

Businesses, Employment and Unemployment

| Key Information | Why is this Useful? | What is Happening? |
|---|---|---|
| Total number and type of businesses in Christchurch City. | This is a measure of economic diversity and can provide insight into employment opportunities within the local economy. | ↑ Overall, the total number of businesses in Christchurch increased by 3.6 per cent from 22,740 to 23,574 between 1997 and 1999. |
| Total employment in the City. | Employment numbers provide insight into a local economy's ability to retain and create jobs. | ↑ The City's work-force increased from 154,880 to 158,850 between 1997 and 1999. This was an increase of just under 2 per cent during this period. |
| Unemployment rate. | The unemployment rate is the number of unemployed expressed as a percentage of the labour force (employed and unemployed). This statistic is useful to determine labour market trends. It is a traditional measure of economic conditions and is often used as an indicator of a population's well-being. | ↓ According to the Household Labour Force Survey, unemployment in Canterbury declined between June 1998 and 1999 from 7.6 per cent to 7 per cent. |

Other Related Sections: Population Growth, Profile of Christchurch Residents, Part 3: The City's Economy, Education, Land Use, Air Quality, The Built Environment, Energy, Transportation, Waste Management.

Businesses

Businesses are a key component of the City's economy and are vital for its continuing prosperity. In 1999, 19 of the 200 top ranking New Zealand companies (by annual turnover) were based in

Christchurch. Together these made a significant contribution to the local and national economy (Table 3.1).

Table 3.1 Top 200 Companies with Head Offices in Christchurch, 1999³

| Rank | Company Name | Turnover \$ |
|------|--|-------------|
| 19 | Foodstuffs (South Island) | 1,060,511 |
| 29 | Christchurch City Holdings (100% CCC) | 699,874 |
| 37 | Orion New Zealand (87% CCH) | 575,976 |
| 39 | South Island Dairy Co-operative | 565,725 |
| 68 | PDL Holdings (55% SF) | 320,916 |
| 78 | Ravensdown Corporation | 262,647 |
| 80 | Pyne Gould Corporation | 236,991 |
| 89 | Milburn New Zealand | 205,479 |
| 101 | LWR Industries (66% BIL) | 158,238 |
| 110 | Smiths City Group | 139,745 |
| 119 | Donaghys | 116,428 |
| 121 | New Zealand Wool Services International | 114,759 |
| 149 | G L Bowron and Co | 77,916 |
| 150 | Market Gardeners | 77,884 |
| 155 | Ebos Group | 72,314 |
| 180 | Aoraki Corporation (94% GSFI) | 59,094 |
| 183 | Lyttleton Port Company (66% CCH) | 55,274 |
| 190 | Christchurch International Airport (75% CCH) | 51,361 |
| 191 | Main Power New Zealand (100%MT) | 51,151 |

Between February 1997 and 1999 the number of businesses in Christchurch increased by 834 (3.6 per cent) from 22,740 to 23,574⁴. The main contributors to this rise were *property and business services* and the *health and community services* industry groups which increased by 641 and 181 business units respectively. In contrast, a number of groups declined including *construction* (-61), *finance and insurance* (-47) and *transport and storage* (-32).

In 1999 *property and business services* was the largest industry group in the City comprising 6,606 business units. This group is made up of units predominantly engaged in renting and leasing assets, as well as those engaged in providing a wide variety of business services.

Retail trade (3,420) was the second largest group of businesses in the City in 1999. It was followed by *construction* (2,583) and *manufacturing* (2,172) (Table 3.2).

Employment

Christchurch has a large and diverse work-force which includes people who live within the City and also workers from surrounding districts. In February 1999, 158,860 people were employed within Christchurch.

³ Abbreviations: **CCC** Christchurch City Council, **CCH** Christchurch City Holdings, **SF** Stewart Family, **BIL** Brierley Investments, **GSFI** Gil Simpson & Family Interest, **MT** Main Power Trust.

⁴ Long-term trend data has not been provided because of changes in the Business Frame coverage.

See Statistics New Zealand's Australian and New Zealand Standard Industrial Classification (New Zealand Version) for a breakdown of industrial groups.

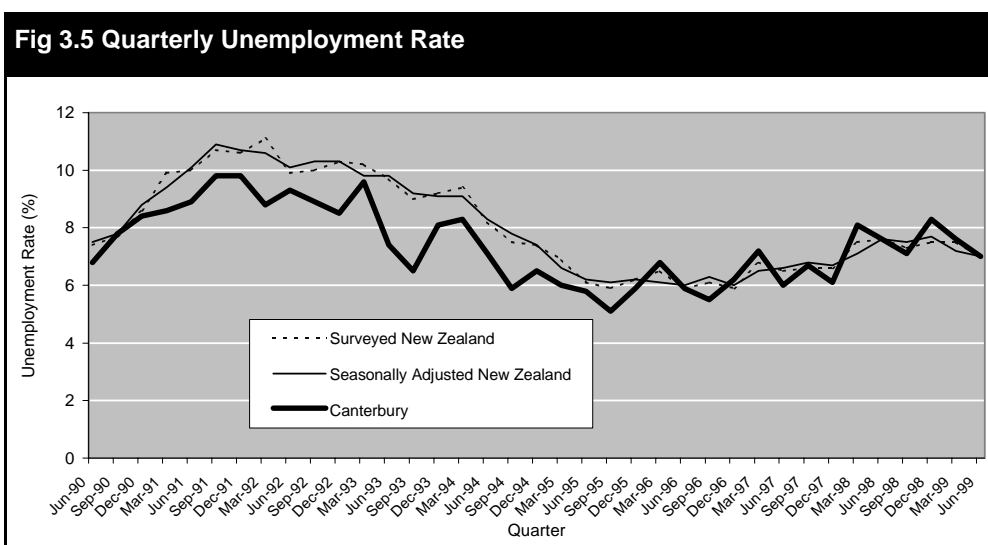
Source: 1999 Top 2000 New Zealand Companies, Management Magazine and Deloitte Consulting, Management December 1999.

| Table 3.2 Total Number of Businesses in Christchurch City | | | |
|---|---------------|---------------|---------------|
| Type of Business* | 1997 | 1998 | 1999 |
| Agriculture, Forestry and Fishing | 175 | 165 | 179 |
| Mining | 22 | 22 | 22 |
| Manufacturing | 2193 | 2,208 | 2,172 |
| Electricity, Gas and Water Supply | 22 | 21 | 20 |
| Construction | 2,644 | 2,675 | 2,583 |
| Wholesale Trade | 2,005 | 2,050 | 2,015 |
| Retail Trade | 3,416 | 3,527 | 3,420 |
| Accommodation, Cafes and Restaurants | 640 | 670 | 691 |
| Transport and Storage | 987 | 1,004 | 955 |
| Communication Services | 295 | 319 | 311 |
| Finance and Insurance | 911 | 899 | 864 |
| Property and Business Services | 5,965 | 6,572 | 6,606 |
| Government Administration and Defence | 133 | 137 | 133 |
| Education | 457 | 472 | 471 |
| Health and Community Services | 1,196 | 1,283 | 1,377 |
| Cultural and Recreation Services | 615 | 632 | 641 |
| Personal and Other Services | 1,064 | 1,109 | 1,114 |
| Total all Industries | 22,740 | 23,765 | 23,574 |

*Note: 1997 Business Frame coverage for 1997, 1998 and 1999 years. Businesses refers to those which are economically significant ie

- greater than \$30,000 annual GST expenses
- more than two full-time equivalents paid employees
- in a GST exempt industry except residential property leasing and rental
- part of a group of enterprises
- new GST registration that is compulsory, special or forced (this means that the business is expected to exceed the \$30,000 boundary).
- registered for GST and is involved in agriculture or forestry.

*Australia New Zealand Standard Industrial Classification.



Source: Statistics New Zealand, Household Labour Force Survey.

PART 3. THE CITY'S ECONOMY

Table 3.3 Number of Employees in Christchurch City by Industry

| Type of Business* | 1997 Full-time | 1997 Part-time | 1997 Total | 1998 Full-time | 1998 Part-time | 1998 Total | 1999 Full-time | 1999 Part-time | 1999 Total |
|---------------------------------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|
| Agriculture, Forestry and Fishing | 418 | 194 | 612 | 276 | 157 | 433 | 266 | 156 | 422 |
| Mining | 98 | 12 | 110 | 127 | 15 | 142 | 143 | 12 | 155 |
| Manufacturing | 26,335 | 3,187 | 29,522 | 25,410 | 3,310 | 28,720 | 25,355 | 3,363 | 28,718 |
| Electricity Gas and Water Supply | 816 | 60 | 876 | 528 | 65 | 593 | 401 | 47 | 448 |
| Construction | 8,290 | 1,140 | 9,430 | 8,510 | 1,190 | 9,700 | 8,020 | 1,100 | 9,120 |
| Wholesale Trade | 9,920 | 1,935 | 11,855 | 9,900 | 2,075 | 11,975 | 9,090 | 1,940 | 11,030 |
| Retail Trade | 12,270 | 8,990 | 21,260 | 12,040 | 9,210 | 21,250 | 12,240 | 9,130 | 21,370 |
| Accommodation, Cafes and Restaurants | 3,430 | 4,890 | 8,320 | 3,490 | 5,220 | 8,710 | 3,500 | 5,760 | 9,260 |
| Transport and Storage | 5,973 | 1,302 | 7,275 | 5,930 | 1,651 | 7,581 | 5,444 | 1,590 | 7,034 |
| Communication Services | 2,450 | 510 | 2,960 | 2,270 | 580 | 2,850 | 2,260 | 615 | 2,875 |
| Finance and Insurance | 3,326 | 1,041 | 4,367 | 3,301 | 1,106 | 4,407 | 3,266 | 968 | 4,234 |
| Property and Business Services | 10,950 | 6,670 | 17,620 | 11,550 | 7,040 | 18,590 | 12,290 | 7,450 | 19,740 |
| Government Administration and Defence | 3,510 | 545 | 4,055 | 3,800 | 755 | 4,555 | 4,000 | 395 | 4,395 |
| Education | 7,480 | 3,285 | 10,765 | 7,400 | 3,635 | 11,035 | 7,460 | 4,220 | 11,680 |
| Health and Community Services | 8,230 | 8,230 | 16,460 | 8,440 | 8,570 | 17,010 | 8,870 | 8,765 | 17,635 |
| Cultural and Recreation Services | 2,045 | 2,010 | 4,055 | 2,130 | 2,230 | 4,360 | 2,365 | 2,985 | 5,350 |
| Personal and Other Services | 3,906 | 1,355 | 5,261 | 3,898 | 1,365 | 5,263 | 3,864 | 1,465 | 5,329 |
| Total all Industries | 109,500 | 45,370 | 154,870 | 109,000 | 48,160 | 157,160 | 108,840 | 50,020 | 158,860 |

See Note for Table 3.2

*Australia New Zealand Standard Industrial Classification.

The total work-force increased by 3,990 or 2.6 per cent between 1997 and 1999⁴.

The *property and business services* (2,120), *cultural and recreation services* (1,295), and *health and community services* (1,175) groups accounted for most of the growth in the numbers employed. Offsetting these increases was a decline in those employed in groups including *wholesale trade* (-825), *manufacturing* (-804), and *electricity gas and water supply* (-428).

Total numbers employed varied across industry groups. In 1999 businesses involved in *manufacturing*

(28,718), *retailing* (21,370) and *property and business services* (19,740) employed the greatest number of people.

In line with national trends, growth in the total work force has been accompanied by a progressive shift in the type of employment offered within the local economy. Between 1997 and 1999 full-time employment decreased by 660 workers or just under 1 per cent, while part-time employment increased by 4,650 or 10.2 per cent (Table 3.3). There has also been a slight increase in the level of self-employment within the economy during this period. Numbers grew from 23,370 to 23,720.

Unemployment

Unemployment in Canterbury

Statistics New Zealand's Quarterly Household Labour Force Survey (HLFS) is New Zealand's official measure of unemployment. It provides information on long-term unemployment trends at national level. Regional estimates are also produced, although these are affected by higher estimation errors. Territorial local authority unemployment data from the HLFS is available but is not provided in this report because of unacceptably high error rates^{5,6}.

The unemployment rate measures the total number of unemployed as a proportion of the overall labour force. The HLFS shows that Canterbury's unemployment rate was consistently lower than the national rate throughout the early to mid-1990s. Since then it has generally followed the national pattern (Figure 3.5).

Unemployment in Canterbury totalled 19,234 people at June 1999. The unemployment rate for the region was 7.0 per cent at the June quarter compared with 7.6 per cent 12 months earlier.

Canterbury had a lower unemployment rate than many other parts of New Zealand at June 1999. Compared with the other Household Labour Force Survey regions, Canterbury ranked in ninth position in terms of the percentage of the labour force unemployed (Table 3.4). The New Zealand unemployment rate was 7.0 per cent at the same time. (Note these figures have not been seasonally adjusted.)

Registered Unemployed in Christchurch City⁷

Registered unemployment data from Work and Income New Zealand (WINZ) is another source of unemployment data. Although it is not considered an 'official measure', it can provide some valuable insight into local conditions.

WINZ data show that at the end of June 1999, 18,876 unemployed people were registered at Christchurch WINZ service sites. At the same time 21,478 unemployed people were registered in Canterbury and

Table 3.4 Unemployment Rate by Region

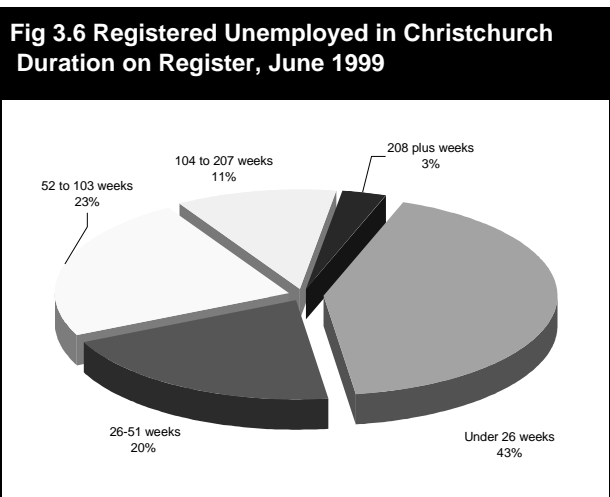
| Region | June 1998 | June 1999 |
|--------------------------------------|------------|------------|
| Northland | 10.8 | 13.1 |
| Auckland | 7.7 | 6.2 |
| Waikato | 7.8 | 8.1 |
| Bay of Plenty | 11.8 | 10.2 |
| Gisborne/Hawke's Bay | 8.6 | 6.9 |
| Taranaki | 7.9 | 5.9 |
| Manawatu-Wanganui | 6.7 | 5.6 |
| Wellington | 5.2 | 6.5 |
| Tasman/Nelson/Marlborough/West Coast | 3.9 | 3.9 |
| Canterbury | 7.6 | 7.0 |
| Otago | 6.7 | 6.8 |
| Southland | 6.1 | 6.1 |

Source: Statistics New Zealand, Household Labour Force Survey.

213,760 New Zealand-wide.

During the year to June the number of unemployed people in the City generally trended upwards increasing by 1,794. However, this pattern may not necessarily indicate greater numbers out of work. Rather, it may reflect the impact of WINZ administrative changes which resulted in a gradual expansion of the numbers of beneficiaries who are required to be work tested and therefore obliged to register as unemployed.

Of those registered unemployed in Christchurch at June 1999, 77.5 per cent were European. Maori comprised 12.8 per cent while Pacific Islanders and other ethnic groups comprised 3.4 and 6.3 per cent of unemployed respectively.



Source: Work and Income New Zealand, Registered Unemployment Data.

⁵ The Household Labour Force Survey defines people as unemployed if they are without paid employment at the time of the survey but are available for and actively seeking paid employment. Those who have a job which they will start within four weeks are also counted as unemployed.

⁶ Statistics New Zealand is currently trialing a new unemployment measure – Regional Market Estimates which is designed to provide more accurate data at regional and territorial local authority level.

⁷ 'Registered unemployed' refers to those who are recorded as unemployed with WINZ Work. It include most community wage job seekers, plus those receiving other benefits such as the Domestic Purposes Benefit (DPB) who are work tested as well as job seekers who are not in receipt of any benefit.

Note For more information about unemployment measures see Statistics New Zealand's web site at www.stats.govt.nz and WINZ web site at www.winz.govt.nz.