



Auckland labour market and skills in 2019

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Definition

Labour markets work much like other markets where employers demand labour/skills, an important part of the production process, and individuals supply that labour/skills, earning an income.

The importance of the labour market and skills

A well-functioning labour market underpins a resilient and strong economy and has an important role in social and economic well-being. Employment provides income which allows individuals to meet their material needs and gives them options for how to live their lives. Stable employment helps the economy to grow and to retain a high standard of living and makes it less susceptible to shocks.

A high unemployment rate on the other hand means that more people are jobless and without income, which in turn causes uncertainty reflected in lower consumer spending and consequently loss of production.

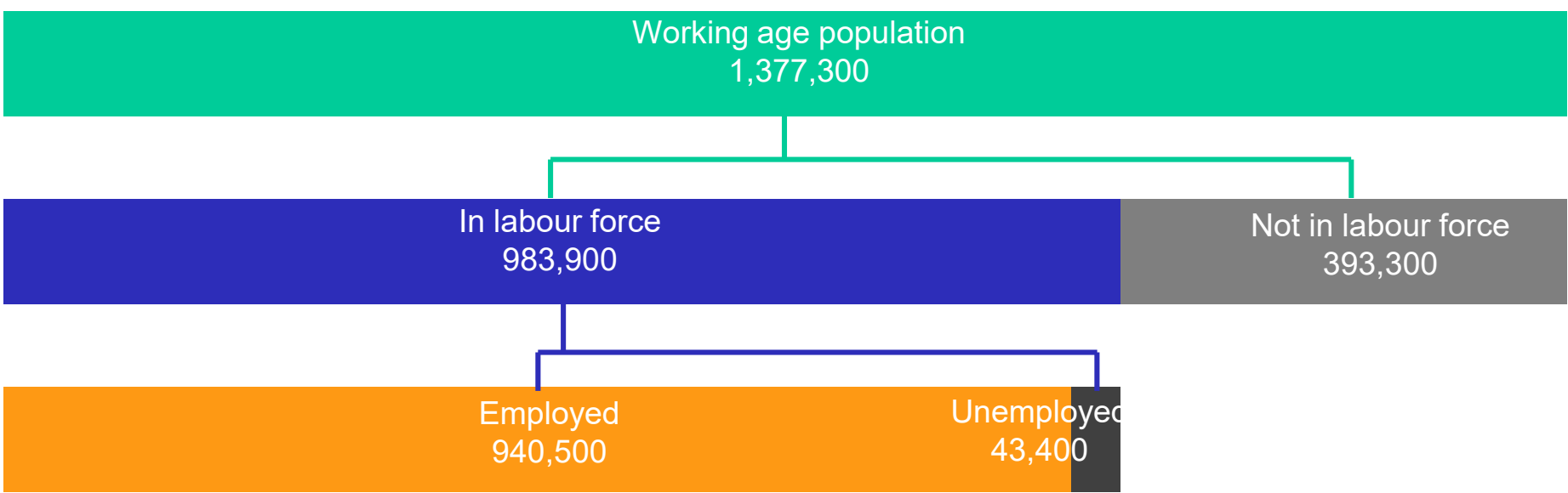
Skilled workers increase productivity and enable innovation, helping drive growth in high-value industries.

The demand for skills in the labour market is undergoing substantial change as a result of trends such as technological progress, globalisation and an ageing population. Developments such as increased labour market participation of women and greater migration flows have also altered the supply of skills. It is therefore becoming increasingly important to ensure that the skills of workers and individuals are aligned to the needs of the labour market.

The current state

Over two thirds (68.3%) of the population aged 15 years and over in Auckland were in employment, 28.6% were not in the labour force and 3.2% were unemployed as at March 2019.

Auckland population aged 15 years or more by labour force status, March 2019



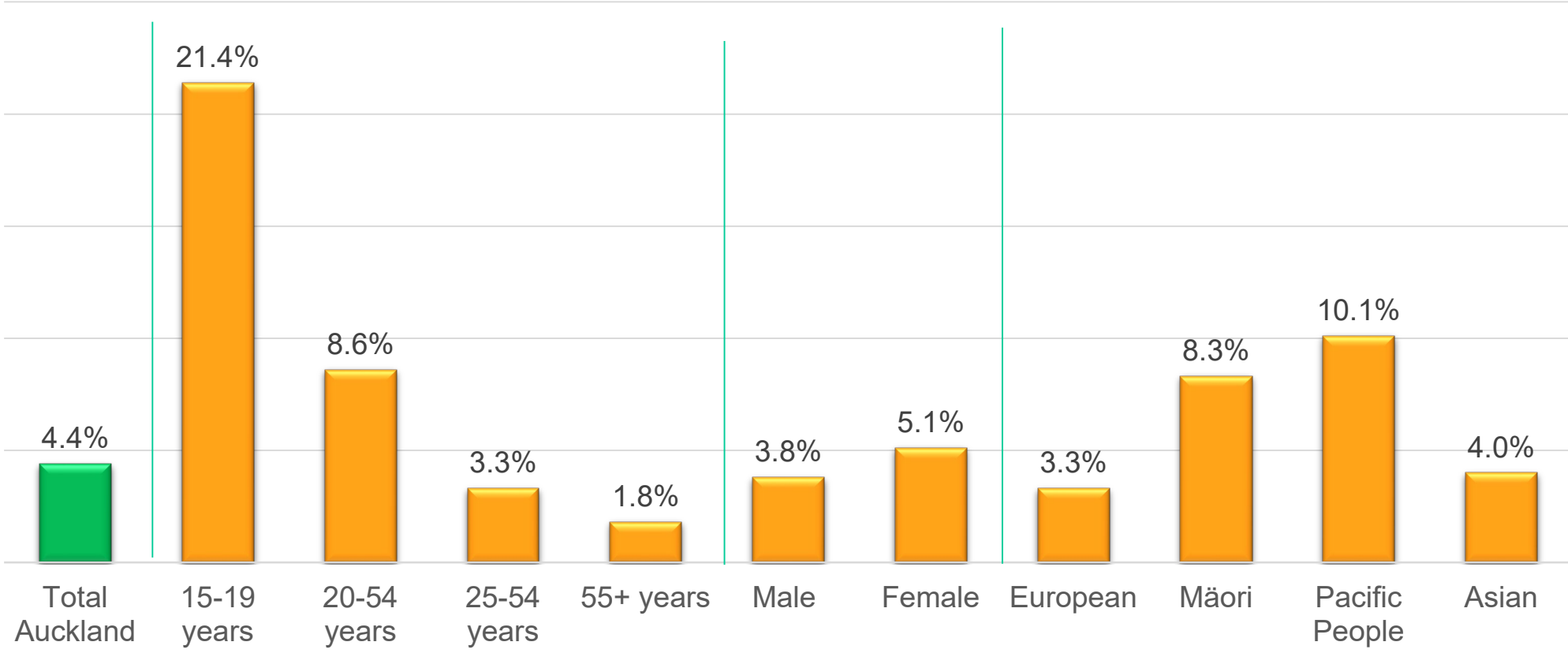
Source: Stats NZ, Household Labour Force Survey

Participation reached record highs with 71.4% of the population either working or actively seeking work (compared to 68% in March 2009) and unemployment at a low of 4.4% (compared to 6.3% in March 2009).

The findings vary across population sub-groups, reflective of the continuing inequalities of Auckland's workforce and education.

Young people (aged 15-19 years) and Māori and Pasifika workers continue to experience lower than average participation and employment rates and higher unemployment rates than other groups.

Unemployment rate for Auckland and by sub-groups, March 2019



Source: Stats NZ, Household Labour Force Survey

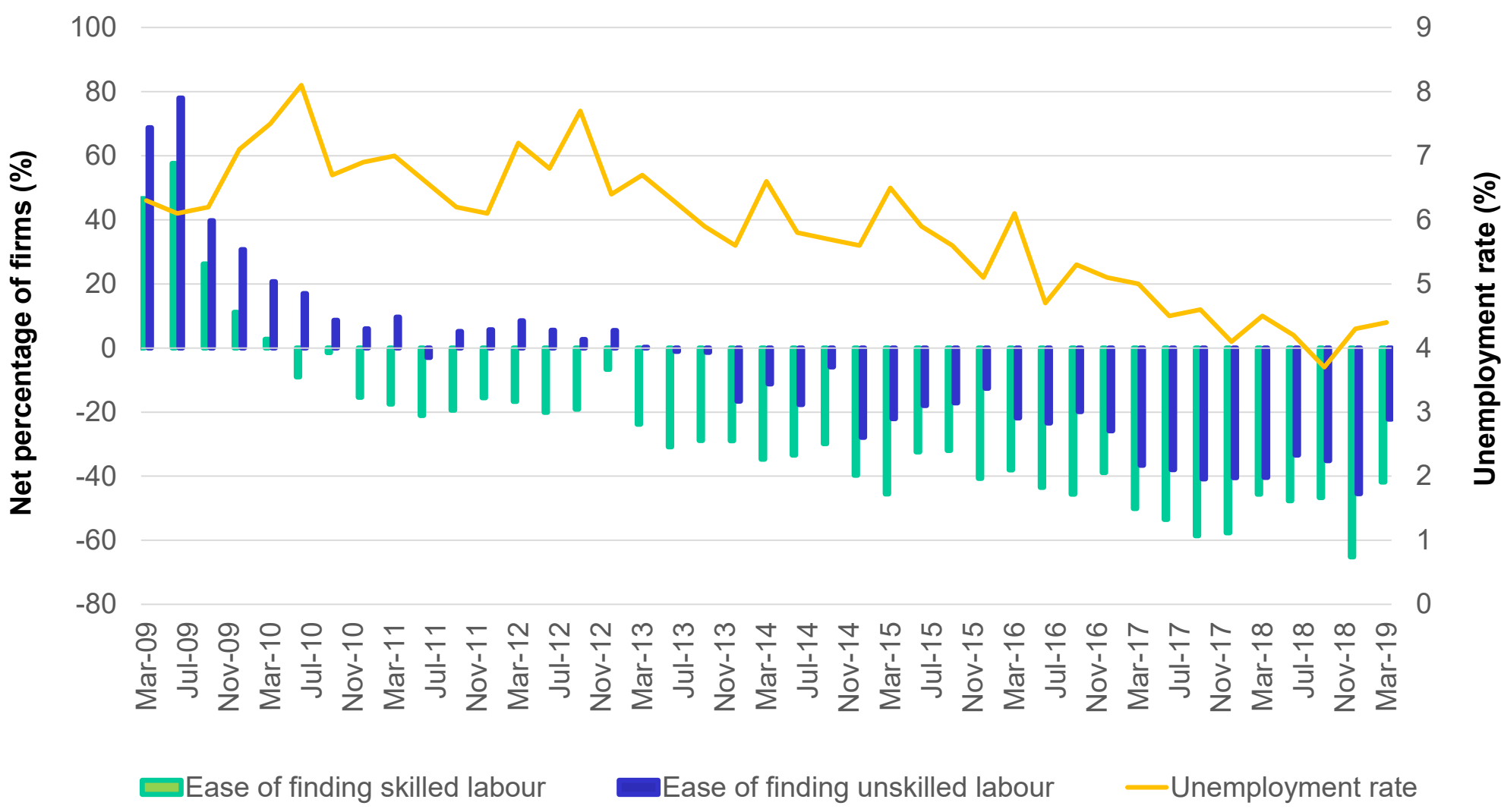
Trends

An additional 237,700 people were employed in Auckland since March 2009, an increase of 33.8% (higher than population growth of 24.9%).

This means more jobs being created and more people in Auckland to undertake them, the result of strong population growth driven by migration and an increased uptake within the local market, predominantly females and older workers (aged 55 years and over).

However, employers in Auckland report that it is still increasingly difficult to find the right workers (both skilled and unskilled) to fill vacant positions.

Relationship between unemployment and ease of finding labour, March 2009-March 2019



Note: Positive values reflect a net ease of finding labour; negative values reflect a net difficulty of finding labour compared to three months ago.

Source: NZIER Quarterly Survey of Business Opinion

A disconnect between ease of finding labour and the availability of willing workers (the unemployment rate) points to a **poor match between skills of workers and needs of employers** in Auckland.