



BUILDING CONSTRUCTION INDUSTRY EMPLOYMENT SNAPSHOT

Introduction

This occupational report on the Building Construction Industry is one of four reports prepared for the Employment Summit. The industries chosen are those that are likely to be placed under employment pressure by the current economic conditions. The report's figures have been obtained from the *SkillsInsight Tool*, developed by the Work Directions group at the Department of Labour. The *SkillsInsight Tool*, and more reports like this one, will be launched on the Department of Labour website on 31 March 2009. For any further questions about the data contained in this report or the analysis available from Work Directions, please contact info@dol.govt.nz.

Employment in the Building Construction Industry

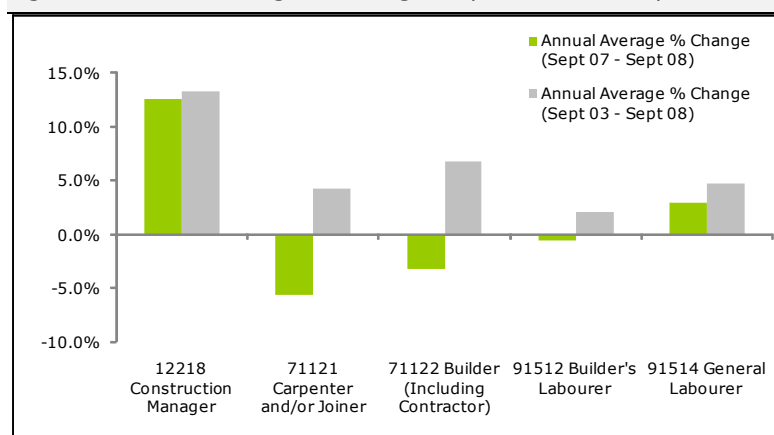
Number employed

1. In September 2008, the Building Construction Industry employed 49,331 workers, according to Department of Labour estimates. Employment in the industry grew on average 7.5% annually from 2003, although growth slowed to 4.9% in the year to September 2008.

Occupational breakdown

2. The largest occupation was Builder (including Contractor), making up 41% of total employment, followed by Carpenter and/or Joiner (18%) and then General Labourer (5%).

Figure 1: Annual Average % Change, Sept 07-08 and Sept 03-08



Source: Department of Labour Employment Estimates

3. Figure 1 shows that employment growth for Construction Managers has been consistently very high, even in the year to September 2008. By contrast, employment for three occupations – Carpenter and/or Joiner, Builder (including Contractor) and Builder's Labourer – experienced declines in the last year after several years of growth.

Ethnicity and qualifications

4. In 2006, Maori were heavily represented in the most common elementary building construction occupations, making up 21% of General Labourers and 16% of Builder's Labourers, compared to only 10% in the workforce. Pacific people were also heavily represented in General Labourers, making up 9% of the occupation. People of European descent, who made up 65% of the total workforce, were strongly represented in highly skilled and skilled jobs, being 72% of all Construction Managers and 71% of Builders.

5. Table 1 shows that in three of the largest occupations – Builders, Carpenters and/or Joiners, and Construction Managers – about half the workers held vocational qualifications. About one-fifth of Construction Managers also held degree-level qualifications. By contrast, 80% of General Labourers and 67% of Builder's Labourers had no post-school qualifications.



Table 1: Highest qualification held by individuals employed in occupations in the Building Construction Industry, 2006.

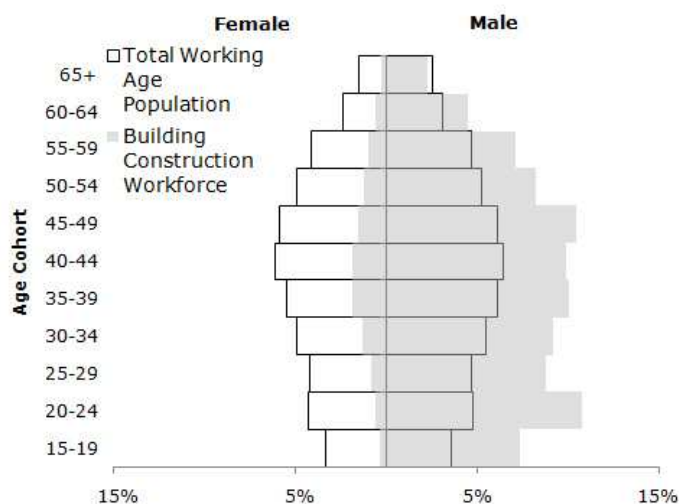
Occupation (NZSCO99 v1.0)	No Qualification	School Qualification	Vocational	Bachelor Degree or Higher
12218 Construction Manager	7%	20%	51%	21%
71121 Carpenter and/or Joiner	18%	25%	55%	2%
71122 Builder	19%	32%	46%	3%
91512 Builder's Labourer	33%	34%	29%	4%
91514 General Labourer	44%	37%	16%	4%
All Occupations	19%	35%	27%	19%

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

Age and gender profile

6. Figure 2 shows that the overwhelming majority of the Building Construction workforce was male in 2006. The age distribution of this industry is similar to the total working age population, except for the higher number of workers in the 20-24 age category.

Figure 2: Age and Gender Profile



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

Incomes

7. In 2006, skilled trades occupations, such as Carpenter and/or Joiner and Builder, had earnings similar to the national mean income of \$38,900. Construction Managers earned \$74,200, while unskilled occupations such as Builder's Labourer and General Labourer had mean incomes of \$32,500 and \$25,500 respectively.

Regions

8. The regional composition of employees in the Building Construction Industry is similar to that of the labour force as a whole. In 2006, nearly one third of employment within this industry was located in Auckland (30%), with large numbers in Canterbury (13%), Wellington (11%) and the Waikato (10%).

Industry-specific information: Building consents issued

9. As demand within the Building Construction Industry is driven fundamentally by the number of new buildings being constructed, the value of building consents issued within a given period provides a good indication of industry demand.

10. Following a peak in June 2007, the number of new dwellings authorised has fallen by 49%, with only 1,127 dwelling units authorised in December 2008. This is the lowest monthly total since December 1987. The total value of residential building consents issued in the December 2008 month was also down 19% on the previous year, with a total value of \$440 million.