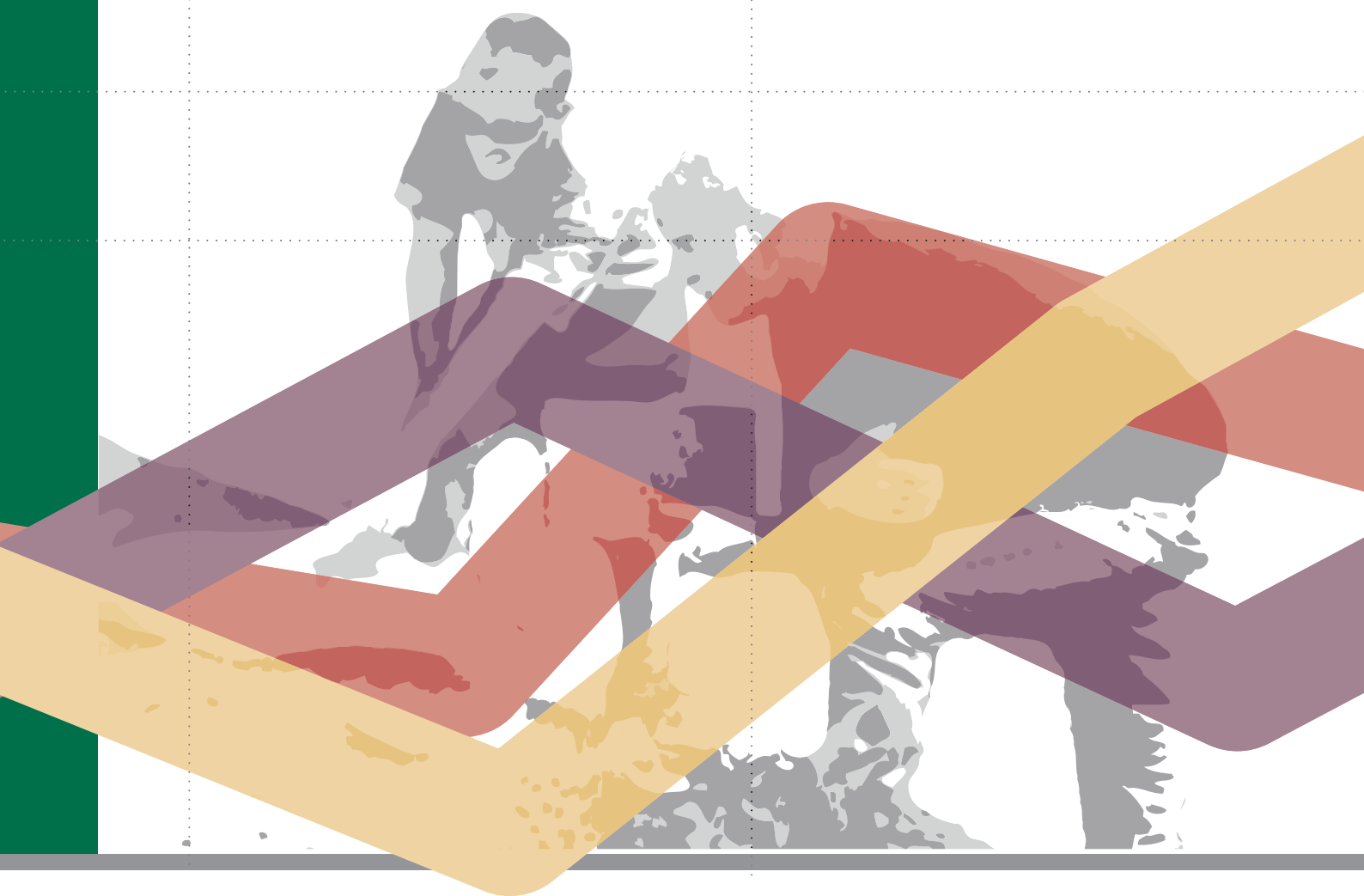


2006 Census series

Employment in
the Auckland region

Employment

in the Auckland region



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Auckland
Regional Council
TE RAUHĪTANGA TAIAO

Employment in the Auckland Region

Results from the 2006 Census of Population and
Dwellings



Prepared by Social and Economic Research and Monitoring team

Auckland Regional Council

April 2008

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Introduction

Home to a third of the national population and a third of the national workforce, the Auckland region has a vibrant economy and is a vital part of the national economy - the ongoing ability of Auckland's economy to perform as an 'internationally competitive city' has been identified as a key plank in the government's economic transformation agenda.

The region is blessed with an outstanding physical location, an easy climate and has developed into a significant centre for education, business, employment, arts and culture. Many head offices are located in Auckland, and it houses a significant proportion of the service sector industry. The central location of the Ports of Auckland and the Auckland International Airport makes the Auckland region a main distribution hub for importing and exporting and an important centre for wholesale trade.

In line with this, the region has experienced a period of sustained population and economic growth over the last decade. The regional economy is estimated to account for a third of regional Gross Domestic Product (GDP), and has outgrown national growth in recent years. Employment has been full, wages generally high and all sectors (with the exception of manufacturing) have grown.

The release of data from the 2006 Census allows us to review in some depth the nature of employment within and across the region and to explore different patterns and trends among population groups.

This report

The primary focus in this report is on those Auckland regional residents who were employed, as at the 2006 Census of Population and Dwellings. The report is intended as a snapshot of aspects of work and employment in the region as at 2006, however changes since the previous (2001) Census are provided where appropriate.

This report primarily presents information from the 2006 Census. There are several national data bases concerned with aspects of employment and industry that provide supplementary information to Census (such as Statistics New Zealand's Business Demography data series and the Linked Employer-Employee Data set). Where relevant, findings from these data sources, as they apply to the Auckland region, are incorporated in this analysis. The data source for all tables and figures is from the Census, unless stated otherwise.

The analysis provided here is at the regional level, and is therefore quite broad. While this allows overall trends and patterns to be identified, analysis at this level can mask significant patterns and trends among various intra-regional level industry sectors, groups and occupations.

Chapter One presents an overview of the main demographic characteristics of the Auckland regional population, including population distribution, age and sex structure, ethnicity, birthplace and highest education qualification. This is provided as wider context.

Chapter Two presents information on the regional labour force, and focuses on labour force participation by migrant groups as well as by highest educational qualifications.

The third chapter outlines industry structure in the Auckland region, reporting on 2007 Business Demography data. Changes over time with regard to business units and employee counts are outlined here.

Chapter Four returns to analysis of census data and presents an outline of employment by industry in the Auckland region. The chapter starts with a snapshot of the overall regional picture, and moves to focus on the demographic characteristics of those who work in the three largest industry sectors with regard to numbers employed, ie: property and business services, manufacturing, and retail trade.

The next chapter discusses employment by occupation. It starts with a snapshot of the occupational structure of Auckland's workforce in 2006, and traces changes since 2001 Census, and then moves to investigate the significant differences across occupations by main demographic characteristics.

Finally, Chapter Six explores the nature of employment with regard to employment status, as well as full and part-time work in the Auckland region.

This report concludes by outlining several challenges and implications facing the Auckland region regarding its labour force and employment.

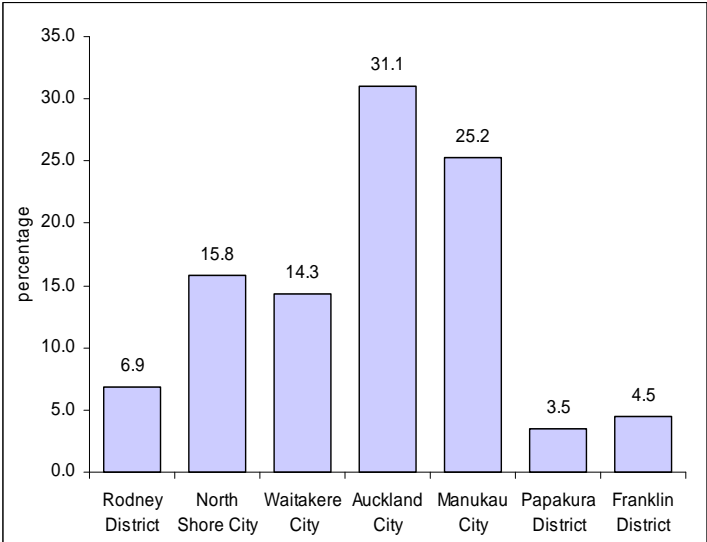
Chapter 1: Broad Demographic Context

The Auckland region is home to the largest population in the country, accounting for a third of the national population. Auckland has experienced constant and steady population and economic growth since its inception, attracting a large number of new migrants from within the country as well as international migrants. Some of the key demographic characteristics of the regional population are outlined below.

Population distribution and growth

As at the 2006 Census, the region was home to 1,303,068 usual residents. Almost one third (31.1%) of the Auckland regional population lived in Auckland city, and a quarter (25.2%) in Manukau city. This distribution has remained constant over recent years. For example, in 1991, 32.4% of the regional population lived in Auckland city and 23.9% in Manukau city. Figure 1 shows the distribution of Auckland regional population by territorial authority area (TA).

Figure 1: Population distribution in Auckland region by TA (%) (2006)



The region experiences constant population growth. In the last inter-censal period, the population of the Auckland region grew by 12.4% between 2001 and 2006, making it the most rapidly growing region in New Zealand (compared with 7.8% growth nationally). In absolute terms, the region accounted for nearly half (49.6%) of the overall national population growth.

The rate and size of population growth varied across the region. Manukau city experienced the highest growth in terms of real numbers, increasing by nearly 46,000 persons to a total of 328,968 residents. This makes Manukau city the third most populated of all TAs in New Zealand after Auckland city at 404, 658 and Christchurch city at 348,435. Rodney district experienced a relatively higher rate of growth than other areas, at 17.6% (although from a smaller population base).

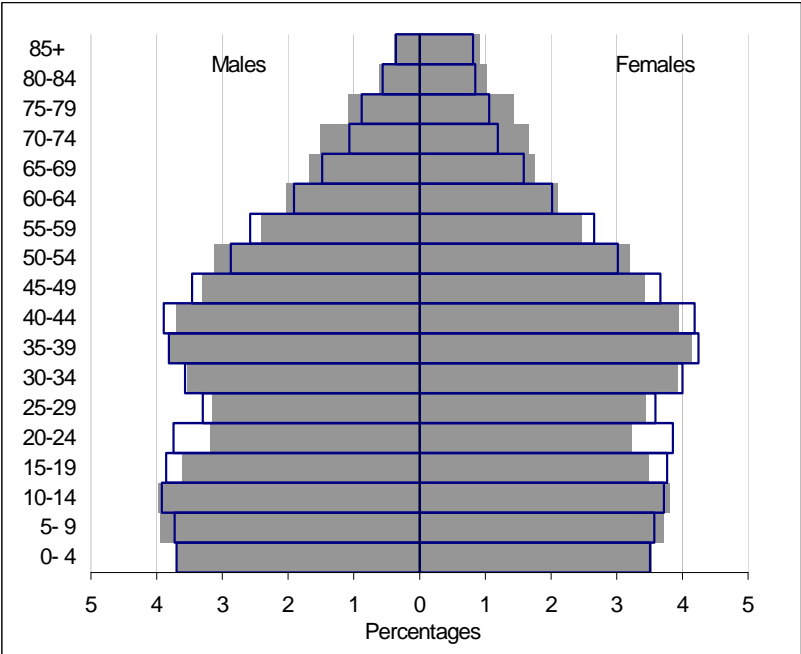
Age-sex structure

As Figure 2 indicates, while the age-sex structure of the population of the Auckland region is largely similar to the national structure, Auckland is over-represented in all age groups between 15 and 49 years (especially those aged between 15 and 30 years). This reflects the region’s prominence as a central location for study and employment.

The Auckland region has a relatively smaller proportion of people aged 50 years and over when compared to the whole of New Zealand (24.9% compared to 28.8%). This suggests out-migration by people in these groups to other centres, possibly for life-style reasons and retirement.

In 2006, there were more women than men in every age group over 20 years. This excess was especially pronounced in the 30 to 39 year group, and in those aged 70 years and over. This is a national phenomenon and has been occurring for several decades.

Figure 2: Age and sex structure, Auckland region and New Zealand (shaded) (2006)



Ethnic diversity

Auckland has one of the most ethnically and culturally diverse populations in the country. In 2006, 37% of Auckland regional residents were born overseas, and residents identified with over 180 ethnicities.

Ethnicity is a measure of cultural affiliation, as opposed to race, ancestry, nationality or citizenship. Ethnicity is self perceived and people can belong to more than one ethnic group.

In line with national data, the largest proportion of the regional population identified as NZ European (56.5%). The proportion has decreased quite dramatically from previous years however, dropping from 75.1% in 1991. This is partly a result of the separate classification of 'New Zealander', but also involves the growth of other ethnic groups.¹

The proportion of the population who identify with an Asian ethnicity has increased rapidly. In 1991 the proportion who identified as Asian in the Auckland region comprised 5.5% of the population, by 2006 this proportion had grown to 18.9%. This change is the result of increases in immigration, especially in the mid 1990s and then again early in the new century. Further, a large proportion of Asian immigrants have settled in the Auckland region – in 2006, 66.1% of all those in New Zealand who identified as Asian lived in the Auckland region.

Pacific populations have also continued to increase numerically and as a proportion of the Auckland population. Pacific peoples comprised 14.4% of the Auckland regional population in 2006. Although modest levels of immigration continued from the Pacific Islands to New Zealand during the last fifteen years there were also some return movements to the Islands, so these increases are mainly the result of natural increase (i.e: births minus deaths).

¹ The ethnicity question did not change from the 2001 Census. However, there were two important changes to the way that ethnicity results are grouped and published in 2006, with the creation of two new categories – 'Middle Eastern, Latin American, African' (MELAA) and 'New Zealander'. MELAA responses were formerly reported in the 'Other' count. A total of 18,555 usual residents in the Auckland region were included in this category in 2006. New Zealander responses were formerly reported in the 'NZ European' count. A total of 99,258 usual residents in the Auckland region were in this category in 2006. The creation of this separate category for reporting purposes will be behind the drop in proportion who identified as European (53.6% in 2006 compared with 65.1% in 2001).

Table 1: Ethnic groupings in Auckland region (2006)

	Total response Auckland region	Ethnic group as a % of Auckland region population	Total responses New Zealand	Auckland population as a % of NZ total
NZ European	698,622	56.5	2,609,589	26.8
Māori	137,133	11.1	565,329	24.3
Pacific Peoples	177,936	14.4	265,974	66.9
Asian	234,222	18.9	354,552	66.1
Middle Eastern/ Latin American/ African	18,555	1.5	34,746	53.4
New Zealander	99,258	8.0	429,429	23.1
Other 'Other' Ethnicity	648	0.1	1,494	43.4
Total People	1,237,239	–	3,860,163	32.1

Notes: These data include only those who specified at least one ethnicity (i.e. 'not elsewhere included' responses are excluded from the calculation). Total percentages add up to more than 100% as people could identify with more than one ethnicity.

There are distinct variances in the age/sex structures of these broad ethnic groups in the region, which will have some bearing on patterns of educational attainment, labour force participation and nature of employment. The European and Asian ethnic groups had the highest proportions aged 15 years and over (working age) at 79.4% and 78.4%, while Maori and Pacific groups had lower proportions at 64.7% and 62.8% respectively.

Migration (Overseas born population)

This rich blend of ethnic and cultural diversity in the Auckland region has emerged from immigration trends. Following the changes in national immigration policy in 1987, Auckland has become home to increasing numbers of new residents from non-traditional source countries for example Korea, Taiwan and China, as well as large numbers from traditional source countries, including both the United Kingdom and Pacific Islands nations.

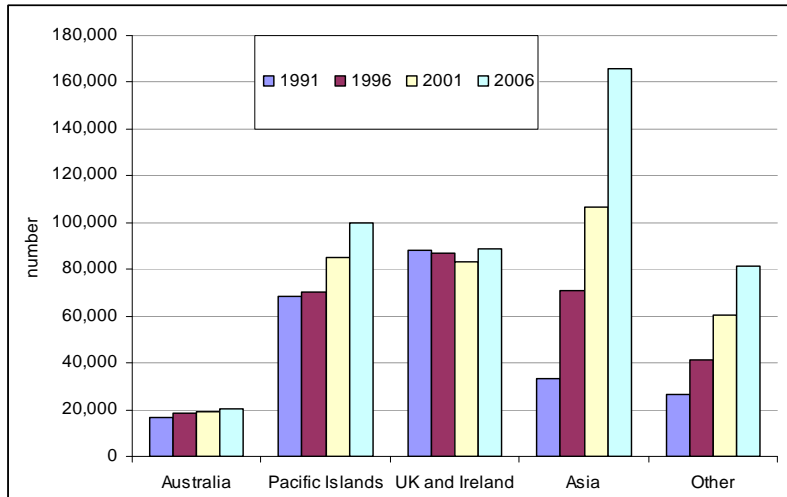
Figure 3 shows the source areas for the overseas-born residents over the last four censuses.² It shows that there has been an increase in numbers across most source areas, particularly in those born in Asian countries (in 2006, 166,000 residents in the Auckland region were born in Asian countries), and Pacific Islands (in 2006, 99,840 residents were born in the Pacific Islands).

The patterns of migration and length of time living in New Zealand vary considerably across different migrant groups. The majority of the population born in England arrived in the period before the change in immigration policy in 1987, but there was also a significant number arriving in the five years between 2001 and 2006. Pacific countries are characterised by longer-term

² This data does not indicate length of time spent in New Zealand however.

residence, although in each case there have also been considerable increases in recent years. Between the 2001 and 2006 censuses, the most notable increases were from China and India, in each case more than doubling their populations over this period. Auckland has also become home to increasing numbers from Middle Eastern and African countries, particularly South Africa.

Figure 3: Numbers of overseas born by area of birth, Auckland region residents (1991 to 2006)



In 2006, there were 1,014,492 people aged 15 years and over in the Auckland region (77.8% of the regional population). Table 2 shows the numbers of usual residents in the Auckland region aged 15 years and over across the broad birthplace groups. Just over half of the population aged 15 years and over were born in New Zealand (57.6%). The next largest group were born in Asia, at 15.4%.

Table 2: Region of birth, for those aged 15 years and over, Auckland region residents (2006)

	Number	%
New Zealand	552,123	57.6
Australia	16,116	1.7
Pacific Islands	89,976	9.4
United Kingdom and Ireland	81,765	8.5
Europe (excl. United Kingdom and Ireland)	23,697	2.5
North America	7,725	0.8
Asia	147,948	15.4
Other	38,781	4.0
Not Elsewhere Included	56,367	-
Total aged 15 years and over	1,014,495	100.0

Note: Not elsewhere included responses are not included in calculation of percentages.

Highest education qualifications

Overall, the Auckland regional adult population is relatively highly qualified when compared to the rest of New Zealand. For example, in 2006, 20.3% of the population aged 15 years and over had no qualification, compared to 25.9% nationally.

Table 3 below indicates highest education qualifications for Auckland regional residents aged 15 years and over across the last three censuses. Due to wider changes in New Zealand, including changes to the national educational qualification system, an increased focus on the requirement for qualifications by employers, industry training initiatives and increased in-migration of skilled migrants, the working age population in the Auckland region is becoming generally better qualified. The proportion with no school qualification has dropped from 34.3% in 1996 to 20.3% in 2006, and the proportion with a bachelors degree has increased from 8.2% to 14.3%.

Table 3: Highest education qualifications (of those aged 15 years and over) (%) (2006)

	1996	2001	2006
No qualification	34.3	22.7	20.3
School qualification	28.7	32.3	27.2
Overseas school qualification	4.1	10.9	10.0
Post School certificate or Diploma	21.1	19.4	22.6
Bachelors degree	8.2	10.3	14.3
Postgraduate degree	3.7	4.4	5.6
Total region	100.0	100.0	100.0

In 2006, higher levels of educational qualifications were evident among:

- People in the Asian and MELAA (Middle Eastern, Latin American and African) ethnic groupings - this reflects the emphasis that has been put on educational qualifications within the points system used to assess potential migrants.
- People aged 25 to 49 years – people in this age group are more likely to have completed tertiary training, or come through the new education system or migrated with pre-requisite educational qualifications.
- Those living in Auckland city (eg; 20.4% have bachelor degree or Level 7 qualification compared with 14.3% regionally).

Lower levels of educational qualifications were evident among:

- People in the Maori and Pacific groups (eg: 38.5% of Maori and 36% of Pacific peoples had no educational qualifications, compared with 20.3% regionally). This will partially be related to the younger age structures of these groups (about 16% of the adult population in these groups are aged 15 to 19, compared with 10% overall) and also to earlier migration patterns among Pacific peoples.³
- The older: higher proportions of residents aged 55 years and over have no qualifications, or a post school certificate or diploma and a lower proportion has a postgraduate degree.
- People living in Papakura district (32.2% had no qualification compared with 20.3% regionally).

Highest educational qualifications by ethnic group are shown in more detail in the table below.

Table 4: Highest educational qualification, by ethnicity (%) (2006)

	European	Maori	Pacific	Asian	MELAA	Other	Total Population Aged 15 Years and Over
No qualification	19.0	38.5	36.0	11.6	13.0	15.0	20.3
School qualification	29.0	32.4	32.7	18.0	16.4	33.4	27.2
Overseas school qualification	6.3	0.6	10.8	24.9	22.6	1.9	10.0
Post –school qualification	25.6	20.4	15.5	15.9	19.5	28.7	22.6
Bachelors degree	14.0	6.2	4.0	21.9	20.2	15.7	14.3
Post graduate degree	6.0	1.8	1.0	7.8	8.4	5.4	5.6
Total	100	100	100	100	100	100	100

Note: People could choose more than one ethnicity so these groups are not mutually exclusive.

³ In the case of Pacific peoples this may also be related to the criteria by which Pacific migrants have entered New Zealand. Older Pacific people are more likely than younger Pacific people to have no qualifications, which may be traced back to the nature of earlier migration into the region by Pacific groups into predominantly low skilled manufacturing roles.

Chapter 2: Auckland Regional Labour Force

The labour force is made up of people who are working and people who are not in work but who are available and are actively seeking work (the unemployed). The 'labour force participation rate' is the percentage of all those aged 15 years and over who are in the labour force. The 'employment rate' refers to the percentage of those aged 15 years and over who are employed full or part-time.

Labour force participation rate (overview)

In 2006, there were 1,014,492 people aged 15 years and over in the Auckland region (77.8% of the regional population). Almost two thirds of this group were in the labour force (participation rate of 68.6%). This is in line with the national rate of 68.5%.

Across the region, the population of Franklin district and North Shore city had the highest labour force participation rates (73.4% and 70.5% respectively), while Manukau city had the lowest (66.2%).

Good economic conditions have meant that employment rates across the TAs are generally not much lower than labour force participation rates.

Table 5: Work and labour force status, by TA (%) (2006)

	Rodney District	North Shore City	Waitakere City	Auckland City	Manukau City	Papakura District	Franklin District	Total Auckland Region
Employed Full-time	49.6	52.2	51.9	51.4	49.2	51.1	55.7	51.0
Employed Part-time	16.1	15.3	13.4	13.5	12.3	12.4	14.9	13.7
Unemployed	2.3	3.0	4.0	3.9	4.7	4.7	2.8	3.8
Not in the Labour Force	32.0	29.5	30.7	31.2	33.8	31.8	26.6	31.4
Total	100	100	100	100	100	100	100	100
<hr/>								
Total number aged 15 years and over	69,936	164,838	142,284	328,563	242,637	33,885	44,450	1,014,492
Labour force participation rate (%)	68.0	70.5	69.3	68.8	66.2	68.2	73.4	68.6
Employment rate (%)	65.7	67.5	65.3	64.9	61.5	63.5	70.6	64.7

Almost one third (31.4%) of the region's working age population were not in the labour force. Persons not in the labour force include retired people, those involved in childcare or family responsibilities, students who are not engaged in, or pursuing employment, and those unable to work due to physical or mental disability. It also includes those who are 'jobless'. A third of those not in the labour force were 65 years and over and 15.3% were 15 to 19 years.

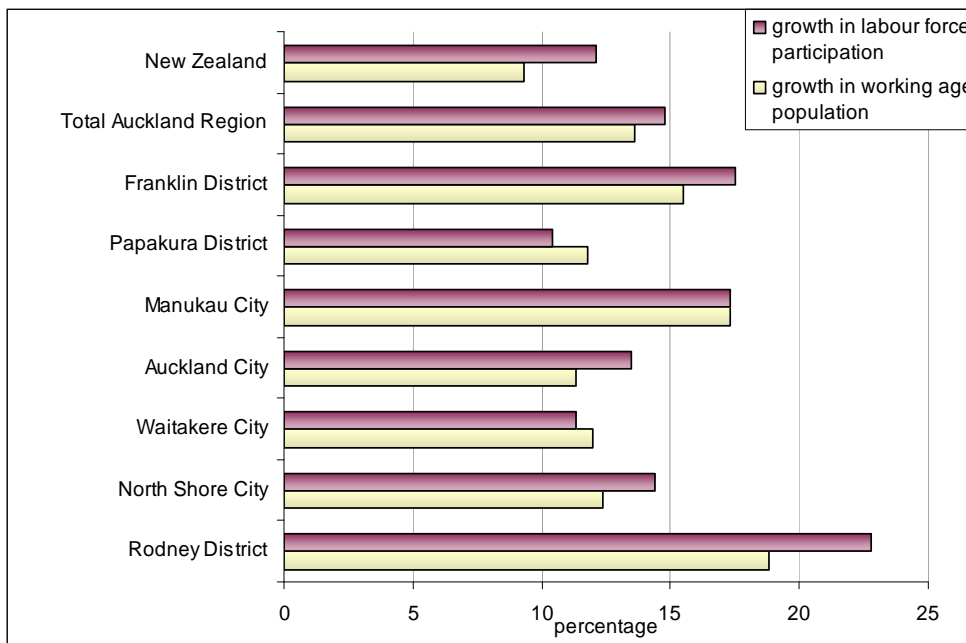
Growth in the labour force participation rate

There was growth in the labour force participation rate in the Auckland region in the last intercensal period. Participation in the Auckland region's labour force grew faster than the national average during that time (14.8% compared with 12.1%).

This growth has been driven in large part by increases in the working age population (the number of people in the working age population grew by 13.6% between 2001 and 2006, a slightly higher rate than the 12.4% increase in overall population). Percentage growth in both working age population and labour force participation has been most pronounced in Rodney district, although numerically greater in Auckland and Manukau cities, the region's two largest TAs.

It is expected that the labour force will continue to grow in the future, driven by projected population increases and Auckland's generally young age structure.

Figure 4: Percentage increase in working age population and labour force participation rates, by TA (2001 to 2006)



Characteristics of labour force participation

When the main demographic characteristics of those in the labour force are investigated, higher participation rates are evident among:

- Those born in New Zealand, Australia and North America
- Those of New Zealand European and 'other' ethnicity
- Males
- People with higher educational qualifications.

And lower participation rates are evident among:

- People at entry and exit ends of working age spectrum, eg: those aged 15 to 19 years and those aged 65 years or more
- Females (particularly those in their 20s and 30s)
- Those born in Asia (and those of Asian ethnicity).

Labour force status by birthplace is investigated in more detail in the rest of this section. This is provided as a proxy for international migrants. Migrants make up a relatively large share of the Auckland regional population and labour market outcomes among this group is critical to the current and on-going regional labour market success.

Labour force participation by birthplace

As mentioned previously, migrants make up an increasingly large share of Auckland's population and labour force. Migrants are a substantial driver in Auckland's economy. There has been an increase in numbers of overseas-born people living in the Auckland region, particularly the number born in Asian countries and in the Pacific Islands.

Labour force participation varies across migrant groups and reflects the variety in age-sex composition, length of time lived in New Zealand and educational qualifications. The results presented here are an overview and these overall results will of course mask more diverse outcomes within different groups.

As Table 6 shows, residents born in New Zealand, Australia, and North America had higher participation rates than the regional rate, at 72.1%, 72.6% and 73.6% respectively. Those born in North America had the highest labour force participation rate (and employment rate) of all groups (numbers are relatively low however).

The lowest labour force participation rate (and employment rate) was found among the Asian-born population, at 59.1% and 53.8%. This is partly a function of the high proportion that is not in the labour force, many of whom will be international students.

The highest proportions of those unemployed were reported among the Asian and Pacific-born populations, although these proportions, at about 5%, are only slightly higher than the Auckland average for the year to December 2007 of 3.8% (as measured by the Household Labour Force Survey).⁴

Table 6: Work and labour force status, by region of birth (2006)

	New Zealand	Australia	Pacific Islands	UK and Ireland	Europe	North America	Asia
Employed Full-time	299,646	8,697	43,986	42,102	11,403	4,287	59,757
Employed Part-time	79,278	2,430	9,105	10,452	3,309	1,152	19,791
Unemployed	19,410	564	4,599	1,443	804	249	7,872
Not in the Labour Force	153,795	4,422	32,286	27,765	8,178	2,037	60,531
Total aged 15 years and over	552,129	16,113	89,976	81,762	23,694	7,725	147,951
Labour force rate (%)	72.1	72.6	64.1	66.0	65.5	73.6	59.1
Employment rate (%)	68.6	69.1	59.0	64.3	62.1	70.4	53.8

Note: 'Labour force participation rate' is the percentage of those aged 15 years and over who are working and people who are not in work but who are available and are actively seeking work.

'Employment rate' is the percentage of those aged 15 years and over who are employed either full time or part time.

This analysis does not include length of time that migrants have lived in New Zealand. Some work has been undertaken in this area by Department of Labour. In their latest (2007) annual report on the labour market in the Auckland region, they note that the lowest participation rate among migrants is among those who have been in New Zealand for 10 years or more (62%). They comment that participation in this group is probably relatively low because their age profile is older than migrants who have been here for a few years (Department of Labour 2007: 22).

⁴ The official measure of unemployment in New Zealand is measured by the Household Labour Force Survey (HLFS).

Work and labour force status by highest qualification

Perhaps not surprisingly, there is a strong correlation between educational qualifications and levels of employment. While almost three quarters (75.3%) of Auckland regional residents with a post school certificate or diploma were employed, 67.3% of those with only a school qualification and 47.3% of those with no qualification were employed. However, this may be because many with no or school-only qualifications are younger and are still studying.

A high proportion of those with an overseas school qualification were not in the labour force (42.7%).

Table 7: Labour force participation by highest educational qualification (2006)

	% who are employed	% who are unemployed	% not in labour force	total
No qualification	47.3	4.6	48.1	100
School qualification	67.3	4.5	28.2	100
Overseas school qualification	53.6	3.7	42.7	100
Post School certificate or Diploma	75.3	3.1	21.5	100
Bachelors degree	81.2	2.9	15.9	100
Postgraduate degree	83.1	2.7	14.2	100
Total Auckland region	64.7	3.8	31.4	100
New Zealand	65.0	3.5	31.5	100

Chapter 3: Industry Structure

In 2006, approximately one third of all business units in New Zealand were located in the Auckland region, and the largest employers were manufacturing, property and business services, wholesale and retail trade.

This section presents information on employment by industry sector, and traces which sectors have grown in recent years and which appear to be declining.

Industry size

As at February 2007, there were approximately 156,140 business units in the Auckland region, according to Statistics New Zealand's Business Demography data series.⁵ ⁶ The industry sectors with the largest number of business units were in property and business services (37.4% of all business units in the region), followed by construction (10.7%) and retail trade (10.4%). (These are also the three largest sectors nationally with regard to numbers of units).

Auckland is home to a number of big firms and organisations – as at February 2007, a third (33.4%) of all employees were employed in business units of 100 employees or more (particularly in electricity, gas and water supply, communication, health (DHBs) and government (councils) sectors). Yet the region is also characterised by a dominance of small sized enterprises – in February 2007, 87% of the region's business units were made up of five employees or less (particularly in finance and insurance, and property and business sectors). This includes a large number who had no employees (approximately 136,290 business units). ⁷

For more detail on business unit size by industry sector as at February 2007, please refer to Appendix One.

⁵ The business demographic statistics provide an annual snapshot of the structure and characteristics of businesses in New Zealand. Statistics are gathered from Statistics New Zealand's annual update of its business frame (a dataframe of New Zealand businesses as at February each year). The series covers economically significant individual, private-sector and public-sector enterprises that are engaged in the production of goods and services in New Zealand. This generally includes all enterprises with GST turnover greater than \$30,000 per year.

⁶ A business unit, or 'geographic unit' is a separate operating unit engaged in NZ in one, or predominantly one kind of economic activity from a single location or base. It is not the same as the number of companies and can include self-employed persons through to large corporations.

⁷ This will include working proprietors and self-employed people who do not provide themselves with a salary, as well as shell or trading companies. A large proportion of geographic units in the Finance and Insurance (85.4%) and Property and Business Services sector (82.5%) and Communication Services (75.9%) were in this category. Agriculture, Forestry and Fishing also has a high proportion of units with no employees (79.8%) however the numbers are relatively small.

Industry changes since 2000

Since the beginning of the new century, the Auckland region has experienced economic growth, driven in large part by domestic demand. Low unemployment, strong wage and salary growth, net inward migration and low interest rates have supported strong consumer spending and a residential housing development boom.

The Business Demography data suggest that there was an estimated 26.7% increase in the number of business units in the region between February 2000 and February 2007, particularly in service industries that support a growing economy, such as property and business services (increased by 47.2%), finance and insurance (112%) as well as accommodation, cafes and restaurants (32.3%). There has been a decline in the number of business units in the agriculture, forestry and fishing sector and communication service sectors.⁸

Overall, the growth in numbers of business units was stronger than growth in employment between 2000 and 2007 (26.7% growth in business units compared to 21.6% growth in employment). This appears to have been driven by growth in property and business services and in the finance and insurance sector. As Figure 5 indicates, growth in employment outstripped business unit growth in most industries during that time.

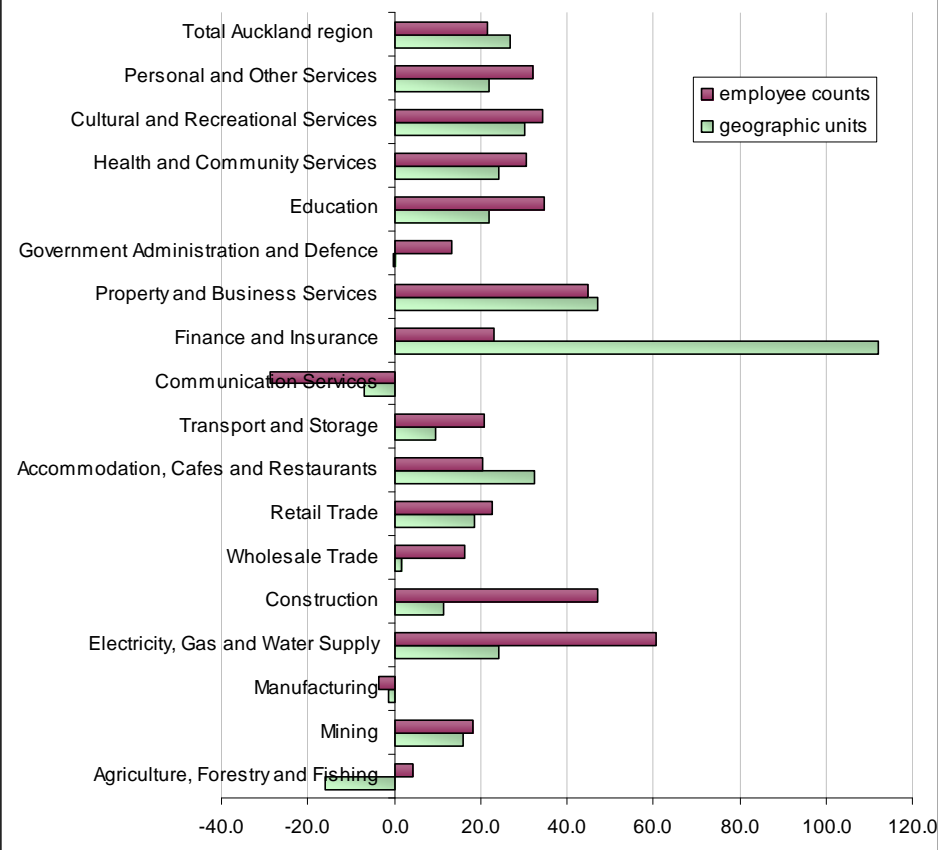
Two of the region's largest employers, namely the construction and property and business services sectors experienced high growth in employment (47% and 44.7% respectively), in line with a recent construction boom in the region. High employment growth was also recorded in the electricity, gas and water supply sector (60.8%). However, this sector has relatively small numbers employed.

A slight loss was recorded in numbers employed in manufacturing (-3.7%) and communication services (-28.9%) during that time.⁹

⁸ The level of growth in the number of enterprises in the property and business services category may be over-stated, as there is a large number of "shell" or non-trading entities established particularly for property development and financing activities.

⁹ Changes in employment recorded in Business Demography and Census data-sets vary due to differences in timing, scope and methodology, and the two should not be directly compared. The 2006 Census does not record a decline in the proportion of residents employed in manufacturing since 2001 but it does indicate a slowdown at only 0.6% growth.

Figure 5: Percentage change in number of business units and employee counts (Feb 2000 to Feb 2007)



Source: Statistics NZ Business Demographic data

Linked Employer-Employee Data

Statistics New Zealand's Linked Employer-Employee Data (LEED) integrates existing employer and employee information. It draws on administrative data from Inland Revenue, together with business data from Statistics New Zealand's Business Frame. LEED provides an insight into the operation of the labour market. Findings from LEED on the Auckland regional labour market dynamics between 2001 and 2006 generally align with findings presented in this report from the census.

LEED found that while the effects of young people entering the labour market, older people leaving and people leaving for child rearing were apparent for Auckland during the period 2001 to 2006, these effects were weaker than for New Zealand as a whole. The likely cause of this discrepancy is the impact of people migrating to Auckland from overseas during this period. In the region, a greater proportion of employment growth in the 'absent' category (that is, people who were absent from the New Zealand tax system in 2001) came from those aged between 20 and 49 years than for New Zealand as a whole. The likely explanation for this is net external migration.

Also during that period, employment growth in the region came from wage and salary earners rather than self-employed. Although Auckland had above average growth in self employment, it was less than the growth in wage and salary earners.

For more information on LEED please refer to Statistics New Zealand's website www.stats.govt.nz

Chapter 4: Employment by Industry

While the Business Demography data provides valuable information on broad industry structure across and within regions, as well as changes over time, it does not collect any information on the demographic characteristics of workers within industry sectors. This chapter returns to an analysis of 2006 Census data to provide an insight into those who work across industries in the Auckland region.

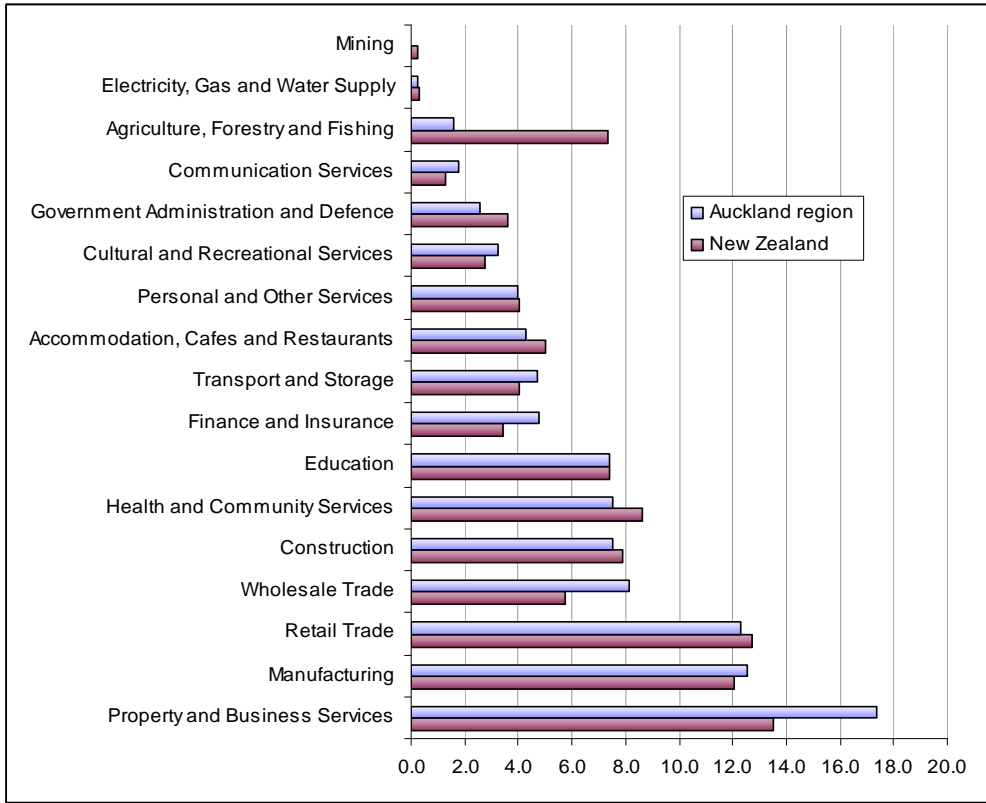
A regional overview of employment by industry is provided first, followed by a focus on the demographic characteristics of those employed in the three largest industry sectors in the Auckland region, as at the 2006 Census. These sectors are property and business services, manufacturing, and retail trade.

Overall employment by industry

In line with the findings from the Business Demography data outlined earlier, as at the 2006 Census, the largest proportions of Auckland regional residents who were employed (either part-time or full-time) were in property and business services (17.4%), manufacturing (12.5%) and retail trade (12.3%).

As Figure 6 indicates, the Auckland regional workforce is over-represented in some industries, particularly property and business services, wholesale trade, and finance and insurance. Given the predominantly urban nature of the Auckland region, it is no surprise that the region's workforce is under-represented in agriculture, forestry and fishing industry.

Figure 6: Employment by industry (Level 1) (2006)



Changes since 1996

Changes in industry structure since 2000 were discussed in the previous section. Results from the 2006 Census show a similar pattern, with growth over the decade between 1996 and 2006 in numbers and proportion of the total workforce employed in property and business services, and a decrease in manufacturing employment being the main characteristics.

Relatively high proportionate growth was also recorded between 1996 and 2006 in the following sectors: finance and insurance services, construction, education, health and community services as well as cultural and recreational sectors. However, employment in these industries as a proportion of the whole workforce remained similar over the 1996, 2001 and 2006 censuses.

Please refer to Appendix Two for more detail on the changes in employment by industry over the last three censuses.

Property and business services

This sector includes all units predominantly engaged in renting and leasing assets as well as units engaged in providing a wide variety of business services. It is a broad category that includes (but is not limited to) property operators and developers, real estate agents, machinery and equipment hiring and leasing, architectural, engineering, accounting services, legal services, data processing and market research services.

As at the 2006 Census, this was the largest industry sector in the Auckland region, with 102,888 usual residents employed in this sector (17.4% of all employed).

This sector has grown rapidly over the last decade. Statistics NZ reports that the Property and Business Services category replaced manufacturing as New Zealand's largest employer in 2003, when its share of total employment increased to 14.3% (from the LEED database).

This industry sector employs high proportions of people of European and 'other' ethnic groups (Maori, Pacific and Asian are under-represented). Males are slightly over-represented (52.7% compared with 47.3% overall in the workforce), as are people aged 25 to 45 years. A large proportion (40.4%) of usual residents employed in this sector live in Auckland city. They are also more likely to live in North Shore district than in other TAs (20.1% compared with 17.4% overall).

There were relatively high levels of self-employment in this sector – 19.7% of those working in this sector were self-employed with no employees, compared with 12.7% overall.

Figure 7: Age distribution of those employed in property and business services compared with total workforce (%) (2006)

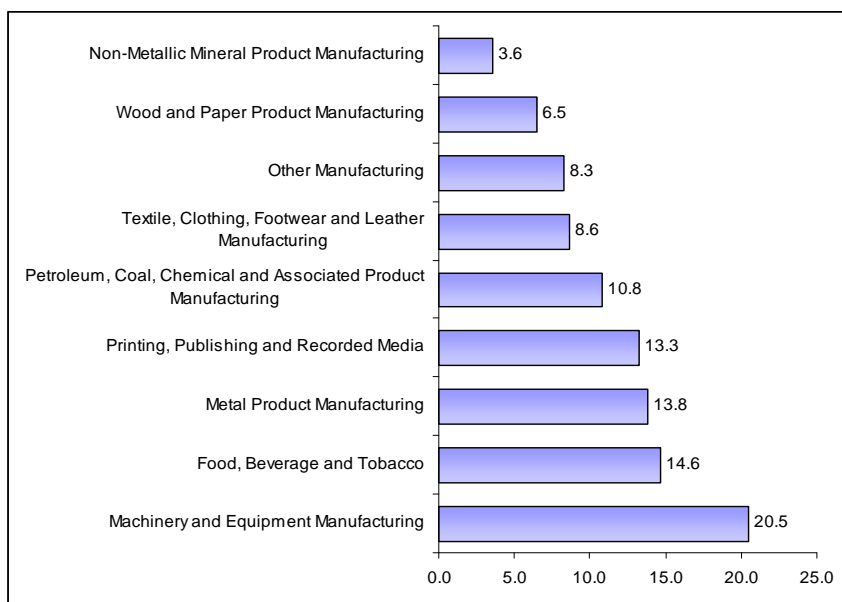


Manufacturing

In a broad sense, manufacturing relates to the physical or chemical transformation of materials or components into new products, whether the work is performed by power driven machines or by hand.

In the 2006 Census, a total of 74,328 usual residents said they were employed in this industry as their main job (12.5% of total regional workforce). The largest numbers were employed in machinery and equipment manufacturing and food beverage and tobacco manufacturing (see Figure 8).

Figure 8: Employment by manufacturing (Level 2) (%) (2006)



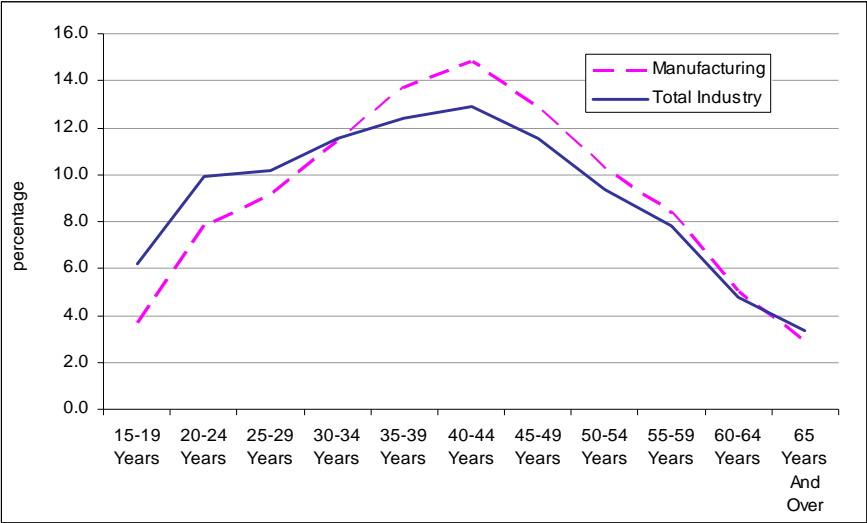
The Auckland region remains the dominant centre for manufacturing outside the primary sector. Auckland's share of national employment is relatively low in the two main primary-related manufacturing industries: Food, Beverages and Tobacco; and Wood and Paper Products. Proximity to the resource base is the key determinant of location for these industries - once this factor is removed, Auckland is clearly the main location for manufacturing, with 40 to 50% of national employment in the region.

This industry sector employs high proportions of people of Pacific Islands ethnicity (almost quarter (23%) of all Pacific workers are employed in manufacturing). It also tends to employ men (67.4% are men). The age distribution is fairly even and is in line with the age distribution of the regional work force, but those aged 35 years and over are more likely to work in this sector than younger

age groups. Almost a third (30.8%) of all those who are employed in manufacturing live in Manukau City.

There were relatively low levels of self employment in this sector - 86% of those working in this sector were paid employees, 6.3% employers and 7.1% self-employed with no employees.

Figure 9: Age distribution of those employed in manufacturing compared with total workforce (%) (2006)



Retail trade

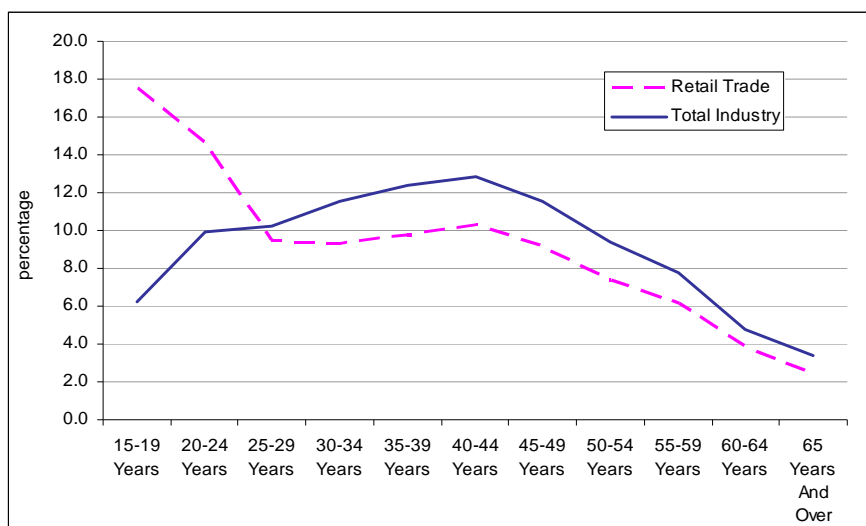
This sector includes the resale of new or used goods to final consumers for personal or household consumption or in selected repair activities such as repair of household equipment or motor vehicles. Businesses engaged in retail trade include department stores or other shops, motor vehicle retailers and service outlets, stalls, mail-order houses, hawkers, door-to-door sellers, milk vendors, vending machine operators and consumer cooperatives. Units mainly selling goods on a commission basis to final consumers for personal or household consumption are included. Retail trade has thrived in the region over recent years due to high levels of consumer spending, strong economic growth and population increases.

As at the 2006 Census, a total of 73,011 usual residents said they were employed in this industry as their main job (12.3% of regional workforce). The largest numbers were employed in personal and household good retailing (47.8%), followed by food retailing (32.0%) and motor vehicle retailing and services (20.2%).

The retail trade sector is dominated by younger workers (32.1% were aged 15 to 24 years compared to 16.1% overall). Half (50%) of those working in this industry were male and half were female. People of Asian and MELAA ethnic groups are particularly over-represented (21% and 18.7% compared to 12.3% overall). Workers from North Shore, Waitakere and Manukau cities were more likely to work in this industry than workers from other TAs.

Employment status in the retail sector is similar to the regional pattern; 78.9% of those working in this sector were paid employees, 9.1% employers and 10.1% were self-employed with no employees.

Figure 10: Age distribution of those employed in retail trade compared with total workforce (%) (2006)



Chapter 5: Employment by Occupation

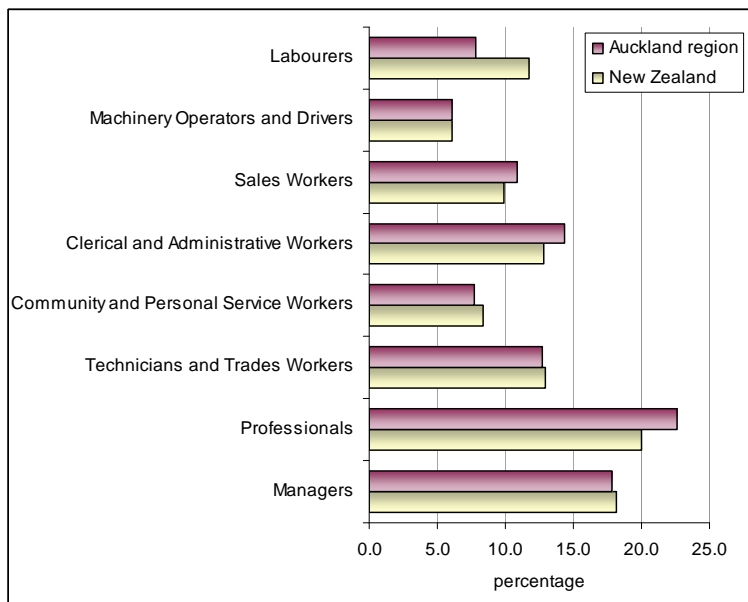
Within each broad industry sector, workers perform a multitude of different tasks. It is interesting to disaggregate the census data according to occupation for the Auckland region.

Note: In 2005, Statistics New Zealand started using the Australian and New Zealand Standard Classification of Occupations (ANZSCO) to categorise occupations. Prior to the introduction of ANZSCO, the New Zealand Standard Classification of Occupations 1999 (NZSCO99) was the standard classification in New Zealand. This has resulted in changes to the classifications of some occupations, and the two series are not directly comparable. This section presents a profile of occupations in the Auckland region as at the 2006 Census using the newer ANZSCO series, but returns to the earlier NZSCO99 series to trace changes over time, as this is how data from the 2001 Census is classified.

Overview of occupations

In 2006, the largest occupational groups among the Auckland region's workforce were professionals (22.6%) followed by managers (17.9%) and clerical and administrative workers (14.4%). The overall occupational structure of the regional workforce is shown in Figure 11 below. The Auckland region has a high share nationally of professionals and clerical and administrative workers, and a low share of community and personal service workers and labourers.

Figure 11: Employment by occupation (%) (2006)



Professionals includes a wide variety of occupations including (but not limited to) school teachers and university lecturers, accountants, lawyers, dentists, doctors and architects. Within this category, the largest number are business, human resource and marketing professionals (34,965 people or 26% of all professionals), followed by education professionals (21%). The following industries have high proportions of professionals:

- Education (64.8% of all employed in this sector were professionals)
- Health and community services (48.7%)
- Property and business services (34.6%)
- Cultural and recreational services (31.7%)
- Government administration and defence (31.1%)

Managers can include persons managing large corporations in an executive position through to self-employed persons. Over half (52%) within that category are classified as 'specialist managers' – includes sales managers, construction managers and ICT managers (this was the largest occupational category overall at 55,300 people or 9.3% of all employed). The following industries had high proportions of managers:

- Agriculture, forestry and fishing (37.7% of all employed in this sector were managers)
- Wholesale trade (27.9%)
- Construction (24.5%)
- Finance and insurance (22.2%)
- Retail trade (21.5%)

Changes in occupation

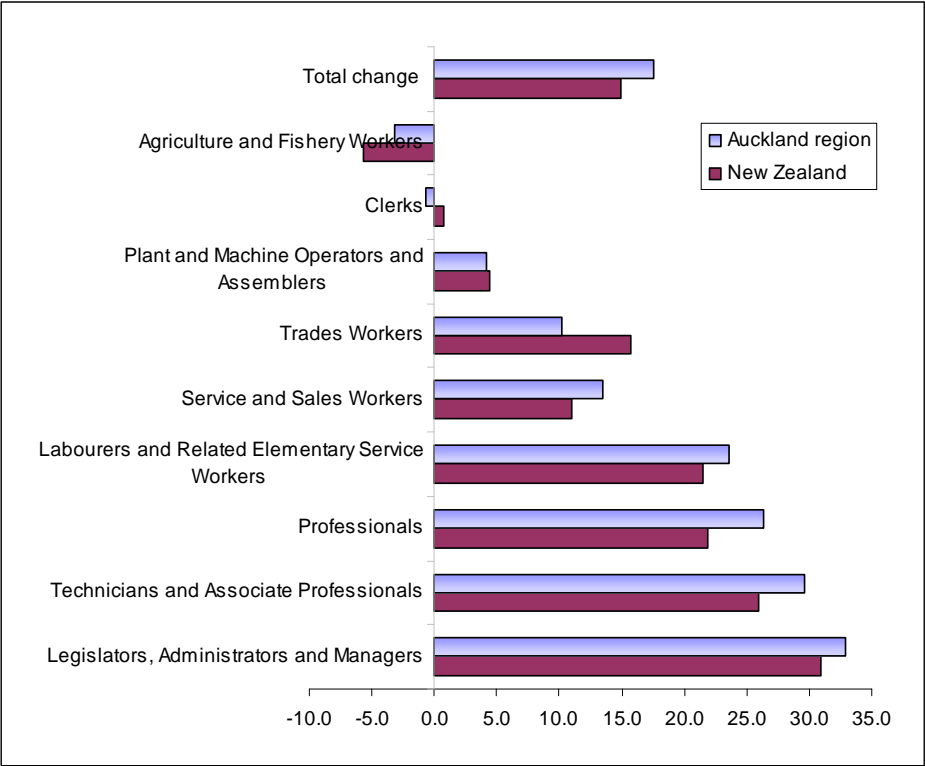
As mentioned earlier, in order to investigate changes in occupations across the 2001 to 2006 censuses, it is necessary to turn to the earlier occupational classification series. As Figure 12 indicates, between 2001 and 2006 there was an increase in the numbers employed across almost all occupational categories within the Auckland region, with the exception of two categories: clerks, and agriculture and fisheries workers, which actually decreased (numbers are small however).¹⁰ This is a similar pattern to the whole of New Zealand, which recorded increases in all categories except agriculture and fisheries workers.

Growth in the number of trades workers was less pronounced in the Auckland region than for New Zealand as a whole.

¹⁰ Due to changes in the classification system used to categorise occupations it is not possible to compare results from censuses prior to 2001.

Strong growth, both numerically and proportionately, was recorded in the three largest overall categories (both in the region and nationally): legislators, administrators and managers, professionals and technicians. There was also proportionately high growth of labourers, but the numbers are smaller.

Figure 12: Percentage change in numbers employed within occupation category, Auckland region and New Zealand (2001 to 2006)



Demographic characteristics of occupational groups

The following section presents broad information on significant demographic differences among occupational groups in the Auckland region by age, sex and ethnicity.

Occupation by age

The spread of occupations is more diverse among younger age groups than among the older groups. This suggests that younger people move around roles and progress into more specific or determined roles after a decade or so in the workforce, and once training or education is complete.

Some more specific findings from the analysis of occupation by age include:

- Younger workers (those aged 15 to 24 years) are particularly over-represented in the sales worker and labourer categories
- Workers aged between 25 to 39 years are over-represented in the professionals category
- Workers in the later years of their career (40 to 65 years) are over-represented in managers category, but also within the machinery operators and drivers category (to a lesser extent).

Table 8: Occupation by age (%) (2006)

	Managers	Professionals	Technicians and Trades Workers	Community and Personal Service Workers	Clerical and Administrative Workers	Sales Workers	Machinery Operators and Drivers	Labourers	Total region
15-19 Years	1.5	1.0	6.0	11.1	4.1	17.6	5.1	14.4	6.2
20-24 Years	5.0	7.6	11.5	14.4	10.8	16.6	8.9	11.2	9.9
25-29 Years	8.2	12.4	11.4	10.8	10.3	10.3	8.8	7.9	10.2
30-34 Years	12.3	14.1	12.0	10.6	11.2	9.5	10.4	8.8	11.6
35-39 Years	14.5	13.6	12.7	11.2	12.4	8.9	12.5	10.6	12.4
40-44 Years	15.6	13.6	12.9	11.4	12.8	9.1	13.8	11.6	12.9
45-49 Years	13.9	12.3	11.3	10.4	11.4	8.2	12.5	10.7	11.6
50-54 Years	11.3	9.9	8.6	7.8	9.8	7.0	10.4	8.7	9.4
55-59 Years	9.4	7.8	6.8	6.3	8.7	6.2	8.6	7.4	7.8
60-64 Years	5.1	4.6	4.1	3.9	5.5	4.0	5.5	4.8	4.8
65 Years and Over	3.2	3.0	2.6	2.2	3.1	2.6	3.4	3.8	3.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Occupation by sex

There are clear differences in employment by sex across occupational categories.

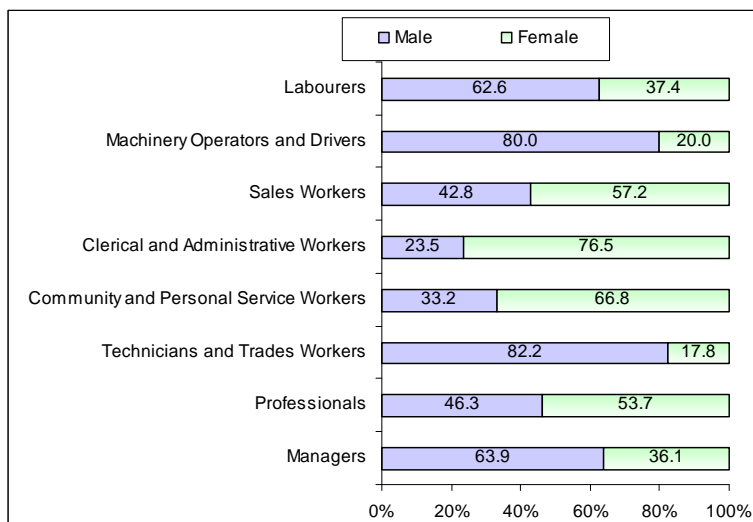
Higher proportions of males are found in the following categories:

- Managers
- Technicians
- Machinery operators and drivers
- Labourers.

While high proportions of females are found in these categories:

- Community and personal services workers
- Clerical and administrative workers
- Sales workers.

Figure 13: Occupation by sex (%) (2006)



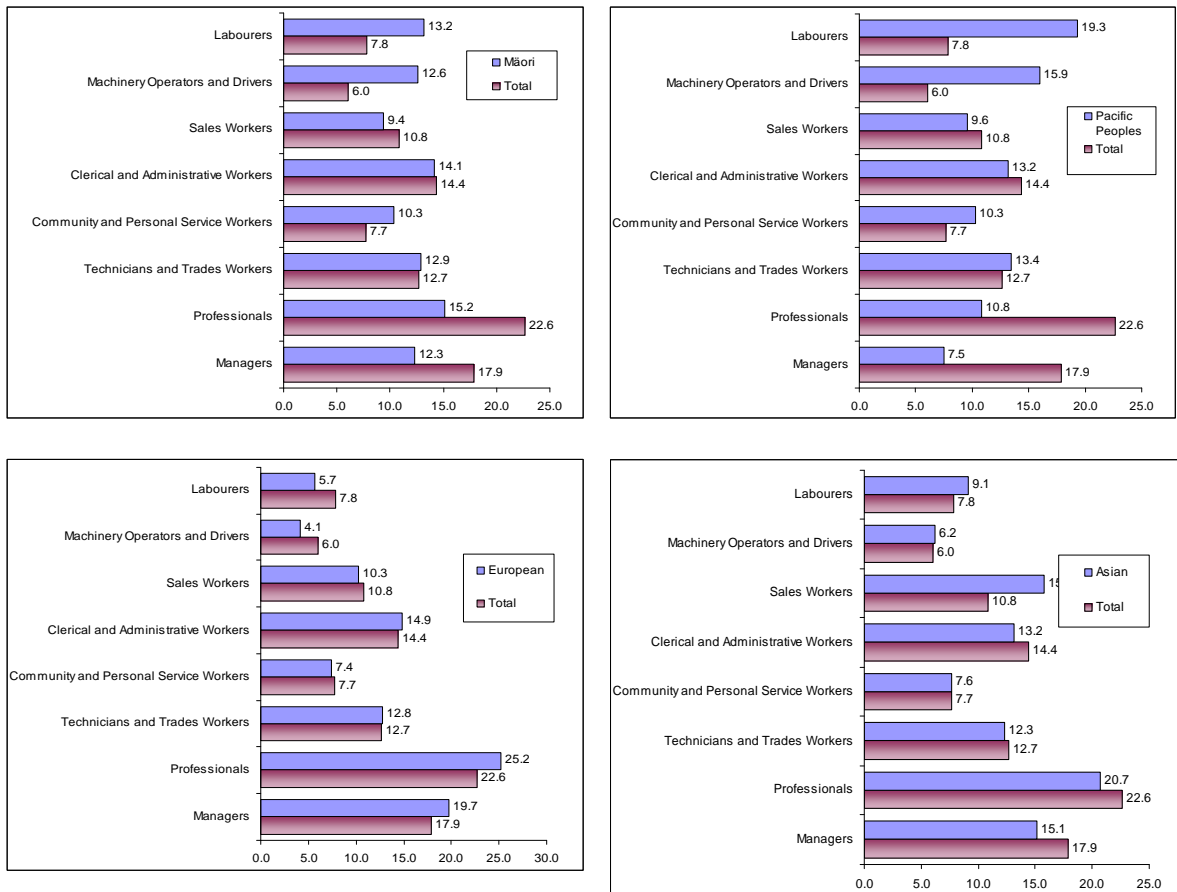
While overall the proportion of males and females are evenly distributed in the professionals category (which is the largest occupational category) - just under half of all those employed in this category overall are male (46.3%), and over half are female (53.7%) - there are clear differences within the group. That is, females are over-represented in the health and education professionals categories (approximately three-quarters of all employed in these occupations are female) and are particularly under-represented in the ICT (23.4%) and the 'design, engineering, science and transport' professional categories (26.4%).

Occupation by ethnicity

There are also distinctive differences in occupation by ethnic group. The main differences are:

- Workers within the European and 'Other' ethnic groups are over-represented in manager, professional and clerical categories,
- Workers in the Pacific ethnic group were over-represented in machinery operators and labourer categories. Pacific workers are particularly dominant in the 'labourer' category.
- Maori are over-represented in the community and personal services occupations.
- There was a slight over-representation of Asian ethnic group among the sales workers category – (15% of those employed who identified as Asian were in this category, compared to 10% overall). This includes insurance sales, real estate agents as well as checkout operators and sales assistants.

Figure 14: Occupational distribution among four main ethnic groupings compared with total workforce (%) (2006)



Note: People could choose more than one ethnicity, so these categories are not mutually exclusive.

Chapter 6: Nature of Employment

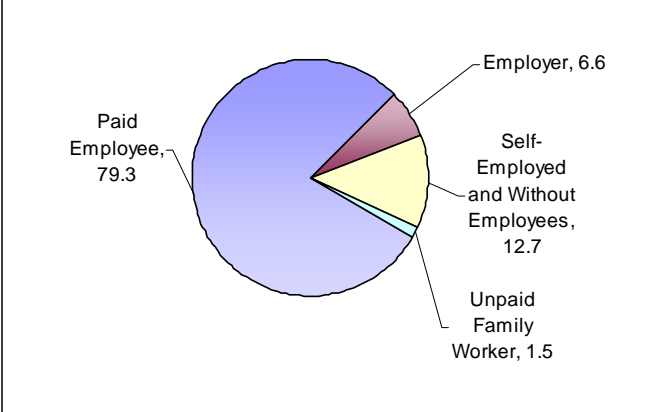
There are clear differences across groups in the Auckland region with regard to the nature of their employment – that is, levels of self-employment, whether residents are in full or part-time work, as well as the number of hours worked per week on average. The data presented here is from the 2006 Census as it applies to residents’ main job (ie: the one in which they spend the most time).¹¹ Many regional residents hold multiple jobs whether through choice or circumstance. While the census does not measure the actual number of jobs, it is measured in LEED – findings for Auckland region are briefly discussed.

Employment status overall

In their main job, nearly 80% of the Auckland regional workforce were paid employees, 6.6% were employers, and 12.7% were self-employed (Figure 15). This pattern is similar to that across the whole of New Zealand.

These proportions varied across industries and different groups however, as discussed below.

Figure 15: Employment status, Auckland region (%) (2006)



¹¹ The 2006 Census asked all individuals to indicate in the seven days prior to the census whether they worked for pay, profit or income for an hour or more, worked in a family business or family farm without pay, or had worked in a job business or farm but did not work in the week prior. They were then asked to complete some questions relating to more detail about the job that they ‘worked the most hours in’ (referred to here as their main job).

Changes over time

Over the last three censuses there appears to have been relatively stronger growth in the numbers of residents who are self-employed with no employees than in any other employment category (36.7% growth between 1996 and 2006 compared with 28% growth in numbers employed overall), and a decrease in numbers of unpaid family workers (-12.2%).

Growth in numbers of self-employed was stronger in the 1996 to 2001 period than 2001 to 2006.

Labour statistics based on the Linked Employer-Employee data (LEED) found that between 2001 and 2006, there was an overall drop in New Zealand in the numbers of self-employed overall that was mostly driven by the drop in numbers of self-employed in the agriculture, forestry and fishing industry, which fell 'substantially' during that time. However, there was high growth in self-employment (as well as in wage and salary earners) in the construction industry and in property and business services during that time. The increase in the number of self-employed people in property and business services was driven by marketing and business management services and real estate agencies.¹²

Demographic characteristics of employment status groups

In line with the general employment patterns across the various demographic groups in the Auckland region, patterns in employment status are also evident. The following section presents a brief overview of the key demographic differences among employees, employers, and unpaid family workers in the Auckland region by age, sex and ethnicity.

Paid employees are the largest group in the region at 79.3% of all employed. While there is no significant difference at the regional level across age and sex, there is a distinct difference by ethnicity. Pacific and Maori workers are more likely than other ethnic groups to be paid employees (93.2% of Pacific workers and 87.7% of Maori were paid employees).

¹² Refer to Statistics NZ 2006 report 'Employment, Earnings and Income Statistics from LEED' on their website for more detail : www.stats.govt.nz.

Employers and self-employed make up a smaller group and are more likely to be

- Male (70.5% of employers were male)
- Aged over 30 years
- Of European or 'other' ethnicity.

Unpaid family workers are a very small proportion of the workforce but are more likely to be

- Female (58.4% of unpaid family workers were female)
- There was a slightly higher proportion among the Asian ethnic group.

Figure 16: Employment status by sex (%) (2006)

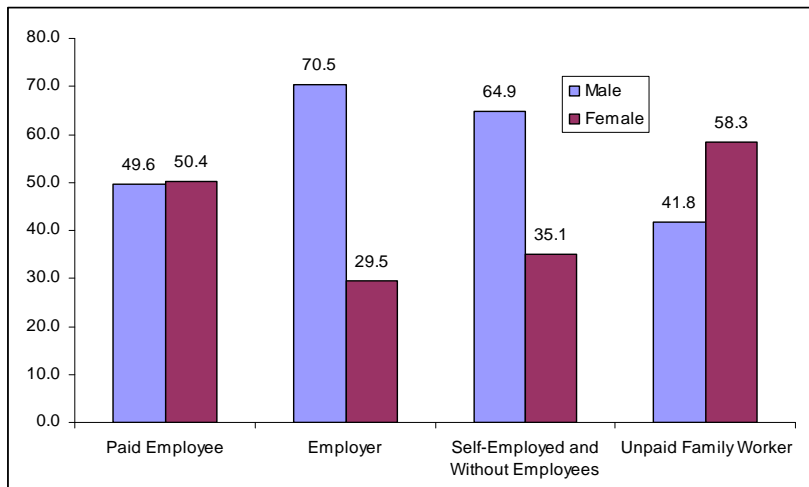


Table 9: Ethnic group by employment status (%) (2006)

	Paid Employee	Employer	Self-Employed and Without Employees	Unpaid Family Worker	Total
European	77.4	7.4	14.0	1.2	100
Māori	87.7	3.4	7.7	1.3	100
Pacific Peoples	93.2	1.5	4.2	1.1	100
Asian	79.0	6.1	12.4	2.5	100
MELAA	81.1	5.2	12.2	1.5	100
Other Ethnicity	74.9	8.9	14.8	1.4	100
Not Elsewhere Included	77.5	6.1	14.1	2.3	100
Total	79.3	6.6	12.7	1.5	100

Not elsewhere included responses are not included

People could choose more than one ethnicity, so these categories are not mutually exclusive.

Employment status by industry

Employment status varies across industry sectors. This will be a reflection of the size and nature of businesses in these industries – for example, whether public or private, and whether they are characterised by large or small units.

Some industries have relatively high rates of self-employed people, particularly construction (25.4% of all those employed in this industry were self-employed), agriculture (24.3% - although the numbers employed in this sector are generally small), cultural and recreational services (20.4%) and property and business services (19.4%).

There was a relatively high proportion of unpaid family workers in the agriculture sector (12.8%), and (to a lesser degree) in the retail trade (2%) and accommodation and food services sector (1.8%). All of these sectors lend themselves to smaller, family owned and operated business units.

Table 10: Employment status by industry (%) (2006)

	Paid Employee	Employer	Self-Employed and Without Employees	Unpaid Family Worker	Total
Agriculture, Forestry and Fishing	51.0	11.9	24.3	12.8	100
Mining	89.2	2.9	7.2	0.7	100
Manufacturing	86.0	6.3	7.1	0.6	100
Electricity, Gas and Water Supply	92.0	1.3	6.5	0.2	100
Construction	60.4	12.9	25.4	1.3	100
Wholesale Trade	85.5	7.0	6.8	0.7	100
Retail Trade	78.9	9.1	10.1	2.0	100
Accommodation, Cafes and Restaurants	85.9	7.6	4.7	1.8	100
Transport and Storage	83.3	4.6	11.4	0.7	100
Communication Services	86.6	2.1	10.9	0.4	100
Finance and Insurance	88.7	3.2	7.6	0.5	100
Property and Business Services	70.7	8.4	19.7	1.1	100
Government Administration and Defence	96.6	0.3	3.0	0.1	100
Education	93.9	1.3	4.5	0.2	100
Health and Community Services	87.6	4.2	7.7	0.4	100
Cultural and Recreational Services	74.5	4.2	20.4	0.9	100
Personal and Other Services	74.5	6.0	18.1	1.3	100
Total	79.3	6.6	12.7	1.5	100

Full and part-time workers

Overall, 78.9% of those who were employed as at the 2006 Census stated they were employed full-time in their main job (e.g. 30 hours or more per week), and 21% stated they were part-time.¹³ These proportions are similar to New Zealand as a whole (77.1% full-time and 22.9% part-time).

These overall proportions have remained consistent since 1996.

Women were significantly more likely than men to state their main job was in part-time employment (30.8% of women employed compared with 12.5% for men). Among TAs, the highest proportion was found among women living in Rodney District (38%).

The industries with highest rates of part-time workers were:

- Accommodation, Café and Restaurant Services (38.3%)
- Retail Trade (34.5%)
- Cultural and Recreational Services (32.4%)
- Education (30.8%)
- Health and Community Services (30.9%)

Women are over-represented in all of these industries, particularly health and community services (80.7% of persons employed are women) and education (72.4%).

Numbers of hours worked

The number of jobs that individual workers have at any time and the amount of hours per week that workers spend at their paid labour varies across demographic groups, industries and occupations.¹⁴

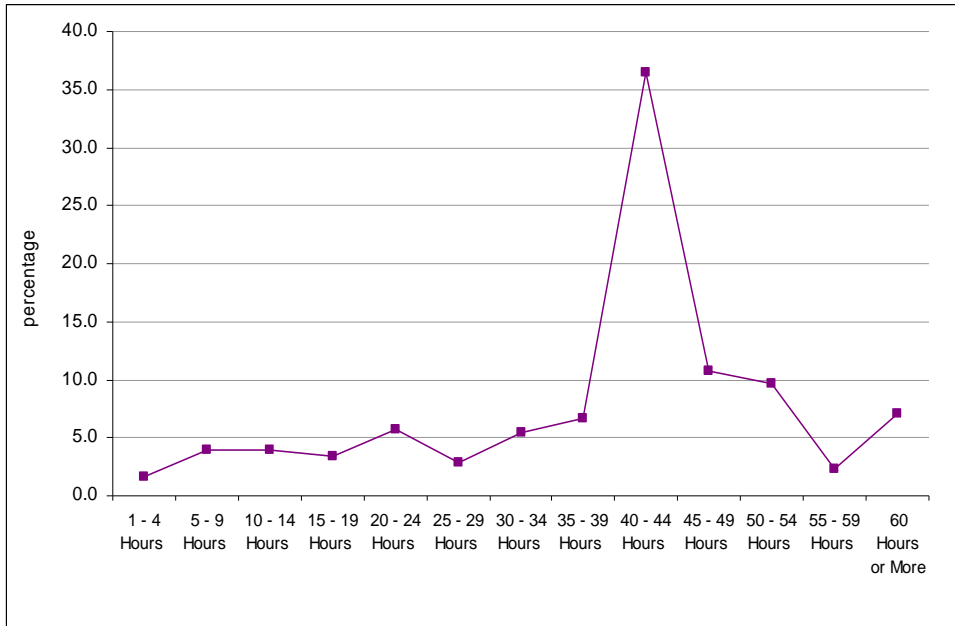
With respect to total numbers of hours worked per week (regardless of number of jobs) a third of workers in Auckland region (35.6%) stated that they work 40 to 44 hours in total per week (see Figure 17).¹⁵ While the number of hours worked by those who worked less than 30 hours per week in total (part-time) were quite varied, most of those employed full-time (30 hours or more) stated that they worked 40 to 49 hours.

¹³ Full-time is defined by Statistics New Zealand as 30 hours or more per week, and part-time as less than 30 hours per week. This can therefore include those who worked one hour per week. About a quarter of those employed part time worked only one to 9 hours.

¹⁴ Census data provides information only on hours worked in main job and in other jobs, as reported by individuals on their Census form. It can't provide information about conditions of employment and contractual basis of employment in those part time jobs.

¹⁵ Statistics New Zealand reports that about 9% of respondents who gave a valid response to 'hours in all other jobs' gave the same figure for hours in their main job. Testing showed that some respondents interpreted the 'hours in all other jobs' category as asking for total hours – with the result that they give the same hours figures twice (eg '40', '40'). Therefore some caution needs to be taken when interpreting these results.

Figure 17: Hours worked per week, total employment (2006)



A sizeable proportion of the workforce stated they worked 60 hours or more in their main job (7.1% or almost 42,000 workers). There were relatively high proportions of these workers among the following occupational categories:

- Farmers and Farm Managers
- Road and Rail Drivers
- Chief Executives, General Managers and Legislators
- Mobile Plant Operators
- Hospitality, Retail and Service Managers
- Protective Service Workers

And in the following industries:

- Mining (very small numbers though)
- Agriculture, Forestry and Fishing
- Transport and Storage
- Construction

Multiple job holding

Multiple job holding is a significant feature of the contemporary New Zealand labour market. It is not possible to identify the number of jobs that persons hold through Census data, however LEED found that in the 2006 tax year, a quarterly average of 5% of wage and salary workers reported having two or more jobs – 4.7% had two jobs and just 0.3% had three or more.¹⁶

LEED also found that in line with the dominance of women in part-time work, people with more than one job are more likely to be female than male. Females made up 65% of those with two jobs and 72% of those with three or more jobs. Across all age groups, females were more likely to hold multiple jobs than male workers. (However, at the aggregate level females earned less than males for each job holding, regardless of how many jobs they held (Statistics NZ 2006:56).

Compared with other regions, the Auckland region has below-average worker turnover rates and rates of multiple job holding (along with Taranaki and Wellington regions). This is explained in large part by the region's industrial structure - the Auckland region has very low proportions of workers in the agricultural, forestry and fishing industry. This industry was well above average in multiple job holding, short-tenure jobs and worker turnover. The Auckland region also had a high proportion of workers in the wholesale trade, which has below average multiple job holding, short tenure jobs and worker turnover.¹⁷ See Figure 18 below for comparison with other New Zealand regions.

Figure 18: Employment characteristics of New Zealand regions (March 2006 year)

		Short job tenures and worker turnover rate	
		<i>Below average</i>	<i>Above average</i>
Multiple job holding	<i>Below average</i>	Auckland Taranaki Wellington	Northland Waikato Bay of Plenty
	<i>Above average</i>	Manawatu-Wanganui Nelson West Coast Canterbury	Gisborne Hawkes Bay Tasman Marlborough Otago Southland

Figure taken from LEED report 2007: 13.

¹⁶ LEED identifies multiple job holding as the annual average of people employed in at least two jobs on the 15th day of the middle month of each quarter of the 2006 tax year.

¹⁷ Worker turnover rate is also an annual average of the quarterly rate through the 2006 tax year. The worker turnover rate is the number of workers moving in and out of employment as a proportion of all jobs.

Concluding comments

This report has traced the broad shape and size of employment in the Auckland region. It shows that overall, labour force participation is strong and employment levels are high. The largest numbers of residents are employed in the property and business services sector, manufacturing and retail trade. There has been significant growth in numbers employed in the construction and property and business services sectors in particular in recent years, while there has been a slow-down in numbers employed in manufacturing. Some overall implications and challenges for the Auckland region are discussed below.

The combination of a growth in jobs, high labour force participation and high levels of employment has resulted in a tight labour market in the region and across in New Zealand, which has positive benefits for those employed but which also sets up challenges and implications for employers and for future economic growth. Many employers report difficulties finding staff with the right skills. For example, the December 2007 Quarterly Survey of Business Opinion undertaken by New Zealand Institute of Economic Research (NZIER) found that 46% of firms had difficulty finding skilled staff and 33% had difficulty finding unskilled staff. Further, a shortage of labour was the main constraint on expansion for 21% of firms.

A discussion paper on a New Zealand Skills Strategy released in April 2008 by various agencies, including central government and business groups, notes that recent economic growth in New Zealand has largely been the result of increasing labour utilisation – that is, more people working and more people working longer hours – but that labour productivity growth has been low for many years. Continued economic growth will depend on significant increases in labour productivity. This is a long-term challenge and the draft strategy proposes addressing this through a variety of approaches including workplace training. Ensuring the right mix of skills and jobs is available when required will be an on-going challenge for the Auckland region.

Skills and labour shortages are alleviated in part by importing labour, and the Auckland region, as well as the wider New Zealand economy, has benefited from the skills and experience provided by new migrants from a variety of countries as well as returning New Zealanders. However, New Zealand is competing in a global labour market and this competition is expected to tighten over the next 10 to 20 years as developed nations experience population ageing (ie: a variety of demographic factors including longer life expectancy, low fertility rates and large numbers of baby boomers in many developed nations have resulted in an increase in the size and proportion of elderly population compared to the working age population). The Auckland region will need to ensure it can compete internationally for labour not only through the provision of appropriate employment opportunities, competitive salaries and optimal work environments, but also by ensuring that the broader socio-cultural environment is encouraging and welcoming.

There is anecdotal evidence of under-employment among some migrant groups within the region. New non-English speaking migrants often face barriers to paid employment and rely on ethnic and family networks for social capital, and turn to self employment when unable to join the labour market as paid employees – while this has contributed significantly to diversity of economic activity in the region it also suggests that skills may be underused in these groups.

The other way to meet on-going and future demand for labour and skills is to ensure that the local labour force is encouraged into meaningful employment and is equipped to do so, particularly younger people. While levels of formal education qualifications among the working age population are generally higher now than they were a few decades ago, and qualification levels among school leavers in the Auckland region are relatively higher than the national average, there are some groups that are lagging behind. (In 2006, the proportion of young people aged 15 to 24 years in the Auckland region who were not in employment, education or training (NEET) was 12.8%). The inclusion of young Pacific and Maori people in the labour force and in employment will be particularly important. These two ethnic groups have significantly younger age structures and higher fertility rates than other ethnic groups and it is expected that they will constitute an increasing proportion of the local labour force as other ethnic groups experience population ageing, yet these groups are over-represented among those with no education qualifications and in lower skilled jobs.

The slow-down in the numbers employed in the manufacturing industry and as trades workers and machinery and plant operators in the region may have an impact on Pacific workers who are traditionally over represented in these areas. Older Pacific workers may be displaced as jobs are made redundant and younger Pacific peoples will need to be able to compete in a range of non-traditional occupations.

These are a few of the overall, top-line challenges facing the Auckland region, and more focused investigation will reveal the multi-faceted and complex trends and changes in labour force participation and employment within industry sectors and population groups.

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Appendix One

Geographic unit size by industry (ANZSIC96)

ANZSIC	Number of business units	0 employees	1 to 5 employees	6 to 9 employees	10 to 19 employees	20 to 49 employees	50 to 99 employees	100 employees or more	total
A Agriculture, Forestry and Fishing	5,520	79.8	15.5	1.9	1.5	0.9	0.3	0.0	100.0
B Mining	95	61.1	23.2	3.2	7.4	3.2	2.1	0.0	100.0
C Manufacturing	8,725	44.0	26.5	8.7	9.3	7.1	2.7	1.6	100.0
D Electricity, Gas and Water Supply	72	52.8	16.7	1.4	5.6	8.3	5.6	9.7	100.0
E Construction	16,681	68.8	23.3	3.4	2.6	1.3	0.4	0.2	100.0
F Wholesale Trade	9,625	45.6	29.7	9.3	8.6	4.9	1.5	0.6	100.0
G Retail Trade	16,283	44.9	34.6	9.6	7.3	2.5	0.6	0.6	100.0
H Accommodation, Cafes and Restaurants	3,727	32.9	30.5	11.6	13.7	9.2	1.4	0.7	100.0
I Transport and Storage	4,991	60.6	23.0	5.7	4.8	3.6	1.4	0.9	100.0
J Communication Services	1,420	75.9	12.4	2.3	2.8	3.9	1.3	1.5	100.0
K Finance and Insurance	11,184	85.4	8.5	1.8	2.1	1.4	0.4	0.4	100.0
L Property and Business Services	58,322	82.5	12.4	2.0	1.6	0.9	0.3	0.3	100.0
M Government Administration and Defence	291	3.8	13.1	12.7	15.8	26.1	16.2	12.4	100.0
N Education	2,331	29.0	23.3	11.5	12.5	15.4	4.4	3.8	100.0
O Health and Community Services	6,096	51.2	28.2	8.0	6.2	4.2	1.2	1.0	100.0
P Cultural and Recreational Services	5,029	74.7	14.6	3.3	3.7	2.3	0.8	0.5	100.0
Q Personal and Other Services	5,749	53.7	32.4	6.7	4.4	1.9	0.4	0.5	100.0
Total Industry	156,141	67.4	19.9	4.7	4.1	2.5	0.8	0.6	100.0

Source: Statistics NZ Business Demography

Where employee count = 0, this may include contractors or sole proprietors not paying themselves a salary.

Appendix Two

Employment by Industry (%) (1996, 2001, 2006)

Industry	1996	2001	2006	1996	2001	2006	% change between 1996 to 2006
	Numbers			Percentage			
Agriculture, Forestry and Fishing	10,887	9,846	9,534	2.4	2.0	1.6	-12.4
Mining	4,20	474	414	0.1	0.1	0.1	-1.4
Manufacturing	79,224	73,887	74,328	17.4	14.7	12.5	-6.2
Electricity, Gas and Water Supply	1,971	1,446	1,434	0.4	0.3	0.2	-27.2
Construction	29,439	33,837	44,724	6.5	6.7	7.5	51.9
Wholesale Trade	41,142	44,553	48,243	9.0	8.8	8.1	17.3
Retail Trade	59,409	62,697	73,011	13.0	12.4	12.3	22.9
Accommodation, Cafes and Restaurants	18,306	21,510	25,275	4.0	4.3	4.3	38.1
Transport and Storage	21,864	24,030	27,798	4.8	4.8	4.7	27.1
Communication Services	8,703	9,207	10,593	1.9	1.8	1.8	21.7
Finance and Insurance	19,023	21,336	28,317	4.2	4.2	4.8	48.9
Property and Business Services	61,329	77,955	102,888	13.5	15.5	17.4	67.8
Government Administration and Defence	16,146	13,689	15,141	3.5	2.7	2.6	-6.2
Education	28,746	37,554	43,698	6.3	7.4	7.4	52.0
Health and Community Services	29,289	37,623	44,622	6.4	7.5	7.5	52.4
Cultural and Recreational Services	11,619	14,772	19,050	2.6	2.9	3.2	64.0
Personal and Other Services	17,928	19,752	23,607	3.9	3.9	4.0	31.7
Not Elsewhere Included	32,889	29,688	35,163	-	-	-	-
Total Industry	488,328	533,853	627,834	100.0	100.0	100.0	28.6

Note: Not elsewhere included responses are not included in calculation of percentages

Appendix Three

Occupation by industry (%) (2006)

	Managers	Professionals	Technicians and Trades Workers	Community and Personal Service Workers	Clerical and Administrative Workers	Sales Workers	Machinery Operators and Drivers	Labourers	Total
2006 Total Number	106,185	134,448	75,294	45,759	85,362	64,374	35,916	46,575	627,834
Mining	0.1	0.0	0.1	0	0.1	0	0.4	0.1	0.1
Manufacturing	11.6	4.9	23.6	1.8	8.7	5.6	31.5	26.2	12.2
Electricity, Gas, Water and Waste Services	0.5	0.4	0.4	0	0.5	0.4	1.1	0.6	0.4
Construction	10.9	2.1	24.7	0.8	5	1.2	8.7	11.8	7.8
Wholesale Trade	12.5	4.3	4.1	0.8	10.2	12.1	13.5	5.6	7.8
Retail Trade	13.2	2.4	5.3	2.4	5.2	42.6	5.9	8.7	10.2
Accommodation and Food Services	6.2	0.8	6.6	19.1	1.8	5.3	1.4	10.4	5.3
Transport, Postal and Warehousing	3.7	1.7	1.7	4.1	8.9	3.4	25.2	4	5
Information Media and Telecommunications	3.5	5.4	2.9	0.3	3.2	2.4	0.7	1.5	3.1
Financial and Insurance Services	6.1	5.6	1	0.8	11	5	1.3	1.2	4.9
Rental, Hiring and Real Estate Services	3.8	1.6	1.5	1	3.4	10.9	1.5	2.3	3.3
Professional, Scientific and Technical Services	10.6	22.3	6.7	2.3	14.8	3.8	2.6	2.5	11
Administrative and Support Services	3.8	2.9	2.3	7.2	5.4	2.4	2.2	13.6	4.4
Public Administration and Safety	2.2	3.3	2.1	12.9	5.4	1.3	0.4	0.7	3.4
Education and Training	3.8	21.1	1.8	11.4	4.7	0.6	0.3	2.8	7.7
Health Care and Social Assistance	2.5	16.5	2.6	23.8	6.7	0.6	0.6	2.9	7.6
Arts and Recreation Services	1.6	1.7	1.3	6.3	1.4	0.8	0.3	1.4	1.7
Other Services	3.4	3.1	11.3	5.2	3.7	1.4	2.3	3.6	4.2
Total	100	100	100	100	100	100	100	100	100

Note: Not elsewhere included responses are not included.

