



EMPLOYMENT AND SKILLS SNAPSHOT: TRANSPORT, POSTAL AND WAREHOUSING

Overview – July 2010

The transport, postal and warehousing sector employed approximately 95,700 people during the December 2009 quarter, or 4.4% of New Zealand’s total workforce¹.

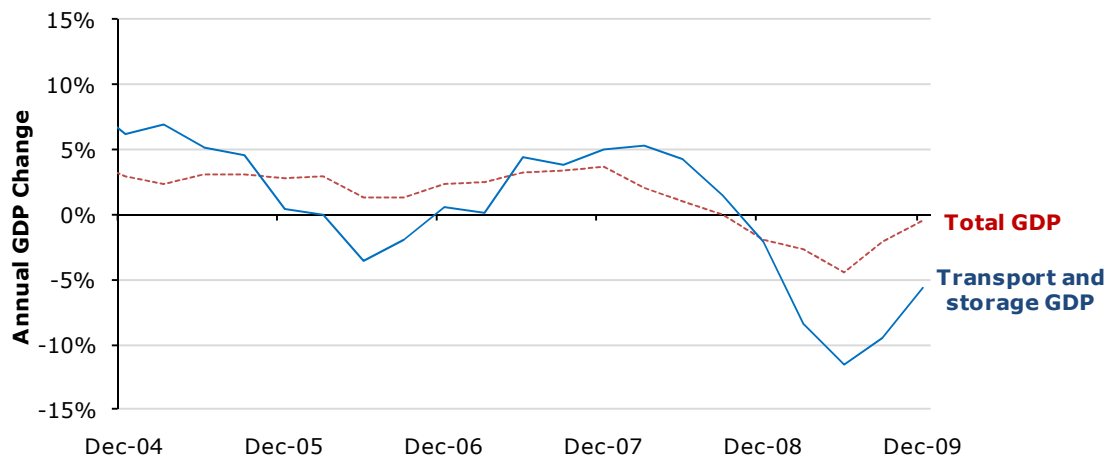
This *Employment and Skills Snapshot* breaks the sector down into eight subsectors: road transport; postal and courier pick-up and delivery services; transport support services; air and space transport; warehousing and storage services; water transport; other transport²; and rail transport. It then takes a closer look at:

- employment within the various subsectors that make up this sector
- the qualifications of employees in these subsectors
- the demographic profile of these employees.

Contribution to Gross Domestic Product

Over the last five years, the Gross Domestic Product (GDP) growth of the transport, postal and warehousing sector has been more volatile than nationwide GDP growth – and the sector was particularly hard hit by the recession. GDP growth in the sector fell to negative 12% at the recession’s peak in June 2009, compared to the nationwide figure of almost negative 5%. Closer examination of GDP data shows the sector shrank by 12% between June 2008 and June 2009. This fall impacted on employment within the sector, as shown in the next section.

Figure 1: Nationwide GDP growth vs. transport and storage GDP growth



Source: Statistics New Zealand

¹ Based on Department of Labour Employment Estimates

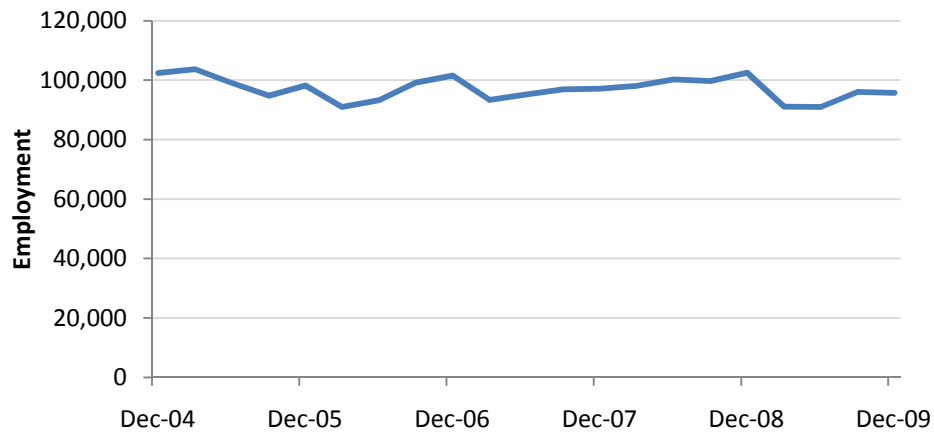
² This subsector consists of units mainly engaged in passenger and freight transportation not elsewhere classified such as over snow transportation, ski lift operation, ski tow operation, and transport operation not elsewhere classified.



Employment trends

New Zealand had 4% employment growth in the five years to December 2009. During this time, employment within the transport, postal and warehousing sector has fluctuated mildly, as illustrated in Figure 2 below, with an overall decrease of 7% (6,700 employees) to 95,700 by the end of the period. Much of that fall coincides with the depths of the recession in New Zealand: employment in the sector fell 7% between December 2008 and December 2009, and transport and storage GDP fell by 5% during the same period.

Figure 2: Transport, postal and warehousing sector employment



Source: Department of Labour Employment Estimates



The transport, postal and warehousing sector is divided into the subsectors shown in Table 1 below³. This table also shows that most subsectors experienced significant declines in employment over the past five years. For the four biggest subsectors within this sector:

- employment in the road transport subsector decreased by 6% (2,700 workers) in the five years to December 2009
- employment in the postal and courier pick-up and delivery services subsector decreased by 13% (2,370 workers)
- employment in the transport support services subsector decreased by 5% (720 workers)
- employment in the air and space transport subsector increased by 2% (160 workers).

Table 1: Employment in the transport, postal, warehousing sector by subsector

| Subsector | Employment (Dec. 09) | Share of industry employment (Dec. 09) | Employment growth (2004 - 2009) | Absolute employment growth (2004 - 2009) |
|--|----------------------|--|---------------------------------|--|
| Road transport | 40,700 | 43% | -6% | -2,700 |
| Postal and courier pick-up and delivery services | 16,400 | 17% | -13% | -2,370 |
| Transport support services | 15,200 | 16% | -5% | -720 |
| Air and space transport | 9,800 | 10% | 2% | 160 |
| Warehousing and storage services | 6,500 | 7% | -9% | -600 |
| Water transport | 2,500 | 3% | -12% | -310 |
| Other transport | 2,500 | 3% | -11% | -340 |
| Rail transport | 2,100 | 2% | 9% | 180 |
| Transport, postal and warehousing total | 95,700 | - | -7% | -6,700 |
| All industries | 2,175,000 | - | 4% | 91,800 |

Source: Department of Labour Employment Estimates

³ The Department of Labour reports industry employment statistics based on the Australia and New Zealand Industry Classification System (ANZSIC), 2006.



Qualifications

In 2006, the transport, postal and warehousing sector had a much higher proportion of employees with no formal qualifications (29%) compared with the total New Zealand workforce (19%). A notable exception to this was the air transport subsector, where just 6% of employees had no formal qualification.

Table 2: Qualifications held in the transport, postal and warehousing sector

| Subsector | No formal qualification | School qualification | Cert. or diploma | Bachelor degree or higher |
|--|-------------------------|----------------------|------------------|---------------------------|
| Road transport | 40% | 35% | 20% | 4% |
| Rail transport | 30% | 35% | 26% | 9% |
| Water transport | 13% | 34% | 39% | 14% |
| Air and space transport | 6% | 35% | 45% | 13% |
| Other transport | 25% | 34% | 32% | 9% |
| Postal and courier pick-up and delivery services | 28% | 48% | 16% | 8% |
| Transport support services | 22% | 41% | 26% | 11% |
| Warehousing and storage services | 30% | 43% | 17% | 9% |
| Transport, postal and warehousing total | 29% | 39% | 24% | 8% |
| New Zealand total | 19% | 35% | 27% | 19% |

Source: Census of Population and Dwellings, 2006

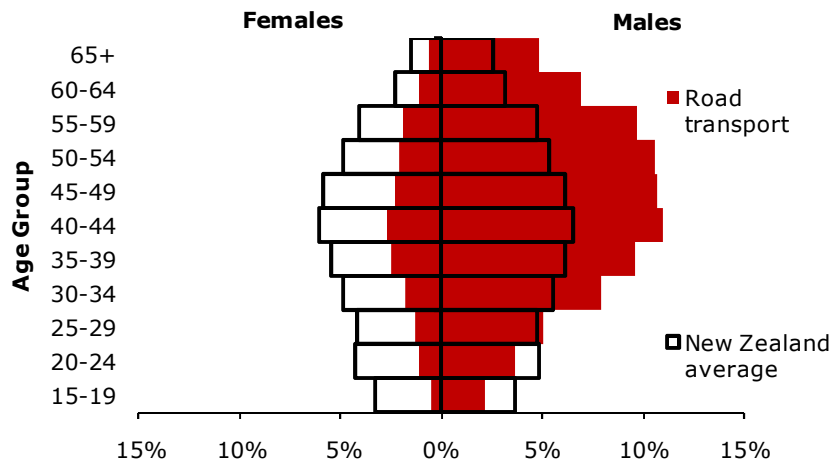
The road transport subsector had 40% of employees with no formal qualifications compared with the New Zealand workforce (19%). This could be due to a higher reliance on informal on-the-job training.

Demographic profile

The three main subsectors that dominate the transport, postal and warehousing sector in terms of employment have very different demographic profiles.

Figure 3 on the following page shows that the road transport subsector employed a much larger share of male workers (82%) compared to the national average (52%). The shares of workers were also predominantly larger in the 30+ years age cohort, with 71% of workers being male and 30 years of age, or older. Consequently, a large number of older workers within this subsector will need to be replaced over the coming decades as they retire. Anecdotally, road transport struggles to attract and retain young people to replace these older workers given the subsector's image, pay conditions, and brighter prospects overseas which have tended to deter young people from a career in this subsector.

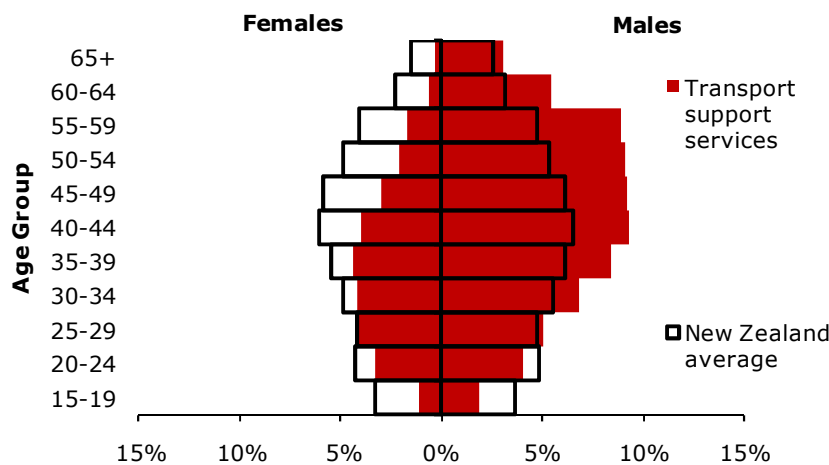
Figure 3: Age and gender profile of the road transport subsector



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

Figure 4 highlights that the transport support services subsector had a similar demographic to the road transport subsector, with the exception of a much more balanced gender breakdown for workers under the age of 30 years. Males within this subsector accounted for 71% of all workers, compared to the national average of 52%.

Figure 4: Age and gender profile of the transport support services subsector

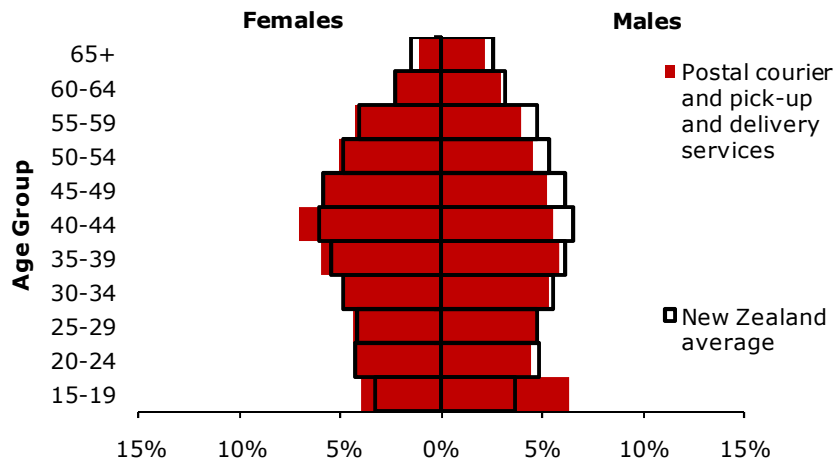


Source: 2006 Census of Population and Dwellings, Statistics New Zealand

Figure 5 on the following page indicates that the postal and courier pick-up and delivery services subsector had very similar age and sex profiles to the general New Zealand trend, with the exception of a marked over-representation of workers under 20 years of age. The industry also had an over-representation of younger male workers in the 15-19 age group.



Figure 5: Age and gender profile of the postal courier and pick-up and delivery services subsector



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

Forecast employment

The Department of Labour prepares periodic updates of employment projections for industries and occupations for the next three years⁴. The forecasts are based on GDP forecasts by industry produced by the New Zealand Institute of Economic Research, recent productivity trends within industries, and past employment trends from the Census. Please note that a degree of uncertainty is attached to these industry employment projections.

In the three years to 2013, we expect employment to increase by 2.2% per annum. This compares with an annual average forecast growth rate of 0.7% across all sectors over the same period.

Summary

Currently, the sector represents around 4.4% of New Zealand's total workforce. Over the last five years, employment has decreased by 7% (6,700 employees) in the sector, due to the recession. Consultation with the sector has indicated that the combination of an ageing workforce and low numbers of young people embarking on a career in the road transport subsector may place pressure on the subsector's future ability to replace workers who leave due to retirement.

⁴ Department of Labour Employment Projections, 2008-2013