

# Employment

- Just under 40,000 additional jobs were generated across the eight cities over the two years ended February 2002.
- Since March 1998, unemployment rates have generally dropped across the eight cities with the greatest decrease being in Manukau (down to 4.9% from 10.7%).

## WHAT THIS IS ABOUT

Paid employment is a major factor determining personal income, which in turn determines the ability of households to purchase goods and services. It also affects health, housing, education, and crime outcomes. People often define themselves by employment status and thus employment is also related to the ability of people to participate and have a sense of belonging in their community.

Trends in employment and unemployment reflect the level of economic activity, demographic trends, skill levels, and social policies. They can also show pressures within the labour market. There are three measures indicating the state of the labour market:

- Employment - filled jobs
- Unemployment
- Registered job seekers.

## WHAT DID WE FIND?

### Employment - filled jobs

This measure shows the number of filled jobs as at February each year, broken down by industry.<sup>40</sup> The data source is Statistics New Zealand's Quarterly Employment Survey, which is a survey of enterprises with a turnover of \$40,000 or more per annum.<sup>41</sup>

In 2002, filled jobs in the eight cities accounted for over half (56.4%) of all employment in New Zealand. The four cities in the Auckland region accounted for just under a third of all employment.

NUMBER OF FILLED JOBS (FEBRUARY QUARTERS 2000 TO 2002)				
	2000	2001	2002	Change 2000 to 2002 %
North Shore	61,210	65,550	69,020	12.8
Waitakere	36,830	36,940	38,100	3.4
Auckland	249,080	251,610	257,100	3.2
Manukau	93,330	95,010	95,610	2.4
Hamilton	50,490	52,460	54,250	7.4
Wellington	113,940	116,700	118,890	4.3
Christchurch	147,150	158,150	153,860	4.6
Dunedin	44,320	45,830	47,220	6.5
Total 8 cities	796,350	822,250	834,050	4.7
Rest of NZ	614,650	623,420	643,670	4.7
Total NZ	1,411,000	1,445,670	1,477,720	4.7

Date source: Statistics New Zealand, Quarterly Employment Survey

<sup>40</sup> Filled jobs are calculated as the number of full-time and part-time employees plus working proprietors. Working proprietors in businesses with no employees are outside the scope of the survey and are not included in the estimate of filled jobs.

<sup>41</sup> The survey population is all business locations belonging to economically significant enterprises in surveyed industries with employees. An economically significant enterprise is one which meets at least one of the following criteria: has greater than \$40,000 annual GST expenses or sales; has more than two full time paid employees; is in a GST exempt industry except residential property leasing and rental; is part of a group of enterprises; is a new GST registration that is compulsory, special or forced. A representative sample of 18,500 business locations is surveyed on a quarterly basis, and each February a larger sample of approximately 47,500 business locations is surveyed.

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Over the last two years (February 2000 to 2002) employment has risen equally as fast in the rest of New Zealand (4.7%) as in the eight cities taken as a whole. North Shore (12.8%), Hamilton (7.4%) and Dunedin (6.5%) have achieved faster employment growth compared to the other cities and the rest of New Zealand.

The personal and social services industry is the largest employer across the eight cities (28.5% of filled jobs in 2002), with the distribution and hospitality industry accounting for 25.9%. These numbers are consistent with the national distribution of employment by industry.

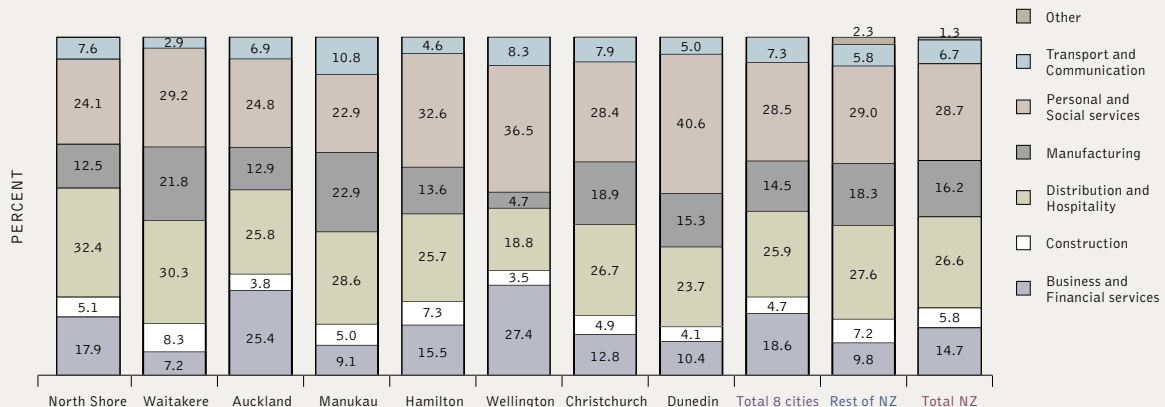
There is a greater proportion of people employed in the personal and social services industry in Dunedin and Wellington (40.6% and 36.5% respectively) than nationally (28.7%). One third (32.4%) of all filled jobs in North Shore are in the distribution and hospitality industry.

The business and financial services industry is relatively high in Wellington and Auckland, reflecting the concentration of banks, insurance and technology head offices in these two cities. People working in these businesses tend to be well remunerated and that underpins the relatively high average incomes in these centres.

Within the Auckland region, North Shore and Auckland cities tend to have service-based economies, while Manukau and Waitakere are more dependent on manufacturing and construction activities.

FILLED JOBS BY INDUSTRY (FEBRUARY QUARTER 2002)<sup>42</sup>

Data source: Statistics New Zealand, Quarterly Employment Survey.



<sup>42</sup> ANZSIC stands for Australian New Zealand Standard Industrial Classification Codes.

Standard one digit ANZSIC codes have been used here. These are:

- Business and financial services
- Construction - includes related services e.g. plumbing, electricians etc
- Distribution and hospitality - includes wholesale and retail trade, accommodation, cafes and restaurants
- Manufacturing
- Personal and social services - includes government administration, education, health and community services, cultural and recreational services.
- Transport and communications - all forms of transport, postal and telecommunications services.

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## Unemployment

The official rate of unemployment is measured by Statistics New Zealand through the Household Labour Force Survey.<sup>43</sup> The unemployment rate is the number of unemployed people expressed as a percentage of the labour force.

In all but one city the rate of unemployment is lower now than it was five years ago. In some cases the decrease in the unemployment rate has been significant. The lower level of unemployment reflects strong economic growth between 1999 and 2002 as a result of a buoyant economy. This is likely to be attributable to increases in manufacturing for both the local economy and export markets, and growth in the retail and service sector to meet discretionary income and population-generated demand.

This trend was especially apparent in Manukau where the unemployment rate decreased from 10.7% to 4.9%. This is generally attributed to the high levels of economic growth due to manufacturing in Manukau over the past five years.

The rates for North Shore, Wellington, and Dunedin could be due to industrial and land use patterns, higher existing skill levels in North Shore and Wellington, and lower immigration, dominant industries, and investment patterns in Dunedin.

By the March quarter of 2002, four of the eight cities had lower unemployment rates than the rest of New Zealand.

UNEMPLOYMENT RATE (MARCH QUARTERS 1998 TO 2002)					
	1998	1999	2000	2001	2002
North Shore	4.5	3.9	3.9	4.0	4.4
Waitakere	6.1	8.1	5.3	5.2	4.4
Auckland	9.0	7.8	10.1	6.9	6.0
Manukau	10.7	8.7	4.5	4.9	4.9
Hamilton	9.2	11.4	9.0	8.8	7.2
Wellington	5.4	5.0	5.4	3.3	5.0
Christchurch	9.4	8.8	6.9	7.3	6.0
Dunedin	8.0	9.4	8.3	6.8	8.0
Rest of NZ	7.3	7.0	6.7	5.5	5.5
Total NZ	7.5	7.5	6.7	5.7	5.6

Data source: Statistics New Zealand, Household Labour Force Survey.  
Caution must be taken when interpreting these results, as sample sizes at city level are small

There are considerable differences in unemployment rates by ethnicity. In the March 2002 quarter, the national unemployment rate for Europeans was 4.2% while rates for Maori were 10.8%, Pacific Islands people 9.7% and 'Other' ethnic groups 10.2%. This pattern appears to be replicated in the eight cities and for the rest of New Zealand, although sample errors make it difficult to draw generalisations. This may be linked to the younger age structures and higher proportions of people leaving school with no or limited qualifications in these populations.

<sup>43</sup> The Household Labour Force Survey is undertaken quarterly among 15,000 households and 30,000 individuals. This measure uses the International Labour Organisation definition of 'unemployed' that requires that individuals must have actively looked for work in the previous four weeks or have a job to start within four weeks. This measure is less sensitive to administrative or legislative changes than other measures such as registered jobseekers.

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## Registered job seekers

This measure identifies the numbers of registered job seekers with Work and Income New Zealand (WINZ) at the March quarter.<sup>44</sup> While the count is sensitive to administrative and policy changes it provides an alternative method of looking at the numbers of people seeking work and may include those who are not counted in the official unemployment rate.

Registered job seekers in the eight cities account for nearly one half of all job seekers in New Zealand. At March 2002, there was a total of 85,530 job seekers in the eight cities, which made up 49.3% of the national total of 173,280.

The number of registered job seekers has increased at a faster rate in the eight cities than in the rest of New Zealand. Over the period 1997 to 2002, the numbers of job seekers in the eight cities increased 30.2% overall compared with 8.0% for the rest of New Zealand. People tend to migrate to the large urban areas from the rest of New Zealand and from overseas seeking work opportunities.

The number of registered job seekers steadily increased in seven of the eight cities over the period March 1997 to March 2000 but appears to have declined since then. These findings are in line with the lowering unemployment rates and increase in filled jobs in the eight cities.

NUMBER OF REGISTERED JOB SEEKERS (MARCH QUARTERS 1997 TO 2002)						
	1997	1998	1999	2000	2001	2002
North Shore	3,383	4,342	4,288	6,661	6,232	4,906
Auckland	18,156	21,403	21,604	23,625	20,451	19,710
Waitakere	4,533	5,886	6,340	9,861	9,646	8,477
Manukau	10,640	13,770	16,246	20,220	18,415	17,558
Hamilton	5,496	7,452	8,184	9,734	8,644	7,865
Wellington	6,460	7,131	7,019	7,973	7,019	6,939
Christchurch	14,076	17,262	18,496	20,209	17,457	15,254
Dunedin	5,155	5,935	6,416	7,324	5,756	4,821
Total 8 cities	67,899	83,181	88,593	105,607	93,620	85,530
Rest of NZ	84,811	105,628	109,389	127,070	105,981	87,750
Total NZ	152,710	188,809	197,982	232,677	199,601	173,280

Data source: Work and Income New Zealand

<sup>44</sup> The data is a count of people registered at each Work and Income New Zealand office, which may not necessarily be the city in which the person resides.