



Labour Market Dynamics  
Research Programme

*Innovative research in employment*

## WHERE ARE THE WORKERS?: EMPLOYMENT AND SKILLS IN NINE INDUSTRIES

A Report Prepared for the  
Waitakere Employment and Skills Project

Eva McLaren and Paul Spoonley



**Massey University**  
AUCKLAND

*College of Humanities and Social Sciences*

APRIL 2005

© McLaren and Spoonley, 2005

ISBN: 1-877355-08-9

Labour Market Dynamics Research Programme  
Massey University  
Private Bag 102 904  
North Shore Mail Centre  
AUCKLAND  
<http://imd.massey.ac.nz>

## **ACKNOWLEDGEMENTS**

---

This research project was carried out as part of the Labour Market Dynamics Research Programme which is funded by the New Zealand Foundation for Research, Science and Technology. The Foundation's funding of the research into pathways to sustainable employment is gratefully acknowledged, as is the continuing support of Massey University, the host institution.

We would like to recognise and sincerely thank our interviewer, Karin Menon, for her dedication.

Finally, but not least, we would like to thank all the participants in the study. They gave generously of their time and expert opinions and comments. Their insights were tremendously helpful and greatly valued.

## **TABLE OF CONTENTS**

---

---

<b>ACKNOWLEDGEMENTS.....</b>	<b>3</b>
<b>INTRODUCTION.....</b>	<b>5</b>
<b>SURVEY METHODOLOGY .....</b>	<b>6</b>
<b>TELEPHONE INTERVIEWS.....</b>	<b>7</b>
<b>I NTRODUCTION AND RESPONDENTS' PROFILES.....</b>	<b>7</b>
VACANCIES .....	15
MIGRANTS .....	24
EDUCATION AND TRAINING .....	28
<b>CONCLUDING COMMENTS .....</b>	<b>35</b>
<b>REFERENCES.....</b>	<b>37</b>
<b>USEFUL WEBSITES .....</b>	<b>39</b>
<b>APPENDIX ONE .....</b>	<b>40</b>

## INTRODUCTION

---

Early in 2002, Work and Income (North Auckland) commissioned research to examine the existing and future skill needs of seven industries in Waitakere City (Spoonley, McLaren and Hanrahan, 2002). A working party was then convened to examine the contribution the report could make to an understanding of local labour market needs. As a result, the Waitakere Employment and Skills Project (WESP) was formed to develop a more co-ordinated approach to matching labour demand and supply. Focus shifted to demand-side factors and a number of issues were highlighted: whether training and education providers were meeting employer and industry requirements; the role of intermediaries, notably government agencies, in helping employers as opposed to primarily focussing on job-seekers; the information available on local demand, current and in the future, and an examination of the employment and skills required by Waitakere City employers.

As one of the lead agencies in WESP, Massey University's Labour Market Dynamics Research Programme conducted a pilot study of the employment and skill demands of employers in nine industries in Waitakere City at the end of 2003 with a view to repeating this on a six monthly basis to gain a better understanding of labour market dynamics and trends in the City. The industries, identified by WESP as growth sectors, include: hospitality, plastics, health, marine and boatbuilding, engineering, road transport, electro-technology, building and construction and film and television.

Following the first phase in which we examined the skill and employment needs of employers in the hospitality, plastics, electro-technology, boatbuilding and transport industry sectors during July and August 2004 (McLaren and Spoonley, 2004), we interviewed 20 employer representatives in engineering, building and construction and health and 10 employers in the film and television industry at the end of 2004 and the beginning of 2005. This report combines the survey findings of the 170 employers in the nine industry sectors. Similar surveys have been conducted with growth industries in the Rodney District (McLaren, Westbrooke and Spoonley, 2004) and on the North Shore (McLaren, Maidment and Spoonley, 2004).

In the previous report on the skill demand of employers in five industry sectors in Waitakere City (McLaren and Spoonley, 2004), the numerous supply and demand-side challenges faced by employers, education and training providers and local government agencies are outlined in detail and, therefore, not replicated in the body of the this report. Instead, they are contained in Appendix One.

At the time this report was written, the New Zealand labour market was experiencing a period of rising employment, falling unemployment but most significantly, an intensification of skills shortages was reported by employers. In an increasingly globalising labour market for skilled people, of particular concern is that the lack of skilled workers is a more significant problem for New Zealand businesses than for businesses in 23 other countries (**The Jobs Letter**, April 2005:3). Fifty percent of New Zealand firms indicated that a lack of skilled workers was their most significant barrier to expansion which contrasts with 44 percent of Australian firms, 34 percent of Canadian and UK firms and 26 percent of enterprises in the United States.

It is recognised that local labour markets are not isolated from the region in which they are located and many employers interviewed were based outside of the Waitakere area but had links to Waitakere. Not only do workers commute to employment outside the area, but employers' head offices can be based elsewhere. More than ever, given the numerous challenges employers face today, a co-ordinated approach between local and national government agencies, education and training providers and employers is required to maximise matching labour demand with supply.

## **SURVEY METHODOLOGY**

---

The Waitakere Employment and Skills Project has identified nine industry sectors that are the focus of this research and these are: hospitality, plastics, boat building, electro-technology, transport, building and construction, health, engineering and film and television.

One hundred and seventy employers, located either within or outside of Waitakere City but with business interests in the City were interviewed by telephone. Contact details for the enterprises in the sample were provided by Enterprise Waitakere. Given the nature of the sample, the results cannot be generalised but the research provides a valuable insight into the experiences of employers as they attempt to recruit people in the current environment of low unemployment and a severe shortage of skilled, semi- and unskilled workers. Every effort was made to maintain confidentiality and as the responses are aggregated, no single employer can be identified.

The questionnaire used in this survey has been adapted from the Employers Skill Survey (2002), which was designed to investigate the extent, causes and implications of skills deficiencies in England. The following issues are addressed:

- The extent to which employers face difficulties in recruitment and whether the lack of skills contribute to these difficulties;
- The main causes of skill deficiencies identified by employers and the consequences of these;
- Employers' perceptions of the skills gaps among those currently employed; and
- The relevance and effectiveness of education and training provision for their companies.

The questionnaire, containing some closed and open-ended questions, includes background information on the businesses surveyed, current vacancies and those vacancies or positions that are generally difficult to fill, various attributes like the competencies which are related to the jobs that were difficult to fill, the effect that the lack of these has on the company, qualities and skills lacking in present staff, barriers to developing and maintaining a fully proficient team, the contribution or otherwise of migrant employees and the ability of education and training providers to remain relevant in the labour market today.

## TELEPHONE INTERVIEWS

---

### INTRODUCTION AND RESPONDENTS' PROFILES

One hundred and seventy employers representing nine industry groups were interviewed by telephone between July 2004 and January 2005. Other than the film and television industry where 10 employers were surveyed, 20 employers were interviewed in each of the other 8 industries which were: hospitality, plastics, boat building, electro-technology, transport, building and construction, health and engineering.

Responses are aggregated and analysed by industry sector. The size of the businesses we surveyed did not fit the profile of Waitakere City's business community because we confined our interviews to employers with four or more full-time equivalent staff employed at some time during a calendar year. In the survey sample, businesses with less than five employees, the overwhelming numerical majority of all businesses in New Zealand, are under-represented. New Zealand is a nation of small firms with 86 percent of enterprises employing 5 or fewer FTEs, 96.8 percent employ 19 or fewer FTEs and 20 percent do not employ anyone ([www.med.govt.nz/irdev/ind\\_dev/smes/2004/2004-03.html](http://www.med.govt.nz/irdev/ind_dev/smes/2004/2004-03.html)). Following the Ministry of Economic Development's definition of small, medium and large enterprises,<sup>1</sup> we interviewed employers in 28 micro-enterprises, 75 in small, 40 in medium and 26 in large organisations.

One of the difficulties when asking employers about the number of people employed concerns the nature of the employment relationship, that is, whether employees are permanent or temporary. We can no longer take it for granted that people work for a single employer with the assumption of ongoing employment as there is an increasing trend towards self-employment, casual, fixed-term and seasonal employment (McLaren et al., 2004). To get some sense of the temporary working arrangements in Waitakere City, we distinguish between permanent full-time and permanent part-time employees, and temporary full-time and temporary part-time employees. It is difficult to get exact numbers concerning the nature of employment relationships because of the transient nature of many of these employees and the seasonal arrangements of industries like hospitality where the employment of non-standard workers can increase at certain times of the year. The table below gives us a guide of the types of employment relationships that exist in the companies surveyed and indicates that temporary working arrangements are prevalent in over half the businesses surveyed.

---

<sup>1</sup> The definition of SMEs varies across countries and within countries. Differentiation is often on the basis of the numbers of full-time equivalent (FTE) employees. In New Zealand, small firms are those with fewer than 50 FTEs and large firms have more than 100 according to Cameron and Massey (1999), yet government agencies (e.g. Ministry of Economic Development) often define 'small' firms as those with 6-19.5 FTEs, 'medium' firms are those with 20-49.5 FTEs and 'large' firms 50 and more employees. Micro enterprises are those with less than 6 employees. Large firms comprise only around one percent of total firms, according to the latter classification. For purposes of this study, we use the latter SME definition.

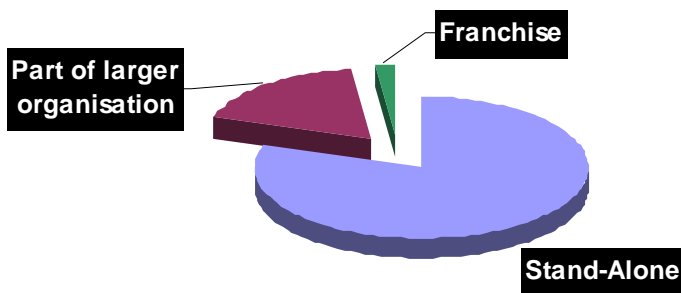
Table 1: Employment Relationships

<i>Employment relationship</i>	<i>Number of Employers</i>
Permanent full-time	170
Temporary full-time (incl. contractors, seasonal workers, casuals and fixed-term)	27
Permanent part-time	49
Temporary part-time	63
Apprentices	20

\*Not every employer surveyed answered this question. We have made the assumption that all companies employ at least one person on a permanent full-time basis including owners of the business.

Eighty percent of enterprises included in the research were stand-alone, 18 percent were part of a larger organisation and two percent were part of a franchise business.

Figure 1: Business Grouping – Overall



Employers were asked whether their volume of business had increased, stayed the same or decreased over the last 12 months. This helps establish the buoyancy of economic activity amongst firms surveyed and indicates the health of the Waitakere economy. As Figure 2 below indicates, almost three-quarters of the employers reported an increase in the volume of business, for 20 percent it had stayed the same and only 8 percent had experienced a decline. In several cases, this was due to a decision to close the business in the near future.



Figure 2: Volume of Business in the Last 12 Months – Overall

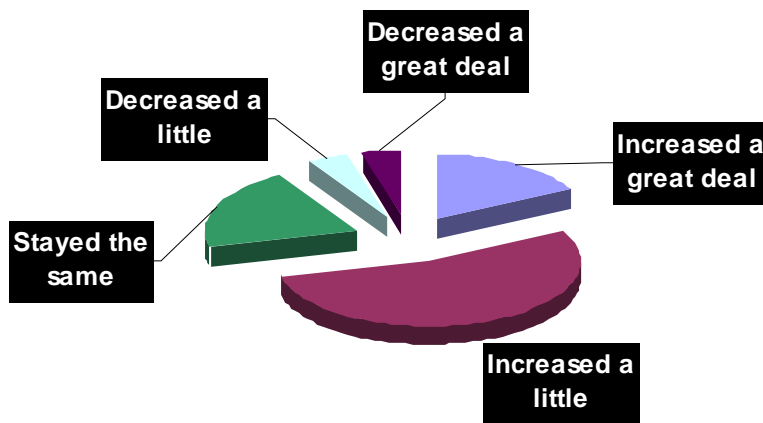


Table 2 breaks this down further to show the relationship between the size of the enterprise and the volume of business. This suggests that micro (4-5 employees in this survey) and small enterprises (6-20 employees) were most likely to report that the volume of business remained unchanged in the last year (32 percent and 23 percent respectively) as opposed to 16 percent of medium-sized employers (21-49 employees) and an even lower four percent for large organisations. The larger the firm, the more business has grown in the last 12 months. There is a mixed picture for smaller firms, confirming the difficulties that these firms experience as a matter of course. Most have stayed the same or increased business slightly, but there are some who are at the extremes: their business has increased or decreased a great deal.

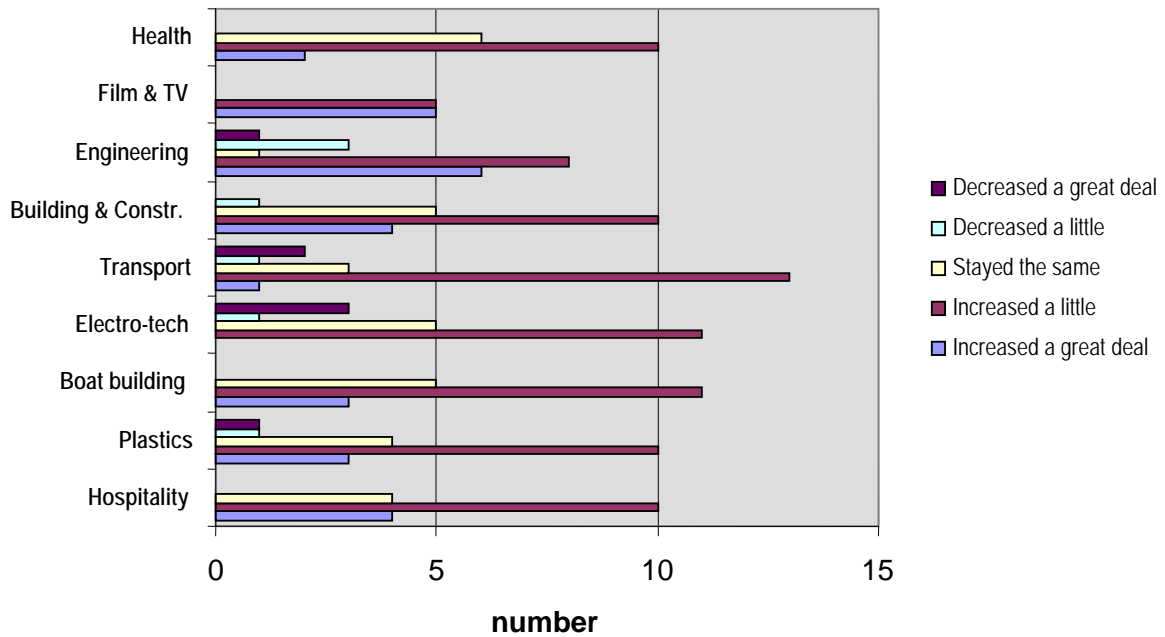
Table 2: Size of Business by Volume of Business

No. of employees		Volume of Business (last 12 months)					Total
		Increased a great deal	Increased a little	Stayed the same	Decreased a little	Decreased a great deal	
1 - 5	Count	3	12	9	0	4	28
	%	10.7%	42.9%	32.1%	.0%	14.3%	100.0%
6 - 9	Count	2	14	5	1	2	24
	%	8.3%	58.3%	20.8%	4.2%	8.3%	100.0%
10 - 20	Count	5	24	12	4	1	46
	%	10.9%	52.2%	26.1%	8.7%	2.2%	100.0%
21 - 49	Count	11	20	6	1	0	38
	%	28.9%	52.6%	15.8%	2.6%	.0%	100.0%
50 - 99	Count	3	10	0	1	0	14
	%	21.4%	71.4%	.0%	7.1%	.0%	100.0%
Over 100	Count	4	7	1	0	0	12
	%	33.3%	58.3%	8.3%	.0%	.0%	100.0%
Total	Count	28	87	33	7	7	162
	%	17.3%	53.7%	20.4%	4.3%	4.3%	100.0%

Figure 3 shows a more detailed breakdown of the industry sectors profiled in terms of the volume of business in the last year:

- Employers in electro-technology, followed by transport, engineering and plastics reported the greatest decline; and
- The film and TV sector was by far the most positive in terms of an increase in the volume of business (100 percent) followed by hospitality, boatbuilding, transport, building and construction and engineering (70 percent), plastics (65 percent), health (60 percent) and electro-technology (55 percent).

Figure 3: Volume of Business in the Last 12 Months – by Industry



To gauge business confidence for the next 12 months and the effect that the national skills shortages might have on employers, they were asked about anticipated employment growth in the following year (see Figure 4 below). The profile that emerged was quite different to the positive growth identified in business volume in the previous year. Less than half (47 percent) of employers suggested that employment levels would increase, 46 percent thought they might stay the same and 8 percent that they would decline.

Figure 4: Employment Expectations over the Next 12 Months – Overall

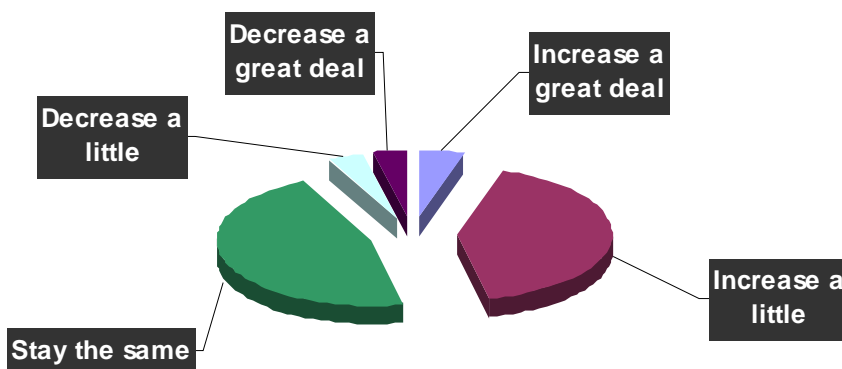
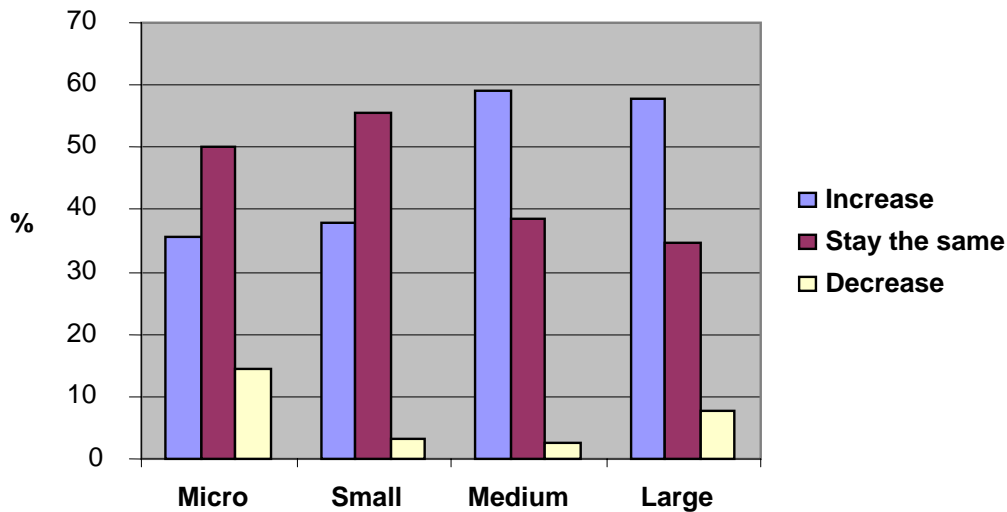


Table 3 and Figure 5 below indicate that the larger the size of the enterprise, the more positive employers were about anticipated employment growth. This reinforces the buoyancy of these firms over the previous 12 months, and their confidence that this will continue. It might also reflect their ability to capitalise on opportunities and to recruit labour, as opposed to smaller firms which struggle to meet their labour needs.

Table 3: Size of Business by Employment Expectations

No of employees		Employment Expectations over Next 12 Months					Total
		Increase a great deal	Increase a little	Stay the same	Decrease a little	Decrease a great deal	
1 - 5	Count	4	6	14	1	3	28
	%	14.3%	21.4%	50.0%	3.6%	10.7%	100.0%
6 - 9	Count	1	7	15	1	0	24
	%	4.2%	29.2%	62.5%	4.2%	.0%	100.0%
10 - 20	Count	1	19	23	2	2	47
	%	2.1%	40.4%	48.9%	4.3%	4.3%	100.0%
21 - 49	Count	1	22	15	1	0	39
	%	2.6%	56.4%	38.5%	2.6%	.0%	100.0%
50 - 99	Count	1	7	5	1	0	14
	%	7.1%	50.0%	35.7%	7.1%	.0%	100.0%
Over 100	Count	0	7	4	0	1	12
	%	.0%	58.3%	33.3%	.0%	8.3%	100.0%
Total	Count	8	68	76	6	6	164
	%	4.9%	41.5%	46.3%	3.7%	3.7%	100.0%

Figure 5: Size of Business by Employment Expectations



In terms of the industry groups surveyed, the following was observed:

- None of the employers in the film and TV, boatbuilding and hospitality sectors anticipated a decline in employment levels;
- Employers in film and TV, engineering and boat building expected the largest levels of employment growth;
- Transport (4 employers) and health (6 employers) had the lowest number of employers expecting an increase in employment; and
- Over half of the transport (14 employers), health (12 employers) and hospitality (12 employers) expected no changes in the level of employment.

A number of patterns are obvious. These industries expect employment to stay the same over the next 12 months (health, hospitality, transport) while another three are clearly more positive about prospects (engineering, film and TV and boat building). The question is whether this is directly related to the difficulties associated with obtaining labour. In general, (see Table 4), there is a dampening of expectations as firms indicate that actual growth over the previous 12 months is not expected to continue and 71 percent of respondents who indicated that they experienced growth dropped to 47 percent in terms of anticipated employment growth.

Figure 6: Employment Expectations over the Next 12 Months – by Industry

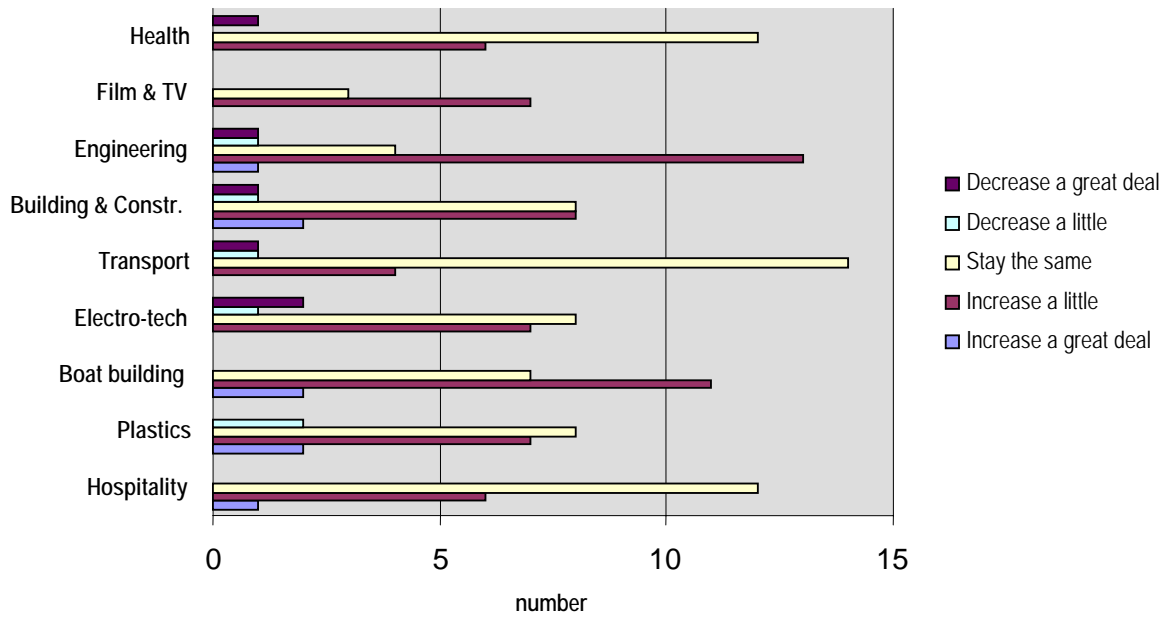


Table 4: Comparison of the Volume of Business in the Last 12 Months and Anticipated Employment Growth in the Next 12 Months

Expectation	Volume of Business in the last 12 Months (n=163)		Employment Expectations in the next 12 months (n=165)	
	Number	Percent	Number	Percent
Increase/d a great deal	28	17	8	5
Increase/d a little	88	54	69	42
Stay/ed the same	33	20	76	46
Decrease/d a little	7	4	6	4
Decrease/d a great deal	7	4	6	4

## VACANCIES

Of the 170 employers who were interviewed, 113 employers reported at least 164 positions in their companies that were vacant in the last year. Sixty-four occupations were vacant at the time of the survey and 122 employers identified 133 positions that were generally difficult to fill. Table 5 below compares the occupational groups experiencing staff turnover in the last year, current vacancies and positions that were identified as generally hard-to-fill.

Table 5: Staff turnover, Vacancies and Hard-to-Fill Vacancies by Occupation<sup>2</sup>

Skill Level	Occupational Group	Left in Last Year (n=113)	Current Vacancies (n=51)	Hard-to-Fill Positions (n=122)
Highly Skilled <sup>3</sup>	Legislators/Administrators/Managers	6	1	6
	Professional (especially nurses and engineers)	20	13	30
Skilled	Technicians and Associated Professionals (particularly technicians and draughts people)	20	11	25
	Trades (particularly mechanics and boat builders)	46	13	34
Semi-skilled and elementary	Clerical and admin	6	1	1
	Service and Sales	35	16	18
	Machine operators (particularly truck drivers)	21	5	16
	Elementary	10	5	3
	<b>TOTAL</b>	<b>164</b>	<b>64</b>	<b>133</b>

In this section, we focus specifically on the hard-to-fill vacancies that have been identified by employers. Terms used to describe skills gaps/shortages or hard-to-fill vacancies are often used interchangeably but do have different meanings. Based on the National Skills Taskforce in the UK, the Department of Labour (2003:14) has outlined a number of circumstances in which shortages might arise and these are as follows:

- Skills shortages occur when employers have considerable difficulty filling their vacancies because there are insufficient job seekers with the required skills;
- Skills gaps occur when employers only find people who have some, but not all, of the skills required; and
- Recruitment difficulties occur when there are enough job seekers with the required skills but they are unwilling to take up the work that is on offer.

According to the Employers Skill Survey (Felstead, 2002:171), hard-to-fill vacancies are not only equated with skills shortages, but rather can be distinguished between those that are skill-related and those that can be attributed to company-specific factors such as the industry, unattractive rates of pay or conditions of employment. In this research, all three descriptions are relevant.

<sup>2</sup> Note that this is not the number of people but the occupations they are in.

<sup>3</sup> This breakdown is taken from the Job Vacancy Monitor (February 2005)

Employers were asked whether they had any roles in their organisations that are usually hard-to-fill and 71 percent identified 133 positions that were, in general, not easy to fill. For employers in Waitakere City, hard-to-fill vacancies are found most predominantly in the trades with 26 percent of all hard-to-fill positions in this occupational group. Twenty-three percent were in the professional group, 19 percent in technical roles, 14 percent in service and sales and 12 percent were machine operators and drivers. Seventy-nine percent of all the roles identified (106) were difficult to fill on an ongoing basis, 8 percent were vacant for four months and seven percent for three months.

Table 6 below provides a breakdown of the positions by industry and occupation groups and the occupations difficult to fill are a reflection of the nature of the industries surveyed.

Table 6: Hard-to-Fill Vacancies by Industry and Occupational Group<sup>4</sup>

	<i>Managerial</i>	<i>Professional</i>	<i>Technical</i>	<i>Clerical</i>	<i>Service/Sales</i>	<i>Trades</i>	<i>Plant/ Machines</i>	<i>Elementary</i>	<i>TOTAL</i>
Hospitality	3	0	0	0	11	0	0	1	15
Plastics	0	1	1	0	0	5	0	0	7
Boat building	1	1	1	0	1	14	0	0	18
Electro-technology	0	5	5	0	0	6	0	0	16
Transport	0	0	0	0	1	1	12	1	15
Building & Construction	0	2	7	0	1	5	4	1	20
Engineering	0	8	4	0	0	3	0	0	15
Film & TV	1	0	7	0	0	0	0	0	8
Health	1	13	0	1	4	0	0	0	19
<b>TOTAL</b>	<b>6</b>	<b>30</b>	<b>25</b>	<b>1</b>	<b>18</b>	<b>34</b>	<b>16</b>	<b>3</b>	<b>133</b>

Several of the hard-to-fill vacancies identified above are reflected in the most recent Job Vacancy Index which measures the number of advertisements for all occupations (Department of Labour, 2005). For example, the national professional vacancy growth was driven by health professionals (64 percent) with the number almost doubling since the start of the Index in January 2003. In the semi-skilled/elementary vacancies, strongest growth in vacancies was measured for plant and machine operators which includes drivers (25 percent) and confirms similar findings for the transport and building and construction sectors in this survey. Where these findings differ from the national job vacancy monitor is in the trades. In this study, the largest number of positions that are difficult to fill have been identified in the trades whereas a slower growth rate has been reported in the vacancy monitor. This might be as a result of the focus in this research. Whereas the vacancy monitor looks at all vacancies and only those advertised in the media, this study focuses on those positions that are difficult to fill.

Consequently, the remainder of this section examines why these occupations are hard-to-fill in the industry sectors surveyed. The issues considered are as follows:

- Skills lacking in applicants;
- Personal attributes or qualities lacking in applicants;
- The main causes of hard-to-fill vacancies;

<sup>4</sup> The occupational breakdowns were categorised according to the nine Statistics New Zealand's Standard Classification of Occupations 1999, retrieved from [www.stats.govt.nz](http://www.stats.govt.nz).



- Effects of hard-to-fill vacancies on the company; and
- Outcomes of hard-to-fill vacancies for the company.

Table 7: Skills Lacking in Applicants by Industry Group (n=115)

	Hospitality	Plastics	Boat Building	Electro-technology	Transport	Building/Construction	Engineering	Film & TV	Health	Total
Technical or practical skills	3	3	15	13	3	18	14	7	3	79
Communication/English skills	9	7	4	4	4	2	0	0	9	39
Customer handling skills	8	0	1	0	8	1	0	0	3	21
Problem solving skills	2	0	5	4	2	2	4	0	0	19
Numeracy	4	3	1	0	1	2	1	0	1	13
Literacy	3	1	0	2	2	3	0	0	2	13
Team working skills	5	1	1	1	0	0	1	1	2	12
Experience/job related/product knowledge	0	0	4	2	0	6	1	2	3	18
Management/supervisory skills	4	0	1	0	0	0	0	2	1	8
Personal skills/attitude	0	0	0	1	3	0	0	0	0	4
License	0	0	0	0	3	0	0	0	0	3
IT or software skills	0	0	0	2	0	1	1	0	0	4
Design/drawing/visualisation	0	0	2	0	0	1	2	2	0	7
Other	0	0	1	1	3	2	4	1	2	14
<b>TOTAL</b>	<b>38</b>	<b>15</b>	<b>35</b>	<b>30</b>	<b>29</b>	<b>38</b>	<b>28</b>	<b>15</b>	<b>26</b>	<b>254</b>

The table above provides a breakdown of the skills most commonly identified as lacking in applicants by industry sectors and a few of these are highlighted below:

- Technical or practical skills were the most common skills seen to be lacking in applicants, particularly in building and construction, boat building, engineering and electro-technology – all of these industries are heavily reliant on technical and trade skills;
- Communication skills were most problematic for hospitality, health and plastics employers; and
- Employers in hospitality and transport enterprises were concerned by the lack of customer relations skills in their employees – over a third of the employers in the transport industry did provide employees with some form of customer service training.

Employers were asked what qualities or attributes were lacking in applicants and there was a broad consensus that core skills such as attitude, work ethic, commitment and interpersonal skills are required for prospective employees. Table 8 below offers more detail in terms of these issues.

Table 8: Hard to Find Qualities/Attributes by Industry Group (n= 63)

	Hospitality	Plastics	Boat building	Electro-technology	Transport	Building & Construction	Engineering	Film & TV	Health	TOTAL (no. of responses)
Attitude	11	4	11	7	11	6	8	4	7	69
Work ethic	7	2	3	4	6	3	5	0	1	31
Commitment	2	2	5	2	10	4	0	1	1	27
Punctuality	5	1	3	1	10	3	2	0	2	27
Interpersonal skills	9	1	3	1	3	1	0	0	7	25
Presentation	7	1	1	1	4	1	0	0	2	17
Respect	1	0	1	1	2	1	0	0	0	6
Motivation	2	1	1	1	0	0	2	2	0	9
Cultural understanding	2	0	0	3	0	1	1	1	7	15
Other	1	0	1	1	0	3	1	1	0	8
<b>TOTAL</b>	<b>47</b>	<b>12</b>	<b>29</b>	<b>22</b>	<b>46</b>	<b>23</b>	<b>19</b>	<b>9</b>	<b>27</b>	<b>234</b>

The findings above are consistent with our other research. From Table 8, it is evident that employers in hospitality and transport sectors are, by far, the most dissatisfied with the attributes of applicants suggesting that this might be more prevalent among the lower-skilled, more transient employees.

Unsurprisingly, Table 9 indicates that the most common cause cited for hard-to-fill vacancies was the low number of *appropriate* applicants, particularly in hospitality and transport and the low number of applicants generally. The lack of job-specific skills and qualifications were most evident in boat building, building and construction and electro-technology. For some employers in the electro-technology industry, this was attributed to the lack of training available to best suit industry needs. For transport employers, the severe shortage of drivers was a major problem.

Table 9: Main Causes Of Hard-To-Fill Vacancies by Industry (n=121)

	Hospitality	Plastics	Boat Building	Electro-technology	Transport	Building & Construction	Engineering	Film & TV	Health	TOTAL (no. of responses)
Low number of appropriate applicants	13	4	6	8	13	8	6	2	6	66
Lack of necessary work skills	2	1	8	7	1	5	8	4	5	41
Low number of applicants generally	0	0	10	5	6	8	3	2	6	40
Lack of required qualifications	1	1	5	8	1	11	7	5	9	48
Competition from other employers	0	1	3	1	7	3	3	0	7	25
Terms and conditions offered for the job	2	1	1	0	5	1	1	0	9	20
Not enough people interested in doing this job	2	0	0	1	1	0	0	0	1	5
Shift/weekend work/hours	0	0	0	0	1	0	0	0	4	5
Education/training system	0	0	0	0	1	3	0	1	0	5
Location/lack of public transport	2	0	0	1	0	0	0	0	0	3
Other	1	2	2	4	6	2	3	0	2	22
<b>TOTAL</b>	<b>23</b>	<b>10</b>	<b>35</b>	<b>35</b>	<b>42</b>	<b>41</b>	<b>31</b>	<b>14</b>	<b>49</b>	<b>280</b>

Employers in the health, transport and building and construction sectors identified a range of reasons as to why vacancies were hard-to-fill. The contractual nature of the film and TV industry, however, makes this an unusual sector and in certain roles, such as sound technicians, there are more than enough applicants, but often the nature of the training or experience is not suited to the industry. The following comments from employers confirm these issues:

- There are not very many full-time waged positions in the film industry – we mainly work with contractors.
- We have more than enough job applicants wanting to work in the film industry. There are huge differences among them in regard to skill and drive.
- There are far more trained people like sound engineers than jobs available in some areas of our industry.
- For some jobs we have more applicants than we can handle. For example, NZ produces 10 – 20 times more sound technicians than needed in our industry.

The causes identified by employers have numerous consequences for companies and some of these have been identified in Table 10 below.

Table 10: Effects of Hard-to-Fill Vacancies on Industries (n=100)

	Hospitality	Plastics	Boat Building	Electro-technology	Transport	Building & Construction	Engineering	Film & TV	Health	TOTAL (no. of responses)
Difficulty in meeting customer service objectives	7	3	3	5	5	5	2	0	13	43
Loss of business to competitors	0	3	3	6	8	4	6	0	1	31
Increased operating costs	4	0	4	8	4	8	4	3	4	39
Existing staff work harder/stressful	7	1	2	1	4	3	2	1	6	27
Delays in developing new products/services	1	0	2	7	0	0	6	0	3	19
Withdraw from offering certain services altogether	0	0	2	4	5	2	1	0	3	14
Difficulties introducing new work practices	0	0	1	4	0	0	3	1	1	10
Difficulties introducing tech change	0	0	1	4	0	1	2	0	1	9
Additional training	0	0	2	1	0	7	3	2	0	15
Compromises the quality of the product	0	0	0	1	0	1	0	0	6	8
Other	0	0	0	0	0	0	2	0	1	3
<b>TOTAL</b>	<b>19</b>	<b>7</b>	<b>20</b>	<b>41</b>	<b>23</b>	<b>31</b>	<b>31</b>	<b>7</b>	<b>39</b>	<b>218</b>

The result of the inability to fill certain positions has made meeting customer objectives problematic for employers, particularly in health. In the transport sector, a further effect is the loss of business to competitors. For employers in the electro-technology and building and construction industries, increased operating costs have arisen as a result of the skills shortages. In the hospitality and health sectors, particularly, existing staff have to work harder making the working environment more stressful. Delays in developing new products have been difficult because of the inability to find skilled staff in addition to creating challenges in introducing new work practices. For one employer in the electro-technology sector, this meant closing his business in New Zealand and moving overseas. For others, like an employer in boatbuilding, the lack of suitable staff has meant keeping the business small and not having to rely on others. In summary, employers are concerned that they are failing to meet customer requirements, they are losing to competitors, costs are increasing and there is added stress on staff as a result of labour shortages. These concerns impact on anticipated growth, and is related to earlier material which highlighted the fact that growth in the past 12 months is not translated into sustainable employment growth in the next 12 months.

Consequently, for most of the employers we interviewed, the most effective way of overcoming the shortage was to increase in-house training – particularly in the boat building (70 percent), building and construction (60 percent) and health (50 percent) sectors. Extending recruitment was a strategy mentioned by half the employers in health and building and construction and 50 percent of employers in the film and TV sector took on trainees. Several employers commented on misleading CVs and the difficulties they faced in assessing training and education provision as standards were inconsistent.

The effects of skills shortages in the building and construction industry have particular outcomes as the following comments from employers illustrate:

- The shortage of skilled, willing workers is an ongoing problem in the concrete industry. There is a huge gap between our skills needs such as operating sensitive and expensive machinery and the training provided in NZ. The resulting extra costs for small business are tremendous. First, I have to train my staff myself to equip them with the necessary skills which costs me thousands of dollars per employee. Second, I have to turn away contracts because I don't have enough qualified staff. Third, skill-deficient workers can cause damage to the machines. I have a fear that we are going under, especially since there are no government subsidies for our training.
- The type of crane manoeuvring we do requires extremely specialised skills which are hardly taught in NZ. Thus we have to train every single worker. This is very, very costly and hugely impacts on our business volume.
- We often get employees with little technical ability and have to train them ourselves. Also, we take on apprentices to get some effectively trained people but this is very costly and we can't actually afford apprentices any longer. It takes 12 – 18 months to teach them just the basic skills.

Table 11: Results of Hard-to-Fill Vacancies by Industry (n=111)

	Hospitality	Plastics	Boat Building	Electro-technology	Transport	Building & Construction	Engineering	Film & TV	Health	TOTAL (no. of responses)
Increase training	6	4	14	8	7	12	7	3	10	71
Extend recruitment	3	2	7	9	8	10	9	4	10	62
Take on more trainees	0	0	4	0	1	2	2	5	4	18
Change recruitment strategy	4	1	1	2	2	3	1	0	1	15
Use technology as a substitute	0	0	2	3	0	1	1	0	0	7
Redefine existing jobs	0	0	1	2	1	0	0	0	3	7
Increase salaries	0	1	0	0	3	0	2	0	5	11
Other	2	1	0	2	2	1	3	0	4	15
<b>TOTAL</b>	<b>15</b>	<b>9</b>	<b>29</b>	<b>26</b>	<b>24</b>	<b>29</b>	<b>25</b>	<b>12</b>	<b>37</b>	<b>206</b>

A range of outcomes, as a result of operating a business in the current climate, are highlighted by employers' comments below:

- Engineering (Toolmaking) - Reduce our business and minimise the number of employees
- Engineering (Automation) - We write our new employee completely off for the first year and retrain them – otherwise we would have ongoing problems due to skill deficiencies.
- Film - We find our specialists in America and in England. NZ is not keeping up with our industry's needs. 5-10 years ago there were not enough people with computer skills for the film industry. Now we have more than we can employ- but not enough specialised people.

To gauge the importance of certain skills for employers, we asked them which skills they thought might be most important in the next two to three years. This is summarised in Table 12. Over 50 percent commented on personal skills which included basic skills, thinking skills and personal qualities. This is followed by 38 percent citing technical or trade skills like design, remaining up to date with new technology and computer skills. This is interesting and again highlights the frustration many employers felt when employing staff.

Table 12: Skills Perceived to be Important in the Next 2-3 years (n=153)

<i>Skills</i>	<i>Number of responses</i>
<b>Personal skills (total)</b>	<b>141</b>
Personal/people skills (incl. attitudes, responsibility)	52
Communication skills (incl. language skills)	23
Problem solving	14
Motivation/self development	13
Customer services/sales	10
Willingness/ability to learn	10
Teamwork	6
Work ethic	5
Work independently	4
Cultural awareness/understanding	4
<b>Technical/trade skills (total)</b>	<b>103</b>
Trade/technical/practical skills/work experience	50
Use/update of new technology	14
Design skills	13
More specialisation	5
Computer skills	3
Driving (including safety)	4
Language/Literacy/numeracy	14
<b>Other</b>	<b>23</b>
<b>TOTAL</b>	<b>267</b>

Employers were given another opportunity to articulate perceived barriers to employment in their organisation. This question was open-ended with no pre-codes. The many barriers identified have been broadly categorised into 'external factors', 'education and training', 'personal qualities and traits', 'local and central government' and 'other'. The table below lists these in more detail with a large number of 'other' comments recorded. These include comments like the lack of co-ordination between training institutions and the plastics industry and some of the employers hesitating to send their employees for training to the Manukau Polytechnic because they are afraid that their employees will give away their business secrets when they talk to others.

External factors included shortage of skills, exacerbated by skilled people leaving New Zealand often because of student loans. Local standards of education and training were cited by 19 employers with the paucity of apprenticeships and the lack of subsidies for apprenticeship training mentioned by 11

employers. Training costs were also raised as a barrier to employment. Central and local government policies were seen as obstacles to employment growth, particularly because of the perceived lack of support for industry often evidenced in the lack of subsidised training and employment laws like the recently introduced Holidays Act. These are summarised in Table 13 below.

Table 13: **Other Barriers to Employment** (n=112)

<i>Barriers</i>	<i>Number of responses</i>
<b><i>External factors</i></b>	<b>42</b>
Shortage of skills	26
Skilled people leaving NZ	8
Not enough applicants	8
<b><i>Education and training</i></b>	<b>36</b>
Local/NZ training/education standards	19
Training costs/availability	6
Lack of apprenticeships (incl. subsidies)	11
<b><i>Personal qualities/traits</i></b>	<b>16</b>
Attitude (incl. NZ attitude, motivation)	13
Work ethic (including in younger people)	3
<b><i>Local and central government</i></b>	<b>20</b>
Lack of subsidised training	6
Lack of government support for industry	6
Employment laws/compliance	4
Student debt	4
<b><i>Specific industry issues (incl. low pay)</i></b>	<b>18</b>
Decline in volume/lack of business/fluctuating workloads	11
Low pay rates/industry unattractive	5
Location	2
<b>Other</b>	<b>25</b>
<b>TOTAL</b>	<b>157</b>

Many comments were made about barriers to employing a fully proficient team of employees and some of the responses are listed below.

- Construction (Carpentry) - We only employ about 4 people and spend a large sum on training. Training costs are as high for 4 people as they are for 20. For us to survive into the future, we need Government subsidies.
- Construction (Surveying) - Apprenticeships are costly without subsidies – we can't afford them any longer.....Also, there is a 10-15 year gap (shortage of qualified apprentices)
- Construction (Fireproofing) - The change in attitude over the last 20 years – younger ones show up and think that just turning up entitles them to their pay. They are happy to receive but not give. I think their tutors (lecturers) foster this attitude by feeding them ideas like this.
- Marine Engineering - There is such a lack of practical skills – the training system in NZ has been in a mess for years ever since the apprenticeship has been put on hold. That's why we provide our own training and have taken on apprentices in the past. But apprentices are quite costly and we can't afford them any longer since there are not subsidised.
- Marine Engineering - Politics and economy in NZ – lack of long-term thinking. Past mistakes in the education system – there is a whole generation of skilled trades people lost.
- Engineering - Decline in societal values: work ethic and respect are on the decline.
- Engineering (Automation) - Possibly the changed values in NZ society over the last 20 years. The sense of wanting to achieve and to be resourceful i.e. deliver is low compared to the past.

- Engineering (Toolmaking) - Barriers – political issues. First small businesses cannot compete against multi nationals and thus should receive government subsidies. Second, the government, IRD, ACC are leeching small businesses. We are penalised for employing, for example, apprentices – it is costly tax and ACC wise. It requires a lot of paperwork and is time consuming and the government rules and regulations are frustrating us. Third, the free trade agreement is fatal for small businesses and only beneficial to multi nationals. A lot of contracts go to China as the labour is cheaper.
- Engineering (Automation) - The educational institutes attitudes towards manual labour. A degree is not everything – we would rather employ technicians – skilled in their work- than an employee with a University degree but without practical intelligence.
- Engineering - Our society needs to re-evaluate its attitude towards industrial labour and recognise the positive side of manual work – that does not only include tertiary institutions but also schools.
- Film – Our skilled New Zealanders are leaving the country for better job prospects.
- Film - The film School training is too brief. We should go back to a full apprenticeship scheme because in the film industry you can only learn on the job. Another problem is that many of our talented people go abroad to get a salaried position. In NZ in the film industry there are very few salaried positions.
- Film - I can see a shortage of qualified applicants coming up as film schools here do not keep up with the fast-changing technologies in the film industry.
- Film - We find our specialists in America and in England. NZ is not keeping up with our industry's needs. 5-10 years ago there were not enough people with computer skills for the film industry. Now we have more than we can employ- but not enough specialised people.
- Health - a long as education causes ridiculous student debt, there will be a shortage of skilled people in the health industry.

Given the skills shortages and the reported reliance on migrant employees to fill many of these roles as well as the strategies used by employers to extend recruitment (often offshore), we included a question on the employment of immigrants.

## **IMMIGRANTS**

As we indicate in Appendix One, some of the growth, and projected growth, in Waitakere City can be attributed to the influx of migrants particularly from Asian countries. In Waitakere City, the five most common languages spoken (other than English and Maori) in 2001 were Samoan (9,024), Yue or Cantonese (2,592), Hindi (2,073) and other Chinese languages not further defined (1,752) (Quality of Life, 2003). Consequently, we asked employers to describe the employment of migrants in terms of their company needs.

The tables below outline the responses given by the employers together with some of the comments that were offered. These have been broken down into positive attributes (24 percent of comments), negative attributes (25 percent), ambivalence (14 percent), employ on merit, no difference (25 percent) and no comment (13 percent).



Table 14: Positive Attributes

Theme	No
Migrants have a good work ethic	16
More skilled or more suitably skilled than New Zealanders (also overqualified)	15
Migrants undertake work that is unattractive to New Zealanders	8
Migrants have a better quality of work and motivation	5
Company culture promotes diversity in skills and includes migrants	4
Work visas a problem – want to employ migrants but can't get them into New Zealand	3
Migrants essential for skill shortage area	2
<b>Total</b>	<b>53</b>

- Construction (Concrete) - I prefer them to New Zealanders: they are loyal and keen to work and learn the needed skills.
- Construction (Ceilings) - The ones in my business have such good qualifications and skills. They are enthusiastic and motivated. They have such good personal qualities that far outweigh any language problems. .... I wish NZ businesses and the government would recognise migrants' values and no longer discriminate against them. What have we New Zealanders got that gives us the right to feel so precious about ourselves and to put such little value on our workmates from other cultures....I had a Chinese engineer for years and he was so perfect that it was a huge loss when he left..
- Construction (Roading) - My experience with migrant employees is definitely positive. Usually, their qualifications are higher – compared with New Zealanders – and also, they show a keenness to work which is something that appears to be chronically low in a number of New Zealanders.
- Engineering (Machinery) - My experience is positive. I employ Chinese who are very conscientious workers and show good input. I also employ one Indian who is willing and keen to learn. Skill wise, they are substandard (they are trained in Asia) but their willingness to show up and learn counts a lot.
- Engineering (Marine) - Manually, New Zealanders are very talented, also, they are creative. If it comes to design – and converting ideas into design people from overseas often show the better skills.
- Film – There is a shortage of skilled people in New Zealand . We hire from Australia to fill our gaps and these people show advanced skills in some areas. Film making is a global industry and we find skilled people everywhere.
- Film - In the special effects area they are better qualified than New Zealanders. There simply is no training in this area that can match the US or European standards.
- Film - I can only refer to American and English employees who are above NZ standards skill wise.
- Health - Some of the very qualified people are not allowed to practice their skills due to NZQA regulations.

Table 15: Negative Attributes

Theme	No
Language is a barrier	34
Only employ New Zealanders	6
Not financially viable to employ migrants, takes too long to train and maintain	5
Migrants not qualified enough for type of work required	5
Type of work doesn't attract migrant applicants	2
Migrants have a bad work ethic – not suitable	2
New Zealanders more willing to undertake work than migrants	1
<b>Total</b>	<b>55</b>

- Construction (Marine Engineering) - I have employed Chinese, Indians, South Africans. Often, they claimed cross-qualifications but they didn't really have them – their paperwork was faked. Credentials can be bought. Thus, I am becoming sceptical toward [the employment of] migrants. Once bitten, twice shy.
- Engineering (Machinery) - Migrant workers are on a different wave-length and do not understand New Zealand work cultures.
- Health - Migrants seem to have it easier to find employment in health care than Maori people. Probably because they appear to be more keen. However, what we need are qualified Maori health workers to understand Maori-specific problems.
- Health - I noticed that immigrants are preferred to Pacific people since immigrants are good at looking for opportunities and persevere in applying for jobs. Also, they are often more outgoing and thus better communicators.

Table 16: Ambivalence

Theme	No
Migrants are suitable only in certain jobs	18
Only certain cultures are suitable to employ	14
<b>Total</b>	<b>32</b>

Table 17: No Difference

Theme	No
No different – same selection and training criteria applied	49
Work ethic and skills the same as New Zealanders	4
Work ethic is not linked to ethnicity	2
<b>Total</b>	<b>55</b>

Table 18: No Comment/Don't Know

Theme	No
No comment	20
Doesn't apply to our business/ don't know	5
No experience in employing migrants	4
<b>Total</b>	<b>29</b>

- Health - I wouldn't be able to tell you because so many of them have medical degrees but are not allowed to work in New Zealand.

The issue of the recognition of migrants' qualification was raised several times by employers who were frustrated in their efforts to employ migrants. The quotes below highlight some of these issues:

- Construction (Ceilings) - The NZQA regulations – it is a shame how our migrant employees are undervalued and prevented from employment. They are keen workers but I can't employ them because their skills aren't cross-valued.
- Construction (Plumbing) - We have good experiences with migrants. The problem is that there are keen and enthusiastic migrant workers but the apprenticeship board rejects them. They are asked to retrain in NZ in spite of sufficient levels of skills obtained elsewhere.
- My message to the government is be fair – accept our immigrants' qualifications, help them to improve their English skills, give them and us [businesses] a chance.

Given the shortages identified in this research, immigrant labour is an important option. The attitudes of employees (or prospective employees) was highlighted as a concern along with the lack of applicants, especially those suitably qualified. Here there is evidence that that some employers found immigrants had a good work ethic and were skilled, although language is a significant barrier. Others were less enthusiastic (Table 15). Immigrant labour, as a labour source for employers struggling to find labour, deserves more attention and the information here suggests that a number of issues (qualification recognition, language) need to be addressed for this labour to become a more attractive option.

The final section of this report deals with issues around education and training provision and the preparation of job seekers for the world of work.

## **EDUCATION AND TRAINING**

This section was included to gain an insight into the attitudes of employers towards secondary school and post-compulsory education and training. Ninety-two percent of the employers interviewed participated in some form of in-house or on-the-job education and training. This confirms, and slightly exceeds, the finding of the Business New Zealand Skill and Training Survey (2003) which found that 89 percent of respondent enterprises indicated that they were providing [http://www.dest.gov.au/ty/publications/employability\\_skills/final\\_report.pdf](http://www.dest.gov.au/ty/publications/employability_skills/final_report.pdf) training for their employees. Furthermore, Business New Zealand reported that more than half of the respondents had increased the amount of training provided over the last 2 years and 95 percent of companies indicated that they were likely to offer training in the next year.

All the employers interviewed in the boat building, building and construction and film and TV sectors provided employees with some form of training, 19 employers in hospitality and health, 18 employers in plastics and engineering, 17 employers in electro-technology and 15 employers in the transport sector.

The table below lists some of the courses employers offered their staff. The majority of employers in all the industries represented offered on-the-job training. ITOs played an important role in training for 70 percent of employers in boat building and electro-technology. In the transport industry, almost half the employers offered safe driving courses, first aid and safety as well as courses in customer service.

Just over one-third of employers were aware of government sponsored training schemes and 25 of these referred to Work and Income support and five to ITOs. None of the employers interviewed made any reference to the Gateway scheme that operates in several Waitakere City colleges.<sup>5</sup>

---

<sup>5</sup> The Gateway Programme, managed under the umbrella of the Waitakere Employment and Skills Project, aims to help senior students make more informed decisions on where and how to spend their tertiary education dollar. Since February 2003, more than 188 students have been placed, one day per week, in local industries ([enterprisewaitakere.co.nz](http://enterprisewaitakere.co.nz)).

Table 19: Employers' Participation in Education and Training (n=156)

	Hospitality	Plastics	Boat Building	Electro-technology	Transport	Building & Construction	Engineering	Film & TV	Health	TOTAL (no. of responses)
In-house/on the job (non-spec)	19	18	16	15	11	17	12	10	13	131
ITOs	7	5	14	14	3	9	10	0	2	64
PTEs	1	1	1	2	1	7	8	1	4	26
Polytech	0	0	9	3	0	0	0	1	3	16
Courses (non-spec)	2	0	1	0	1	0	2	3	7	16
First aid/H&S/OSH	0	3	0	0	8	0	0	0	0	11
Modern apprenticeships	0	0	5	1	0	3	3	0	0	12
Driving/safe driving	0	0	0	0	9	0	0	0	0	9
Customer Service	0	0	0	0	7	0	0	0	0	7
Consultants (non-specific)	2	2	0	1	0	0	0	0	0	5
Manufacturer/product/franchise training	1	3	0	0	0	0	0	0	1	5
Overseas	0	0	0	0	0	1	1	3	0	5
SPARDA	0	0	0	0	0	0	0	3	0	3
University	0	0	0	0	0	0	0	0	1	1
Other	1	0	0	1	0	0	0	1	2	5
<b>Total</b>	<b>33</b>	<b>32</b>	<b>46</b>	<b>37</b>	<b>40</b>	<b>37</b>	<b>36</b>	<b>22</b>	<b>33</b>	<b>316</b>

Table 20 below indicates that 67 employers in the survey commented on the efficacy of PTE training and only two, both in film and TV, did not find PTE training relevant to their needs. Similarly, only 3 employers (one each in electro-technology, film and TV and health) did not think that their training needs were being met by the relevant ITO.

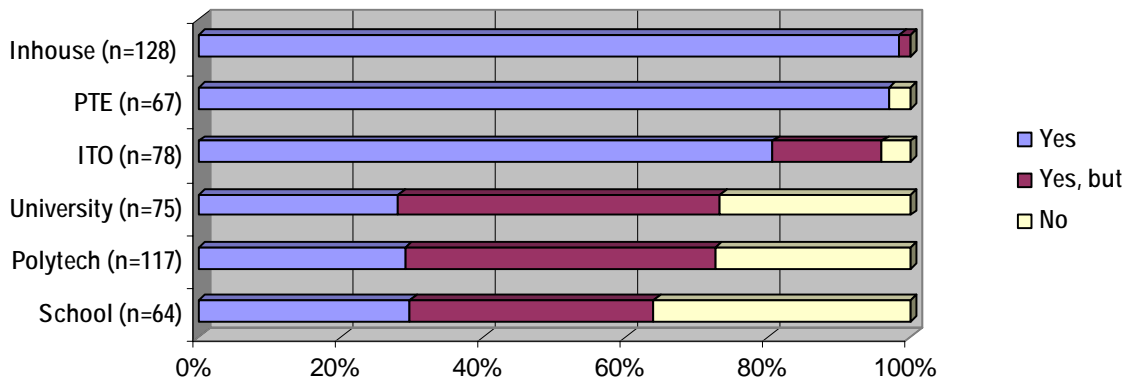
School education was not seen as favourably – of the 64 employers who responded, 36 percent did not find the education relevant – and this particularly included employers in the transport, building and construction, hospitality and engineering sectors. The reasons are summarised in Table 21. The attitudes of applicants were most commonly commented on.

Twenty-seven percent of employers were dissatisfied with polytech training- almost half in building and construction, one-quarter in engineering and boatbuilding and four employers in electro-technology, film and TV and health. The same percentage of employers (27 percent) was unhappy with the skills and attributes of university graduates – particularly in film and TV, health and building and construction. For polytechs (Table 22) and universities (Table 23), the most common reasons given for the lack of responsiveness to employers' needs were the low standards in education and training, not keeping up with international standards, courses not being practical enough with a lack of work experience evident and the poor attitude of applicants.

Table 20: Employer Opinions on Education Provision

Education/ Training provider	Effective/ Relevant?	Hospitality	Plastics	Boat Building	Electro- technology	Transport	Building & Construction	Engineering	Film & TV	Health	TOTAL
School (n=64)	Yes	6	6	0	0	5	1	1	0	0	19
	Yes, but...	6	7	0	1	5	0	1	0	2	22
	No	4	2	0	2	5	5	4	0	1	23
Polytech (n=117)	Yes	4	6	3	7	1	2	6	0	5	34
	Yes, but...	7	3	11	7	1	6	5	5	6	51
	No	0	0	5	4	1	9	5	4	4	32
University (n=75)	Yes	2	2	4	3	0	1	4	0	5	21
	Yes, but...	5	0	5	5	0	5	4	4	6	34
	No	0	0	2	1	1	4	3	5	4	20
ITO (n=78)	Yes	5	6	11	15	2	9	12	0	3	63
	Yes, but...	2	1	6	1	0	1	0	1	0	12
	No	0	0	0	1	0	0	0	1	1	3
PTE (n=67)	Yes	8	4	8	9	6	7	10	4	9	65
	Yes, but...	0	0	0	0	0	0	0	0	0	0
	No	0	0	0	0	0	0	0	2	0	2
Inhouse (n=128)	Yes	16	17	18	17	13	14	15	6	10	126
	Yes, but...	2	0	0	0	0	0	0	0	0	2
	No	0	0	0	0	0	0	0	0	0	0

Figure 7: Employers' Attitudes to Relevance of Education and Training



The following three tables summarise employers' explanations as to why they felt that the training and education provided by schools, polytechs and universities are inadequate.

Table 21: Reasons for Inadequate School Education (n=41)

	TOTAL
Attitude of applicants/poor work ethic , commitment/ unreliable	17
Lack of work experience/not practical enough	6
Language/verbal skills/	6
Status of trades	4
Life/personal/basic skills	4
Numeracy	3
Standards too low/not meeting standards	2
Can't expect education provider to teach everything	2
Other	4
Total	48

- Construction - I would like to send a message to the schools: give your school leavers a chance to get involved in practical work. I suggest; let them participate in the real world of work one night per week 12 months before leaving school. This gives them a real picture about the nature of the job and what would be expected from them skill – and attitude-wise.

Table 22: Reasons for Inadequate Polytechnic Education (n=80)

	<i>TOTAL</i>
Standards too low/not meeting international standards	25
Lack of work experience/not practical enough	16
Attitude of applicants/lack of basic skills	12
Too general	8
Not enough applicants	7
Status of trades	3
Business orientation/'bums on seats'	3
Applicants/employees ill prepared	2
Other	15
Total	91

- Construction - No more lollipop courses – offer some which increase employment prospects
- Film - Please consult us regularly. You produce far too many sound engineers who cannot find jobs. This creates unemployment. People are wasting their money and their time and are disappointed in the end.

Table 23: Reasons for Inadequate University Education (n= 48)

	<i>TOTAL</i>
Standards too low/not meeting international standards	13
Attitude of applicants/lack of basic skills	12
Lack of work experience/not practical enough	11
Not enough applicants	4
Status of trades	2
Business orientation/'bums on seats'	3
Applicants/employees ill prepared	2
Other	9
Total	56

- Construction (Surveying) - In Australia we met with educational institutions. Here in NZ I miss this. Universities please establish a link with us and make training more attractive and effective.

Some general comments on education and training provision:

- Construction (Carpentry) - Let the industry do the training and subsidise them.
- Construction (Painting) - I found huge variations amongst employees from different parts of NZ. For example, my employees from Taranaki were far more skilled than my Auckland employees. Also, Aucklanders were more arrogant and unwilling to put themselves into the learner's position. I think that the education standards should be co-ordinated nationally and be consistent.
- Construction (Plumbing) - I like to suggest that a certain percentage of the course marks should be based on attendance. This way the students would examine the importance of commitment and reliability.
- Film - In general, architectural schools provide their trainees with better graphic design skills than film schools.



- Film - Trainees need to learn the basic skills well – this would make them employable. It needs to be remembered that not everybody can become an art director. Unfortunately some training providers are not realistic enough about this.

In summary, a breakdown of the evaluation of training institutions revealed the following: schools were criticised for the unacceptable attitudes students leave school with, their poor work ethic and inadequate personal or life skills. Insufficient language skills (i.e. verbal and written communication) skills were also criticised. The status of trades was also commented on. Polytechs were criticised for the inadequate standards and the inability to meet international standards (25 references were made to this issue– 6 in boat building, construction and film and TV, 4 in engineering) followed by the lack of practical skills and on-the-job training. As in all our other reports, the poor attitude of applicants including unrealistic expectations and a poor work ethic were mentioned by a considerable number of employers. Universities too were criticised for the lack of standards and not meeting international benchmarks. Similar issues around the attitude of applicants were raised as was the theoretical nature of many of the courses offered.

Table 24: Employers' Suggestions for Education and Training Improvement (n=84)

	<i>TOTAL</i>
Improve standard/quality of qualification/meet international standards	22
More practical teaching	20
More personal skill development	20
Closer consultation with industry	18
Better preparation for the workforce	12
More specialised courses	11
Back to apprenticeships	10
Better inform/advise students	13
Industry placements/visits	5
Teach the basic skills	2
Other	23
Total	156

The most common response on how schools could improve in terms of providing their students with more appropriate work skills was in the area of better personal skills development including accountability, work ethic and commitment. This was followed by better advice for school leavers on education and employment choices and to give occupations in the trades a more favourable profile. Polytechs could improve the relevance and standard of their training by closer and ongoing consultation with industry representatives, increased apprenticeship training as well as the inclusion of more practical training components. In terms of universities, employers also submitted that closer consultation with industry as well as more practical application would go towards meeting their requirements. Improving the standards of education and meeting international standards were also mentioned by several of the employers interviewed.

Many of the education and training providers were not seen to be responsive to changing labour market demand as they continued to train people for labour market positions which did not exist or had diminished in importance, and they were focussed on supply side signals and markets (i.e. students) rather than labour market destinations and demand. The comment from an employer in the film and TV sector typifies this:

Generally I wouldn't hire anyone straight out of training. I find that some institutions/schools operate almost unethically. They are purely business orientated. They are after the kid's enrolment and their money, feed them with illusions and ideas of grandeur, and leave them with huge student loans. Certificates these days don't count for much. I want people who are motivated to work and have no illusions. Not everyone can be a director – we also need gaffers.

The question of how best to invest in education and training, and to ensure that providers are responsive, is one that has been a policy concern internationally (see Wilson, 1995), and an issue which has been repeatedly mentioned and which locally has attracted very strong responses from employers. What is indisputable is the finding in this survey (and all our others) is that on-the-job or in-house training is seen as effective in fulfilling employers' needs and that career pathways are best driven by a demand-led approach. Furthermore, in a recent study<sup>6</sup>, it was found that young New Zealanders (aged 15-34) in receipt of in-house training (60 percent) were equally enthusiastic about this form of training. In the study referred to, a sample of 362 young people in full-time employment were asked about their level of satisfaction with the training they had received from their employers, and 92 percent described that training as either very or fairly satisfactory (Dupuis, Inkson and McLaren, 2005). This is confirmed in another recent study (Tresize-Brown, 2005) on employing young workers in Australia where it was found young people ranked job-related training as the most important workplace characteristic.

---

<sup>6</sup> This is a study funded by the Foundation for Research, Science and Technology (FRST) on pathways to sustainable employment which examines the impact of the increasing variability of employment pathways for both workers and employers.

## CONCLUDING COMMENTS

---

There are numerous challenges facing employers in New Zealand today and many of these have been identified by the employers in this telephone survey. In addition to the skills shortages and the effects of low unemployment, an ageing population, low birth rates and strong global competition for skilled people, the Waitakere Employment and Skills Project's concern with the matching of opportunity and capacity in the Waitakere regional labour market becomes increasingly important. Furthermore, it is recognised that labour markets cannot be seen in isolation from the region as a whole and this is evident when examining the movements of Waitakere City's working population. In every occupational category (other than service and sales and agriculture and fisheries), there are more residents working outside Waitakere than there are residents working for employers in Waitakere City. This indicates that over half (57.2 percent) of Waitakere City residents commute to work outside the City. Similarly, several employers interviewed for the study were based outside Waitakere City but had links to Waitakere.

Employers in this survey continue to experience significant problems in filling vacancies across most occupational levels reflecting the national skills shortages. The overall Job Vacancy Index has reached its highest level since the series started at the beginning of 2003 and it is the 14<sup>th</sup> successive month in which the growth has been in double digits, indicating that the skills shortages continue to deepen (Department of Labour, 2005).

There was broad consensus that personal attributes (non-skill based behaviours and attitudes) are as important, if not more important, than technical or other job-specific skills. For maximum employability, key generic skills together with job-specific or relevant technical skills are required not only to gain employment but also for employees to achieve their potential in the enterprise. In many instances, employers were dissatisfied with education and training provision because applicants lacked these skills. Similar issues have been identified in Australia so a project on employability skills for the future was undertaken by the Australian Chamber of Commerce and Business Council of Australia (2002) to identify an employability skills framework that would contribute to the thinking and curriculum development of the Australian education and training system (see also Smith and Comyn, 2003). Taking this further to encompass post compulsory education, an Employer Skills Survey undertaken by the University of Victoria (2003) demonstrated that employers have replaced 'creativity and innovation' with 'professional ethics' on a wish list for the top 10 graduate attributes. The report concluded that academic performance alone is not sufficient – instead it is the combination of skills that ensure employability. These are all issues raised by employers in our survey and require ongoing attention by all training and education providers.

Partly as a consequence of this, job-related training was found to be one of the most important forms of skill development for both employers and employees. For employers, this form of training was seen as a response to the skills shortage or inadequate workplace skills of employees. For many, it addressed the gap left by what was perceived as inadequate education and training provision and was seen as most responsive to employer needs. In addition, it was very favourably rated by young employees in two separate studies. The second issue that emerged was the shortage of trade and technical skills. This is exacerbated by the status of the trades and the myth that trades training might be second-class, as well as the inadequate skills training during the 1990s which is, in part, responsible for the skills shortages, particularly in the trades. It has been suggested by some (see **The Herald**, 22<sup>nd</sup> March 2005) that out of the billions of dollars that are being spent on further education, only \$100 million goes into industry and trades training. Extensive criticism was levelled at education and training providers for the number of courses offered that

were of little value to employers and which often left students unemployable but with a large student debt. The Government is reviewing TEC funding to address these criticisms.

Migrants are increasingly relied on to fill the skills shortages. The Minister of Labour and Immigration, Paul Swain, says that the government hopes to address skills shortages by creating more industry training posts and Modern Apprenticeships but that this will not solve the problem in the short-term so the Immigration Service is 'hatching plans to attract new migrants with skills in key areas' (**The Jobs Letter**, April 2005:3). This might not be enough to satisfy employer requirements. Several were frustrated by the lack of qualification recognition or the confusion surrounding such recognition as well as the lack of post-arrival support – particularly with English language skills. In addition, employers are competing for skills in a global market. Australia faces similar challenges but skilled workers in Australia earn, on average, 25 percent more than they would in New Zealand (**The Jobs Letter**, April 2005:3) making it a more attractive destination for skilled migrants. Given this environment, it is recommended that support in terms of qualification recognition, English language training and other post arrival initiatives that are more accessible to migrants and employers should be given more attention. According to Spoonley (2005) some of the issues and challenges to be addressed are: the underutilisation of immigrant skills sets or human capital, employment discrimination, lack of adequate post-arrival policies, poor labour market matching and international competition for skilled migrants. Based on our findings we would add to this list more streamlined processes for the recognition of qualifications.

A myriad of issues have been raised by the employers in our survey but there are many areas that would benefit from further investigation and any suggestions received from employers would be most welcome.

## REFERENCES

---

Australian Chamber of Commerce and Industry and Business Council of Australia (2002) *Employability Skills for the Future* retrieved from:  
[http://www.dest.gov.au/ty/publications/employability\\_skills/final\\_report.pdf](http://www.dest.gov.au/ty/publications/employability_skills/final_report.pdf)

Business New Zealand and the Industry training Federation of New Zealand (2003) *Business New Zealand Skills and Training Survey*. Prepared for the Future of Work Research Programme, Department of Labour.

Cameron, A. and Massey, C. (1999) *Small and Medium-sized Enterprises: A New Zealand Perspective*. Auckland, Addison Wesley Longman.

Department of Labour (2005) *Job Vacancy Monitor – February 2005*.

Department of Labour (2004) Skills in the Labour Market – December 2004 retrieved from:  
<http://www.dol.govt.nz/PDFs/SkillsLabourMarket.pdf>.

Department of Labour (2004) *Auckland Regional Labour Market Reports*, July 2004.

Dupuis, A., Inkson, K and McLaren, E. (2005) Pathways to Sustainable Employment. Presentation at the Research Forum *Participation in Work in New Zealand*, Te Papa, Wellington on 23<sup>rd</sup> March, 2005.

*Employers Skill Survey* (2002) Retrieved from <http://www.skillsbase.dfes.gov.uk>.

Felstead, A. (2002) 'Putting Skills in Their Place: the Regional Pattern of Work Skills in Britain, in K. Evans, P. Hodkinson and L. Unwin (eds.) *Working to Learn – Transforming Learning in the Workplace*. London: Kogan Page Limited.

McLaren, E., Firkin, P., Spoonley, P., Dupuis, A., de Bruin, A. and Inkson, K. (2004) *At the Margins: Contingency, Precariousness and Non-Standard Work*. Research Report 1/2004, Massey University, Labour Market Dynamics Research Programme.

McLaren, E. and Spoonley, P. (2004) *Skill Demand in Waitakere City: A Pilot Study*. Report for the Waitakere Employment and Skills Project.

McLaren, E. and Spoonley, P. (2004) *Skill Demand in Five Industries in Waitakere City*. Report for the Waitakere Employment and Skills Project.

McLaren, E., Westbrooke, B. and Spoonley, P. (2004). *Employment and Skills in the Rodney District*. A Report Prepared for Work and Income in Association with the Rodney Economic Development Trust and the Rodney District Council.

McLaren, E., Maidment, J. and Spoonley, P. (2004) *Employment and Skills in North Shore City: A Background Report*. Report prepared for Enterprise North Shore Trust.

*Quality of Life '03 in New Zealand's Eight Largest Cities*, North Shore, Waitakere, Auckland, Manukau, Hamilton, Wellington, Christchurch and Dunedin City Councils, September 2003.

Smith, E. and Comyn, P. (2005) *The Development of Employability Skills in Novice Workers*, Australian National Training Authority. Retrieved from:  
<http://www.ncver.edu.au/research/proj/nr2005.pdf>

Spoonley, P. (2005) *Labour Market Outcomes for Immigrants and Regional Responses*. Presentation at the Research Forum *Participation in Work in New Zealand*, Te Papa, Wellington on 23<sup>rd</sup> March, 2005.

Spoonley, P., McLaren, E. and Hanrahan, S. (2002) *Human Capacity Building: Emerging Skills and Training Needs in Waitakere City*. Report prepared for the Regional Commissioner, Work and Income (Auckland North). Massey University, Auckland.

Statistics New Zealand, [www.stats.govt.nz](http://www.stats.govt.nz).

Statistics New Zealand Population Ageing in New Zealand. Key Statistics January/February 2000.

Statistics New Zealand, *Census of Population and Dwellings 1991, 1996 and 2001*. Retrieved from [www.stats.govt.nz](http://www.stats.govt.nz)

Statistics New Zealand, *Business Demographics: Business Statistics Tables 1997-2003*. Retrieved [www.stats.govt.nz/domino/external/web/prod\\_serv.nsf/Response/Business+Statistics+Tables](http://www.stats.govt.nz/domino/external/web/prod_serv.nsf/Response/Business+Statistics+Tables) on 4 June 2004.

Statistics New Zealand (2001) *Sub-national Population Projections, 2001*.

Statistics New Zealand (2004) *Household Labour Force Survey* – June 2004 quarter.

The Jobs Letter No. 227, April 2005.

The New Zealand Herald, Tuesday 22<sup>nd</sup> March 2005: A8. *Ministers Talk up the Trades to Fill Vacancies*.

Tresize-Brown, M. (2005) 'Employers and Young Workers'. Paper presented to the *Transitions and Risk: New Directions in Social Policy Conference Centre for Public Policy*, University of Melbourne, 23-25 February 2005.

Victoria University of Wellington (2003) *Employment and Skills Survey*, retrieved from:  
[http://www.vuw.ac.nz/st\\_services/career/job\\_hunting/employer\\_skills\\_survey.html](http://www.vuw.ac.nz/st_services/career/job_hunting/employer_skills_survey.html).

Waitakere City Council (2004) *Waitakere City Business and Economy (2003)*

Waitakere City Migration Update (2004) retrieved from:  
<http://www.waitakere.govt.nz/AbtCit/ps/pdf/migration.pdf>

Wilson, R. (1995) 'Skill Needs to the End of the Century', in H. Metcalf (ed), *Future Skill Demand and Supply*, London, Policy Studies Institute.

## USEFUL WEBSITES

---

EDANZ, the economic development agency of New Zealand has identified some useful websites around information on skills and labour shortages in New Zealand (<http://www.edanz.org.nz>). These and others are listed below.

### The Department of Labour has various useful websites:

[www.dol.govt.nz/labour-market-reports.asp](http://www.dol.govt.nz/labour-market-reports.asp): The Department of Labour has obtained customised HLFS survey data by regional council area and these results are published in the Department's six monthly regional labour market reports.

<http://www.dol.govt.nz/skill-mkt-plan.asp>: This website provides information on the Skills Action Plan (SAP) launched by the Government in 2002 to better match people's skills to job opportunities and to assist people to make well-informed decisions about participating in, or providing, education and training.

<http://www.dol.govt.nz/linked-employee.asp>: This is the linked employer-employee database which is a joint project between the Department of Labour and Statistics NZ to develop a database which integrates data from different sources so that the same individuals are matched and different information about them is combined to gain new insights into their labour market behaviour and outcomes that cannot be answered from employee or employer surveys alone.

### Other Government agency websites:

[www.worksite.govt.nz](http://www.worksite.govt.nz): this is a web-based portal for labour market information.

[www.workinsight.govt.nz](http://www.workinsight.govt.nz): This is a six-monthly publication on skills and work, which supports the aim of helping match people and jobs. It contains updates on labour market trends, statistical information, personal profiles and references to further information. Its primary target audience is career advisers, Work and Income NZ work brokers, and other job market intermediaries.

### Local Government and Agency websites:

[www.enterprisewaitakere.co.nz](http://www.enterprisewaitakere.co.nz): Economic Development agency serving the people and businesses of Waitakere City and the greater Auckland Region.

[www.waitakere.govt.nz](http://www.waitakere.govt.nz): Wwebsite of Waitakere City Council.

### Other useful websites:

[www.anzbank.com/nz](http://www.anzbank.com/nz): The ANZ bank publishes a job advertisement series that measures the number of jobs advertised in the major daily newspapers and Internet sites covering Auckland, Wellington and Christchurch each month and provides a good indication of future labour market trends.

[www.nationalbank.co.nz](http://www.nationalbank.co.nz): The National Bank Survey of Business Opinion includes information on the employment intentions of employers. The information is available on a regional basis and provides a qualitative indication on the future labour market conditions in each region. The bank also publishes information on quarterly regional economic trends.

<http://lmd.massey.ac.nz>: This website has the Labour Market Dynamics Research Programme's publications that can be downloaded.

### Employability Skills:

Smith, E. and Comyn, P. (2005) The Development of Employability Skills in Novice Workers, Australian National Training Authority. Retrieved from:

<http://www.ncver.edu.au/research/proj/nr2005.pdf>

## APPENDIX ONE

The population in Waitakere City continues to grow. According to Statistics New Zealand, the population change between June 2002 and 2003 was 2.7 percent and the population is expected to grow from 168,753 in 2001 to 237,100 by 2021. Of significance, however, is that almost one-quarter of the current population in Waitakere City is under 15 years of age. In terms of ethnicity, growth between 1991 and 2001 has been as follows:

Table 25: Growth in Ethnicity 1991 to 2001

	<i>European</i>		<i>Maori</i>		<i>Pacific Peoples</i>		<i>Asian</i>		<i>Other</i>	
	No	%	No	%	No	%	No	%	No	%
Waitakere City	5,970	5.5	5,916	38.2	8,826	61.2	12,054	220.9	1,287	373.0
<b>Total NZ</b>	<b>87,378</b>	<b>3.1</b>	<b>91,434</b>	<b>21.0</b>	<b>64,725</b>	<b>38.7</b>	<b>139,551</b>	<b>141.5</b>	<b>18,246</b>	<b>270.0</b>

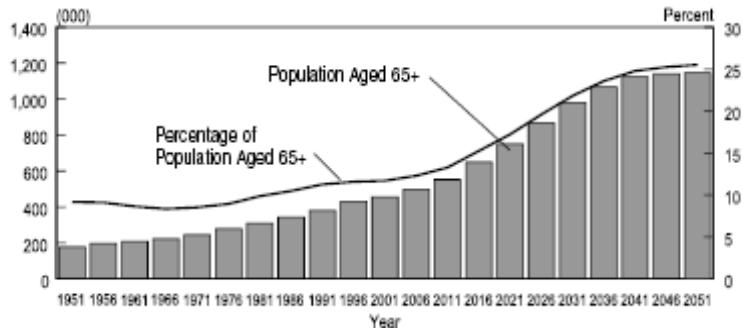
Source: Quality of Life 03

Migration to Waitakere City has had a major influence on the size and ethnic composition of the resident population. The growth in the number of all ethnic groups migrating to Waitakere City is higher than for New Zealand as a whole. The population of Waitakere City contains a larger proportion of Pacific people (14.5 percent) and Asian people (11 percent) compared with the whole of New Zealand (at 6.5 percent and 6.6 percent respectively). Sixty-eight percent of Waitakere's residents were born in New Zealand as compared to 75 percent in 1991 and during 2001, Waitakere City became home to 2,455 migrants, an increase of 22 percent compared to the previous year. On average, one-third (765) of permanent and long-term migrants are New Zealanders returning home (<http://www.waitakere.govt.nz/AbtCit/ps/pdf/migration.pdf>). The combination of high growth, low unemployment and the increasing demand for specialised skills has placed considerable pressure on the New Zealand labour market. As a result, there is growing recognition of the contribution migrants can make to meeting employment and skills requirements.

The continuing ageing of New Zealand's population is reflected in the change in the median age from 26 years in 1973 to 35 years in 2003. The continuation of this trend has significant implications for the labour market and will need to be factored into future strategies. Whereas the median age in Waitakere City was 32 in 2001, it is projected to rise to 36.6 in 2021. This is in spite of the fact that one-quarter of the City's population is under 15 years of age.



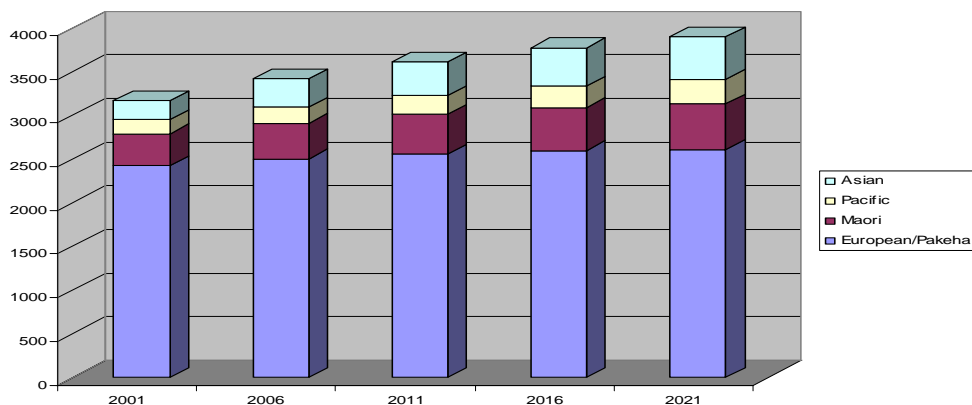
Figure 8: Elderly Population, 1951 to 2051



Source: Statistics New Zealand

In addition to the ageing population in New Zealand, the fertility rate has dropped from 3.2 births per woman of childbearing years in 1970 to 1.97 in 2001<sup>7</sup> (stats.govt.nz). The percentage of the New Zealand population over 65 years of age is expected to grow from 11.5 percent in 2000 to 21.5 percent in 2040. The involvement of those over 55 years of age in paid work is also declining. Coupled with the low reproductive rates, this loss could have important human capital implications for New Zealand employers in the future.

Figure 9: Working-age Population by Ethnicity – New Zealand (2001 – 2021)



Waitakere City is not immune from wider economic and social trends that impact on the labour market, and although the City has a number of advantages such as an influx of migrants, both from within New Zealand and from overseas, over half the working residents commute to jobs outside the area. One of the goals of the Waitakere City Council is to create a sustainable city rather than just a home base for Auckland’s workers (**The Herald**, 13<sup>th</sup> September 2004: A:16). Employers, however, are reporting significant skills shortages and vacancies that are difficult to fill. Aligning labour demand and supply is therefore fundamental in achieving a self-contained sustainable city as envisaged by Waitakere City Council. Some of the factors affecting demand considerations are discussed below.

<sup>7</sup> Fertility rates are dropping throughout the world. In 2002, 64 countries were already experiencing fertility rates below the theoretical replacement level of 2.1 births on average per woman. This is an increase of 10 countries from 1995. There are a further 25 countries either at or just above replacement level. This trend is projected to continue, so that by 2015, two-thirds of the population of the planet is expected to live in sub-replacement fertility regimes (United Nations, 2000, 1–2 cited in stats.govt.nz).

According to Statistics New Zealand, there are 66,000 Waitakere City residents known to be working in the greater Auckland region and of these, 42.8 percent (28,278) work in Waitakere City. There are 38,292 workplace jobs in Waitakere City, and 73.8 percent of these jobs are filled by Waitakere City residents. Table 26 provides a breakdown of these figures into occupational categories.

Table 26: Waitakere City Residents: Occupations and Workplace

	Waitakere residents working in the Auckland Region	All Waitakere City Workplace Jobs	Waitakere Residents working in these occupations in Waitakere	Difference	Waitakere residents working in the Auckland region (but not in Waitakere)	% of residents working in Waitakere
Legislators, Administrators and Managers	8955	5148	3408	1740	5547	66.2%
Professionals	8865	5343	3525	1818	5340	66.0%
Technicians and Associate Professionals	8622	4653	3330	1323	5292	71.6%
Clerks	10968	4908	3963	945	7005	80.7%
Service and Sales Workers	9429	6300	5001	1299	4428	79.4%
Agriculture and Fishery Workers	1293	954	774	180	519	81.1%
Trades Workers	7254	4404	3162	1242	4092	71.8%
Plant and Machine Operators and Assemble	5352	3417	2616	801	2736	76.6%
Elementary Occupations (incl Residuals)	5262	3162	2496	666	2766	78.9%
<b>Total</b>	<b>66000</b>	<b>38289</b>	<b>28275</b>	<b>10014</b>	<b>37725</b>	<b>73.8%</b>

Source: Statistics New Zealand

In every occupational category (other than service and sales and agriculture and fisheries), there are more residents working outside Waitakere than there are residents working for employers in Waitakere City. This indicates that over half (57.2 percent) of Waitakere City residents commute to work outside the City. Taking the trades as an example, there are 4404 trades positions in Waitakere City, 3162 of these are filled by Waitakere City residents and 1242 by people from elsewhere. Yet, there are enough people with the required skills to fill jobs locally (4092), but they are choosing to work in the wider Auckland region. The table below gives an indication of the flow of residents out of Waitakere City into other areas in Auckland as well as the influx of people to work in Waitakere City.

Table 27: Flow of People into and out of Waitakere City for Employment

	WC to AKL	AKL to WC	WC to NS	NS to WC	WC to Manukau	Manakau to WC	WC to Rodney	Rodney to WC
<b>Legislators</b>	4119	894	588	366	561	162	102	243
<b>Professionals</b>	4116	1065	486	381	429	102	132	219
<b>Technicians</b>	3975	678	519	294	471	96	90	189
<b>Clerks</b>	5847	516	477	147	408	60	84	183
<b>Service and Sales</b>	3267	705	405	210	291	99	117	192
<b>Agriculture/Fishery</b>	213	72	42	36	33	18	126	33
<b>Trades Workers</b>	2616	528	480	261	312	162	141	195
<b>Plant/Machine</b>	1713	447	300	75	255	120	84	102
<b>Elementary Occupations</b>	1905	378	249	84	207	102	75	63
<b>Total</b>	27765	5286	3543	1845	2967	921	957	1416

Waitakere City's economy has expanded by 4.9 percent over the year to March 2003 compared to 1.7 percent in the preceding year (Waitakere City Council, 2003) which has resulted in declining unemployment in Waitakere City where the number of registered job seekers fell by almost 30 percent during 2003 compared to 20 percent at national level (Waitakere City Council, 2003). The unemployment rate in Auckland fell to 3.9 percent of the labour force in the year to March 2004 and is the lowest since 1988 (Department of Labour, 2004). According to the 2001 Census, Waitakere City's workforce as a proportion of the labour market was 45.7 percent – a lower proportion than in Auckland, the North Shore and Rodney District (Statistics New Zealand, 2001) (see Table 28).

Table 28: Workforce as a Proportion of Total Population by TLA (2001 Census)

Auckland Region TLAs	2001 Census, Usually Population	2001 Census, Total Resident Population	2001 Census, Usually Resident Population Aged 15 Years and Over, Gainfully Employed	% Gainfully Employed
North Shore City	184,821	93807	50.8%	
Franklin District	51,669	24891	48.2%	
Auckland City	367,734	174321	47.4%	
Rodney District	76,182	35403	46.5%	
Waitakere City	168750	77037	45.7%	
Papakura District	40,665	18258	44.9%	
Manukau City	283,197	117084	41.3%	

It is expected that national economic growth will slow down in the next year due to factors such as higher interest rates and a lower population growth although growth in the Auckland economy could be stronger than in the rest of the country (Department of Labour, 2004). This will probably not affect the supply of appropriately skilled applicants in the tight Auckland labour market.

Table 29: Number of Apprentices in Waitakere City

	No of apprentices (04)	% of TLA population (185,600)
<b>Boat building</b>	67	0.0361%
<b>Building &amp; construction</b>	52	0.0280%
<b>Motor engineering</b>	28	0.0151%
<b>Electrotechnology</b>	18	0.0097%
<b>Engineering</b>	8	0.0043%
<b>Joinery</b>	5	0.0027%
<b>Forest industries</b>	4	0.0022%
<b>Flooring</b>	3	0.0016%
<b>Horticulture</b>	3	0.0016%
<b>Printing</b>	3	0.0016%
<b>Baking</b>	2	0.0011%
<b>Electricity supply</b>	2	0.0011%
<b>Furniture</b>	2	0.0011%
<b>Road Transport</b>	1	0.0005%
<b>TOTAL</b>	<b>198</b>	<b>0.107%</b>

Source: Statistics New Zealand

Table 30: Modern Apprentices (June 2004) by Population (June 2003 est.) in the Auckland Region

	No. of apprentices	Population	% of population <sup>8</sup>
Auckland City	679	415,300	0.163%
Papakura District	58	43,100	0.135%
Rodney District	112	84,100	0.133%
<b>Waitakere City</b>	<b>198</b>	<b>185,600</b>	<b>0.107%</b>
North Shore City	202	205,000	0.099%
Manukau City	227	317,500	0.071%

Source: Statistics New Zealand

<sup>8</sup> There will be a slight inaccuracy due to the time discrepancy