

# Jobs by Industry

## What this is about...

The structure of an economy changes over time. Sectors grow and decline, affecting the numbers of jobs available and the financial significance of a sector in the overall economy. The different sectors require different skills and different numbers of people. The flexibility of local economies and the pace of structural change reflects ability to adapt to changes in the wider national and international economic and technological environment. While the number of workers is not itself an indicator of business productivity, it nevertheless does give some feel for the strength and activity in a sector. Growth in numbers employed is related to increasing economic activity.

This indicator presents data on the number of workers within industry sectors, in each of the six largest cities.<sup>119</sup> While occupational structure relates to the occupations of the resident labour force, this indicator shows the structure of employment in a city, rather than where employees live. This indicator complements the indicator of occupational structure.

## What did we find ?

- In 1999 there were 269,290 employees in Auckland City, 98,810 in Manukau City, 73,690 in North Shore City and 46,000 in Waitakere City. Wellington City had 117,250 and Christchurch City 154,060. Together, these make up nearly half (48.5%) of filled jobs in New Zealand (1,565,430).<sup>120</sup> The total workforce in all cities and New Zealand increased from 1995 to 1999.
- Auckland City is dominated by the service sectors, with the distribution, restaurant and accommodation sectors the largest employer in 1999 by proportion, at 27.1%.
- North Shore City is also service dominated, with distribution, restaurant and hotel sectors accounting for 32.2%, business and financial services 17.2%, and personal and social services 22.8%. Communications, while still a small sector, has grown rapidly in North Shore, up by 48.7% from 1995 to 1999, with total numbers employed rising from 2210 to 4310. A large factor in this is the move by Clear Communications to base itself on the North Shore.
- In Manukau, manufacturing remains one of the major employment sectors, employing 22,710 people in 1999. The service sectors have grown in the 1995 to 1999 period. Business and financial services grew particularly strongly, up by 27.5% in the period 1995 to 1999, but the total workforce numbers remain relatively low compared to other sectors, at 10,730. Transport and communications had a workforce of over 11,000 in 1999, but 84.5% of these were in transport. While services employment is growing, the traditional and lower skilled industries remain major employers, which is of some concern when looked at in conjunction with skills and income. Waitakere is also more dependent on the manufacturing, distribution and construction sectors, although as elsewhere numbers in manufacturing have shrunk.
- Within the Auckland Region, Auckland and North Shore Cities have economies more strongly oriented to the service sectors, while Manukau and Waitakere Cities are more dependent on a manufacturing, production and construction base.<sup>121</sup> Manukau and Waitakere Cities have higher proportions of people with lower levels of educational qualifications in their populations. If other sectors of the economy grow - for example if the business and financial services sector in Manukau continues to grow - and the demand for new skills and higher levels of qualifications increases there may be a shortage of these skills within the local workforce. Manukau City also has a younger population structure, but a relatively high proportion of school leavers with no qualifications.

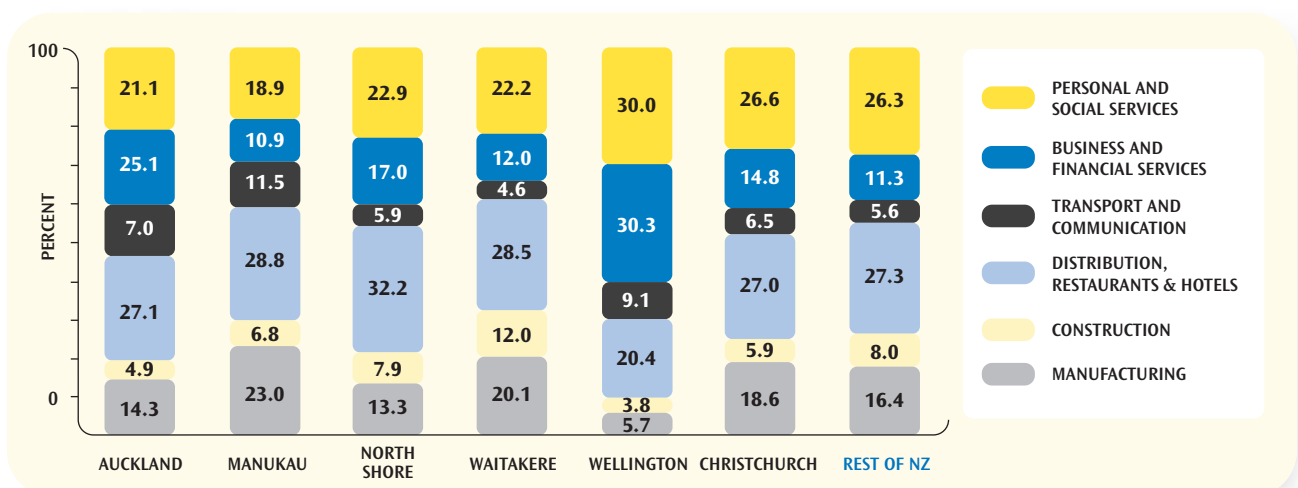
119 The data comes from Statistics New Zealand Business Frame.

120 Workforce figures equal the sum of full-time employees and working proprietors, plus the sum of part-time employees and working proprietors.

121 The nature of some manufacturing is changing, for instance the emergence of high-value marine manufacturing in Waitakere. Assessment of Regional Employment Barriers and Opportunities: Waitakere, prepared for the Maori Employment and Training Commission, 2000.

- Manufacturing is a significant employer in Christchurch, although it has declined slightly in the last five years, standing at 18.6% in 1999. Personal and social services and business and financial services have grown from 1995 to 1999, with a combined workforce of 63,730, up 9,780 since 1995.
- Employment patterns in Wellington are markedly different to those in the Auckland Region and Christchurch City. Manufacturing plays only a minor role, at less than 6%. The distribution sector is proportionally smaller than in the other cities, and Wellington is dominated by the service sector. Business and financial services accounts for 30.1% or 35,500 people, and personal and social services also provides for 30.0% (35,170 people). This correlates with the higher qualification levels and higher incomes in Wellington, and also reflects the important part that public sector work plays in Wellington.

PROPORTION OF LABOUR FORCE EMPLOYED WITHIN INDUSTRY SECTOR, BY CITY (1999)



Data Source: Statistics New Zealand  
Graph does not add up to 100. 'Other' category not included.

### CHANGES OVER TIME

- The total numbers employed across New Zealand increased between 1995 and 1999. Numbers of those employed have grown at a greater rate in the six large cities than in the rest of New Zealand.
- Growth has been strongest in the cities in the Auckland Region, reflecting the growth of the region and the strength and size of the regional economy.
- The number of manufacturing jobs declined between 1995 and 1999 in the six cities and the rest of New Zealand.
- As the economy has picked up the construction sector has grown, particularly in Auckland and Manukau Cities.

PERCENTAGE CHANGE IN WORKFORCE NUMBERS, BY CITY (1995 TO 1999)<sup>122</sup>

	Auckland (%)	Manukau (%)	North Shore (%)	Waitakere (%)	Wellington (%)	Christchurch (%)	Rest of NZ (%)
<b>Manufacturing</b>	-13.2	-8.0	-10.3	-1.7	-22.0	-6.4	-6.1
<b>Construction</b>	24.4	26.9	16.6	19.6	18.4	4.5	11.1
<b>Distribution, restaurants and accommodation</b>	5.3	12.3	13.2	13.8	5.0	4.9	6.4
<b>Transport and communication</b>	8.6	10.2	48.7	18.3	24.1	5.3	5.8
<b>Business and financial services</b>	19.5	27.5	19.5	26.6	11.6	19.8	11.4
<b>Personal and social services</b>	14.4	19.1	15.2	8.0	4.4	10.4	7.8
<b>Total</b>	<b>9.1</b>	<b>11.1</b>	<b>14.2</b>	<b>11.6</b>	<b>7.3</b>	<b>6.1</b>	<b>5.1</b>

Data Source: Statistics New Zealand

Jobs by industry reflects the developing shape of local economies, and the workforce needs of employers.<sup>123</sup> It is important that the skills of the labour force are developed in line with, and in anticipation of, the changes in the skill requirements of the economy. A lack of skills in the local labour force may result in higher levels of unemployment and may also hinder local economic development. Relevant skills and qualifications are increasingly important. Lower levels of post-school qualifications among the population, as in Manukau, Waitakere and Christchurch, and higher numbers of school leavers without qualifications, as in Manukau, need addressing if a workforce skill levels are to be developed (see also page 64).

People in low-skill jobs tend to be more vulnerable to downturns or changes in the economy, to unemployment and to earn lower incomes when they are working, which can have flow-on effects in other areas such as health and housing. In the six largest cities many of those worst affected will be Maori or Pacific Islands people.

122 A negative percentage means that the workforce decreased over the period 1995 to 1999. Categories are clustered as follows:

- Distribution, restaurants and accommodation - wholesale trade, retail trade, accommodation, cafes and restaurants.
- Transport and communications - transport and storage, communications services.
- Business and financial services - finance and insurance, property and business services.
- Personal and social services - government, administration and defence, education, health and community services, cultural and recreational services, personal and other services

123 Economic diversification and use of approaches such as clustering can be an effective way of encouraging enterprise development.