIC)	Māori employment	Total employment	Share of Māori
Civic, Professional and Other Interest Group Services	2,517	14,220	18%
Central Government Administration	3,699	25,614	14%
Adult, Community and Other Education	2,358	17,883	13%
Allied Health Services	4,008	31,635	13%
Tertiary Education	3,018	25,851	12%
Creative and Performing Arts Activities	570	5,127	11%
School Education	8,049	72,411	11%
Local Government Administration	1,035	12,114	9%
Financial Asset Investing	990	11,649	8%
Management and Other Consulting Services	2,907	35,244	8%
Telecommunications Services	579	7,743	7%
Newspaper, Periodical, Book and Directory Publishing	639	9,273	7%
Auxiliary Finance and Investment Services	522	9,762	5%
Medical Services	816	12,282	7%
Architectural, Engineering and Technical Services	1,674	31,704	5%
Legal and Accounting Services	1,617	31,437	5%
Computer Systems Design and Related Services	933	20,922	4%
Scientific Research Services	264	6,147	4%

Source: 2006 Census of Population and Dwellings, Statistics New Zealand

5.5 Employment relationship and income

5.5.1 Employment relationship

Most employed Māori (80%) were permanent employees (Table 16), according to a March 2008 survey.⁵² This rate was higher than the 73% for non-Māori. Only 10 percent of all employed Māori were in temporary employment (that is, in casual, fixed term, temporary employment agency or seasonal jobs). During an economic downturn, firms often look to cut back on costs and this tends to affect temporary employees first. Just 7% of Māori were self-employed, while only 3% were employers. This is a concern, as encouraging entrepreneurship is an important government priority for lifting Māori economic development.⁵³

Table 16: Employment relationship (percentage), March 2008⁵⁴

Ethnic group	Temporary employees			Permanent employee	Total of all employees	Employer	Self-employed	Total employed
	Casual worker	Fixed-term & temp. agency						
Māori	5	3	80	90	3	7	100	
Non-Māori	4	2	73	81	6	13	100	

Source: Survey of Working Life, Household Labour Force Survey, Statistics New Zealand.

5.5.2 Income

Māori median hourly earnings for all workers (\$17.50 in June 2009) have been increasing at a very similar rate to that of the total population over the last five years, as indicated in Table 17. Average earnings reflect a mix of the occupation and industry a person is employed in. Māori tend to be employed in lower skilled occupations and have a higher proportion of youth and so differences in earnings can be largely explained by differences in demographic and socio-economic characteristics. Income is also strongly linked to educational outcomes, as outlined in Section 3.4.

Māori women's median hourly earnings from wages and salaries was \$16.43, compared with \$18.22 for all women. For Māori men, median hourly earnings were \$18.31, compared with \$20.53 for all men.

⁵² The Survey of Working Life was a supplement to the Household Labour Force Survey, March 2008 quarter, and is intended to be run every three years. Numbers in the table may not sum to 100% due to rounding.

⁵³ For Maori Future Makers, Te Puni Kokiri research report, October 2007, p31 <http://www.tpk.govt.nz/en/in-print/our-publications/publications/for-maori-future-makers/> (Retrieved on 30 July 2009).

⁵⁴ This data is not consistent with post Household Labour Force Survey rebase numbers used elsewhere in this report.

Table 17: Māori and total median hourly earnings, 2004–2009

	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Change 2004-2009
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
Māori	13.8	15.0	15.2	15.3	16.7	17.5	21.7
Total	15.3	16.1	17.0	18.0	18.8	19.5	22.2

Source: New Zealand Income Survey, Statistics New Zealand

5.6 Discussion

The current downturn has had a widespread impact. In all, 5,100 fewer Māori are in employment in the year to September 2009, compared with the year before. A high proportion of Māori are employed in lower skilled sectors, such as retail, construction and manufacturing, which are particularly vulnerable to international economic developments and are feeling the full brunt of the downturn. Yet these are not the only affected industries. Declines in one industry can have a flow on to others. Fewer tourists, for example, mean decreased demand for transport and storage workers, which increases the impact of the recession. Many Māori also work in regions vulnerable during economic downturns because one or more industry is responsible for 10% or more of the total employment in the region (see Section 2.5).

The biggest percentage decline in Māori employment in the year to September 2009 was seen in the communication services industry (down 15.5% or 800 workers), but this industry is not a major employer of Māori. Among the industries employing the most Māori, the biggest decline was seen in utilities and construction (down 15.0% or 4,100 workers) and transport and storage (down 12.9% or 2,000 workers).

On the other hand, Māori employment has held up better than total employment (for all ethnicities) in property and business services (up 4.7% or 800 workers) and agriculture and mining (up 4.0% or 700 workers). By occupation, the number of Māori trades workers had the largest fall (down 15.0% or 3,600 workers), followed by elementary occupation workers (down 9.2% or 2,700 workers). The latter are the least skilled workers who are always most at risk in a recession.

The impact of the recent economic downturn needs to be balanced against the significant progress Māori have made in the past five years, with more Māori now in skilled and highly skilled jobs across a range of sectors. The gains in the overall skill level, by occupation, are linked to improved qualification completion rates among students. Notably, there were gains in the number of Māori employed in some skilled and semi-skilled occupation groups over the past year, with technicians and associate professionals up 4.0% or 1,000 workers, and clerks up 5.5% or 1,500 workers, despite the recession. The growing number of Māori trades workers in recent years is also encouraging, as these are jobs that are relatively well paid and generally with good prospects.

Improvements in Māori skill levels will be particularly useful in the future, particularly for iwi with treaty settlements looking to realise their economic potential. The recent Central North Island Forests Iwi Collective settlement,⁵⁵ for example, may create greater demand for specialised forestry-related occupations, from forest managers to soil scientists, at a time when the New Zealand economy is becoming more knowledge intensive.

Following on from the Prime Minister's Summit on Employment,⁵⁶ Te Puni Kōkiri has recently initiated cadetships and professional and group training to target emerging industries and to increase the quality of training in professions where Māori are well represented and where strong future employment growth is predicted. These programmes should help strengthen the position of Māori workers in the knowledge economy in the years ahead.

⁵⁵ For more on the Central North Island Forests Iwi Collective settlement, see <http://www.ots.govt.nz/> (Retrieved on 21 October 2009).

⁵⁶ For more, see <http://www.beehive.govt.nz/release/prime+minister039s+summit+employment> (Retrieved on 6 September 2009).

6. UNEMPLOYMENT TRENDS AND YOUTH WHO ARE NOT IN EDUCATION, EMPLOYMENT OR TRAINING

As shown in the previous sections, progress has been made in recent years in terms of increasing Māori educational achievement. This has translated into improved labour market prospects, and has seen more Māori enter higher skilled jobs. Despite these gains, Māori unemployment rates remain high.

Unemployment has a major impact on young people in particular. It affects the rate at which youth learn work skills such as timeliness and teamwork that are needed throughout a person's working life. When we look at youth disengagement from the labour market, we can look beyond the traditional measure of unemployment towards a new, more encompassing measure: those youth who are 'Not engaged in Education, Employment or Training' (NEET). Youth categorised as NEET are most at risk of poor labour market outcomes.

This section looks firstly at trends in Māori unemployment, with a look at unemployment benefit trends, and then focuses on gender, age and regional differences in unemployment rates from the Household Labour Force Survey, which is the official measure of unemployment. Given the high NEET rate for Māori youth, the remainder of the section is devoted to NEET youth. This includes a breakdown of the study and employment status of Māori youth as well as analysis by age and gender.

6.1 Unemployment

The unemployment rate is the proportion of the labour force that is unemployed.⁵⁷ The effects of the economic downturn have flowed through to the labour market, evident in the marked rise in the unemployment rate for New Zealand. The unemployment rate for Māori has risen at a faster rate over the last year to an annual average of 11.2% in the year to September 2009, while the non-Māori unemployment rate reached 4.7% (Chart 19). This equated to 31,900 Māori unemployed. Te Puni Kōkiri has recently put in place programmes relating to industry, trade and professional training as well as cadetships that have provided support to around 2,000 Māori in industries identified as showing strong growth prospects over the next few years.⁵⁸ These programmes should also help address Māori unemployment.

Prior to the recession, there was a decline in the Māori unemployment rate, which saw it change from 9.2% in September 2004 to 8.0% in September 2008. The

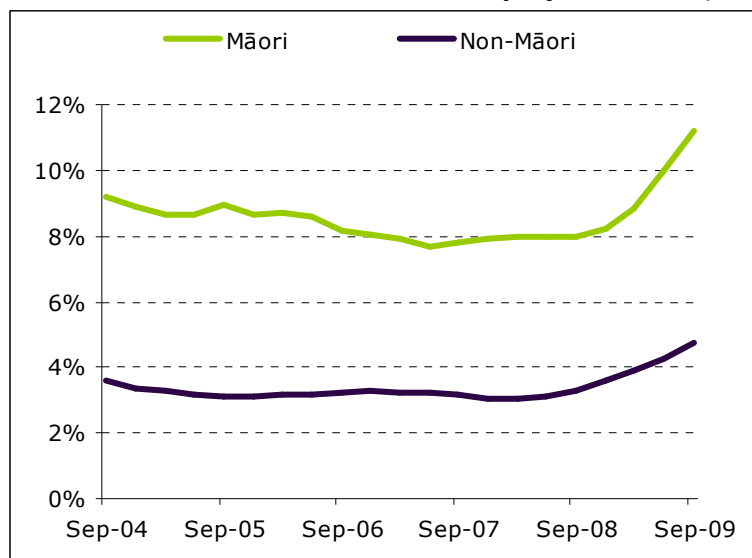
⁵⁷ To be counted as unemployed, a person must be without a paid job, be available for work and have actively sought work in the past four weeks or have a new job to start within the next four weeks.

⁵⁸ For more, see

<http://www.beehive.govt.nz/release/launch+%E2%80%98maori+industry+and+trades+training%E2%80%99> (Retrieved on 16 November 2009).

narrowing of the gap between Māori and non-Māori unemployment rates occurred at a time of economic and employment growth in New Zealand.

Chart 19: Māori and non-Māori unemployment rates, 2004–2009



Source: Household Labour Force Survey, Statistics New Zealand.

6.1.1 Unemployment benefit numbers

While unemployment beneficiary statistics are not the official measure of unemployment, and are subject to policy changes, they are nevertheless a useful guide to labour market performance. The decline in the unemployment rate highlighted in Chart 19 above between 2004 and 2008 was generally reflected in unemployment benefit⁵⁹ numbers over that time. In part, this decline is a result of gains in Māori educational achievement and the sustained period of economic growth over this time. During this period, the Ministry of Social Development and Te Puni Kōkiri developed a Policy Framework for Sustainable Employment Outcomes for Māori⁶⁰ to reduce the number of Māori on an unemployment-related benefit and to increase the number of Māori in sustainable employment. By mid 2008, the programme's initiatives succeeded in reaching the government set target of reducing the number of Māori on the unemployment benefit to 7,500.

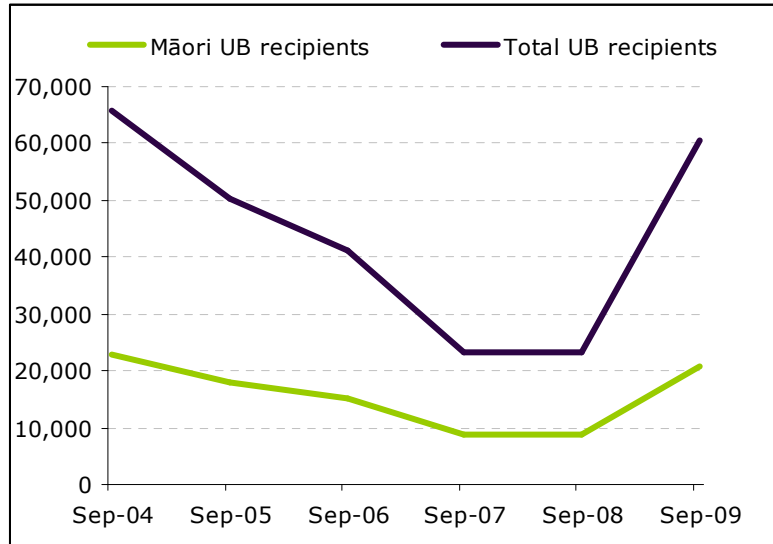
However, over the last year there has been a sharp rise in the number of unemployment benefit recipients. In September 2009, 20,900 or 34.5% of those receiving an unemployment benefit were Māori. This is a sharp rise of 134% over between 2008 and 2009, reflecting the impact of the recession. However, over

⁵⁹ Unemployment Benefits include Unemployment Benefits and Unemployment Benefits – Hardship and excludes Unemployment Benefits – Student – Hardship. Source: <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/2009-national-benefit-factsheets.html> (Retrieved on 14 October 2009).

⁶⁰ For more, see <http://www.tpk.govt.nz/en/in-print/our-publications/corporate-documents/soi-2007/page/10/> (retrieved on 16 November 2009)

the last year, the number of recipients of all ethnicities grew at a faster rate (161%), as Chart 20 highlights.

Chart 20: Māori Unemployment Benefit recipients, 2004–2009

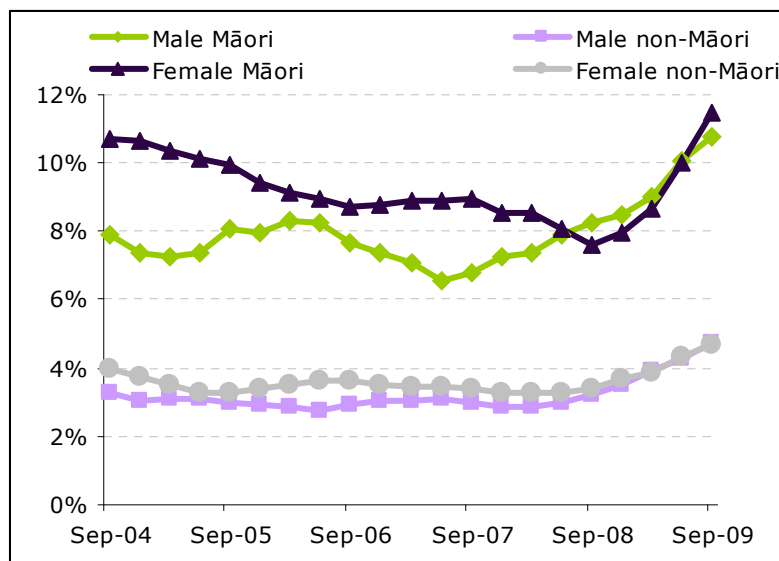


Source: Ministry of Social Development

6.1.2 Unemployment by gender

Chart 21 shows clear evidence that Māori have been particularly affected in terms of growing unemployment rates, with the rate for Māori males increasing since September 2007 to reach 10.8% by September 2009. The female Māori rate also increased sharply to 11.5% in September 2009, undoing much of the decline shown over the last five years. While data from the Household Labour Force Survey can be quite volatile at this level of breakdown, a clear pattern of increased unemployment is emerging.

Chart 21: Māori and non-Māori unemployment rates by gender, 2004–2009

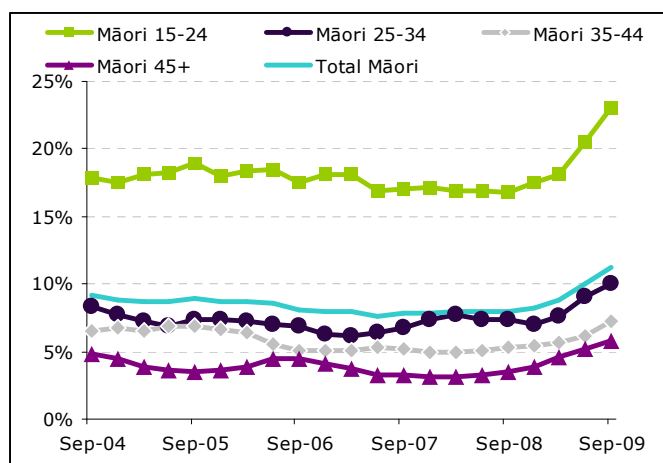


Source: Household Labour Force Survey, Statistics New Zealand.

Charts 22 shows that the Māori unemployment rate rose for all age groups in the year to September 2009. Youth are frequently the most affected during an economic downturn, with an unemployment rate around double that of all workers. The rapid increase in the rate of youth unemployment at the start of a downturn is also common because youth generally have less work experience and are often clustered in lower skilled jobs This is particularly evident over the last year, where the unemployment rate for Māori aged 15–24 years rose from 16.8% in the year to September 2008 to 23.1% in September 2009.

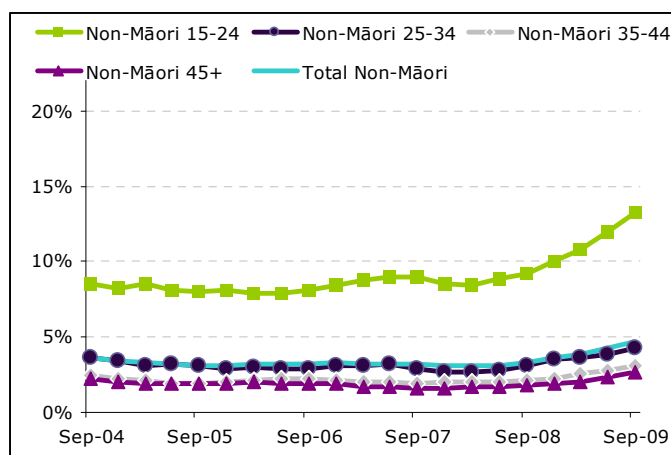
Over the last year there has also been a noticeable increase in Māori unemployment in the 25–34 years age group (10.0% at September 2009), 35–44 years age group (7.2%) and 44 years and over group (5.8%). In comparison, as shown in Chart 23, non-Māori unemployment in all age groups is below the respective Māori rates.

Chart 22: Māori unemployment rate by age group, 2004–09



Source: Household Labour Force Survey, Statistics New Zealand.

Chart 23: Non-Māori unemployment rate by age group, 2004–09



Source: Household Labour Force Survey, Statistics New Zealand.

6.1.3 Unemployment rate by Region

Chart 24 shows the Māori unemployment rate for different regions as at September 2009. The highest unemployment rate was in Gisborne/Hawkes Bay at 15.8%, followed by Northland at 12.6%. In the larger centres, the rates were 10.4% in Auckland, 10.2% in Wellington and 8.5% in Canterbury.

The Māori unemployment rate is particularly high in some of the less populated regions. These regions include local areas where employment is dependent on one type of industry, which makes them particularly vulnerable in a recession. There are 49 area units in New Zealand where an industry accounts for 30% or more of employment (area units are population bases of similar size to a city suburb or small town). While many industries have some concentration in small areas, there are two or three main industries that dominate the data. Meat and Meat Processing, and to a lesser extent Log Sawmilling and Timber Dressing are the two most frequently identified industries, followed by Other Transport Manufacturing, Other Wood Product Manufacturing and Dairy Product Manufacturing. Many of these industries have high proportions of Māori in their workforces.

Chart 24: Unemployment rate for Māori by region⁶¹, September 2009



Source: Household Labour Force Survey, Statistics New Zealand.

⁶¹ Statistics New Zealand suppresses data from the HLFS with a low cell estimate count as these estimates are subject to sample error too great for practical purposes. This was the case with the number of unemployed in some of these regions from which the unemployment rates were derived.

6.2 NEET rates

Over recent years, the proportion of young people who are not engaged in employment, education, training or caregiving (NEET) has been increasingly monitored as an indicator of youth disengagement.

Youth who are categorised as NEET are disengaged from both formal learning and work, and as such are considered to be missing the opportunity to develop their potential at an age that heavily influences future outcomes. While the NEET measure does not count young people involved in other activities that could contribute to their well-being, or are 'in between' activities for a short period of time (for example, just returned from or about to leave for overseas, or on holiday from work or study), it is still a particularly useful indicator of youth disengagement.

Overall, Māori have higher NEET rates than non-Māori. In the 15-19 year age group, 14.2% of Māori and 6.8% of non-Māori were NEET. In the 20-24 years age group, the rates were slightly higher, with 16.1% of Māori and 9.7% of non-Māori being NEET.

Diagram 2 highlights Māori youth who are NEET. It shows the high rates of tertiary study, caregiving and studying while working (especially among the 20-24 year age group). In the 15-19 year age group, 14.2% (or 9,900) of youth were not working, studying or caregiving and were thus defined as NEET in the year to September 2009. The NEET rate was higher among the 20-24 year age group, at 16.1% at this time (7,800 youth). Those in the older age group have a higher NEET rate largely because school is compulsory until the age of 16 years.

Young people aged 15-24 are undergoing a major developmental phase, with young people generally transitioning from living at home and attending school to adulthood and employment. Importantly, a 15 year old generally has quite different characteristics to someone aged 24. Data from the 2006 Census shows that 79% of all 15-19 year olds lived with their families, while the corresponding figure for 20-24 year olds was 32%.

Diagram 2: Study status of employed and not employed Māori youth, September 2009

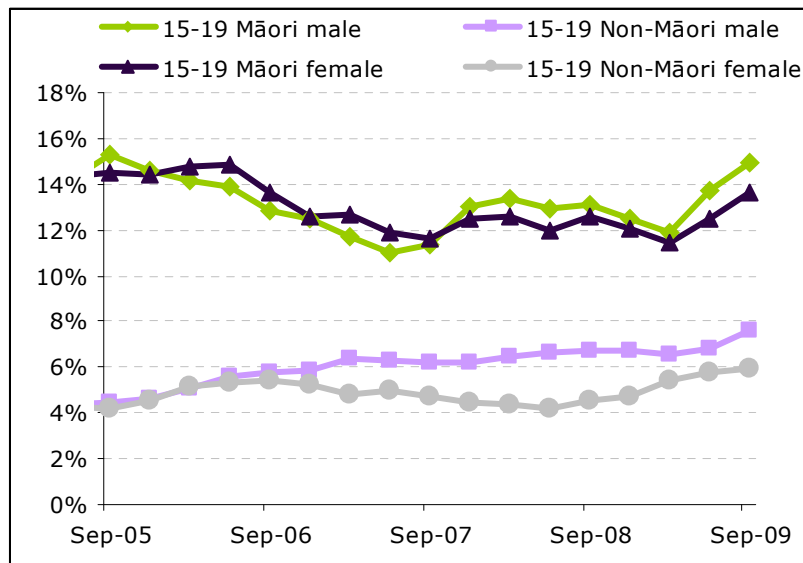
		15-19 Years	20-24 Years	
Total 118,800	Employed 53,000	Engaged in formal study	2,500 (3.6%)	4,600 (9.6%)
		Engaged in informal study	0 (0%)	500 (1.0%)
		No study	12,900 (18.5%)	23,700 (49.1%)
		Student still at school	8,300 (11.9%)	0 (0%)
	Not Employed 65,900	Engaged in formal study	6,000 (8.6%)	3,900 (8.1%)
		Engaged in informal study	2,500 (3.6%)	400 (0.8%)
		No study - Caregiver Home Duties	1,900 (2.7%)	7,400 (15.4%)
		No study - No Caregiving (NEET)	9,900 (14.2%)	7,800 (16.1%)
		Student still at school	25,600 (36.8%)	0 (0%)

Source: Household Labour Force Survey, Statistics New Zealand.

6.2.1 NEET by age and gender

In the 15–19 age group, the Māori NEET rate has been consistently higher than for non-Māori for both males and females (see Chart 25). In the year to September 2005, 15.3% of male and 14.5% of female Māori aged 15–19 years were NEET. Since then, there has been an overall decline in the rate, but there is recent evidence of a sharp rise, due to the impact of the recession. As of September 2009, the Māori male rate was 15.0% and the female rate was 13.7%. Overall, the rates for Māori males and females in this age group have been quite similar, with both well below the respective non-Māori figures.

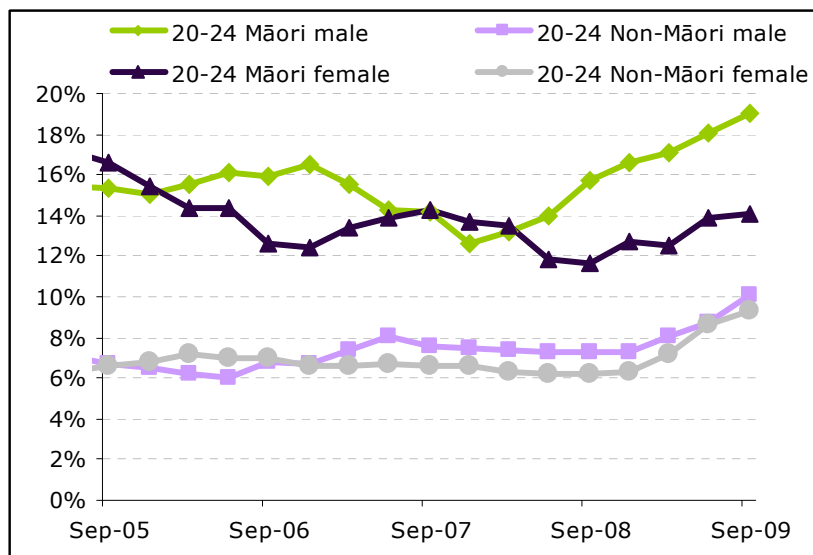
Chart 25: Māori and non-Māori NEET rates (15–19 year age group), 2005–2009



Source: Household Labour Force Survey, Statistics New Zealand.

In the 20–24 year age group, there were large differences between the Māori male and female rates. In the year to September 2005, the Māori male rate was 15.4%, which was lower than the 16.6% for Māori females. However, by September 2009 the rate for Māori males was considerably higher at 19.1%, compared with a Māori female rate of 14.1%. The Māori male rate has been increasing since December 2007. As with the 15–19 year age group, the NEET rate for Māori males and females in this age group is reflecting the impact of the recession, as shown in Chart 26.

Chart 26: Māori and non-Māori NEET rates (20–24 year age group), 2005–2009



Source: Household Labour Force Survey, Statistics New Zealand.

6.3 Discussion

Not all youth who are NEET are at serious risk. Some may be involved in voluntary work or travel, which can be personally beneficial. However, those who are inactive for prolonged periods of time have a heightened risk of poor social and economic outcomes – lower earnings; greater reliance on social assistance; and higher rates of unemployment, criminal offending, substance abuse, teenage fertility, suicide, homelessness and mental or physical ill health.⁶²

Perhaps the most worrying aspect in this section is the increase in the NEET rate for Māori males aged 20–24 years. This indicates that many youth are not transitioning from school into tertiary study or work. Given the lower age of the Māori population (of whom 53% are below the age of 25 years),⁶³ the impact of high NEET rates is likely to be even more profound.

With economic conditions currently weak, there is a risk of an even higher NEET rate for Māori youth. However, a range of important policies should play a large role in addressing the problems faced by Māori youth in the recession. The government focus on national infrastructure projects⁶⁴ aims to create job opportunities over the next few years for specialised construction skills such as engineering within major civil construction projects. The government has also recently announced that more than 1,800 Māori will receive training in industries with strong employment prospects, including 250 in civil infrastructure, and more in the seafood industry in the months ahead.⁶⁵

Other measures that should improve the outcomes of youth have also been created. The new job opportunities package for youth, 'Job Ops'⁶⁶, targets unskilled 16-24 year olds with low or no qualifications who have limited job prospects by providing subsidies to employers prepared to take employ them. Similarly, 'Community Max'⁶⁷ provides a wage subsidy for six months for young people helping complete community-based projects. Community Max projects could include projects such as renovating public buildings or public spaces such as marae, or improving access to local environments such as parks and reserves. It offers an opportunity for young people to build skills and work experience while contributing to the community. In October 2009, Māori youth were the majority of the programme's more than 800 participants. Additionally, the Employment Relations Amendment Act 2008, which provides new workers with a 90 day probation period,⁶⁸ also potentially gives more at-risk youth a chance to succeed in the workforce.

⁶² Youth Transitions Report Series 2003 – Executive Summary, *Key Findings on Youth Transitions*, Ministry of Social Development, p3.

⁶³ Subnational Ethnic Population Projections 2006-2021, Statistics New Zealand

⁶⁴ For more, see <http://www.beehive.govt.nz/speech/speech+throne+0> (Retrieved on 9 December 2008).

⁶⁵ For more, see http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=10586163 (Retrieved on 23 July 2009).

⁶⁶ <http://www.beehive.govt.nz/release/job+ops+young+kiwis> sourced 2 August 2009

⁶⁷ For more, see <http://www.workandincome.govt.nz/community/a-z-grants-and-other-help/community-max.html> (Retrieved on 1 October 2009).

⁶⁸ For more, see <http://www.parliament.nz/en-NZ/PB/Legislation/Bills/BillsDigests/8/b/1/49PLLawBD16501-Employment-Relations-Amendment-Bill-2008-Bills-Digest.htm> (Retrieved on 21 October 2009).

The Youth Guarantee programme,⁶⁹ which will be implemented in 2010, aims to keep young people in education who otherwise might be left behind, recognising that some students can be better motivated in non-work settings. The programme provides free study towards school-level qualifications in settings such as polytechnics, wānanga and private training establishments. A key objective of the programme is increasing the educational achievement of 16 and 17 year olds who are not engaged in education or who would have otherwise entered work by providing them with improved access to study towards qualifications at level 1 to 3 on the National Qualifications Framework. Māori youth will be specifically targeted, with trade and service academies within schools set to be selected in areas with high proportions of NEET Māori youth.

These key programmes and recent gains in educational achievement should play an important role in addressing the growing unemployment and NEET rates, but the fact remains that Māori youth are particularly vulnerable in the labour market.

⁶⁹ For more, see <http://www.beehive.govt.nz/release/jump-start+youth+guarantee> (Retrieved on 16 November 2009).

7. OPPORTUNITIES AND CHALLENGES

This report has highlighted changing trends in Māori labour market performance over the last five years. We have seen the likes of improved educational outcomes, increased labour force participation and the impact that the recession is having on Māori.

This section has a more forward focus. It discusses how we see the short- and medium-term future of the labour market, and what this may mean for Māori. The short-term is defined as the next year or so, while the medium-term is the year 2020. We look at how the labour market in the year 2020 might look, what forces will shape it and what this may mean for Māori. As will be shown, the workforce of the future is likely to differ greatly from today.

7.1 The outlook for Māori in the labour market

The outlook for the labour market over the short-term remains relatively weak. While the labour market exited recession in the June 2009 quarter, growth is expected to remain subdued throughout the remainder of 2009. Any improvement seen in the labour market will lag that of the recovery in the wider economy.

Employment growth is expected to remain weak in coming quarters with the unemployment rate continuing to increase into early 2010. The September 2009 quarter's National Bank Business Outlook and Quarterly Survey of Business Opinion both show that firms are intending to keep staff numbers at current levels. This may signal that job destruction has slowed, but may also suggest there is little sign of job creation. Employers may be waiting to see if the recovery will be sustained before hiring new staff. As a result, we could see employment losses begin to slow in the near future, but unemployment continue to rise as new entrants to the labour force struggle to find work.

Weakness is expected to continue in a number of industries such as manufacturing, retail, and tourism-related industries, such as hospitality. Māori are over-represented in these industries, so Māori are likely to be disproportionately affected by the downturn in employment. However, confidence in another key employer of Māori, the construction industry, is rising.

7.2 How will the labour market look in 2020 and beyond?

A recent Department of Labour report, *Forces for change in the future labour market of New Zealand* identified four key forces that will significantly affect the New Zealand labour market by 2020: demographic shift; globalisation; changes to technology; and resource pressures.⁷⁰ These forces will impact on Māori and non-Māori alike. Emphasis is placed here on highlighting, where possible, the anticipated impacts on Māori.

⁷⁰ <http://www.dol.govt.nz/publications/research/forces-for-change/index.asp> (Retrieved on 11 July 2009).

Demographic change in the form of an aging population will have a growing influence on both the size and composition of New Zealand's workforce. By 2021, Māori are projected to represent around 16% of the New Zealand population, due to their higher birth rates. In 2006, the median age of Māori was 22.9 years, some 13 years younger than the median age of the total population (35.8 years old). The median age for Māori will increase to 24.6 by 2021, 14 years below the median age for the total population.

Because the Māori population profile is younger, an increasing proportion of new entrants to the workforce will be Māori over the next 20 years. Māori will also become more prominent in the older population. By 2021, 7% of Māori will be aged 65 years and over, compared with 4% in 2006, but this is lower than the rate for the total population (17%).

While labour force growth has been a prime driver of prosperity (the New Zealand labour force grew by 500,000 between 1991 and 2006), population ageing will result in a gradual slowdown in growth. Slower labour force growth is likely to exacerbate skill and labour shortages, but new employment opportunities will emerge. One key example will be the growing demand for aged care.⁷¹ In the next 30 years, the number of paid caregivers needed to meet the likely future demand for paid care is predicted to treble over from the current 17,900 to 48,200 in 2036.⁷²

New Zealand is highly influenced by what happens internationally, and is thus exposed to both the benefits and costs of globalisation. Globalisation affects the New Zealand labour market by changing the demand for jobs and changing the supply of workers through migration, creating both employment opportunities and risks depending on sectors and regions.

The increased mobility of a global labour supply of highly skilled migrants is likely to see more workers come to New Zealand, especially with predicted slowdowns in New Zealand's labour force growth. More workers will also leave our shores in search of employment. Increased relocation of business processes overseas could have a big impact on low skilled workers in industries such as manufacturing, a leading employer of Māori currently.

To a large extent, Māori are now part of this growing international labour flow. An estimated 100,000 Māori now live in Australia,⁷³ with the majority having moved there for improved employment outcomes, including higher wages. It is important that New Zealand's labour market remains competitive and offers opportunities to

⁷¹ For more on aging, see our recent report: <http://www.dol.govt.nz/services/LMI/workforce2020/ageing/understanding/index.asp> (Retrieved on 8 August 2009).

⁷² For more on the increased demand for care givers, see: <http://www.dol.govt.nz/services/LMI/workforce2020/ageing/paid-caregivers/index.asp> (Retrieved on 1 October 2009).

⁷³ Te Puni Kōkiri, "Māori in Australia" <http://www.tpk.govt.nz/en/in-print/our-publications/fact-sheets/Māori-in-aus/?q=australia> (Retrieved on 25 June 2009).

encourage Māori to continue to work in New Zealand, as well as attract Māori back to New Zealand. It will also become more important to build linkages with the Māori communities in Australia and elsewhere. This will be particularly important as global competition for all jobs increases.

As the labour supply growth slows, future economic growth will rely more on increased labour productivity, given the predicted slowdown in labour force growth. Increasing productivity, with a target of matching Australia's productivity by 2025, is a cornerstone of government policy. Technology change will play a leading role in improving productivity, and it will increasingly transform the workplace and bring new skill demands. The development of existing technologies and the creation of new technologies have contributed to the emergence of new products, services and markets at a tremendous rate in recent years. Some industries, such as transportation, communications, and the financial services sectors have been faster to utilise new communication technologies, the most visible type of new technology. Other sectors such as farming, forestry and fisheries have significant opportunities to embrace new technology. Many Māori businesses are located in these sectors.

The use of new technology will mean that workers will need to upgrade their skills, knowledge and experience by training more frequently. A more highly educated workforce can adapt to new technology more easily. Fortunately, the New Zealand workforce is becoming more educated, with fewer workers without qualifications and more new entrants having tertiary qualifications or workplace training, and this is also the case with Māori. Section Two has shown that Māori are less likely than non-Māori to take courses in the natural and physical sciences, and engineering and related technologies. Ensuring that young people make good choices in deciding on their field of study and acquire the skills that will be in demand in an increasingly knowledge-intensive economy is a key challenge.

Environmental pressures, especially climate change and natural resource constraints, will play a key role in shaping the 2020 workforce. New Zealand's economic viability is closely linked to its natural resources. The transition to a sustainable, low-carbon economy will involve major shifts in employment and skill sets, but it will bring with it opportunities for different sectors. For instance, primary industries will be directly affected by events such as drought, but the growing of new horticulture crops in previously unsuitable regions, and longer growing seasons may also emerge. Climate change is likely to have a large impact on Māori because of the concentration of Māori businesses in the agriculture, forestry and fisheries sectors. Options exist for Māori to adapt, for example, by using land as a source of renewable energy by developing biofuel and windfarms, or by developing fish farms to address the risk of fisheries depletion. While the extent of change is unknown, it is likely that 'green skills' will be in greater demand in the future. This would see a rise in jobs that help to protect and restore ecosystems and biodiversity, or to reduce energy, waste materials and water consumption.

While many of the demands on the 2020 workforce will be determined by what happens internationally, such as globalisation, technology developments and climate change, Māori-generated economic development will also play a significant role. There have been very positive signs of greater Māori economic contribution in recent years. Māori contributed 1.96% to New Zealand's GDP in 2003, and the Māori asset base was estimated to be worth \$16.5b in 2005.⁷⁴ Te Puni Kōkiri argues that Māori economic participation in the future will be enabled by five key drivers:

1. Nurturing innovation, the cornerstone for future economic growth
2. Promoting higher levels of entrepreneurship
3. Improving the qualification base of Māori
4. Increasing export growth participation
5. Using the existing asset base to leverage Māori and Māori businesses into growth as well as strategic industries.⁷⁵

Future economic growth and development, Te Puni Kōkiri note, should be directed at increasing the Māori share of the economy, growing and diversifying the asset base and broadening Māori economic activities. Diversifying Māori businesses away from agriculture, forestry and fisheries, towards the development of new products and investment in new technologies, such as nano, bio, neuro and IT technologies were recommended.⁷⁶ Post treaty-settlement iwi will also play a critical role in creating sustainable jobs in smaller communities. In short, a strong framework exists which should noticeably transform the workforce of 2020 and the place of Māori within it.

⁷⁴ For Maori Future Makers, Te Puni Kokiri research report, October 2007, p28
<http://www.tpk.govt.nz/en/in-print/our-publications/publications/for-maori-future-makers/>
(Retrieved on 15 August 2009).

⁷⁵ Ibid, p34

⁷⁶ Ibid, p36

GLOSSARY

Employment: The number of people in work for one hour or more per week.

Employment rate: The proportion of the working-age population that is employed.

Ethnicity: The ethnic group or groups that people identify with or feel they belong to. Ethnicity is a measure of cultural affiliation, as opposed to race, ancestry, nationality or citizenship. Ethnicity is self-assigned, and people can belong to more than one ethnic group.

Industry: The type of activity undertaken by the organisation, enterprise or business within which a person aged 15 years or over is employed. It is based on a classification managed by Statistics New Zealand.

Labour force: The labour force consists of members of the working-age population who are classified as employed or unemployed (people in the labour force).

Labour force participation rate: The proportion of the working-age population who are either employed or unemployed.

Labour supply: People that make themselves available for work, and the attributes and skills these people bring to the workplace.

Māori: This report uses Statistics New Zealand's Household Labour Force Survey data and education information sourced from the Ministry of Education or Tertiary Education Commission. These sources use the "total response" method of counting Māori. With this method, people who reported more than one ethnic group are counted once in each group reported. This means that the total number of responses for all ethnic groups can be greater than the total number of people who stated their ethnicities.

Not in the labour force: Any person in the working-age population who is neither employed nor unemployed. This includes, for example, retired people, students, and people at home with children.

NEET: This measure refers to youth not engaged in education, employment and training. Youth who are not engaged in these activities are at risk of poor labour market outcomes. In this report, caregiving is deemed to be a form of engagement and so is excluded from the way NEET is measured.

Occupation: A set of jobs that require the performance of similar or identical tasks, and collected for employed people aged 15 years and over. It is based on a classification managed by Statistics New Zealand.

Population: Unless explicitly stated, 'population' in this report refers to the national usually resident population.

Qualifications: Qualifications are registered at one of 10 levels, with the level depending on the complexity of the skills and knowledge that are being recognised. Level 1 qualifications are the least complex and are open-ended downward to capture all learning. Level 10 is the most complex. The levels do not equate to years spent learning but reflect the content of the qualification. A brief description of the contents of the qualifications is:

- level 1 to 3 – senior secondary school learning (NCEA), foundation skills and introductory trades training
- level 3 to 4 – initial trade certificates
- level 5 to 7 – advanced trades, technical and business qualifications
- level 7 and above – graduate and postgraduate qualifications.

Unemployment: The number of people in the working-age population who are without a paid job, are available for work and have actively sought work in the past four weeks or have a new job to start within the next four weeks.

Unemployment rate: The proportion of the labour force that is unemployed.

Working-age population: The usually resident population aged 15 years and over.

