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HĪKINA WHAKATUTUKI

Māori in the Labour Market

September 2017



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Summary

Māori in the Labour Market - 2017 presents key labour market indicators for Māori between 2012 and 2017 using annualised data from the Household Labour Force Survey (HLFS). The report also highlights key labour market indicators for eight iwi regions, which were defined using regional boundaries of rohe.

Māori have generally poorer labour market outcomes compared to the rest of New Zealanders.

In 2017, there were 303,400 Māori employed in the labour market. While Māori in employment represent only 12.0 per cent of total national employment, Māori are over-represented in the unemployed (28.1 per cent or 36,800) and underutilised (79,000 or 23.5 per cent) categories with nearly a third of youth 'not in employment, education and training' (NEET). Compared to the rest of the workforce:

- Māori workers are younger. The 15-24 year olds represent a higher (21.0 per cent) percentage of employed compared to New Zealand Europeans (14.5 per cent).
- Māori have higher proportion of workers employed in lower-skilled occupations, and in industries particularly vulnerable to changes in technology and economic cycles (e.g. manufacturing, wholesale and retail trade and construction).
- The Māori unemployment rate (10.8 per cent) remains the highest and well above the national unemployment rate (4.9 per cent). The Māori unemployment rate is particularly high for youth (20.4 per cent) and women (12.0 per cent).

Between 2012 and 2017, Māori labour market outcomes have improved

In 2017, the labour force participation rate for Māori reached 69.7 per cent, the highest for Māori on record, driven by strong participation growth from women and youth. There were also more Māori in employment this year. The number of Māori employed in 2017 was 20.5 per cent (or 51,600 workers) higher than in 2012. Particularly strong increases were observed for youth, older workers and women.

Māori unemployment rates also fell during this period, again being led by women and youth. The Māori workforce is shifting towards more skilled¹ occupations (from 39.0 in 2012 to 43.0 per cent in 2017) as Māori employment in business services expand.

However, there are strong regional disparities in Māori labour market outcomes

Unemployment rates range from a high of 16.7 per cent in the northern region of Te Tai Tokerau, to 8.3 per cent in Te Whanganui ā Tara. Similar patterns are observed for NEET rates. Urbanized regions have lower unemployment rates probably due to more employment

¹ Skilled occupations include those in manager, professional, technician and trades occupation groups; semi-skilled occupations include clerks, sales, service and plant operator occupation groups; and low-skilled occupations include labourers.

opportunities in those regions. The regions with the lowest unemployment are also the regions with the smallest gap between Māori and non-Māori unemployment rates, and vice versa. The gap in NEET rates between Māori and non-Māori persists across regions, with only two regions experiencing a reduction in the gap: Te Tai Hauauro and Te Whanganui a Tara.

Introduction

This report gives an overview of Māori labour market performance over the past five years, looking at both trends over time and comparisons with other ethnic groups². This report is divided into two parts:

- Part 1 – National Performance, presents labour market trends for Māori over time and comparisons with other ethnic groups;
- Part 2 – Regional Performance, with key labour market indicators for eight iwi regions over time. The regions are based on broader tribal boundaries.

At the national level, Māori labour market performance is compared to that of Pacific People, Europeans and Asians using indicators of employment, unemployment, participation, and qualifications and skills from the Household Labour Force Survey (HLFS). At the regional level, Māori labour market performance is compared with non-Māori to avoid small sample suppressions.

The HLFS data has inherently large sampling errors for ethnic data. Data in this report used annual averages of quarterly data (reported in September year) to reduce the impact of small sample size and to remove seasonal effects. As a result, they do not match the headline figures published by Statistics New Zealand. Alternative data sources such as the use of administrative data will be considered in the future.

² Multiple ethnic responses are used: a person can be both Maori and any other ethnicity, which can be counted more than once.

Part 1 - Māori in the Labour Market

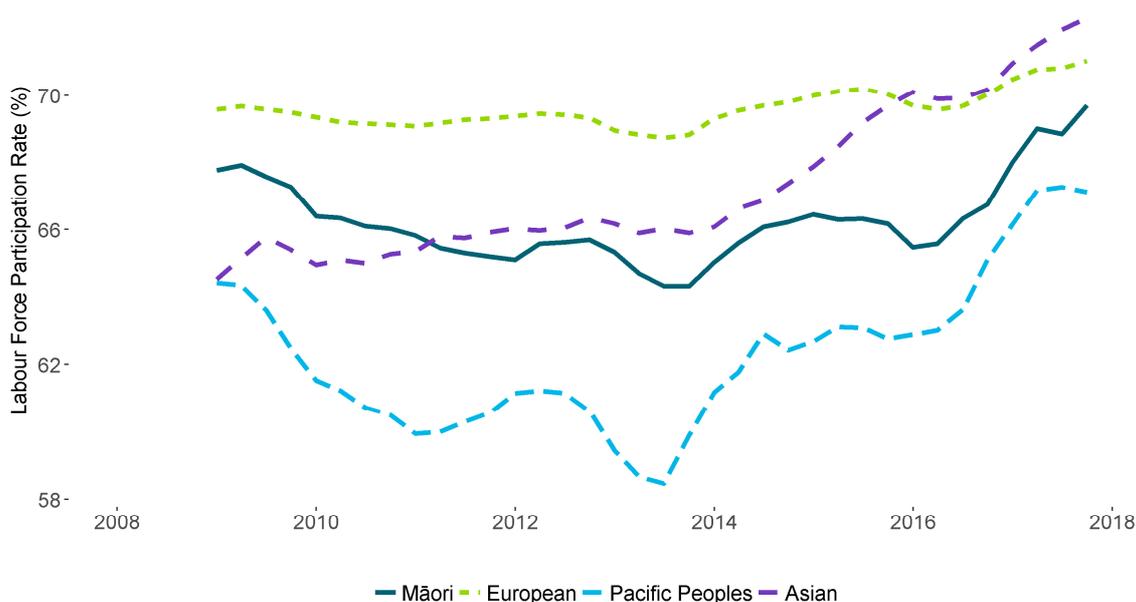
1. Labour Force Participation

This section provides an overview of the trends and characteristics of Māori in the labour force. Labour force participation rate is used to measure the percentage of the working age population that is either working (employed) or actively seeking work (unemployed). The working-age population refers to people aged 15 years and over.

Labour force participation rate for Māori above the pre-GFC level

Māori represented 12.7 per cent (or 340,100) of the total labour force in 2017. The labour force participation rate for Māori was 69.7 per cent in 2017. Māori labour force participation was lagging behind European, Asian, and MEELA³ but was higher than Pacific Peoples' participation rate. In 2017, Māori and Pacific Peoples labour force participation rates are above the pre-GFC rates and are the highest on record.

Figure 1. Labour Force Participation rate



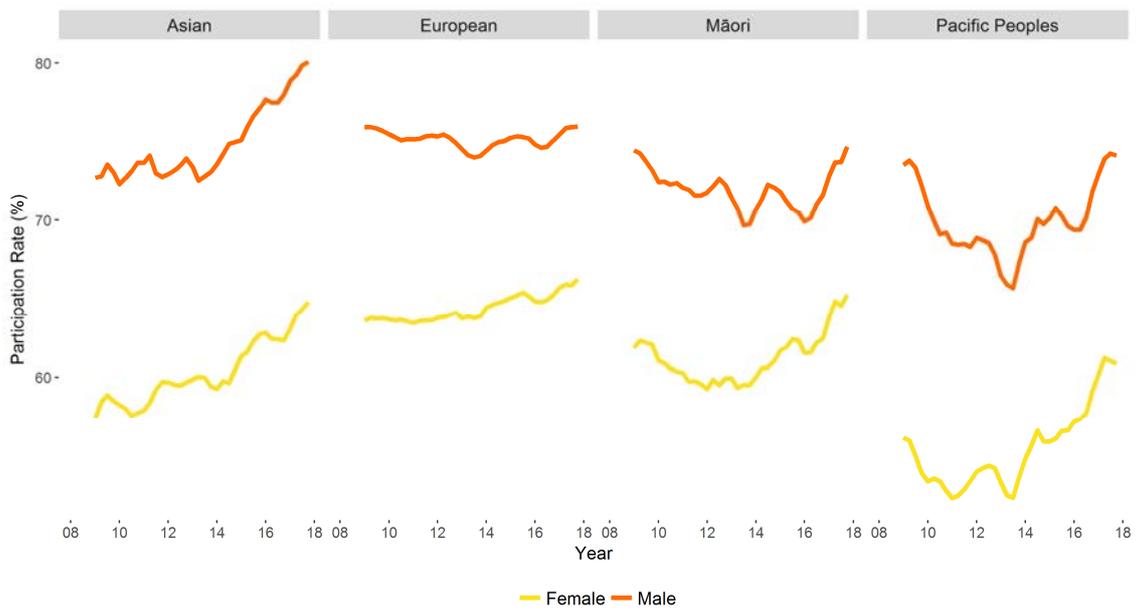
Over the past five years Māori participation rate increased faster for females than for males

Over the past five years, Māori labour force participation has increased by 3.9 pp, faster than for European (up 1.6 pp), but behind Pacific Peoples, Asian or MELAA.

Since 2012 Māori labour force participation for females (up 5.4 pp) and males (up 2.4 pp) trended up to reach 65.3 and 74.7 per cent respectively. Figure 2 shows that Māori male participation rates remained considerably higher than Māori female, although the gap has narrowed since 2012 (from 12.3 to 9.4 pp).

³ MELAA includes Middle East, Africa and Latin America
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Figure 2. Labour force participation rate by sex, 2008-2017



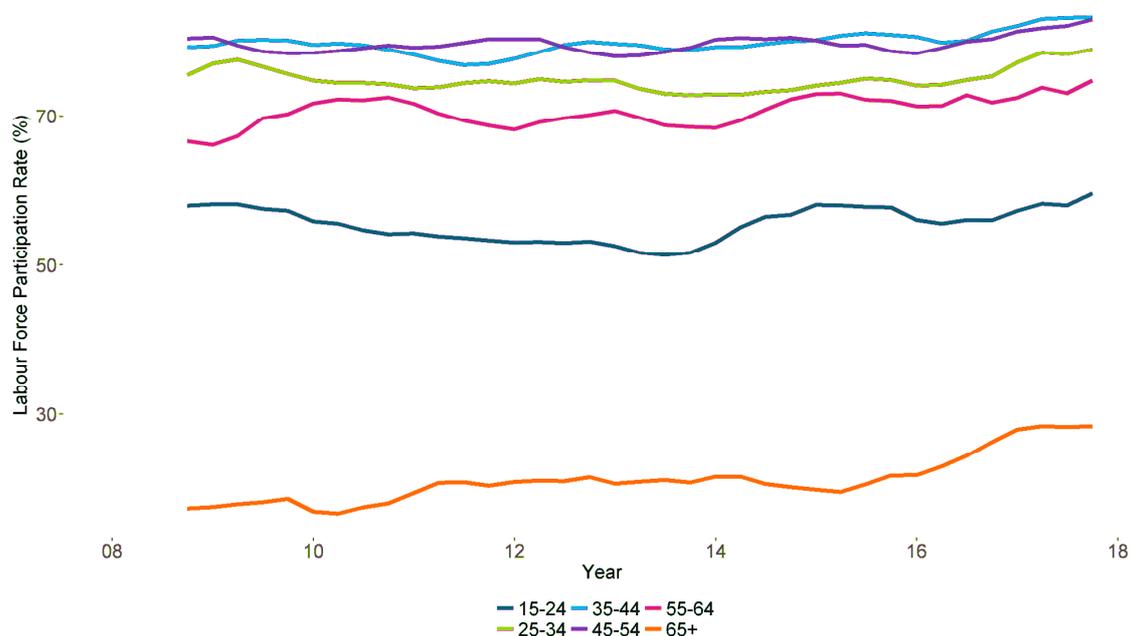
Māori participation rates for 15-24 and 65+ age groups increased the most since 2012

Over the past five years, labour force participation rates remained relatively static across most age-groups. The 15-24 and 65+ age-groups have increased the most since 2012 (up 6.4 and 6.9 pp, respectively).

Compared to a year ago, the 65+ age-group saw the biggest increase in participation rate

Compared to the previous year the 65+ age-group underwent a sizeable increase of 8.2 pp to reach 28.4 per cent in September 2017. The 25-34 year olds also experienced a 5.5 pp increase to reach 78.9 per cent in 2017. Overall, Māori participation rates remained the highest for 35-44 and 45-54 age-groups.

Figure 3. Labour force participation rates by age-group



2. Employment

More Māori in employment this year⁴

In September 2017, there were 340,100 Māori in the labour force. Of this, 303,400 people were employed, representing 12.0 per cent of total national employment. The number of Māori employed in 2017 was 20.5 per cent higher than in 2012, and 6.8 per cent higher than in 2016. Māori employment grew by 59,500 or 24.3 per cent from the June 2010 trough of 243,900.

At the national level, high net inward migration and solid growth in working-age population led to strong employment growth. The employment growth in 2017 reflected favourable economic conditions as construction and tourism-related activities boosted employment in a number of regions.

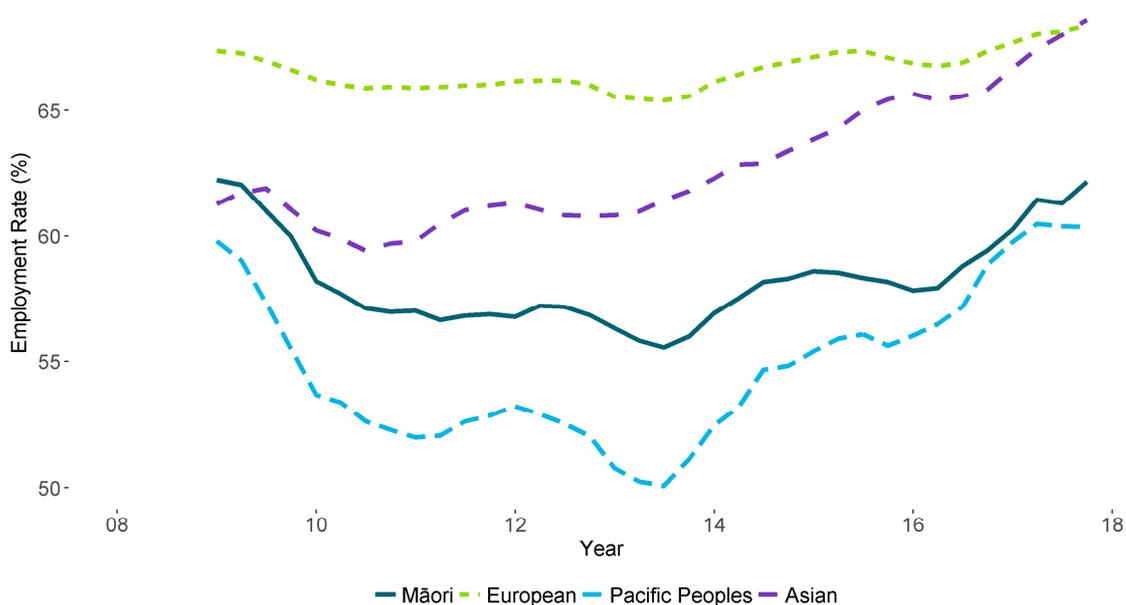
⁴ In June 2016, Statistics New Zealand introduced methodological changes in the HLFS. This meant that the changes in the employment indicators are difficult to interpret. However, there is a consistent picture of improved labour market outcomes for Māori.

Rapid employment rate growth since 2012

The employment rate has experienced steady post-global financial crisis (GFC) growth. Since 2012, the Māori employment rate has risen by 5.3 percentage points.

The gap between Māori and European has decreased from 9.1 to 6.1 pp, although the Māori employment rate remains significantly below that of European and Asian. This could be related to Māori holding lower levels of qualification and being over-represented in low-skilled occupations and in industries⁵ that are more vulnerable in the event of economic downturn.

Figure 4. Employment rates by major ethnic group

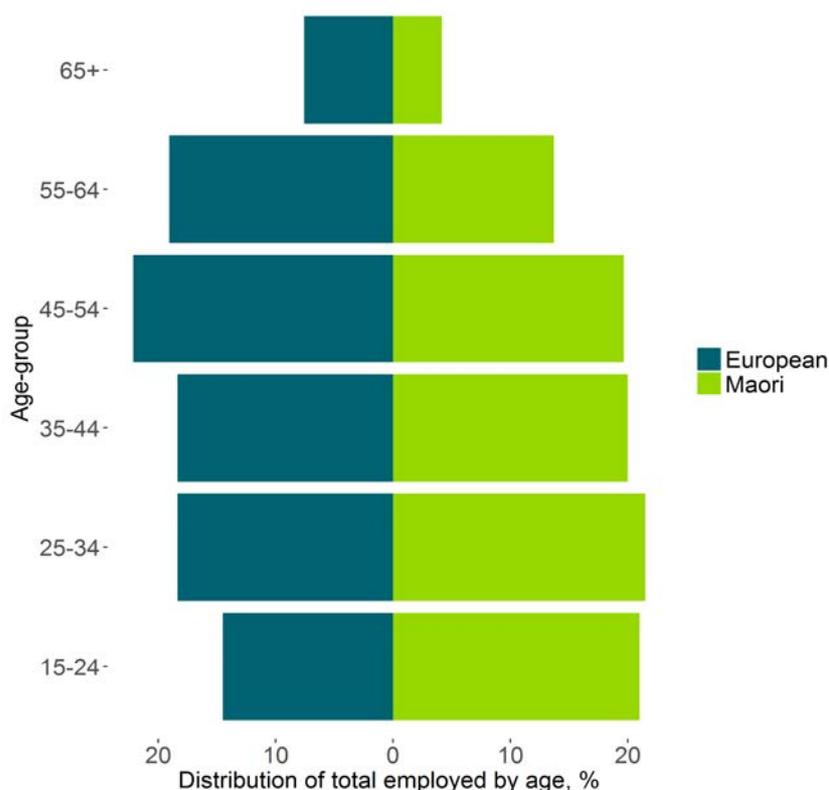


Māori have a relatively young workforce

In 2017, proportionately more Māori (21.0 per cent or 63,700 workers) and Pacific Peoples (21.0 per cent or 30,300 workers) aged 15 to 24 years were employed than Europeans (14.5 per cent or 272,600 workers). There were proportionately fewer older Māori in the workforce compared to Europeans. It could be that young Māori are more likely to forgo staying in school and choose to get jobs instead. Lack of necessary qualifications could also result in fewer employment opportunities later in life.

⁵ This includes manufacturing; utilities and construction; wholesale and retail trade; and accommodation, cafes and restaurants. [Department of Labour \(2011\). How have Māori and Pacific People been affected by the recession? Wellington, New Zealand.](#)

Figure 5. Percentage distribution of employed by age, September 2017



Percentages for each ethnic group add up to 100.

More young and elderly Māori in employment

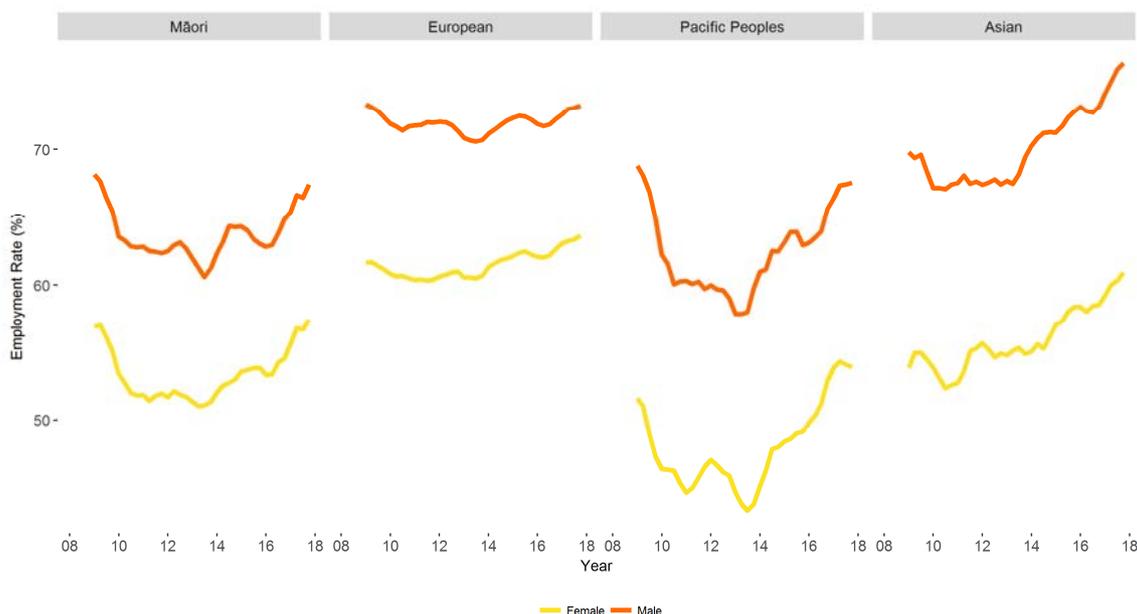
Over the past five years, Māori youth (15-24) and those aged 65+ had the biggest increase in employment rate compared to other age-groups (up 4.4 and 4.2 pp, respectively)). Such an increase is not surprising as employment rates for those groups are much lower than the national average.

Accelerated employment growth among Māori women

The employment rate for Māori women has been lower than the rate for Māori men since the current HLFS series began in 2008.

The rate for Māori men stood at 67.4 per cent and for Māori women at 57.4 per cent in 2017. Employment rates for both men and women have increased since 2016 (4.0 pp for men and 5.1 pp for women). Over a five year period the rate of increase for Māori females was higher (up 5.7 pp to 57.4 per cent) than for males (up 4.8 pp to 67.4 per cent).

Figure 6. Percentage distribution of employed by gender, September 2017

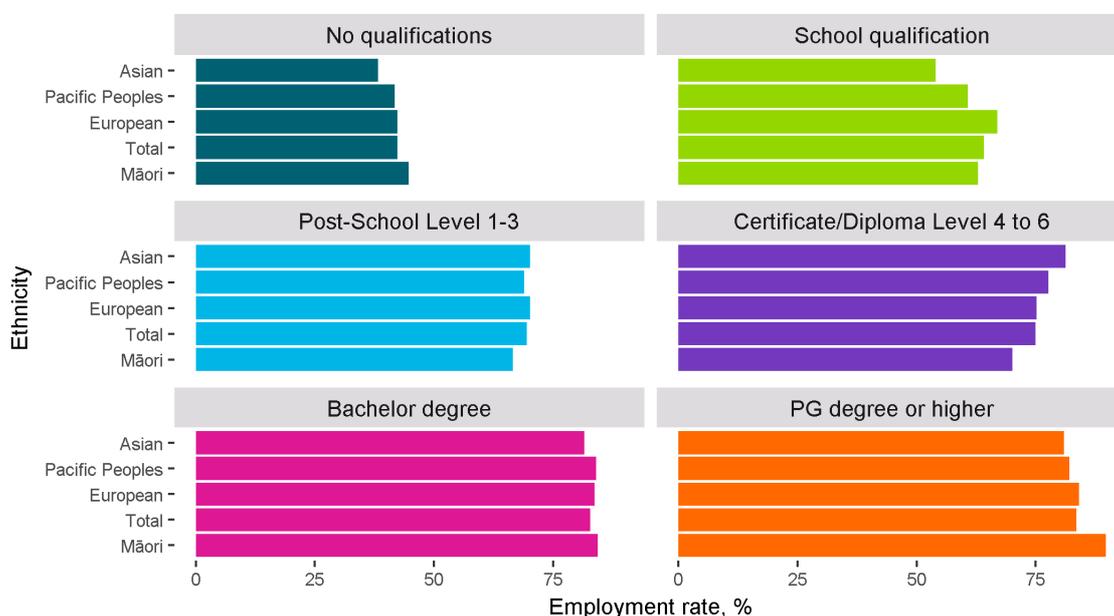


Māori with postgraduate degree or higher qualifications had higher employment rates compared to other ethnicities

Employment rates for Māori have increased at all qualification levels (particularly for those with no school qualification and post-graduate degrees, up 2.9 pp and 2.7 pp). The only drop was observed in certificate/diploma qualifications, which decreased by 1.8 pp since 2016.

In 2017, Māori with postgraduate degree or higher qualifications had the highest employment rate at 89.7 per cent compared with other ethnic groups (European -84.1 per cent, Pacific Peoples – 82.1 per cent and Asian -80.9 per cent). Maori with bachelor degrees also had relatively high employment rates, while those with certificates, diploma and polytechnic qualifications had lower employment rates compared with other ethnicities.

Figure 7. Employment rates by highest qualification attained, September 2017



3. Employment by industry

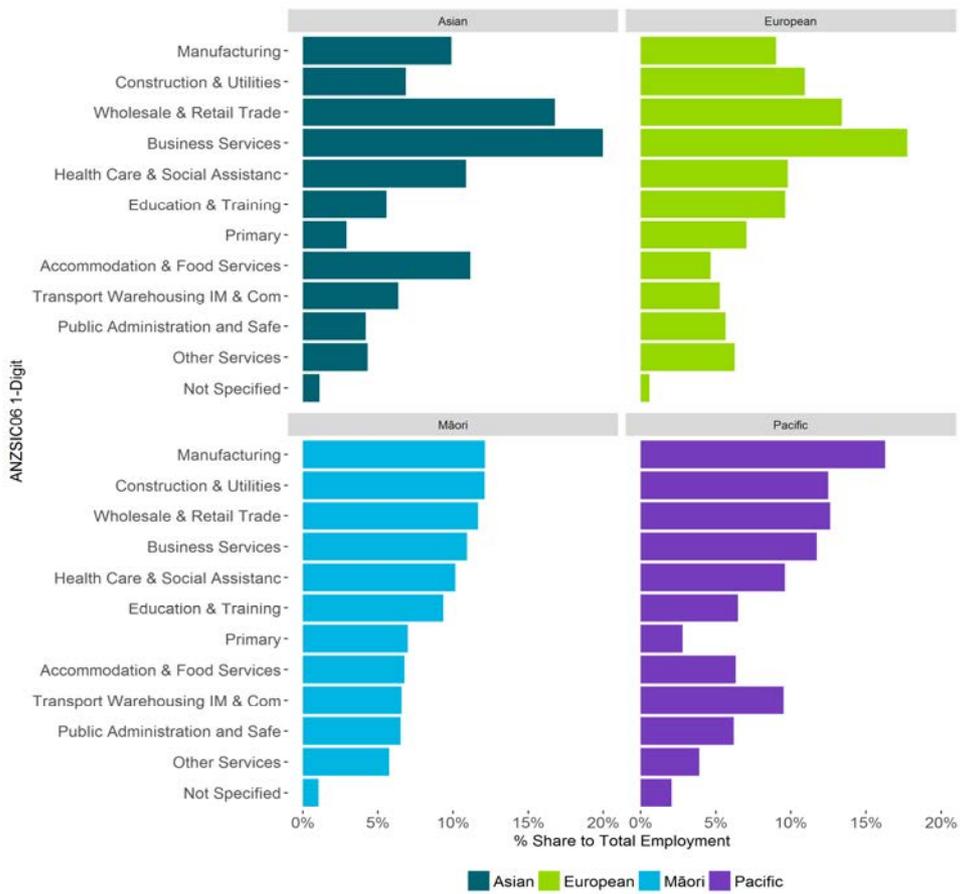
This section describes Māori employment by industry. The industry classification was based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 classification. In addition, data for some industries was aggregated to form statistically meaningful counts.⁶

Māori were mostly employed in manufacturing and construction

Māori employment was mostly concentrated in the manufacturing (12.1 per cent or 36,800), utilities & construction (12.1 per cent or 36,700 workers), and wholesale & retail (11.7 per cent or 35,400 workers) industries in 2017. While Pacific People have a similar distribution of employment across industries, Asians and Europeans have more people employed in business services and wholesale and retail trade. Asians also have relatively more people employed in accommodation and food services compared with other ethnic groups (11.1 per cent or 38,500 workers).

⁶ Some industries were combined into a larger category because when broken down by ethnicity, the counts of people employed in each industry were too small and associated with large sampling error. For instance, agriculture, forestry and fishing, and mining are separate in the standard ANZSIC06 classification. These industries have been combined here. Electricity, gas, water and waste services and construction, and wholesale, retail trade and accommodation and food services, were aggregated to create “utilities and construction” category. The “business services” category combines finance and insurance, and other business services (rental, hiring and real estate services, and professional, scientific, technical, and administrative and support services). “Other services” combined arts and recreation services and other services.

Figure 8. Employment share (%) by industry, September 2017



Accommodation and food services and financial insurance services grew the most since 2016

Māori employment grew by 6.8 per cent or 19,400 more workers since 2016. Employment gains were spread across a number of industries. The largest contributors were accommodation and food services (up 19.7 per cent or 3,400 workers) and financial and insurance (up 19.4 per cent or 900 workers) industries.

Construction & utilities drove growth in Māori employment over the past five years

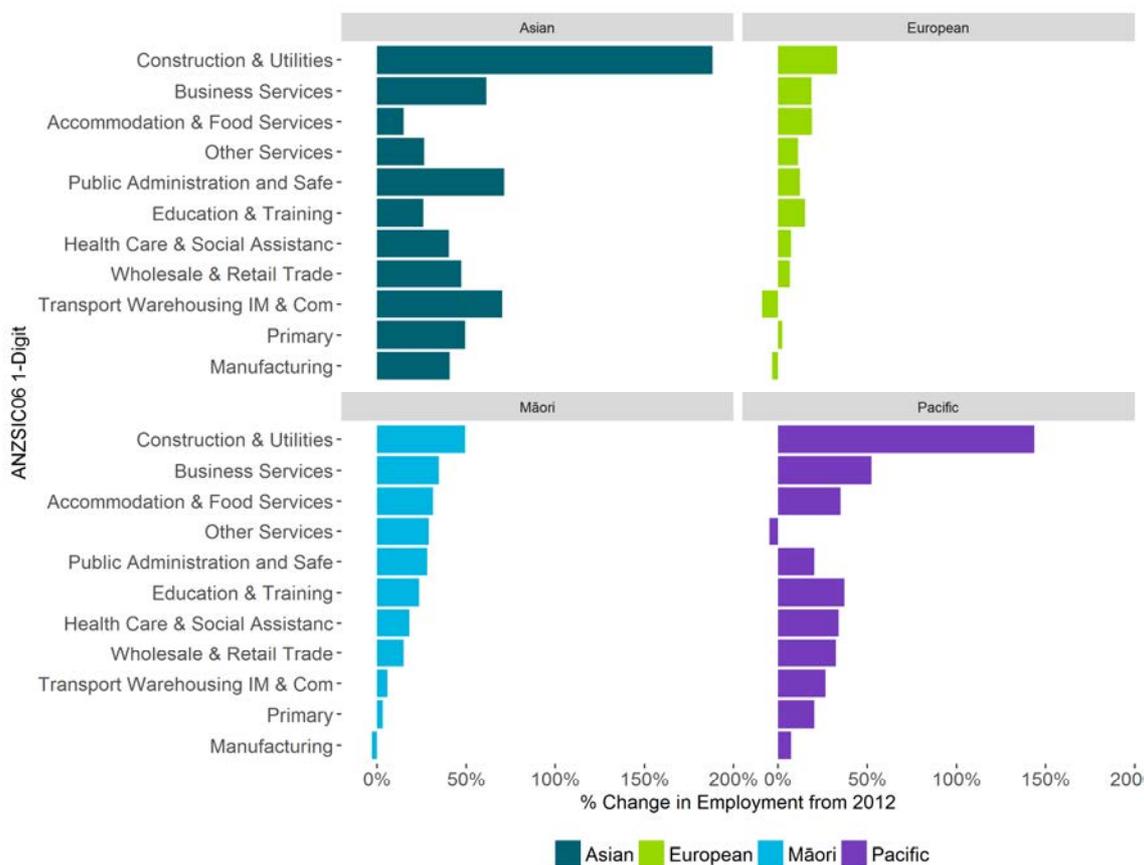
Figure 9 shows that Māori employment growth between 2012 and 2017 was spread across all industries, with Construction & Utilities, Business Services and Accommodation and Food Services showing the largest increases.

Since 2012 employment growth in the construction & utilities industry was particularly strong (up 49.4 per cent), with 12,100 more Māori workers employed. This strong growth in construction was observed across all ethnicities, and was even stronger (percentage-wise) for Asians and Pacific People (up 188 per cent or 15,500 more workers and 143 per cent or 10,600 more workers, respectively).⁷

Business services and accommodation & food services also experienced strong growth in Māori employment over the five-year period (35.9 per cent or 7,200 more workers and 31.5 per cent or 4,900 more workers, respectively).

⁷ Although the percentages are relatively big, the actual numbers are small due to a smaller number of Asians and Pacific employed in those industries compared to European or Māori.

Figure 9. Employment growth since 2012, by industry⁸



Source: Household Labour Force Survey

4. Employment by occupation

This section describes Māori employment by occupation and skill levels⁹. The occupation classification was based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO), 2013. Eight high-level occupation groups were used to describe the types of jobs that Māori workers held.

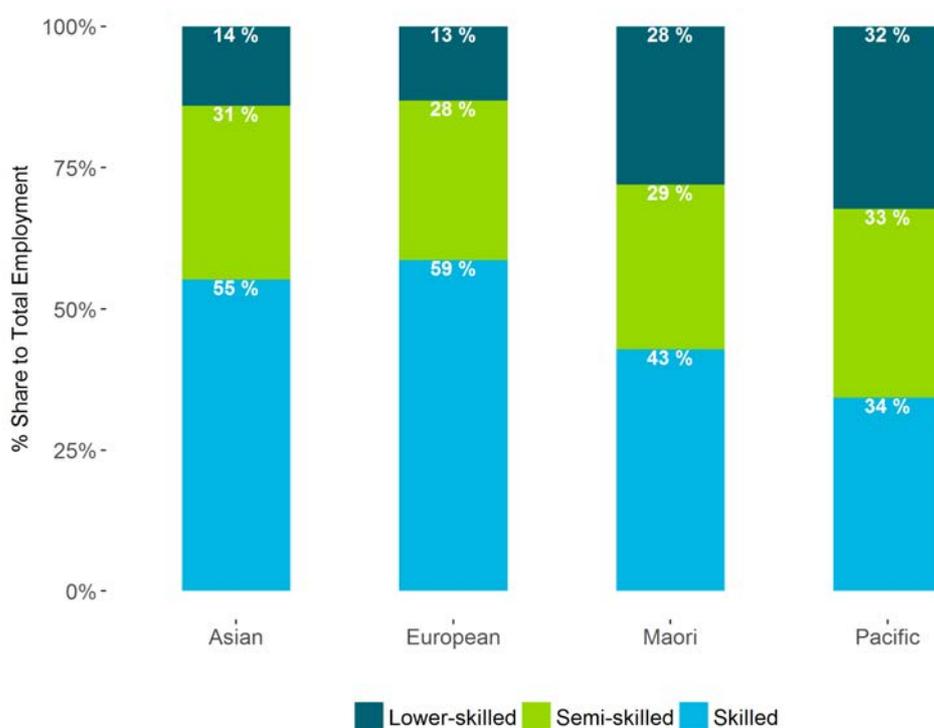
43 per cent of Māori workers in skilled occupations

Māori in skilled occupations totalled 129,000 in September 2017, an increase of 10,100 workers (up 8.5 per cent) from a year ago. Over the year, employment in most occupation groups increased. The biggest increases in employment were for managers (22.8 per cent or 8,000 workers), labourers (8.0 per cent or 4,200 workers) and professionals (5.8 per cent or 2,900 workers).

⁸ Numbers in Figure 9 reflect the percentage change. The numbers employed for some industries are small and should be interpreted with caution. For instance, financial and insurance is a very small industry compared to some others, so growth in actual number employed is smaller.

⁹ Skill levels are calculated from 2011 to 2016, due to limited data available.

Figure 10. Employment distribution by broad skill level, 2017¹⁰



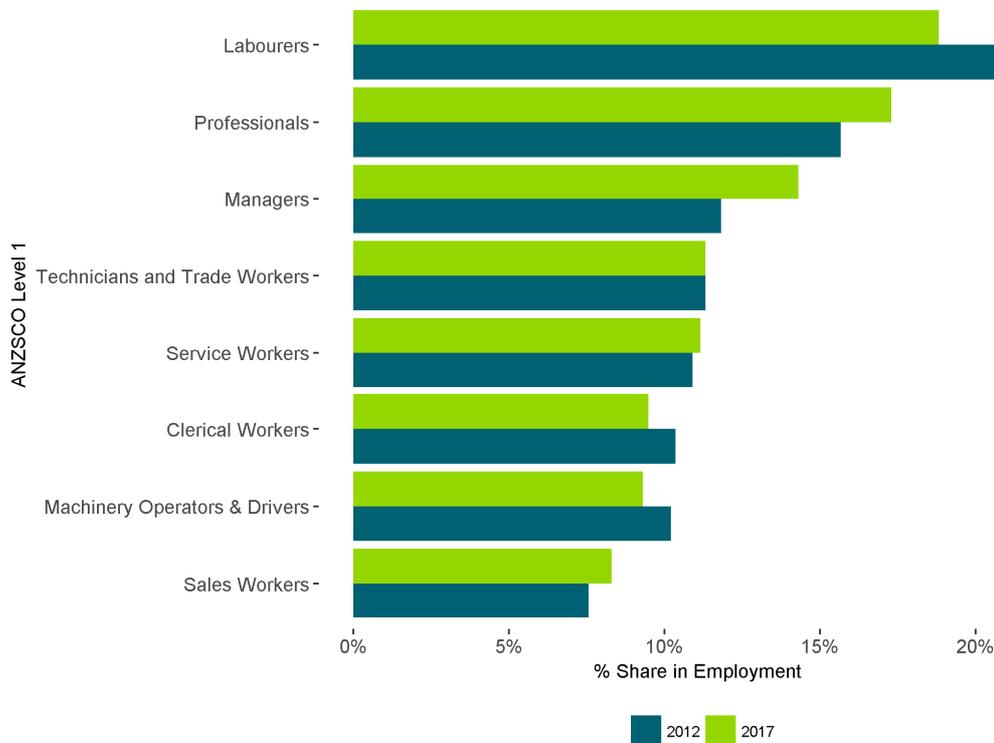
Māori representation in skilled¹¹ occupations has increased since 2012

Over the past five years the biggest increases in Māori employment were for managers (up 45 per cent), professionals (up 32.0 per cent) and service workers (up 22.0 per cent). While relatively fewer Māori were employed in these occupations, Māori representation has improved, particularly in managerial occupations over the past five years. This increase represents an improvement of the Māori position in the labour market.

¹⁰ Percentages are based on the unrounded numbers.

¹¹ Skilled occupations include those in manager, professional, technician and trades occupation groups; semi-skilled occupations include clerks, sales, service and plant operator occupation groups; and low-skilled occupations include labourers.

Figure 11. Employment distribution by occupation in 2012 and 2017



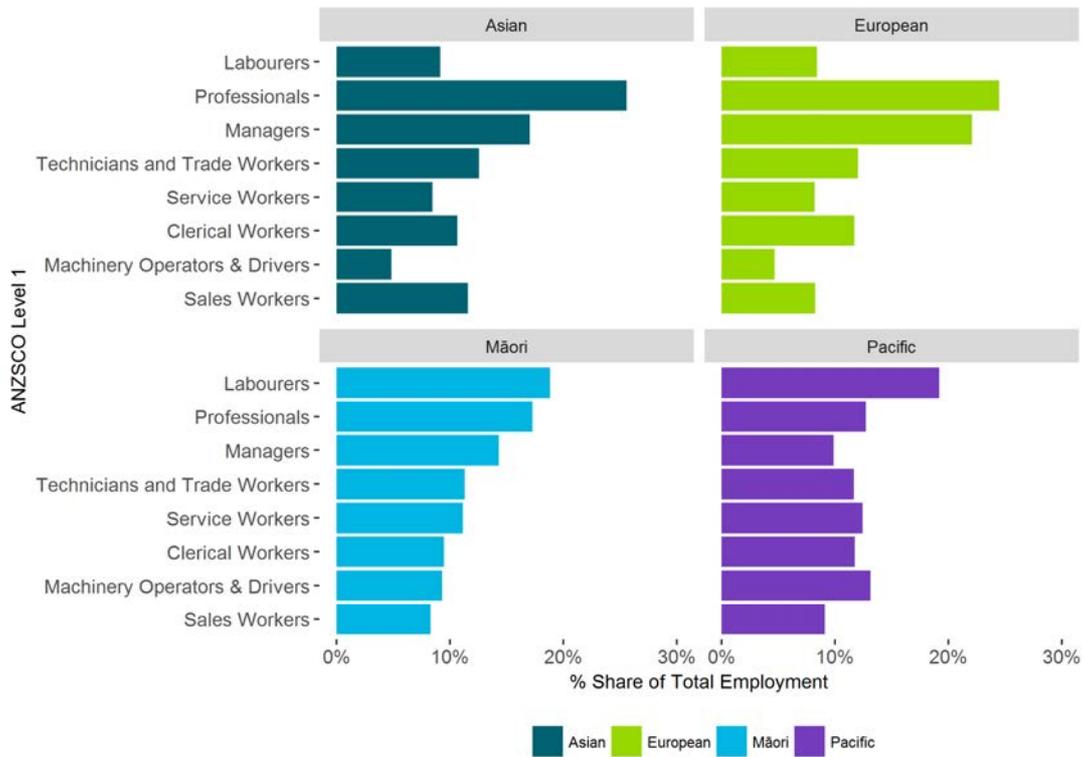
Source: Household Labour Force Survey

Māori have higher proportion of labourers compared to Europeans and Asians

Māori have higher proportion of labourers compared with Europeans and Asians, but the Māori proportion has decreased over the past five years (from 22.0 to 18.6 per cent in 2017).

The number of Māori employed as labourers rose by 1.8 per cent between 2012 and 2017. This increase was consistent with an increase in the number of people employed in the utilities and construction industry, dominated by low-skilled occupations. This industry, along with manufacturing, has the highest concentration of Māori workers.

Figure 12. Employment distribution across occupations, 2017



Source: Household Labour Force Survey

5. Unemployment

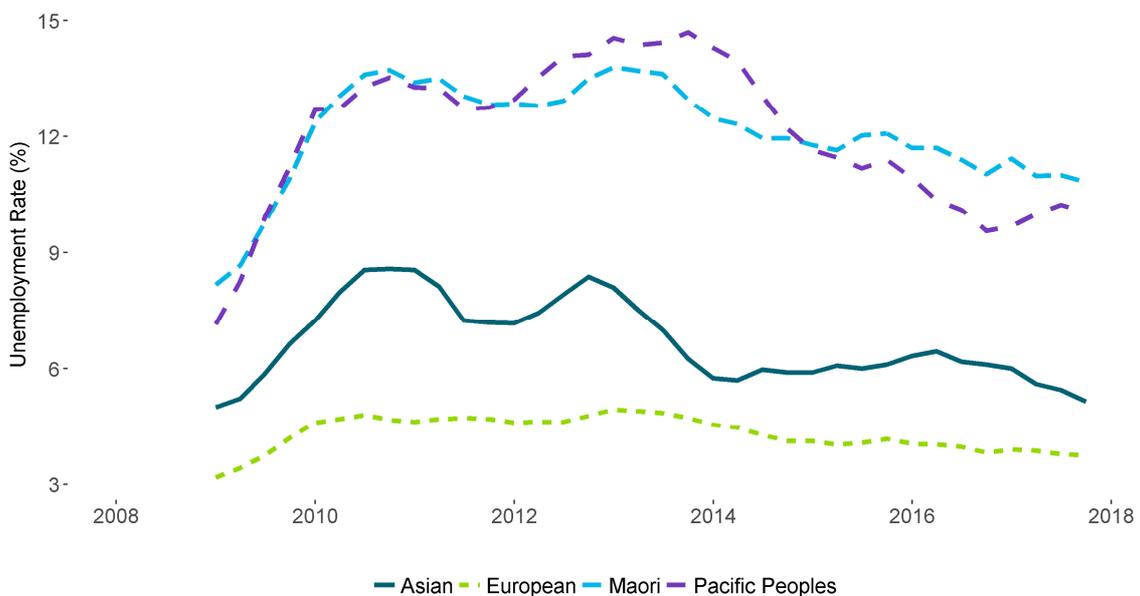
This section looks at trends in Māori unemployment levels and rates by age group, gender and ethnic groups for the period 2012 to 2017. This section also discusses youth unemployment rate and the rate for youth not in education, employment or training (NEET).

Māori unemployment rate decreased by 2.7 pp to 10.8 per cent over the past five years

The unemployment rate is the proportion of people in the labour force who are unemployed. In 2017, about 36,800 Māori were unemployed, down from 39,200 in 2012.

While the unemployment rate for Māori has decreased faster (down 2.7 pp) than for Asians or Europeans over the past five years, it remains the highest among all ethnic groups, at 10.8 per cent in 2017.

Figure 13. Māori unemployment rate trends by ethnicity

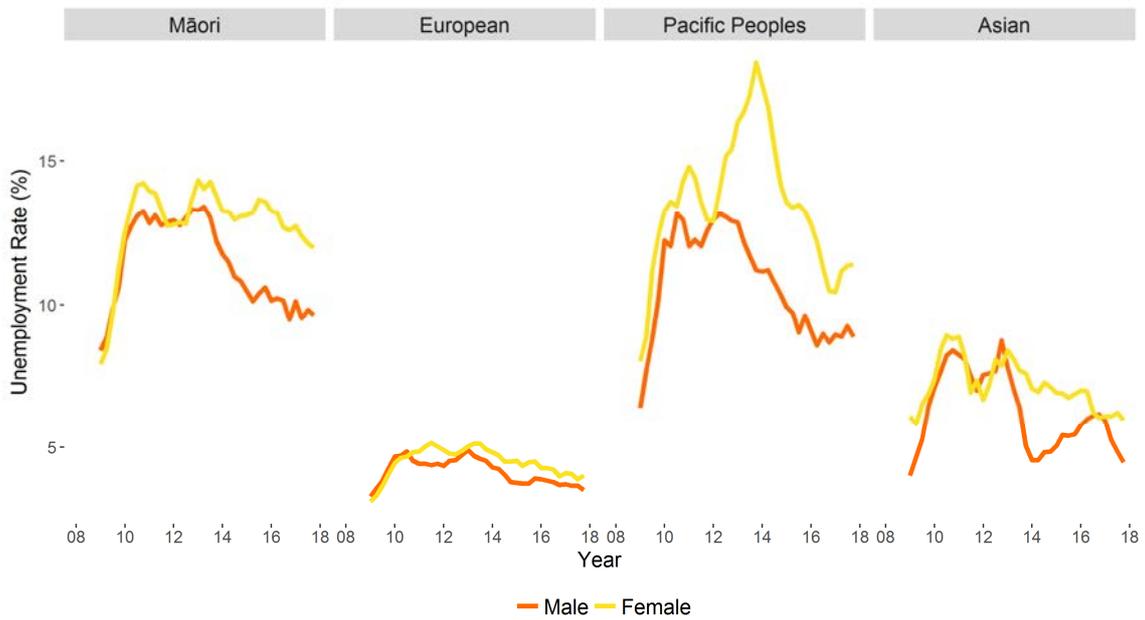


Source: Household Labour Force Survey

Unemployment rates fell more sharply for Māori men than Māori women

The gender gap in unemployment rates has slightly widened. Compared with five years ago, the rate for both men and women decreased, with the rate for men falling more sharply than the rate for women. The Māori unemployment rate for women was generally higher than the rate for Māori men over the past five years.

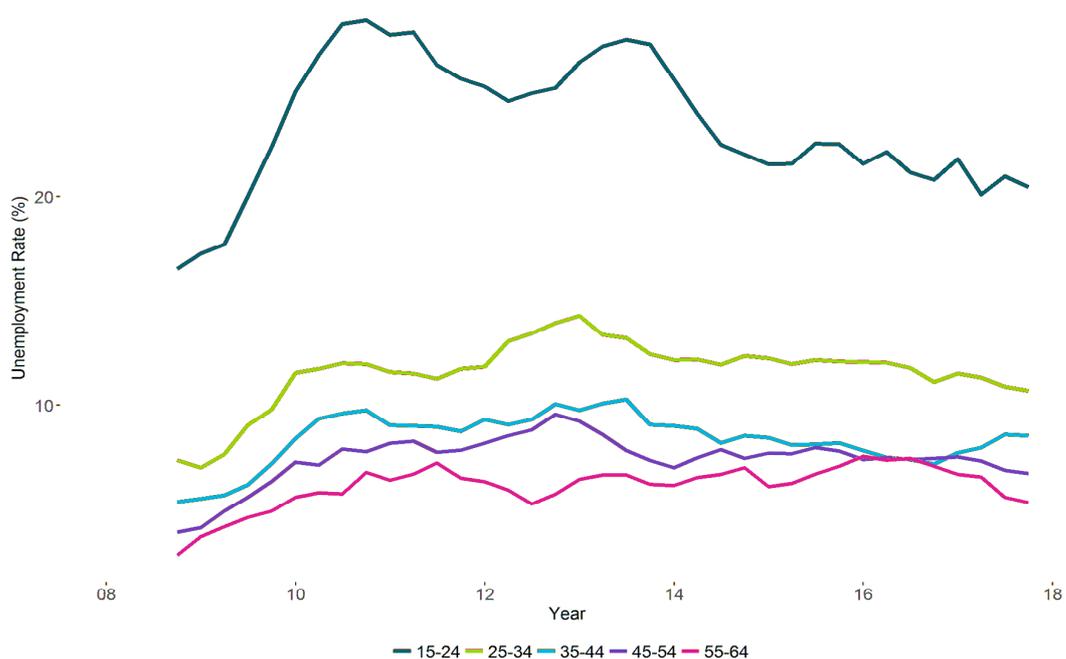
Figure 14. Unemployment rate by gender and ethnicity



Unemployment rate was the highest among 15-24 year olds Māori

In 2017, the unemployment rate was the highest among 15-24 year olds Māori, at 20.4 per cent, twice as high as the average for all age-groups. Over the past five years, the Māori unemployment rate decreased for the 15-24 age group (down 4.8 percentage points) and for 25-34 age group (down 3.3 percentage points). Of all ethnic groups, Māori and Pacific Peoples, tended to have higher unemployment rates for all age groups.

Figure 15. Māori unemployment rate by age-group



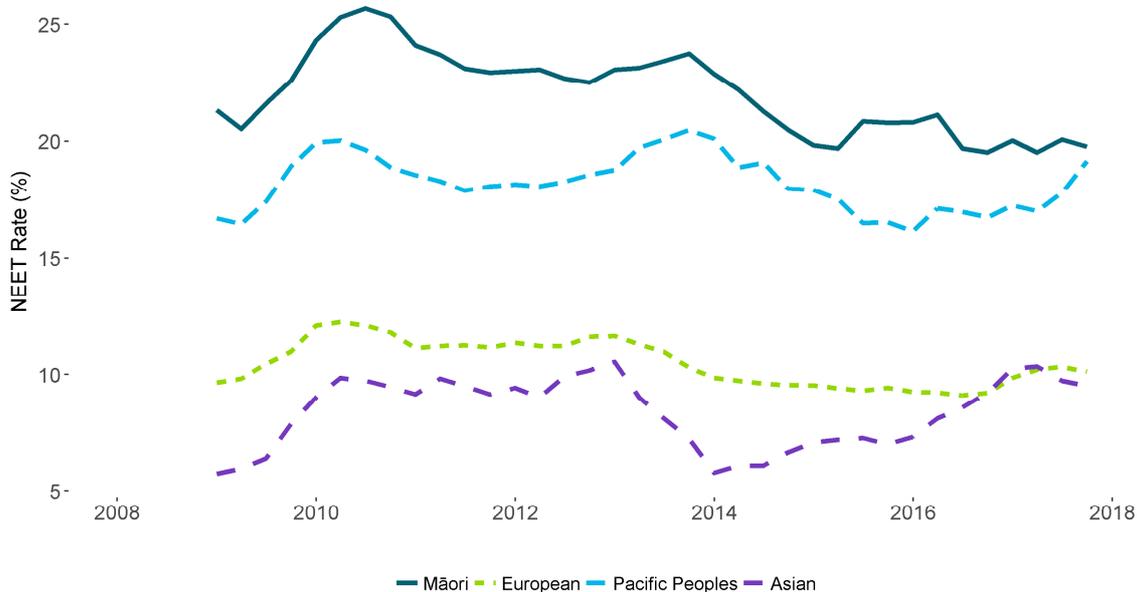
NEET rates higher for Māori women and 20-24 year olds

Youth who are categorised as NEET are disengaged from both formal learning and work, with potentially negative outcomes over the longer-term.¹² In September 2017, 81,600 people were classified as NEET. A large number of those NEETs were Māori and Pacific People, with 26,500 Māori and 13,400 Pacific Peoples. Over the past five years, the number and proportion of Māori NEETs have decreased. Māori NEET rates have also decreased much faster since 2012 compared with other ethnic groups.

The NEET rates tended to be higher for women than for men. In 2017, the NEET rate for Māori women was 24.4 per cent and for Māori men it was 15.2 per cent. Since 2012, the rates have declined for both women and men (a 2.9 and 2.4 pp decline). The main driver of the higher NEET rate for women in general is the inclusion of young mothers in the NEET category. For both men and women, the Māori NEET rates have been consistently higher than for other ethnic groups.

The NEET rates tended to be higher for the 20-24 year olds than for the 15-19 year olds across all ethnicities. In 2017, the Māori NEET rate for 20-24 year olds was 26.4 per cent, in comparison with 14.1 per cent for 15-19 year olds. This was largely due to a higher proportion of female parenting or with 'caregiving responsibilities' among 20-24 year olds.

Figure 16. Māori NEET rate continued to trend down



¹² The NEET measure counts young people who are not in education, employment or formal training or who are in between these activities for a short period.

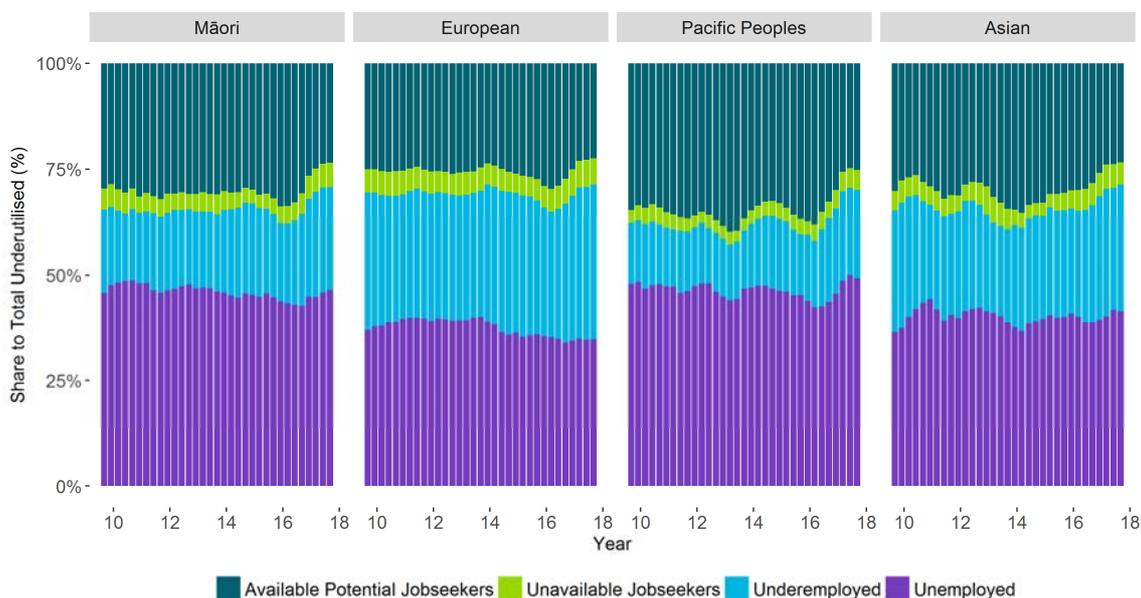
6. Underutilisation

Labour underutilisation provides a picture of people in the labour force who are not fully utilised (i.e. either unemployed or underemployed¹³), as well as those in the potential labour force (Statistics New Zealand, 2016). Potential labour force consists of two groups – unavailable jobseekers and available potential jobseekers.¹⁴

Fewer available potential jobseekers and more unemployed and underemployed among Māori

In 2017, 79,000 Māori were underutilised, representing 23.5 per cent of the total people who were underutilised. Of those 23.6 per cent were available potential jobseekers, 46.5 per cent were unemployed, 24.4 per cent underemployed, and only 5.6 per cent – unavailable jobseekers. Historically, the two largest components were unemployed and available potential jobseekers. It appears that recently there has been a drop in the number of available potential jobseekers and an increase in the representation of underemployed and unemployed. This was observed across all ethnic groups.

Figure 17. Composition of underutilised across ethnic groups



Source: Household Labour Force Survey

Māori underutilisation rates remain high despite the recent decline

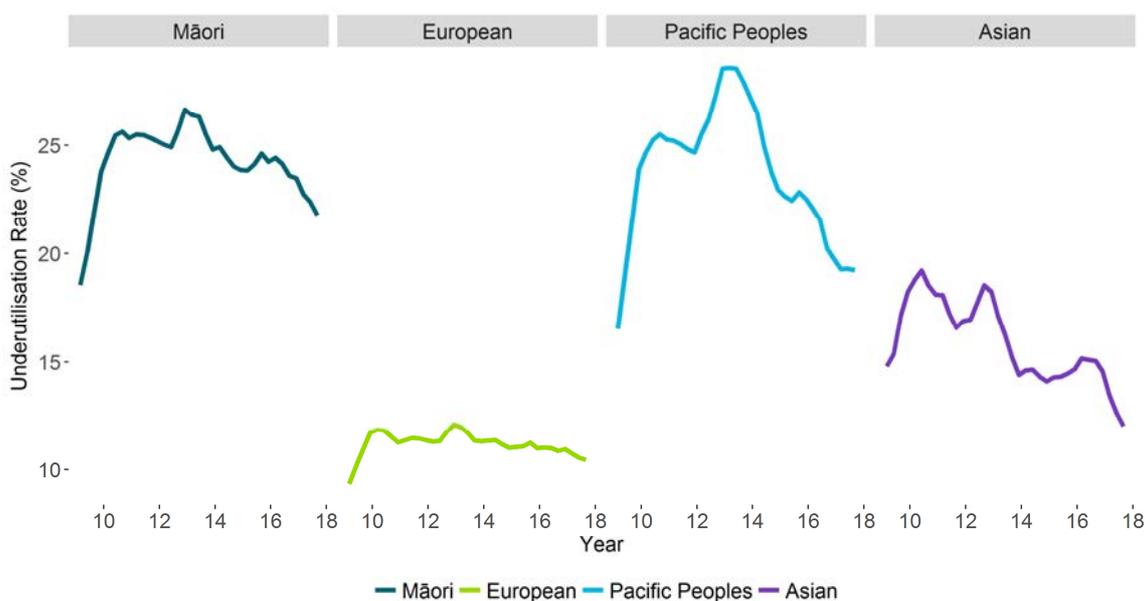
Movements in the underutilisation rate have been driven by movements in the potential jobseekers and unemployed groups. Underutilisation rates increased following the GFC in

¹³ These are employed individuals who are usually work part-time, would like to work more hours and were available to do so in the reference week.

¹⁴ Potential labour force has two main groups of individuals: unavailable jobseekers – ‘people who were actively seeking work, were not available to have started work in the reference week, but would become available within a short subsequent period’; and available potential jobseekers – ‘people who are not actively seeking work but were available in the reference week and want a job’.

2009 and fell post-GFC when the economy improved in 2014. Underutilisation rates for Māori and Pacific people remain high and well above European or Asian rates. However, the rate for Māori (down by 3.9 pp to 21.8 per cent in 2017) fell more sharply than the rate for Europeans (down by 1.3 pp to 10.5 per cent) between 2012 and 2017.¹⁵

Figure 18. Underutilisation rates by ethnicity, %



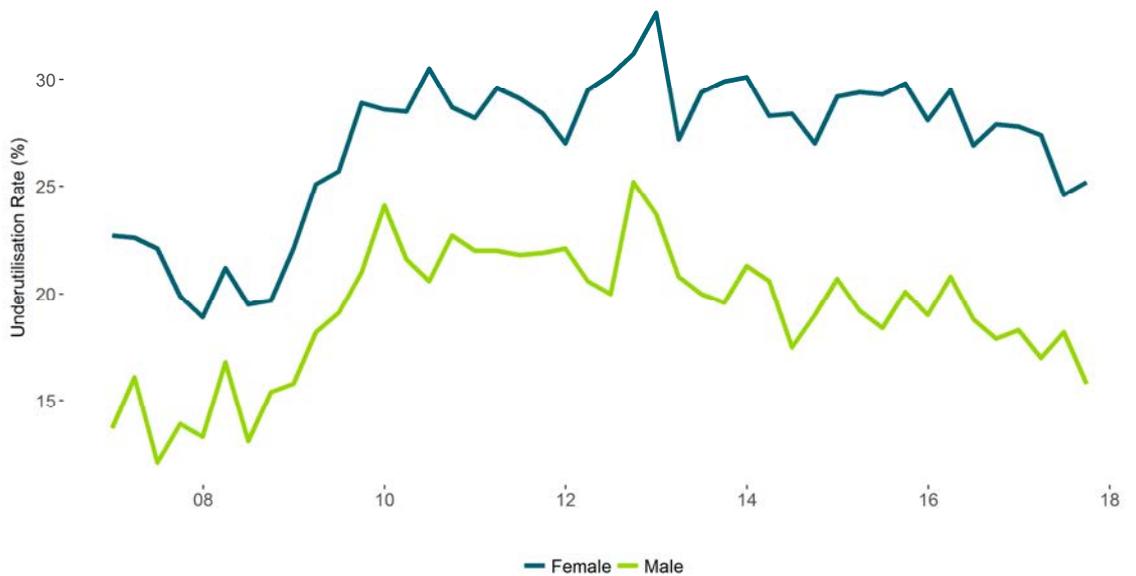
Source: Household Labour Force Survey

Women and young Māori were more likely to be underutilised

The underutilisation rate was historically much higher for Māori women than for Māori men (26.3 per cent vs. 17.3 per cent in 2017). In part, this is because women were more likely to be in the potential labour force and the underemployed population that contribute to the rate. For instance, in 2017, women made up about 60 per cent of the available potential jobseekers and about half of the underemployed.

¹⁵ These findings were also consistent with a report Statistics New Zealand released in August 2017, [Underutilisation in the June 2016 quarter](#) using the new labour underutilisation measure from the Household Labour Force Survey.

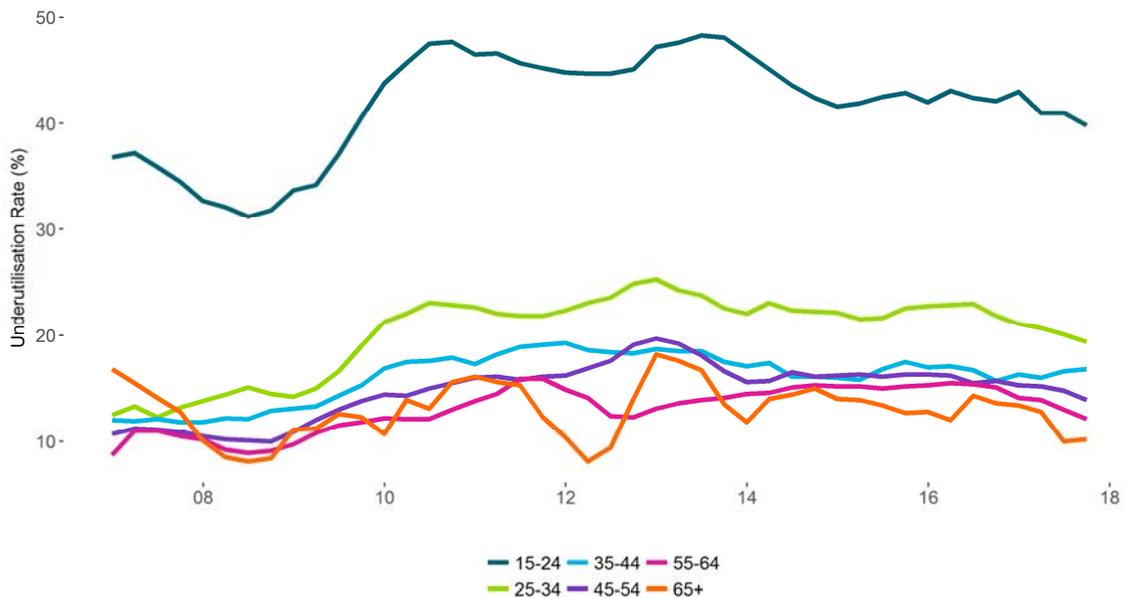
Figure 19. Underutilisation rate was historically much higher for women than for men



Source: Household Labour Force Survey

Youth unemployment and youth underutilisation remains the highest among Māori. This incidence is closely correlated with being female, being in the 15-19 age-group, having no qualification and living in rural areas (Sadetskaya & Generosa, 2016).

Figure 20. Māori underutilisation rate by age-group



Source: Household Labour Force Survey

Part 2 - Regional Performance (Iwi Regions)

This section summarises key labour market indicators in eight iwi regions for both Māori and non-Māori. The iwi region boundaries are based on Te Kāhui Māngai¹⁶ (Directory of Iwi and Māori organisations) geographical boundaries and differ from regional council boundaries. The regional council regions are based on an aggregation of local territorial authorities. By using Iwi regions, we can provide a Māori perspective on regional dispersion.

There are eight iwi regions¹⁷ used in this report:

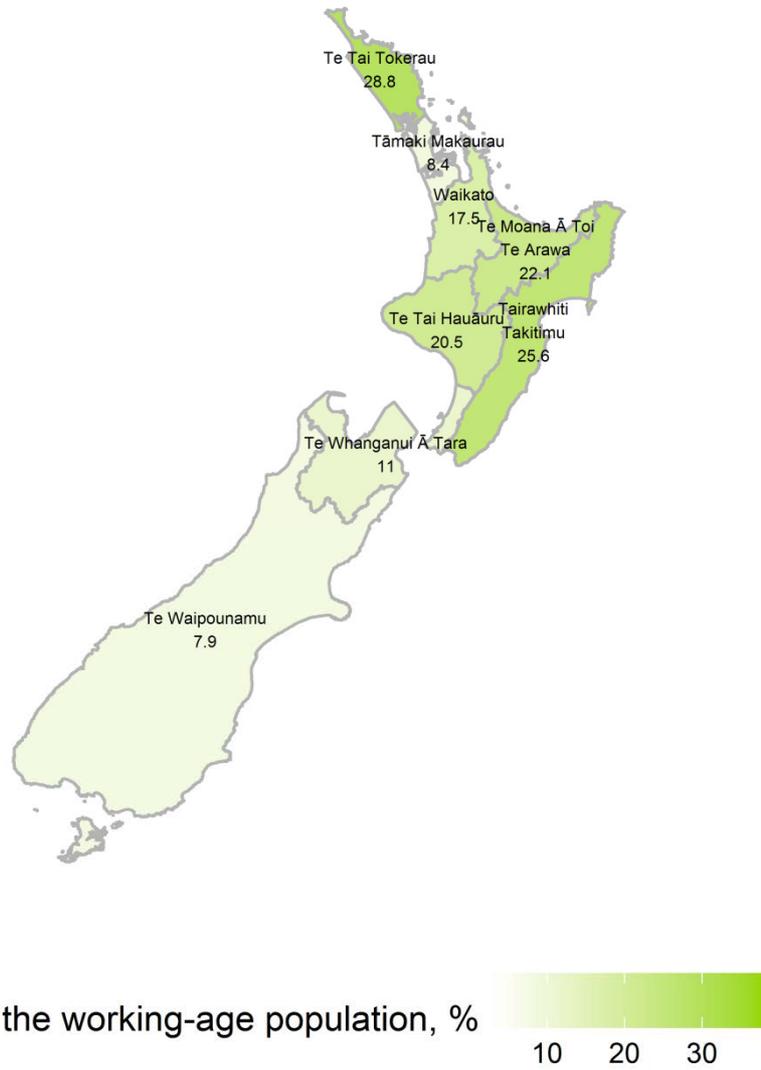
- Te Tai Tokerau (Northland)
- Tāmaki Makarau (Auckland)
- Waikato (Broadly corresponds to Waikato Regional Council and areas in the Bay of Plenty)
- Te Arawa/Te Moana ā Toi (Mostly Bay of Plenty and Taupō)
- Tairāwhiti/Takitimu (East coast of North Island)
- Te Tai Hauauru (Taranaki, Whanganui and Manawatū)
- Te Whanganui ā Tara (Wellington to Horowhenua, Nelson/Tasman and Marlborough)
- Te Waipounamu (The rest of the South Island)

Figure 21 shows iwi regions' geographical boundaries and the percentage of Māori in the working-age population in each respective iwi region. Māori working-age population is the highest in Tāmaki Makaurau region (110,900 people in 2017), however Māori representation in that region is small (only 8.4 per cent of the total working-age population). Te Tai Tokerau (Northland) region has the largest proportion of Māori population (28.8 per cent or 38,600 people). The North Island is also more populated than the South Island, where there are only two iwi regions.

¹⁶ The Te Kāhui Māngai website was set up to provide information on "iwi identified in the Māori Fisheries Act 2004, and those iwi/hapū that have begun the process of negotiating settlement of Māori historical Treaty of Waitangi claims; this includes Māori rohe, hapū, marae, and the organisations whose mandate is to represent these iwi/hapū that have been recognised by the New Zealand Government".

¹⁷ The Household Labour Force Survey data are mapped to iwi regions. The Iwi regions are defined to match regional boundaries of rohe boundaries. These boundaries were developed through cooperation between Te Puni Kōkiri and Statistics New Zealand.

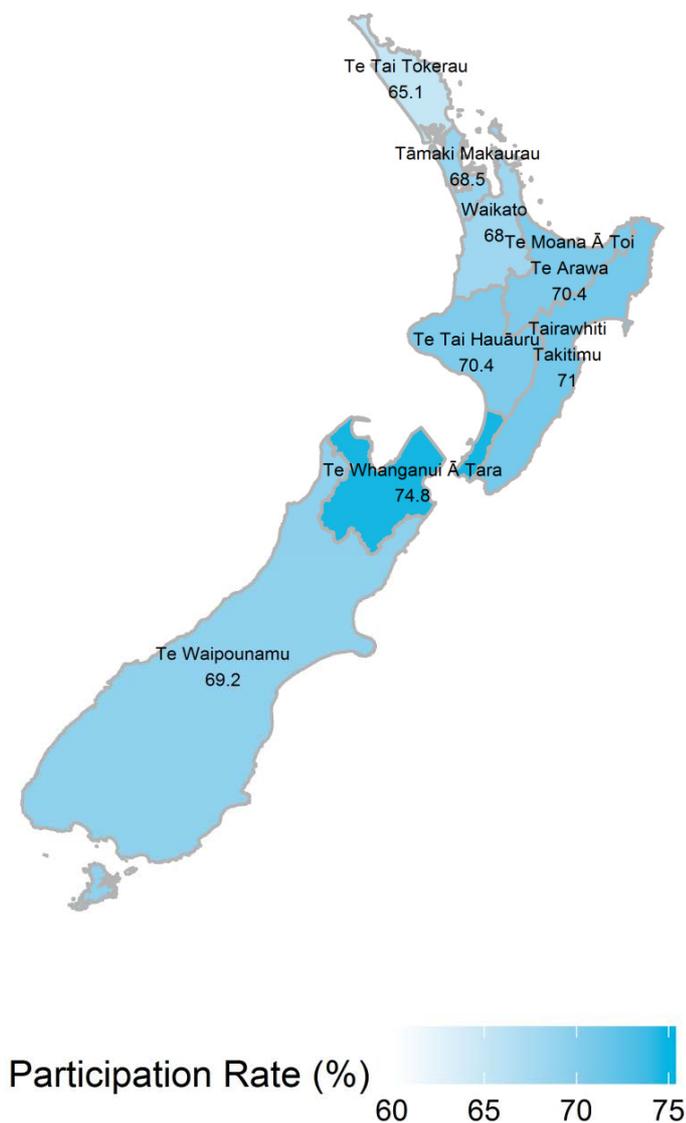
Figure 21. Percentage of Māori in the working-age population, September 2017



7. Labour Force Participation

Labour force participation rates are highest in Te Whanganui ā Tara and Tairāwhiti/Takitimu and lowest in Te Tai Tokerau and Waikato

Figure 22. Participation rates by region (%), September 2017



Māori labour force participation in the labour market is reasonably high, although it varies across regions. Māori labour force participation rates are falling slightly behind in the Waikato and Te Tai Tokerau regions. There are, however, regions where Māori labour force participation rates are higher than for non-Māori such as Te Whanganui ā Tara, Te Tai Tokerau and Tairāwhiti Takatimu.

Between 2016 and 2017, the strongest increases in the participation rate were observed in Tairāwhiti Takatimu (up 5.0 pp) per and Waikato (up 4.8 pp). The only decline in Māori labour

force participation over the year was observed in Te Waipounamu (down 2.1 pp). Generally speaking, growth in labour force participation rates for Māori outpaced growth for non-Māori. In addition, Māori labour force participation rates are more volatile over time with more peaks and troughs than non-Māori

Figure 23. Māori labour Force Participation rate is lagging behind non-Māori in Waikato



Source: Household Labour Force Survey

Te Tai Tokerau and Te Moana a Te Arawa/Te Moana ā Toi experienced the biggest growth in labour force participation rate

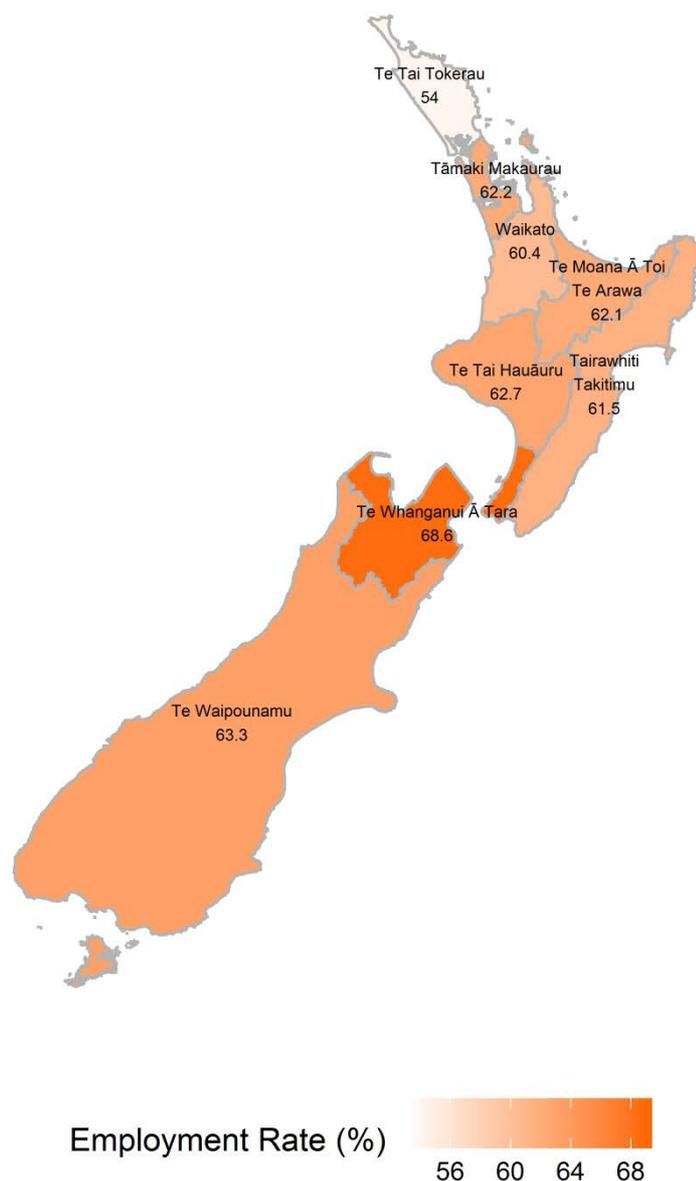
Most regions have recovered from the Global Financial Crisis (GFC) with labour force participation back to pre-GFC levels and on an upward trajectory. The biggest increases in labour force participation over the past five years were observed in Te Moana a Te Arawa/Te Moana ā Toi and Te Tai Tokerau (6.1pp and 7.6pp increases since 2012). These regions also have higher concentration of Māori population and the lowest labour force participation.

The only region where labour force participation remained static for Māori over time was Te Waipounamu. This region, however, has higher than average labour force participation rates and also combines several regions in the South Island, which could result in conflicting trends.

8. Employment

The employment rate is highest amongst Māori in Te Whanganui ā Tara and lowest in Te Tai Tokerau and Waikato

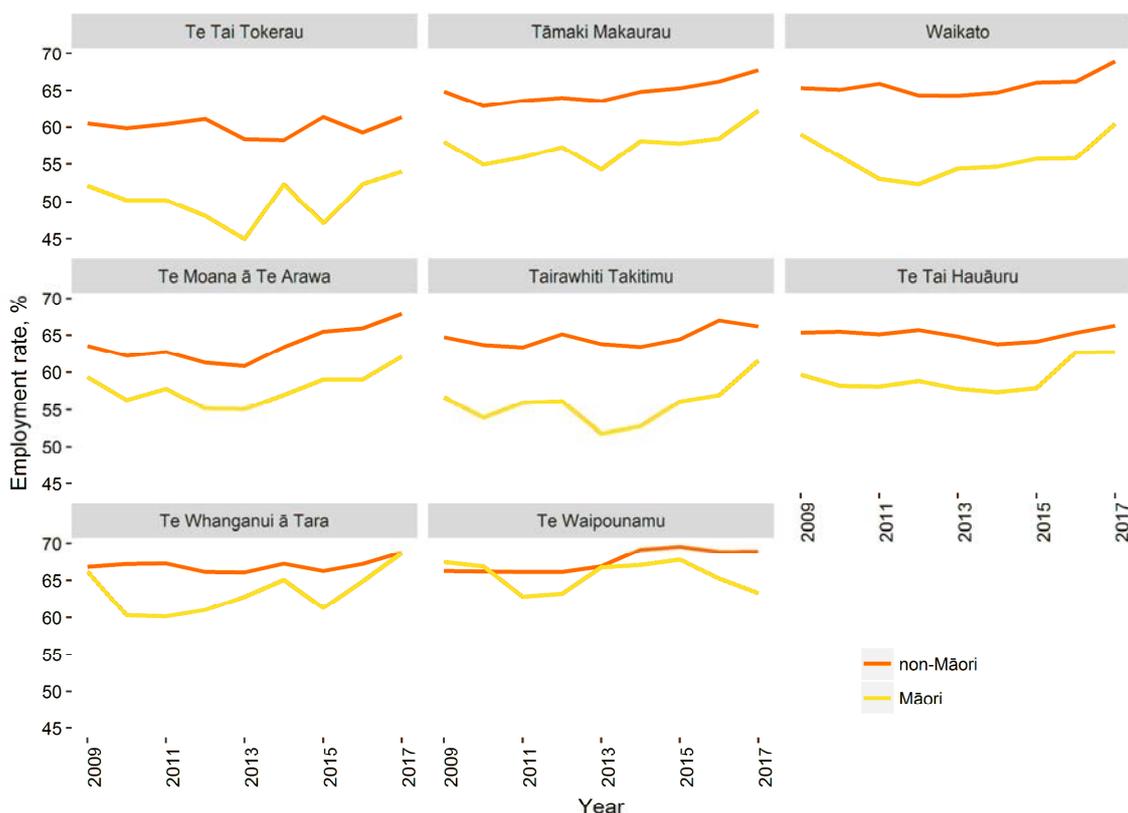
Figure 24. Employment rates by region (%), September 2017



Māori in Te Whanganui ā Tara had the highest employment rate (68.6 per cent) and Te Tai Tokerau and Waikato had the lowest employment rate (54.0 per cent and 60.4 per cent) in 2017. Non-Māori also had the lowest employment rate in Te Tokerau but still higher than Māori at 61.3 per cent.

The gap between Māori and non-Māori is the biggest in Waikato (8.5 pp) and Te Tai Tokerau (7.3pp). While the gap in Te Tai Tokerau has narrowed since the GFC, the gap in Waikato region remains the same.

Figure 25. Employment is the highest in Te Whanganui ā Tara and Waikato regions



Source: Household Labour Force Survey

Over the last year, employment rates grew in all regions. Employment growth was particularly high in the Waikato (4.6 per cent) and Tairāwhiti Takitimu (4.5 per cent).

Biggest increase in employment rate was observed in the Waikato region

Over the past five years, the employment rate has increased the most in the Waikato and Te Whanganui ā Tara regions (up 8.1 and 7.6 pp, respectively). For non-Māori, increases in the employment rates were more moderate. Similarly to the trends in labour force participation rates, employment trends seem to fluctuate more for Māori, particularly during the GFC-period.

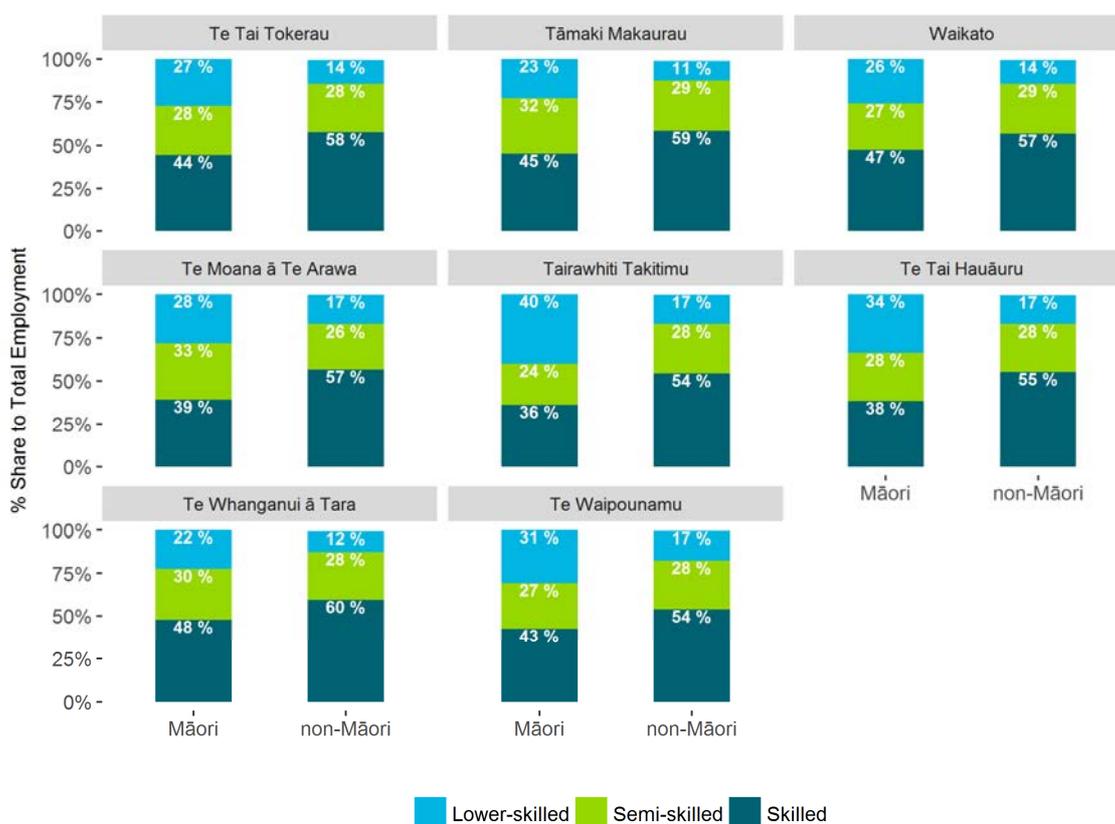
Higher proportion of skilled Māori employed in Te Whanganui ā Tara and Waikato regions

The occupational structure also varied by region, with more urbanised regions leading others in terms of concentration and representation in skilled occupations. In 2017, Te Whanganui ā Tara had the highest proportion of Māori workers in skilled occupations (47.8 per cent or 18,500), followed by Waikato (46.6 per cent or 16,200) and Tāmaki Makarau region (45.2 per

cent or 30,800 workers). The proportion of Māori workers in skilled occupations was the lowest in Te Tairāwhiti/Takitimu (36.0 per cent or 12,600 workers).

Since 2012, the proportion of Māori workers in skilled occupations has increased the most in Te Tai Tokerau (up by 14.3 percentage points), followed by Te Whanganui ā Tara (up by 6.2 percentage points).

Figure 26. High concentration and representation of skilled Māori workers in more urbanised regions



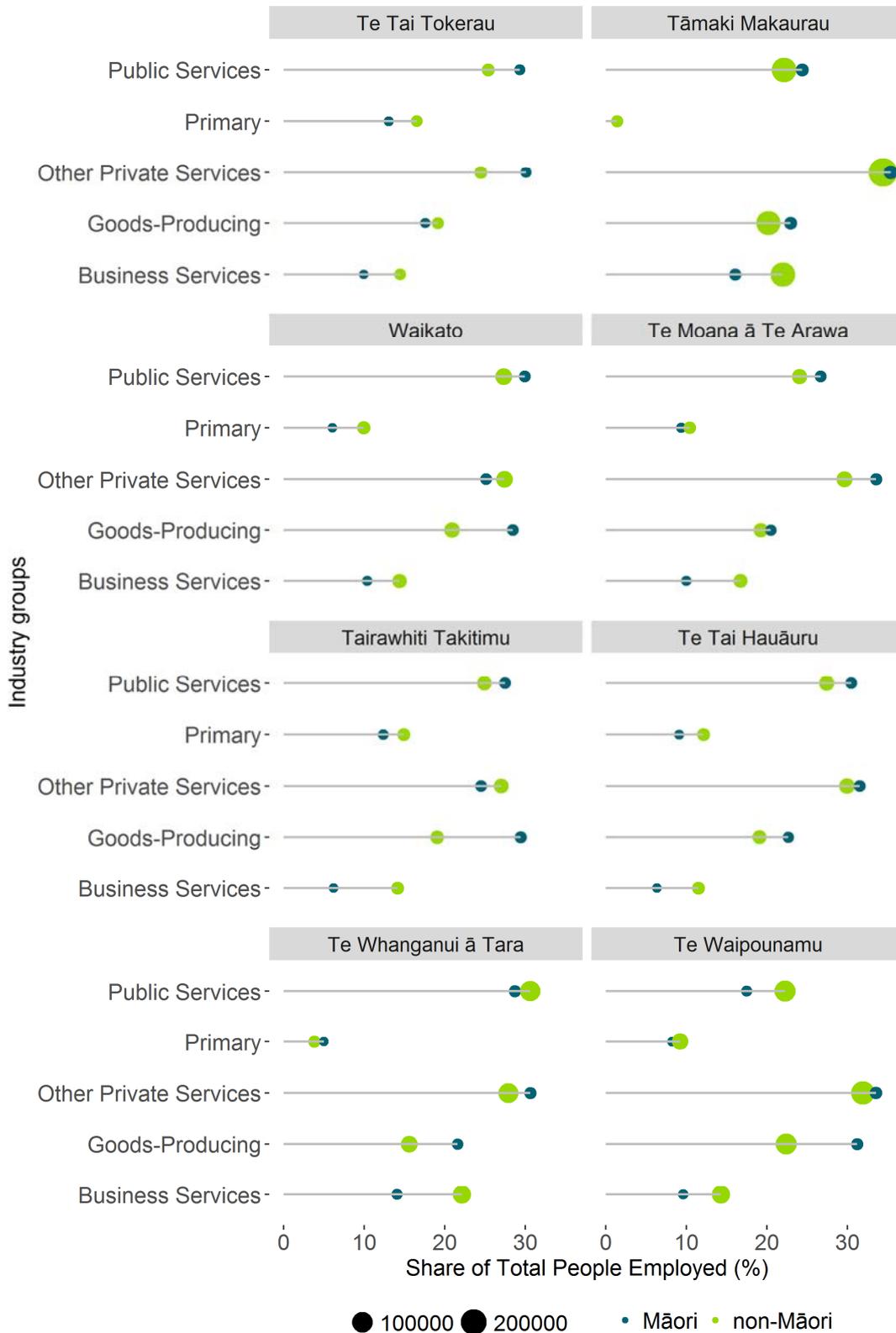
9. Employment by Industry

Shift in Māori employment from manufacturing to services industries

The trends in Māori employment by industry indicate a shift from the primary and manufacturing sectors to the services sectors. Thus the regions that are more urbanized are expected to experience higher employment growth.

The more urbanized areas had a bigger proportion of Māori employed in the services industries (i.e. Business services and Wholesale and retail trade) compared with less urbanized regions. The less urbanized regions such as Tairāwhiti Takitimu, Te Waipounamu, and Waikato regions had a relatively larger proportion of Māori employed in manufacturing (goods-producing) and accommodation and food services (other private services) compared with non-Māori.

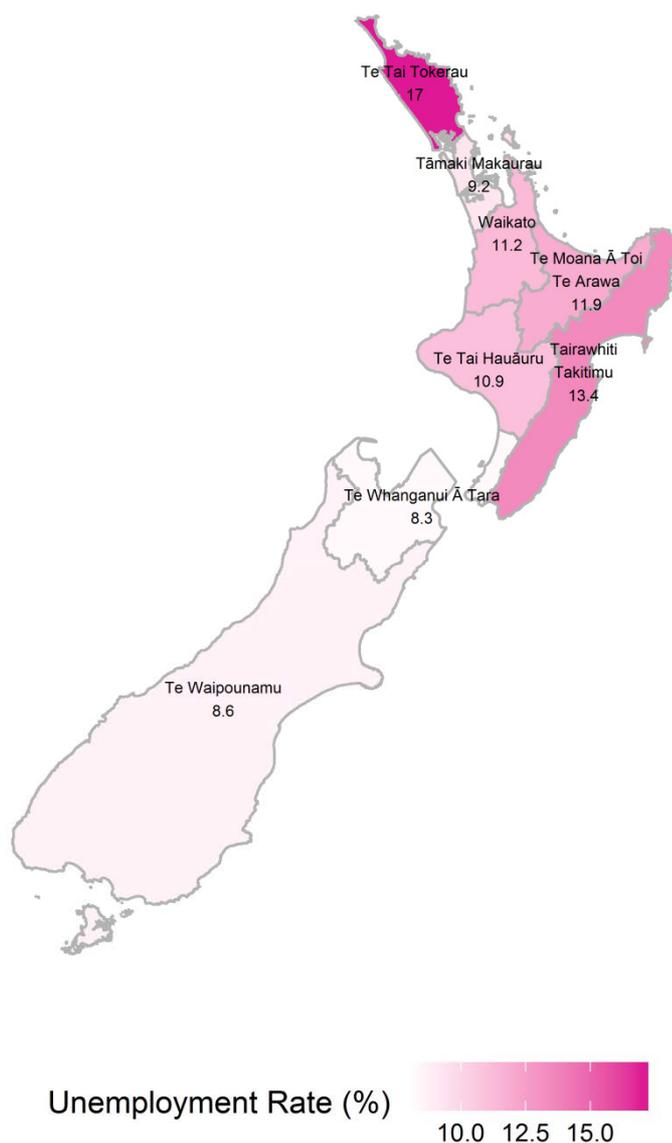
Figure 27. Distribution of employed by major industry group and iwi region



10. Unemployment

Lowest unemployment rate in Te Whanganui ā Tara and Te Waipounamu regions; highest unemployment in Te Tai Tokerau and Tairāwhiti Takitimu

Figure 28. Unemployment rates by region (%), September 2017

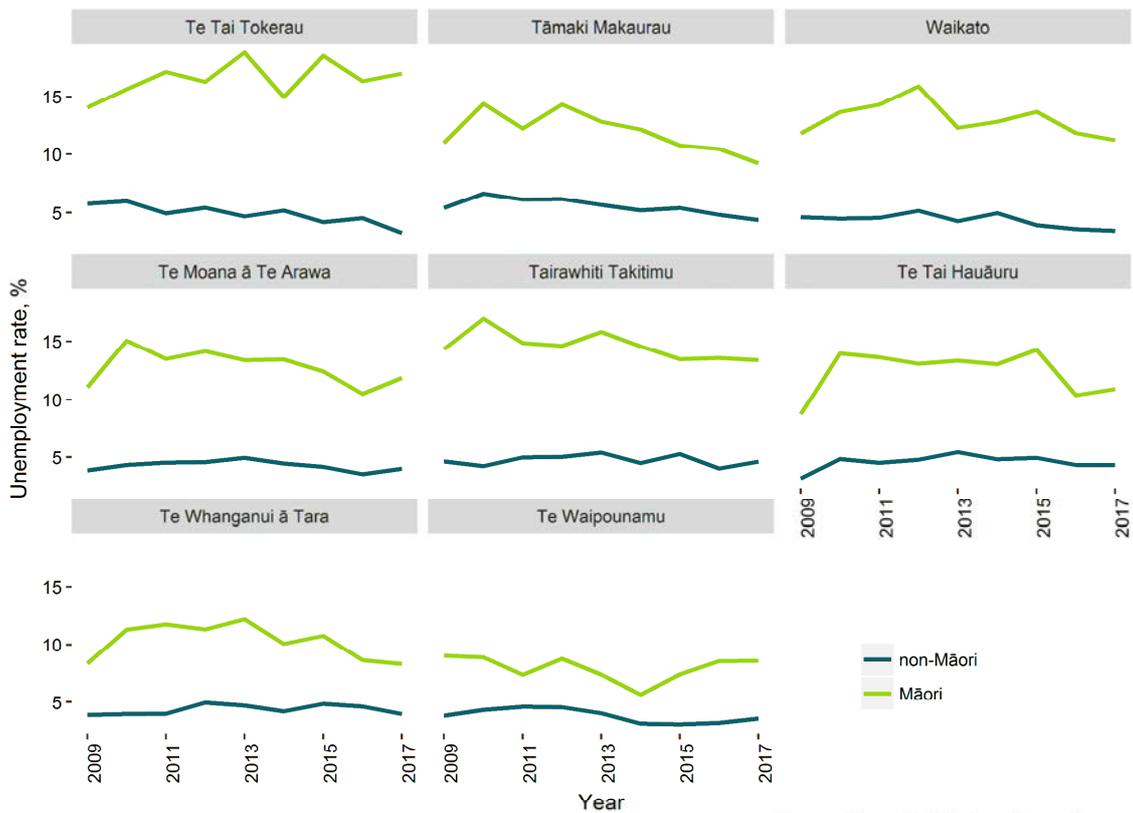


In 2017 lowest unemployment rates were in Te Whanganui ā Tara and Te Waipounamu regions (8.3 and 8.6 per cent respectively) and the highest unemployment rates were in Te Tai Tokerau and Tairāwhiti Takitimu (17.0 and 13.4 per cent, respectively). More urbanized regions have lower unemployment rates as there are more employment opportunities in those regions. The regions with the lowest unemployment were also the regions with the smallest gap between Māori and non-Māori unemployment rate, and vice versa. The Te Tai Tokerau unemployment rate has been on the rise since the GFC and has not recovered since then, with a widening gap in the unemployment rate between Māori and non-Māori.

Tāmaki Makarau and Waikato regions had the biggest decrease in unemployment rates

Over the past five years, most regions saw a decrease in unemployment rate. The biggest drop in unemployment rate was observed in Tāmaki Makarau and Waikato regions (down by 5.1 pp and 4.7 pp). The rate of decline in unemployment was higher for Māori than for non-Māori. The favourable nature of the labour market and rapid economic growth could have played a role in the positive outcomes for Māori in the region.

Figure 29. Unemployment rates by iwi region



Source: Household Labour Force Survey

11. Underutilisation improved in most regions

Highest underutilisation rates in Te Tai Tokerau and Te Tairāwhiti Takitimu

Figure 30. Underutilisation rates by region (%), September 2017



Underutilisation for Māori mirrored the overall trend for regional unemployment over the past five years. Underutilisation rates were highest in Te Tai Tokerau (28.9 per cent) and Te Tairāwhiti Takitimu (25.0 per cent); lowest in Te Whanganui ā Tara (17.6 per cent) and Tāmaki Makarau (17.9 per cent). Underutilisation rates have decreased in most regions since 2016. Similarly to the unemployment rate, the biggest decrease was observed in Tāmaki Makarau. Underutilisation rates have remained consistently higher for Māori than for non-Māori since 2008. However, the gap between Māori and non-Māori has begun to close in Tāmaki Makarau and Te Whanganui ā Tara over the recent years.

Figure 31. Underutilisation rates by iwi region



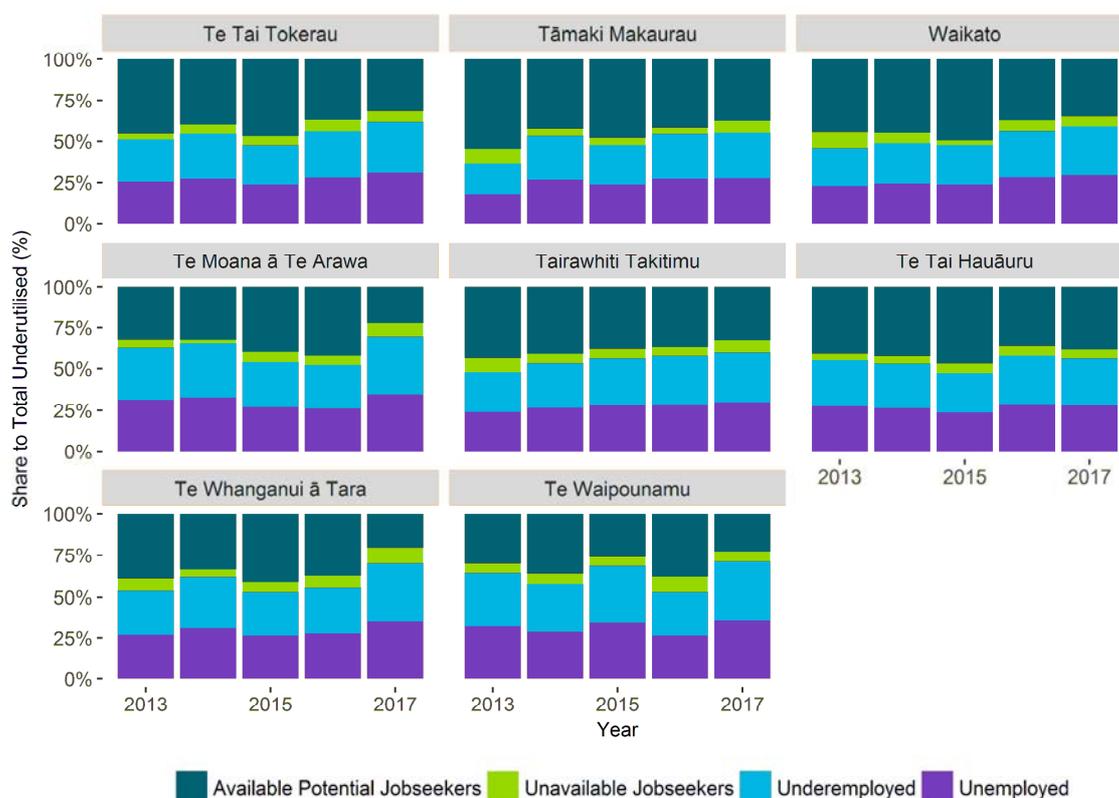
Source: Household Labour Force Survey

Underutilisation rate decreased the most in Te Tai Tokerau and Tāmaki Makarau

Over the past five years, underutilisation rates decreased across seven out of eight regions, and remained unchanged in Te Waipounamu. Te Tai Tokerau and Tāmaki Makarau had the biggest decrease in the underutilisation rate since 2012. Most of this decrease was due to a smaller number of available potential jobseekers, which decreased the most since 2016.

Since 2013 most regions experienced an increase in the proportion of underemployed and unemployed, while the proportion of available potential jobseekers has decreased (Figure 32).

Figure 32. Share to total underutilised across iwi regions, %



Source: Household Labour Force Survey

Proportion of underemployed increased in Tāmaki Makarau and Te Whanganui ā Tara regions

Figure 33 shows that the proportion of underemployed Māori has increased in most regions and is catching up to the non-Māori rates. Te Waipounamu (35.5 per cent) , Te Whanganui ā Tara (35.0 per cent) and Te Moana a Te Arawa/Te Moana ā Toi (34.8 per cent) have the highest proportion of underemployed.

Since 2013, the proportion of underemployed among Māori has increased the most in Tāmaki Makarau (by 9.5 per cent) and Te Whanganui ā Tara (8.0 per cent). The underemployed category represents people who are employed but want to work more hours. The underemployed category is generally dominated by women who work part-time.

Figure 33. Percentage of underemployed in the underutilised category across iwi regions



Source: Household Labour Force Survey

12. NEET rates

NEET rates the highest in Te Tai Tokerau and Tairawhiti Takitimu regions

Figure 34. NEET rates by region (%), September 2017

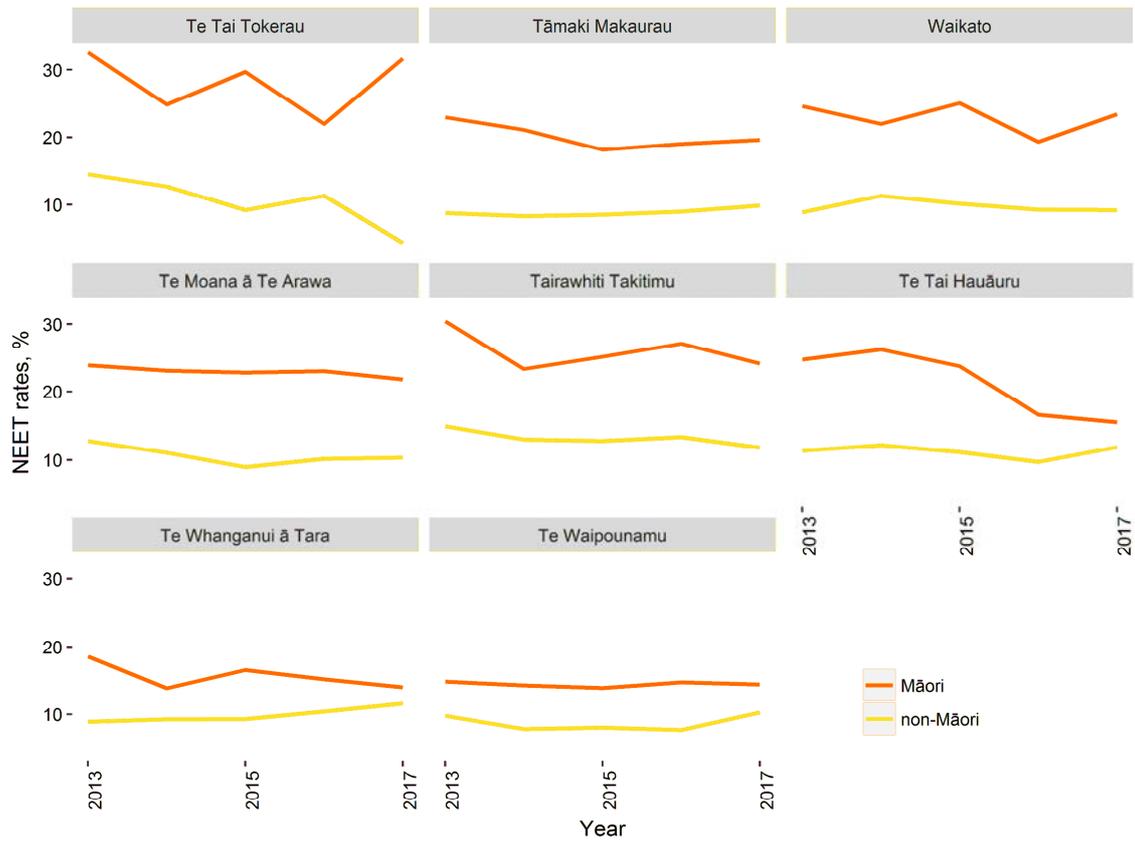


Gap in NEET rates between Māori and non-Māori decreased in Te Tai Hauauru and Te Whanaganui ā Tara regions

NEET rates remain the highest in Te Tai Tokerau (at 31.7 per cent). The Māori NEET rate in that region is seven times higher than the non-Māori rate, which in September 2017 was 4.5 per cent. The gap between Māori and non-Māori NEETs has remained persistent since 2013 across most regions. There are only two regions where the gap in NEET rate has significantly decreased in 2017: Te Tai Hauauru and Te Whanaganui ā Tara. Māori NEET rates in those two regions underwent a decrease since 2015, and are now at a similar level to non-Māori. Such a trend is consistent with a general increase of Māori in employment in those regions, and a

decrease in the underutilization and unemployment rates since 2015. Therefore, it is more likely that the general labour market conditions in those regions have played a role rather than any particular intervention.

Figure 35. NEET rates across iwi regions



APPENDIX

Table 1. Labour Participation rate by ethnic group, September years

Ethnic group	Participation rate (%)			Change (percentage points)	
	2012	2016	2017	Annual	Five-year
European	69.3	70.0	71.0	▲ 1.0	▲ 1.7
Māori	65.7	66.8	69.7	▲ 2.9	▲ 4.0
Pacific Peoples	60.6	65.1	67.1	▲ 2.0	▲ 6.5
Asian	66.3	70.2	72.3	▲ 2.1	▲ 6
MELAA	63.3	66.6	69.4	▲ 2.8	▲ 6.1
Other Ethnicity	65	66.1	65.9	▼ 0.2	▲ 0.9
Total All Ethnic Groups	68	69.2	70.6	▲ 1.4	▲ 2.6

Source: Statistics New Zealand, Household Labour Force Survey

Table 2. Employment rate by ethnic group, September years

Ethnic group	Employment rate (%)			Change (percentage points)	
	2012	2016	2017	Annual	Five-year
European	66.0	67.4	68.3	▲ 0.9	▲ 2.3
Māori	56.9	59.4	62.2	▲ 2.8	▲ 5.3
Pacific Peoples	52.1	58.9	60.3	▲ 1.4	▲ 8.2
Asian	60.8	65.9	68.5	▲ 2.6	▲ 7.7
MELAA	56.6	60.9	63.1	▲ 2.2	▲ 6.5
Other Ethnicity	61.3	63.8	62.1	▲ 1.7	▲ 0.8
Total All Ethnic Groups	63.7	65.7	67.1	▲ 1.4	▲ 3.4

Source: Statistics New Zealand, Household Labour Force Survey

Table 3. Employment rate of Māori by qualification, September years¹⁸

Qualification	Employment rate (%)		Change (percentage points)
	2016	2017	Annual
No school qualifications	41.8	44.7	▲ 2.9
School qualifications	60.3	63.0	▲ 2.7
Post-school qualification (Level 1 to 3)	64.8	66.6	▲ 1.8
Certificate/Diploma (Level 4 to 6)	71.9	70.1	▼ 1.8
Bachelor's degree	82.6	84.3	▲ 1.7
Postgraduate degree or higher	87.0	89.7	▲ 2.7

Source: Statistics New Zealand, Household Labour Force Survey

Table 4. NEET rates by ethnic group

Ethnic group	2012	NEET Rate (%)		Percentage point change	
		2016	2017	Annual	Five-year
European	11.6	9.2	10.1	▲ 0.9	▼ 1.5
Māori	22.5	19.5	19.7	▲ 0.2	▼ 2.8
Pacific Peoples	18.6	16.7	19.2	▲ 2.5	▲ 0.6
Asian	10.1	9.2	9.5	▲ 0.3	▼ 0.6
Total All Ethnic Groups	13.3	11.3	12.2	▲ 0.9	▼ 1.1

Source: Statistics New Zealand, Household Labour Force Survey

¹⁸ Figures for 2012 are not reported in this table due to a change in the qualification question in the HLFSS survey in March 2013. This means that there was a break in the series, and earlier quarters may not be directly comparable.

Table 5. Number of people employed ('000) by region

Regions	Māori			non-Māori Ethnic Groups		
	Sep-17	Change (%/pp) Annual	Change (%/pp) Five-year	Sep-17	Change (%/pp) Annual	Change (%/pp) Five-year
Te Taitokerau	20.8	▼0.05%	▲17.3%	59.4	▲8.1%	▲9.4%
Tāmaki Makaurau	69.0	▲1.5%	▲12.7%	821.7	▲6.6%	▲20.9%
Waikato	34.3	▲12.4%	▲39.4%	183.9	▲6.9%	▲33.8%
Te Moana ā Toi/Te Arawa	35.3	▲2.1%	▲6.3%	136.0	▲6.3%	▲12.8%
Te Tairāwhiti/Takitimu	35.2	▲9.7%	▲32.2%	109.9	▲0.2%	▲11.3%
Te Tai Hauāuru	31.4	▲18.1%	▲36.4%	129.2	▲4.6%	▲10.3%
Te Whanganui ā Tara	39.2	▲7.1%	▲14%	317.1	▲2.5%	▲6.1%
Te Waipounamu	38.1	▲9.5%	▲22.9%	484.5	▲1.1%	▲11.6%

Source: Statistics New Zealand, Household Labour Force Survey

Table 6. Working-age population ('000) by region

Regions	Māori			non-Māori Ethnic Groups		
	Sep-17	Change (%/pp) Annual	Change (%/pp) Five-year	Sep-17	Change (%/pp) Annual	Change (%/pp) Five-year
Te Taitokerau	38.6	▼2.8%	▲4.4%	96.8	▲4.5%	▲9.1%
Tāmaki Makaurau	110.9	▼4.5%	▲3.8%	1213.3	▲4.2%	▲14.2%
Waikato	56.7	▲3.7%	▲20.7%	266.8	▲2.7%	▲24.9%
Te Moana ā Toi/Te Arawa	56.9	▼3.0%	▼5.4%	200.3	▼3.2%	▲1.8%
Te Tairāwhiti/Takitimu	57.3	▲1.7%	▲20.7%	166.1	▲1.4%	▲9.6%
Te Tai Hauāuru	50.2	▲18.4%	▲28.3%	194.9	▲3.2%	▲9.3%
Te Whanganui ā Tara	57.2	▲1.2%	▲1.2%	461.5	▲0.2%	▲2.1%
Te Waipounamu	60.1	▲12.8%	▲23.0%	703.8	▲1.8%	▲7.2%

Table 7. Employment rate by region

Regions	Māori			non-Māori Ethnic Groups		
	Sep-17	Change (%/pp)		Sep-17	Change (%/pp)	
		Annual	Five-year		Annual	Five-year
Te Taitokerau	54%	▲ 1.6	▲ 5.9	61.3%	▲ 2	▲ 0.2
Tāmaki Makaurau	62.2%	▲ 3.7	▲ 4.9	67.7%	▲ 1.5	▲ 3.7
Waikato	60.4%	▲ 4.6	▲ 8.1	68.9%	▲ 2.7	▲ 4.6
Te Moana ā Toi/Te Arawa	62.1%	▲ 3	▲ 6.8	67.9%	▲ 2	▲ 6.6
Te Tairāwhiti/Takitimu	61.5%	▲ 4.5	▲ 5.4	66.2%	▼ 0.8	▲ 1
Te Tai Hauāuru	62.7%	▲ 0.02	▲ 3.8	66.3%	▲ 1	▲ 0.6
Te Whanganui ā Tara	68.6%	▲ 3.7	▲ 7.6	68.7%	▲ 1.6	▲ 2.6
Te Waipounamu	63.3%	▼ 1.9	▲ 0.1	68.8%	— n/c	▲ 2.7

Note: n/c= no change

Source: Statistics New Zealand, Household Labour Force Survey

Table 8. Labour force participation rate by region

Regions	Māori			non-Māori		
	Change(%/pp)			Change (%/pp)		
	Sep-17	Annual	Five-year	Sep-17	Annual	Five-year
Te Taitokerau	65.1%	▲2.3	▲7.6	63.4%	▲1.3	▼1.2
Tāmaki Makaurau	68.5%	▲3.2	▲1.7	70.8%	▲1.3	▲2.6
Waikato	68%	▲4.8	▲5.7	71.4%	▲2.7	▲3.5
Te Moana ā Toi/Te Arawa	70.4%	▲4.5	▲6.1	70.7%	▲2.4	▲6.5
Te Tairāwhiti/Takitimu	71%	▲5	▲5.2	69.4%	▼0.4	▲0.8
Te Tai Hauāuru	70.4%	▲0.5	▲2.7	69.3%	▲1	▲0.3
Te Whanganui ā Tara	74.8%	▲3.8	▲6	71.6%	▲1.2	▲2
Te Waipounamu	69.2%	▼2.1	▼0.1	71.4%	▲0.3	▲2.1

Source: Statistics New Zealand, Household Labour Force Survey

