



employment

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Employment

Employment is important in earning an income, connecting with others, and enjoying personal feelings of satisfaction. This section looks at Auckland's employment landscape, the wealth of knowledge and skills enjoyed by Aucklanders, challenges and barriers to better employment, and predictions for the future.

The Employment Landscape in Auckland

The Auckland region has approximately 31% of all business sites in New Zealand (Bascand, 2010a, p. 1), and this percentage has been relatively constant over the past few years (Social and Economic Research and Monitoring Team, 2008, p. 3). However, employee numbers have changed significantly during recession, with those in paid employment dropping from 669,700 in 2008 to 642,600 in 2010 (Statistics New Zealand, 2010a). Current numbers account for 32% of the paid employees in New Zealand (Bascand, 2010a, p. 4). This is about the same as the percentage of the New Zealand population who lives in Auckland.

Auckland's employment landscape is different from the rest of the country, with a bias towards jobs requiring higher skill levels (Committee for Auckland, 2008a, p. 7). This is reflected in Auckland's most prominent industries.

Auckland's Industries

Auckland's industries provide a range of employment opportunities. More than half of the labour force are employed within four industries: property and business services, manufacturing, retail trade and wholesale trade (Social and Economic Research and Monitoring Team, 2008, p. 3). More than 12% of Aucklanders are employed in manufacturing, making it the biggest single occupational group (ARC, 2010, p. 28). Manufacturing was also the sector worst hit by the recession, with a 5.2% decrease in employment from 2009/10, leading to over 4000 job losses (Bascand, 2010a, p. 5).

The retail trade and the hospitality sector have also had sharp decreases in employment during the recession (ARC, 2010, p. 2). This has impacted disproportionately on youth, as these industries (along with manufacturing and property and business services) are the biggest employers of youth (Department of Labour, 2008, p. 42).

Workforce: Skills

Auckland has greater demand for higher skilled workers than other areas of New Zealand, particularly in occupations such as administrators, professionals, technicians, legislators and managers (MSD, 2008, pp. 13–14). There has also been an increase in demand for skilled tradesmen, reflecting a nationwide skills shortage (Department of Labour, 2008, pp. 50–51). The challenge of finding and recruiting skilled workers has lessened as demand from employers has fallen and unemployment risen over the past few years. Auckland businesses will face increasing skills shortages as the economy recovers (Infometrics Ltd, 2009, p. 7) and more generally into the future.

Auckland's high number and variety of educational institutions provide pathways for increasing the numbers of skilled employees, as does Auckland's high levels of highly skilled international migrants (Infometrics Ltd, 2009, p. 6). However, there are often challenges in getting overseas qualifications recognised in New Zealand.

For the most part, Aucklanders feel positive about their knowledge, skills and abilities for employment, with close to 87% feeling 'satisfied' or 'very satisfied' (see Appendix table A8). Yet there remain significant challenges with basic literacy and numeracy skills. (For more information, see the *Education* section.) Employers recognise that having these basic skills reduces mistakes and waste and can lead to improved health and safety practices (Sutton and Vester, 2010, p. 7). Business and the Industry Training Federation note that these skills are key requirements for elementary-level positions (Committee for Auckland, 2008a, p. 8) and low levels can act as significant barriers to finding employment and rising to higher paying positions.

Income

Auckland's income level is approximately 7% higher than the rest of New Zealand's (ARC, 2010, p. 3). However, the cost of living in Auckland is also higher (see Appendix table A9). There has been an increase in average weekly earnings (to \$949 in 2010), following a slight drop of \$7 from 2008 to 2009 (Statistics New Zealand, 2010a). Average earnings do not reflect the income inequality in Auckland, which is higher than the OECD average (OECD, 2008). (For more information on income inequality and distribution, see the *Economic Well-being* section).

Employment

From 1993 to 2008 there was an uninterrupted increase in employment in the Auckland region, with growth averaging around 3.5% (Infometrics Ltd, 2009, p. 18). Growth in employment



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exceeded population growth for this period. However, from 2008 to 2010 there has been a decrease of 4% in employment (Statistics New Zealand, 2010a).

Unemployment

The decrease in employment since 2008 has seen a growing number of Aucklanders facing unemployment, with the jobless rate peaking in June 2010 at 8.7% (Statistics New Zealand, 2010b). At the end of 2010, 51,100 Aucklanders were unemployed (Department of Labour, 2010, pp. 2,5).

Unemployment Inequality

Unemployment does not affect all Aucklanders equally because it is not spread evenly across the region – the lowest rates of unemployment are in the north of Auckland and highest rates in the south (see Appendix table A3). This trend is expected to worsen, with forecasts showing that population growth in south Auckland is increasing at a significantly faster rate than jobs are being created (Committee for Auckland, 2008a, p. 8).

Unemployment Myths

There is a stereotype that those receiving the unemployment benefit are not interested in finding employment. In reality, the numbers of people looking for work suggests many unemployed Aucklanders desperate for work. For example, in 2010 when a new supermarket opened in south Auckland, more than 2500 people queued up to apply for the 150 positions (Orsman and Eriksen, 2010).

Youth Unemployment

Youth are disproportionately affected by unemployment across the whole of Auckland. There have been more than 9000 jobs losses for teenage workers over the past two years (ARC, 2010, p. 14). Unemployment rates for youth in south Auckland are consistently higher than youth in the rest of Auckland (Department of Labour, 2008, p. 6).

NEET – Not Engaged in Education, Employment or Training

NEET rates for Auckland youth (12.8%) are similar to the national average (12.5%) despite Auckland's higher rates of educational achievement (Department of Labour, 2008, p. 26). NEET rates are significantly higher in south Auckland than the rest of the region, with up to one in five young people in Papakura not engaged in education, employment or training (Department of Labour, 2008, p. 26).



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Supporting young Aucklanders into employment and training is an important priority as the sooner in life someone receives a benefit, the higher the risk of long-term benefit dependency (ARC, 2010, p. 10).

Unemployment Benefits

In September 2010, there were 22,109 working-aged people receiving unemployment benefits across Auckland (MSD and Department of Labour, 2010, p. 1). Unemployment benefits are unevenly distributed in Auckland by geographic area, ethnicity, gender and age. The majority of recipients live in south Auckland, followed by central Auckland, whereas there are fewer recipients in the west and fewer still in the north (see Appendix table A3). Males are overrepresented (70.6%), as are Maori (27.1%) and Pacific Aucklanders (21.9%) (MSD and Department of Labour, 2010, p. 5).

Approximately 16% of the working-age population in Auckland are under 25 years; however, those under 25 currently make up 30.2% of Aucklanders receiving unemployment benefits (MSD and Department of Labour, 2010, p. 5). The greatest numbers of youth benefit-recipients are in south Auckland (more than 3000), followed by central (2149) and west Auckland (1381) (ARC, 2010, p. 10).

Long-term Unemployment

Long-term unemployment-benefit dependency is a challenge, with 26.7% of recipients having received a benefit for 1–4 years, 3.1% for 4–10 years, and 1.6% for more than 10 years (Centre for Social Research and Evaluation, 2010). As unemployment benefits are designed to support people through transition periods, the amount of money allocated is very little in relation to costs of living in Auckland. For example, in January 2011 the weekly unemployment benefit for a single 20–24 year-old or a person in a married, civil union or de facto relationship is \$161.76 (after tax) (Work and Income New Zealand, 2010). Consequently, those with long-term benefit dependency are likely to struggle financially to meet their – and their families’ – basic needs. This can be seen in relation to food-bank use, where approximately 80% of users are reliant on benefit income (St John and Wynd 2008, p. 41). It is not surprising that there is a correlation between high proportions on benefits and high areas of deprivation in Auckland (see Appendix table A3).

Returning to the Workforce

Many Aucklanders will move in and out of the workforce due to a variety of reasons, including parenting responsibilities, injury or illness, ‘OE’s (overseas experiences), education or incarceration. Supporting Aucklanders through these transitions requires addressing a variety of issues. For example, Auckland mothers report challenges around psychological readjustment, child care (including the expense) and breastfeeding (Toft and McNabb, 2007, pp. 12–13). For those released from prison, challenges include a



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lack of education, training or qualifications, low employment expectations, substance abuse and disability (Department of Corrections, 2009, p. 7).

Underemployment

There is no definitive measure of underemployment for Auckland, and its impact is often underestimated. At its most narrow definition, underemployment refers to a person who is working but cannot find enough hours of work to meet their requirements (ARC, 2010, p. 13). In 2010, approximately one in five part-time employees want to work more hours (Bascand, 2010b, p. 6). In a broader sense, underemployment may refer to a person's education or skills being underutilised, or their income being lower than it should be according to the market. When considered within this broader definition, underemployment is particularly problematic for migrants (MSD, 2008, p. 13). Approximately 45% of the employed skilled migrants work in the Auckland region (Barbera, 2010, p. 5) but many face complications with unrecognised overseas qualifications; consequently, many cannot attain employment in their field of expertise or at a level which matches their skills and experience (Committee for Auckland, 2008b, p. 21). This can result in lower job satisfaction and lower income for migrants, and contributes to skill-shortage problems in the region.

Employment is More than Just 'Work'

Employment is more than just 'work'. It can act as means of connecting people to their communities, meeting social needs, gaining work experience, and achieving economic independence (MSD, 2008, p. 3). It also gives a sense of personal satisfaction. More than 89% of Aucklanders are 'satisfied' or 'very satisfied' with their employment arrangements and almost all Aucklanders feel safe at work. More than half state that given the opportunity to change their work arrangements they would still rather work the same hours for the same pay (see Appendix table A8).

Auckland's Employment Landscape in the Future

While it is challenging to accurately forecast the upcoming changes in Auckland's economic, industrial and employment landscapes, forecasts are an important part of planning for Auckland's future. The working-age population of Auckland is expected to grow significantly over the next two decades, with a yearly average of 1.5% in the south, 1.1% in central and west Auckland, and 0.9% in the north (Galvin, 2010, p. 9). International migration will play an important role in this growth, particularly in relation to high-skill labour (Infometrics Ltd, 2009, p. 6).



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In the short term, as Auckland recovers from the recession, there are expected to be more job opportunities in certain sectors, including business services, the retail sector (with 26% of jobs for managers), wholesale trade and manufacturing. It is predicted that while there will still be a need for lower-skilled jobs, there will be an increase in jobs that require higher levels of skills (Auckland Regional Council, 2009, p. 16).



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