



## EMPLOYMENT AND SKILLS SNAPSHOT – GOVERNMENT ADMINISTRATION AND DEFENCE

### Introduction – December 2009

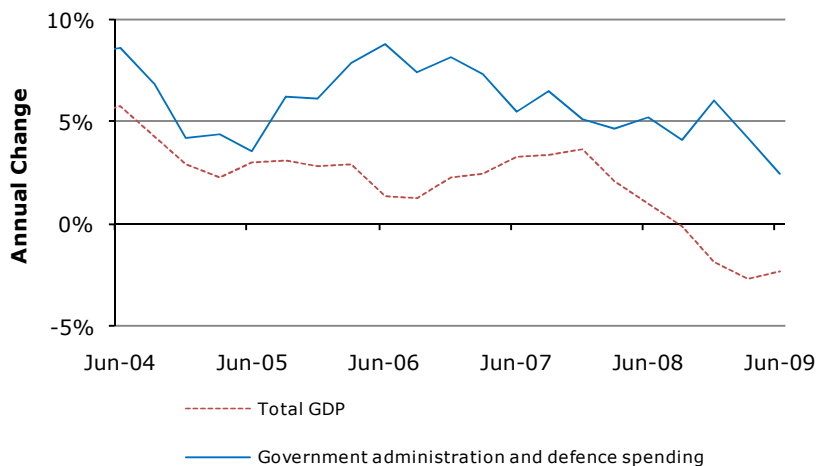
The government administration and defence industry is an important employer in New Zealand, employing 68,800 people (or 3% of New Zealand's total workforce) in the June 2009 quarter<sup>1</sup>. Employment in the government administration and defence industry has experienced strong growth over the last decade, consistent with other sectors throughout the economy. The discussion below focuses on the contribution to Gross Domestic Product by the industry, historical employment growth, qualifications, age and gender, and employment forecasts for the industry.

Employment data for the government administration and defence industry has been grouped into four sectors: central government administration, local government administration, justice and defence.

### Contribution to Gross Domestic Product (GDP)

Over the last five years, government administration and defence GDP growth has been consistently above total GDP growth. Figure 1 shows that spending in government administration and defence has become a larger share of total spending over time. However, Government spending has followed a downward trend, consistent with the decline in total spending over time.

**Figure 1: Annual change in Total GDP and Government administration and defence contribution to GDP (Jun 04 – Jun 09)**



Source: Statistics New Zealand

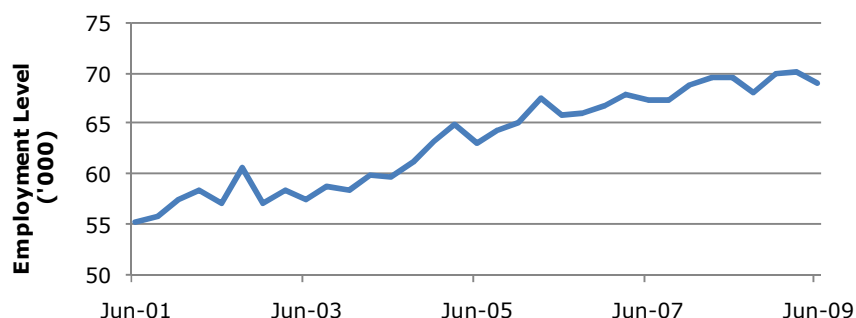
<sup>1</sup> Based on Department of Labour Employment Estimates



## Historical employment growth

Between June 2001 and June 2009, the government administration and defence industry has experienced major employment growth, with an increase from 55,100 to 68,800<sup>2</sup> (see Figure 2).

**Figure 2: Total employment in the Government administration and defence industry (Jun 01 – Jun 09)**



Source: Department of Labour Employment Estimates

In absolute terms, employment in the central government administration sector experienced the largest growth between June 2004 and June 2009 (an increase of 6,100 employees or 19%).

In percentage terms, the justice sector grew by 40% in the same period (an increase of 1,100 employees).

The number employed within local government administration also increased by 1,900 from June 2004 to June 2009.

Defence employment was relatively stable, with total employment growing by only 200 from June 2004 to June 2009.

**Table 1: Employment growth in the government administration and defence industry by sector (Jun 04 – Jun 09)**

Industry	Employment (June 04)	Employment (June 09)	Share of industry employment	Employment growth (Jun 04 - Jun 09)
Central Government Administration	31,100	37,200	54%	19%
Local Government Administration	14,700	16,600	24%	13%
Justice	2,800	3,900	6%	40%
Defence	10,900	11,100	16%	2%
<b>Government Administration and Defence</b>	<b>59,500</b>	<b>68,800</b>	-	<b>16%</b>
<b>Total (All Industries)</b>	<b>1,995,900</b>	<b>2,166,000</b>	-	<b>5%</b>

Source: Department of Labour Employment Estimates

<sup>2</sup> Based on Department of Labour Employment Estimates.



## Qualifications

In general, employees in the government administration and defence industry are highly qualified. Overall, the industry has a high proportion of employees holding bachelor degree or higher qualifications (37%) when compared to all industries (19%). The industry had the second highest share of employees with a bachelor degree or higher after the education industry<sup>3</sup>.

**Table 2: Qualifications held by employees<sup>4</sup> in the government administration and defence industry, 2006\***

Occupation	No Qualification	School Qualification	Vocational	Bachelor Degree or Higher
Protective Services Workers	10%	55%	22%	13%
Specialised Managers	3%	26%	19%	51%
Library, Mail and Related Clerks	10%	45%	21%	24%
Business Professionals	2%	23%	15%	60%
Social Work Associate Professionals	7%	31%	32%	30%
<b>Government Administration and Defence</b>	<b>10%</b>	<b>40%</b>	<b>26%</b>	<b>25%</b>
<b>All Occupations in New Zealand</b>	<b>19%</b>	<b>35%</b>	<b>27%</b>	<b>19%</b>

Source: Census of Population and Dwellings, 2006

\* Note percentages may not add to 100 due to rounding

## Age and gender

In 2006, the share of workers in the government administration and defence industry was similar to the overall workforce. The share of employment between males and females was also relatively consistent, with 54% of employees identified as males.

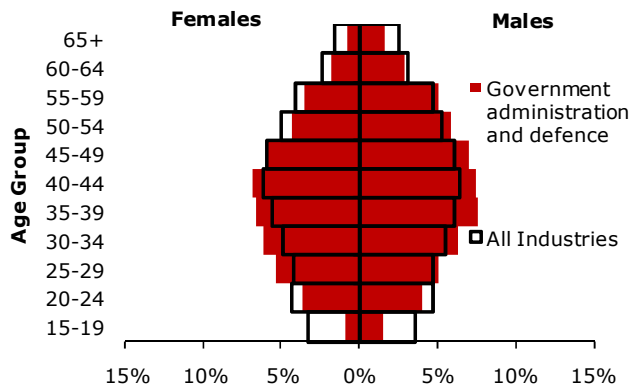
The industry also has a high share of workers aged 25-45 years old. Central government administration had a higher share of females in the 25-49 year age groups, and the defence sector employed a larger share of younger males (see Figure 3 below).

<sup>3</sup> <http://www.dol.govt.nz/services/LMI/tools/skillsinsight/snapshots/education/index.asp>

<sup>4</sup> The occupations discussed have been ranked according to employment in 2006



**Figure 3: Age and gender profile of government administration and defence industry employees compared to the working age population, 2006**



Source: 2006 Census of Population and Dwellings

### Employment forecasts

The Department of Labour has periodic updates of employment projections for industries and occupations through to 2013. These are based in part on the GDP forecasts for each industry produced by the New Zealand Institute of Economic Research (NZIER). They also take into account recent productivity trends within industries. A degree of uncertainty is attached to these employment projections which are often influenced by changing industry prospects.

Over this period, total employment within the government administration and defence industry is forecast to increase slightly. This seems reasonable given Government spending is likely to remain at current or slightly higher levels to counteract the effects of the recession.

### Summary

Currently the government administration and defence industry represents around 3% of New Zealand's total employment. Over the last five years, the industry has seen strong growth in employment, with total employment growing by 13,700 (25%) between June 2001 and June 2009. The industry also had a relatively larger share of employees holding bachelor degrees or higher in 2006. Overall employment is divided evenly between male and female employees within the industry.