

State of the labour market scorecard - May 2012

GDP
▲0.3% quarterly change (Dec 11)

Labour utilisation (hours worked)

Labour productivity (output per hour worked)

**Labour demand
Concern**

**Labour market matching
Concern**

**Labour supply
Concern**

**Labour quality
Concern**

**Workplace performance
Concern**

**Capital investment
Concern**

Change since Dec 2011:
Outlook for Jun 2012:
The number of people employed increased by 9,000 (0.4%) in the March quarter.
Full-time employment fell slightly by 0.2% and part-time employment grew by 2.5%.
Over the year, there was strong growth in arts and recreation services (17.9%), rental, hiring and real estate services (11.9%), financial and insurance services (10.7%) and construction (6.0%).
There has been strong employment growth in Auckland over the year, while Canterbury has seen growth in the latest quarter.

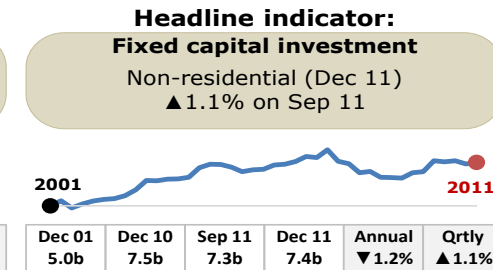
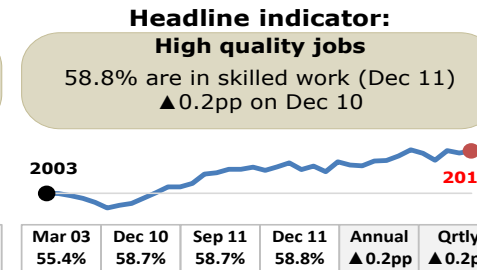
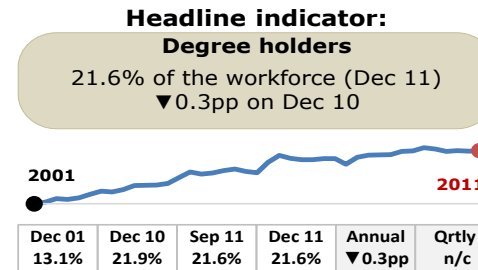
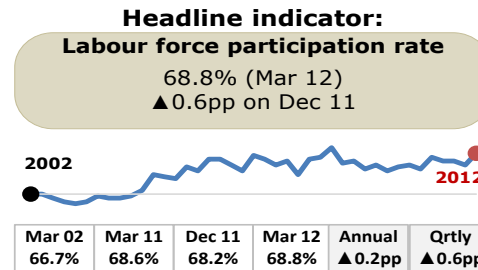
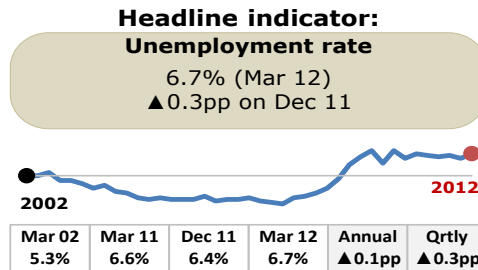
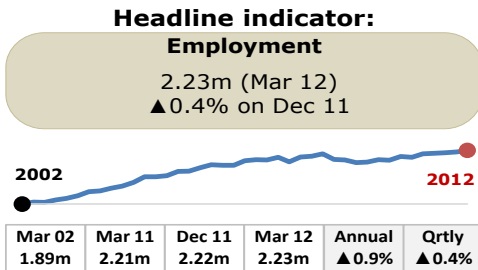
Change since Dec 2011:
Outlook for Jun 2012:
The unemployment rate rose from 6.4% to 6.7% in the March 2012 quarter, driven by an increase in labour force participation.
The NEET rate (the proportion of 15-24 year olds not in employment, education or training) was 13.6% in the March quarter, up from 13.1% last quarter. The NEET rate was 8.9% for 15-19 year olds and 18.1% for 20-24 year olds in the March quarter.
Firms may be experiencing skill shortages in some sectors as they found it harder to find skilled staff in the March 2012 quarter, and online vacancies for skilled jobs were up for the year to March 2012 (4.0%).

Change since Dec 2011:
Outlook for Jun 2012:
Labour force participation rose from 68.2% to 68.8% in the March 2012 quarter.
Over the long term, participation will fall due to population ageing – dropping to around 65% by 2030.
Permanent and long term migration is at a low point of the long term cycle. However, a return to net migration gains is forecast for 2013. Annual net migration showed a net loss of 3,400 people in the year to March 2012, mainly due to increased departures to Australia.

Change since Sep 2011:
Outlook for Mar 2012:
The percentage of the workforce with degrees was unchanged in the latest quarter at 21.6%, but down slightly from a year ago.
The number of degree completions has not changed markedly over the past 10 years, although other parts of the tertiary education sector have grown strongly. However, some of this growth has been lost through emigration.
There was an 8.4% increase in attainment of industry training credits in 2010 compared to the previous year.

Change since Sep 2011:
Outlook for Mar 2012:
The share of people working in skilled occupations rose slightly and is at a high level. NZ's productivity growth is relatively low and is reflected in wage levels that are lower than the countries to which we compare ourselves.
Annual wage growth appears to be gradually recovering. The adjusted labour cost index (LCI) increased by 2.0% for the year to March 2012. This level is unchanged from the year to December 2011 but is up from 1.5% two years ago when wage growth was affected by the recession.

Change since Sep 2011:
Outlook for Mar 2012:
The low level of capital is a restraint on NZ's labour productivity growth.
Capital investment decreased in the recession but has begun to recover, with more investment in 2011 than in either 2010 or 2009. Investment in fixed assets rose by 1.1% in the December 2011 quarter, due to increases in investment in transport equipment and non-residential buildings.
Further recovery is forecast over the next two years. Future capital investment will be heavily affected by the rebuild in Canterbury earthquakes.



Contributing indicators:

Employment by industry
Mar 12 (ann. change since Mar 11)

Biggest rises

Arts, Rec, Other Services	▲17.9%
Rental, Hire, Real Estate	▲11.9%
Finance, Insurance Services	▲10.7%

Biggest falls

Wholesale Trade	▼14.6%
Ag, Forestry, Fishing	▼3.2%
Retail Trade, Accom.	▼3.1%

Employment by work period
Mar 12 (qtr. change since Dec 11)

Part-time	Full-time	All
▲2.5%	▼0.2%	▲0.4%

Employment by gender
Mar 12 (ann. change since Mar 11)

Part-time	Full-time	All
Male ▲1.1%	▲1.2%	▲1.1%
Female ▲7.2%	▼2.5%	▲0.7%
Total ▲5.4%	▼0.3%	▲1.0%

Consensus employment forecasts
Mar 12
1.8% p.a. employ. growth to Mar. 2013

Employment by region
Mar 12 (seasonally adjusted)

'000	Quarterly	Annual
Auckland	707 ▼0.2%	▲4.4%
Waikato	189 ▼3.4%	▼6.3%
Wellington	268 ▼1.0%	▼0.9%
Canterbury	325 ▲4.8%	▼1.8%
Otago	122 ▼5.3%	▼2.2%

Contributing indicators:

Unemployment by group
Mar 12

Rate	Quarterly	Annual
Male 6.3%	▼0.1pp	▲0.1pp
Female 7.1%	▲0.8pp	▲0.2pp
European 5.6%	▲0.9pp	▲0.1pp
Maori 13.9%	▲0.5pp	▼0.7pp
Pacific 16.0%	▲2.2pp	▲2.4pp
Asian 9.4%	▲0.3pp	▼0.1pp

28.6% of unemployed deemed 'long-term' (i.e. unemployed > 6 months)
▲2.0pp since Mar 11

Youth not in employment, education, or training
Mar 12 (seasonally adjusted)

15-24 yr-olds	13.6% (▲0.5pp on Dec 11)
15-19 yr-olds	8.9% (▼0.8pp on Dec 11)
20-24 yr-olds	18.1% (▲1.7pp on Dec 11)

Advertised job vacancies
Mar 12

Skilled vacancies (Jobs Online)
Monthly to Mar 12 ▲1.1%
Year to Mar 12 ▲4.0%

Vacancies/applicant (Seek Employ. Index)
Monthly to Feb 12 ▼10.0%
Year to Feb 12 ▼4.7%

Difficulty finding skilled labour
Mar 12
Net 21% of firms found it harder to get skilled staff than three months ago.

Unemployment by region
Mar 12 (seasonally adjusted)

Rate	Quarterly	Annual
Auckland 7.4%	▲0.6pp	n/c
Waikato 8.2%	▲1.2pp	▲1.3pp
Wellington 5.7%	▼1.5pp	▼0.7pp
Canterbury 5.2%	▲0.1pp	▼0.9pp
Otago 5.1%	n/c	▲0.6pp

Contributing indicators:

Participation by gender
Mar 12

Rate	Quarterly	Annual
Male 74.9%	▲0.4pp	▲0.2pp
Female 62.9%	▲0.6pp	▲0.2pp

Participation by ethnicity
Mar 12

Rate	Annual
European 70.1%	▲0.4pp
Maori 67.7%	▲1.6pp
Pacific 63.5%	▲0.4pp

Retirement rates
2010
Est. retirements as a % of labour force:
2009: 1.1% per year
2014: 1.5% per year
2019: 1.6% per year

Migration
Mar 12

Net migration:
Net loss of 3,383 in year to Mar 12, compared with a 6,554 gain (Mar 11)

Net NZ citizen departures to Australia:
Net loss of 39,317 in year to Mar 12, compared with a 26,099 loss (Mar 11)

Immigration approvals (Essential Skills):
Year to date (Jul 11 to Dec 11): 11,457
▼4.3% on same period last year
Full year to Jun 11: 22,342
▼2.6% on year ended Jun 2010

Participation by region
Mar 12 (seasonally adjusted)

Rate	Quarterly	Annual
Auckland 69.0%	▲0.6pp	▲0.9pp
Waikato 67.8%	▼0.9pp	▼2.8pp
Wellington 70.9%	▼0.4pp	▼0.6pp
Canterbury 68.6%	▲1.2pp	▼0.4pp
Otago 69.8%	▼1.8pp	▼0.4pp

Contributing indicators:

25 to 34 year olds with level 4 or higher qualifications
2011

286,600 (50.6%)	in Dec 2011
288,700 (51.7%)	in Dec 2010
285,300 (51.9%)	in Dec 2009

Dec 11

Rate	Annual
Auckland 56.3%	▲2.6pp
Waikato 43.0%	▼6.5pp
Wellington 56.2%	▼3.2pp
Canterbury 53.5%	▲0.5pp
Otago 55.2%	▼0.9pp

Industry training credits attained
2010
▲8.4% on 2009
▲38.5% on 2005

School leavers
2010

% with NCEA level 2 or higher:
74.5% in 2010
57.2% in 2005

% with little or no formal quals:
3.8% in 2010
12.9% in 2005

Contributing indicators:

High quality jobs
Mar 12

Rate	Annual
Auckland 60.5%	▲0.2pp
Waikato 57.9%	▲0.1pp
Wellington 64.7%	▲0.3pp
Canterbury 56.5%	n/c
Otago 57.4%	▲0.3pp

Annual wage growth
Mar 12
Labour Cost Index ▲2.0% on Mar 11
13th lowest change since Dec 2000

Work-related injuries
2010
Incidence rate of ACC claims
▼25 pp on 2005

Labour market efficiency
(Employer survey measure)
2011
NZ ranked 11th out of 142 countries.
▲1 place from 2010.

Employment Confidence Index
(Employee survey measure)
Mar 12
▼0.7 pp on Dec 2011
▼6.1 pp on Mar 2011

Contributing indicators:

Investment forecasts (Consensus opinion)
Mar 12

Residential: 24.5% p.a. to Mar. 2013
Other: 6.5% p.a. to Mar. 2013