15 December 2023

Gerald Davidson

[redacted]

Dear Gerald

Request for Information – Local Government Official Information and Meetings Act 1987

We refer to your official information request dated 11 October 2023 for:

Information concerning background papers that were prepared for the Hutt City Growth Strategy when Ray Wallace was Mayor. Specifically requesting the Officer's report that covers the economy of Lower Hutt at that time and discusses the impact of the closure of the car and associated industries in the 1980s.

Answer:

We have managed to locate a Task Force report created in 1987 specifically concerning the closure of the Ford Motor Vehicle Assembly Plant at Seaview. The report covers details specific to the economic and social characteristics of the region at the time of the closure. We trust that this will be useful to you in terms of background papers but have not been able to confirm the Officer's report covering the economy of Lower Hutt when Ray Wallace was Mayor.

Therefore we partially refuse the request under sections 17(e) or (g) of the LGOIMA because the requested information is not held.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that this response to your information request may be published on Hutt City Council's website. Please refer to the following link:

www.huttcity.govt.nz/council/contactus/make-an-official-information-act-request/proactive-releases

Yours sincerely

Lucy Hodgins

Administtration Support – Legal Team

TASK FORCE ON CLOSURE OF FORD MOTOR VEHICLE ASSEMBLY PLANT AT SEAVIEW

REPORT OF THE TASK FORCE TO:

The Wellington Regional Council
The Minister of Works and Development
The Minister of Regional Development
The Minister of Trade and Industry
The Lower Hutt City Council

AUGUST 1987

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FORD MOTOR VEHICLE ASSEMBLY PLANT AT SEAVIEW

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CHAPTER ONE

BACKGROUND

1. THE PLANT CLOSURE

1.1 In February 1986, Ford Motor Company NZ Ltd announced that its factory at Seaview would be closing and that its operations would be transferring to Auckland. The closure is to commence in November 1987 and continue progressively into June 1988. The Company's Head Office, currently at Seaview, is also moving to Auckland.

1.2 Economic Context: Government policy relating to the motor vehicle industry has always been one of regulation. Over the years (since motor vehicles first appeared in tariff items in 1907), policy for motor vehicles has been used by Governments to affect levels of:

a) the country's balance of payments;
b) consumer demand;
c) employment;
d) revenue via taxation

1.3 Governments have regulated the industry by controlling the percentage of overseas input through maintenance of frontier barriers - e.g. import licensing and tariffs. Both forms of control have had a range of objectives which variously included developing New Zealand industries, ensuring a stable market for the industry, utilising domestic resources, encouraging investment and productivity and helping to protect the balance of payments. There has not, however, been any control over the establishment of assembly plants.

1.4 Prior to the Motor Vehicle Industry Plan, which was introduced in 1984, the industry operated within this protected environment. The number of CBU's (completely built-up vehicles) being imported was allowed to fluctuate depending on economic circumstances and on the government's objectives at the time. It was, however, generally kept low relative to the number of CKD's (completely-knocked-down vehicles) coming into the country.

1.5 The effect on the industry in the prevailing climate of tight control on the amount of import licences granted and levels of tariff protection, was one of growth. Most of the expansion in the industry has occurred in the last 20 years with 10 assembly plants opening in this time.

1.6 In November 1981, the Industries Development Commission began a study of the motor vehicle industry, the central objective being to look at ways of improving efficiency throughout the industry, thereby assisting the industry to improve its competitiveness. Submissions were made to the IDC by representatives of trade unions, importers, distributors, vehicle users, consumer organisations, vehicle assemblers and component manufacturers. The outcome of this enquiry was presented in April 1983 (IDC Report No 21).

1.7 Essentially the Motor Vehicle Industry Plan established a time frame for reducing import licensing restrictions, reducing tariffs and allowing for a gradual increase in the importation of components. All these measures are aimed at improving the industry's efficiency and ensuring that it makes a positive contribution to economic growth overall.

1.8 Ford opened their first assembly plant in Lower Hutt in 1936. In 1964, due to the limitation of land area, which was 18 acres, the company purchased 100 acres at Manukau, Auckland for future expansion. Ford opened the Wiri Assembly Plant in 1972.

1.9 Timing: In February 1986, Ford announced that its factory at Seaview would be shut down progressively, beginning from November 1987 and concluding in July 1988.

1.10 Due to the length of the forewarning of closure both the company and the workforce have had time to look at the various options available and to make decisions affecting their future.

1.11 The nature of the industry in which the company operates is one of high capital investment, long lead times and long term planning. A planned, gradual wind-down of operations is more cost effective to the company in terms of the production processes used.

1.12 From the employees' point of view, it allows time for personal decisions to be made, in terms of retirement options, changing jobs, moving out of the district, and being able to take advantage of opportunities as and when or if they appear over the wind-down period.

1.13 Job Numbers: The total number of staff employed at the Seaview plant at the time of the closure announcement was about 700. An estimated 540 were hourly rated workers, the remainder being management, clerical and support staff.

1.14 As at June 1987 between 60-70 had left. Some staff had also transferred to Auckland. Others retired (some opting for early retirement), found new jobs, and/or moved out of the district. In addition, a number of workers were lost through normal staff turnover.

1.15 Negotiation and Consultation: In the months immediately following announcement of the closure by Ford to its employees, the company interviewed workers on a one to one basis to determine the types of programmes it could implement to mitigate some of the effects of the closure. As a result of these interviews, plans for job search, retraining options and production of an information package, were examined. In addition, the Wellington Regional Council initiated the Task Force, with a membership comprising representatives from central, regional and local government, community groups and the trade union movement, to undertake a study of the likely social and economic impacts of the closure and their management implications. A copy of the Task Force Terms of Reference, agreed by all participants, is attached as Appendix A to this report.

1.16 Retraining in the plant has focussed on such areas as developing similar skills to those already possessed such as heavy vehicle licence training, forklift driving, spray painting, welding, and colour matching. A small number of workers have attended courses in welding and computers at Petone Technical College.

1.17 A number of those who left the company have been eligible for a redundancy package.

1.18 The dates for those to be laid off progressively have yet to be finalised and the individuals informed.

1.19 Information Package: Ford and the Task Force have jointly prepared the information package. Included in this is information about various Government and community schemes and resources which may be accessed by the employees, and with model packages from which the Ford package has been derived.

1.20 The range of matters on which the package provides assistance includes:

- employment information;
- training and retraining options;
- unemployment benefit advice and application procedures;
- relocation arrangements;
- help with budgeting;
- mortgage repayments advice;
- community assistance groups with contact names;
- Government schemes such as the Small Co-operative Enterprises Scheme (Scope), the Regional Development Investigation Grant Scheme (RDIGS) and the Community Employment Investigation Scheme (CEIS).

2. THE TASK FORCE : ORIGIN, COMPOSITION AND APPROACH

2.1 At the outset, it appeared that nearly 700 jobs, mostly in manufacturing, production or processing occupations, would be lost from the region by the time the progressive closure was completed. In the context of an already declining manufacturing sector in the Region this was seen by the Wellington Regional Council as a significant and potentially serious event. A provisional and early assessment of the likely impacts of the closure indicated that these could be wide ranging. There was a concern that the weight of the industry would undergo a northwards shift and the Ford closure was seen as a symptom of such an industry trend. As well as jobs, a variety of sources of income could be lost to the Region, both directly and indirectly, and there could also be secondary income, employment and industry effects (such as on the motor vehicle components industry and on public and private organisations from which the motor vehicle industry purchases goods and services). Potentially serious impacts on individuals directly affected by the closure were also foreseen. The anticipated northwards shift is now less of a concern because of the counter balancing move south of the New Zealand Motor Corporation plant from Auckland to Nelson. The total loss of jobs at Ford will now be in the order of 300, rather than 700, partly as a result of reduced production levels at the Seaview plant.

2.2 Because the preliminary assessment, by its very nature, could only be a superficial one, officers of the Regional Council's Planning Division (now Planning Services Department), recommended to its then Economic and Social Development Committee that a Task Force should be established to examine and report on the likely social, economic and industry impacts of the intended closure. The Regional Council has clear responsibilities under the Town and Country Planning Act 1977 to make provision for social and economic opportunities in the region and to promote and safeguard the welfare of its inhabitants and it is a regionally elected and representative authority. With these responsibilities in mind the Economic and Social Development Committee and subsequently the Council itself, endorsed this recommendation, which became the basis for the Task Force.

2.3 As noted in paragraph 1.15 above a copy of the Terms of the Reference that were eventually agreed for the Task Force, is attached to this report as Appendix A. The Terms of Reference set out in some detail the purposes of the study, the Task Force membership and the procedures that the study was intended to undertake throughout. Whilst that detail is not repeated here, some of the major points are worth highlighting together with relevant comment. Given that economic restructuring of a significant nature and scale is presently proceeding in New Zealand, lessons learnt from the Ford Task Force study process, as well as the study outcome, are likely to be of wider interest.

2.4 The main objectives of the study as implied were to identify and assess the expected social, economic and industry impacts of the closure for the region and for central government. The study also aimed to identify the main management implications of those impacts and, as well, any policy implications for central, regional and local government.

2.5 Another objective was to involve all relevant groups affected by the closure in the work of the Task Force. That objective was put in place from the outset and has proved both to be one of the Task Force's strengths and one of the main sources of difficulties that have been encountered through the 18 months or so duration of the study.

2.6 In the main, the Task Force representation included officials from the Wellington Regional Council, central government, Lower Hutt City Council (whose area of jurisdiction takes in the Ford Seaview site), the Wellington Trades Council (representing relevant plant unions) and Maori and Pacific Island community representatives. Central government endorsement of and support for the study was announced (by the Minister for Regional Development) in April 1986. It was agreed that overall co-ordination of the study should be the responsibility of the Wellington Regional Council but that the co-ordination of the varied contributions to be made by Government Departments would, separately, be the responsibility of the Town and Country Planning Directorate of the Ministry of Works and Development.

2.7 In fact, although a number of departmental personnel participated throughout the study, many moved on and were replaced during its course and some where not able to be replaced at all. In particular, the effect of State Services restructuring on the staff complement of the Town and Country Planning Directorate of MWD, together with losses through transfer or promotion of other key departmental representatives, meant that some important inputs from departments were lost about midway through the study and not fully replaced. In particular, expertise in social impact analysis and the departmental co-ordination responsibility were lost and not fully replaced in both instances by way of central government. Social impact expertise was both obtained through outside contract (jointly funded by the WRC and MWD) and from within the Regional Council's own staff resources; and the task of co-ordinating central government's input was also shouldered by Regional Council personnel, in addition to its previously agreed responsibilities. Despite the difficulties encountered by the Town and Country Planning Directorate through the attrition of staff it did continue to contribute, though on a reduced basis, in the area of social impact analysis. All these difficulties led to two main problems. One was that deadlines often became difficult to meet. The other was that continuity was often broken.

2.8 From the first meeting of the Task Force, it was clearly established as a consultative process. Although the Regional Council initiated the exercise it did not dominate the study. Task Force meetings were held at a variety of venues and chaired by the host member in each case. In order to place the research and investigation which the Task Force had to undertake on a reasonable working basis, the Task Force established two (social and economic) working groups to manage.

2.9 The varied membership of the Task Force has meant that it has frequently had to accommodate a wide range of viewpoints, and these have been resolved by discussion and debate. Formal committee rules - majority or veto voting systems and quorums - were not adopted. Whilst impasses occasionally occurred these were almost always eventually resolved in an informal way.

2.10 At any one time the Task Force had amongst its membership a number of public servants although the specific personnel varied from time to time. It seems fair to acknowledge that those public servants had in mind their responsibilities to their Minister and the Government, especially where matters arose that were at variance with Government policy. The Task Force report, however, is a report to the Government (amongst others), not by the Government (nor solely by any other body represented on the Task Force), and is a distillation of the viewpoints of all and not just some of its members. With such a large and diverse membership, nevertheless, there are (and were bound to be) individual Task Force members whose views do not coincide with all the conclusions and recommendations contained in this report.

2.11 Appendix C to this report contains a list of the Task Force and working group members from the beginning. The Task Force acknowledes the work and contributions of those people.

CHAPTER TWO

SOCIAL AND ECONOMIC CHARACTERISTICS OF THE REGION

PART 1

SOCIAL AND DEMOGRAPHIC CHARACTERISTICS

1 - 1. POPULATION

1 - 1.1 The Wellington Region comprises eight territorial local authorities. Hutt County, in particular, has a mix of rural and urban population of which the Wainuiomata District is particularly relevant for the Task Force study. Table 2.1 - 1 attached to Part 1 of this chapter sets out the absolute and percentage changes in population experienced in the Region between 1976-1986 for each local authority district. In order to record changes in Wainuiomata, a disaggregation of the Hutt County is included.

1 - 1.2 It should be noted that the information in Table 2-1 - 1 comprises usually resident population in New Zealand, i.e. it is the Census night count less persons who were normally resident overseas. For the Region, the 10 year period was characterised in its first half by an overall population reduction reverting, in its second half to an absolute gain. Petone, Wainuiomata and Lower Hutt - those districts in which the bulk of the Ford workforce were employed - all experienced a net loss in population over the period.

1 - 2. LABOUR FORCE AND EMPLOYMENT

1 - 2.1 Part 2 of this Chapter includes a thorough assessment of sectoral and sub-sectoral employment change in the Region. That is based mainly on the Department of Labour February Quarterly Employment Surveys (QES). Although not providing complete coverage of employment, the information which they provide about employment in the Region is significant for most analytical purposes. For the purposes of this study the QES has the advantage of showing trends in employment in the Region on an annual basis and one which provides more recent information than the Census (i.e 1986 and 1987 respectively). The QES is also based on workplace locations whereas census Labour Force data is allocated according to the industrial classification of the resident workforce. The two (Wellington and Lower Hutt) Employment Districts have common boundaries with the Wellington Region except that in addition the Wellington Employment District includes Kapiti Borough which is part of the Horowhenua Local Government Region

1 - 2.2 The fact that the QES omits employment categories (such as one-person businesses, employment in some parts of the primary sector and in waterfront and sea-going work and the armed forces) however, means that its coverage is incomplete for some sectors in particular, compared to the Census. Notwithstanding the analysis of employment in the Region undertaken in Part 2 of this Chapter on the basis of the QES, the 1986 results of the Census with respect to Labour Force which have recently become available provide an acceptably current profile of full-time labour force distribution amongst the major sectors in the Wellington Region for each of its local authority districts. (At the time of writing part-time labour force data were not readily available). These data are summarised in Table 2-1 - 2 attached to Part 1 of this Chapter.

1 - 2.3 The same data are expressed in percentage terms in Table 2.1 - 3 also attached, in order to compare the relative share that each local authority has of each industry division.

1 - 2.4 The information in Tables 2.1 - 2 and 2.1 - 3 reveals that the main Hutt Valley urban centres comprise the great bulk of the Region's manufacturing labour force and that in each of these, with the exception of Eastbourne, the manufacturing labour force has a far greater share of the total labour force than is the case for the Region as a whole.

1 - 3. <u>UNEMPLOYMENT</u>

1 - 3.1 Unemployment has been defined as the gap between total employment and the total labour force, which should take into account supply aspects as well as demand. * There are now three relatively commonly used measures of unemployment in New Zealand: registered unemployment; the official Household Labour Force survey introduced in 1986; and the Census measure obtained quinquennially. Each measure has been derived according to different criteria and is therefore not entirely compatible with the others. Whilst this is not the appropriate place to explore the individual problems that each measure has in giving a true portrayal of the amount and composition of unemployment in New Zealand, some understanding of each is important because that portrayal will vary, as a rule, according to the measure used in each set of circumstances.

1 - 3.2 Registered unemployment comprises those who register as unemployed with the Department of Labour. Essentially this definition includes any person who is seeking work and who enrols with the Department of Labour. In a sense, it is the narrowest of the three definitions. It does not, for example, include persons seeking work who do not enrol and it is widely accepted as being an unadequate and unreliable measure of the total numbers who are actually seeking work. Persons registering must, as a pre-requisite, be prepared to accept full-time work (i.e. comprising 30 hours or more weekly). Persons seeking part-time employment are therefore excluded. So are some other categories, in particular those not seeking employment but who would accept it if offered. By and large, this is considered to be the least adequate measure for the purposes of policy-directed research and policy evaluation.

1 - 3.3 The Household Labour Force Survey (HLFS) was introduced in 1986 to overcome the main deficiencies of the 'registered unemployment' measure and is now the main official measure of unemployment on an internationally comparable basis. The HLFS is a survey undertaken each calendar quarter of a statistically representativ sample of households involving about 1 percent of the population. Essentially the definition of unemployment used in the HLFS refers to the unemployed as being all persons in the working age population who during their reference week were without a paid job, were available for work and had actively looked for work within the preceding four weeks or had a new job to start within four weeks. The unemployment rate is defined as the number of unemployed expressed as a percentage of the working age population. Whilst the HLFS definition

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* John Gallacher and Rob Bowie, "Employment and Unemployment" in B Easton (Ed) <u>Studies in the Labour Market</u> (New Zealand Institute of Economic Research, Research Paper 29, 1983), p 158.

of unemployment is wider than that based on registrations, there are still some categories that it excludes such as those who would accept a job if offered but are not actively seeking work, and the "discouraged unemployed". It provides a comprehensive set of data at frequent intervals * and is therefore brought regularly up-to-date.

1 - 3.4 The Census definition of unemployment refers to persons aged 15 years of age and over who are unemployed and seeking work. This includes a number of categories not reflected in the other measures - especially in that of "registered unemployed" - such as persons available for, but not actively seeking work. Whilst this may be seen as the broadest definition in some respects, it also has deficiencies such as failing to distinguish between those seeking full and part-time work respectively and failing to classify the 'discouraged unemployed', and providing information only at 5-year intervals.

1 - 3.5 For analytical purposes, including those relevant to this study, the differences amongst the three measures have some importance because each provides a different illustration of unemployment both regionally and nationally. There is also a direct contradiction with respect to recent, short-term trends, between statistics of registered unemployed and the results of Household Labour Force Surveys, which is elaborated in paragraph 1-3.9 below.

1 - 3.6 Table 2.1-4 attached to Part 1 of this chapter compares the above measures as applied to unemployment in the Wellington Region with the corresponding national results.

1 - 3.7 Some cautions, prior to discussing the information supplied in Table 2.1-4, should be given:

(1) Statistics of registered unemployed include in Table 2.1-4 those engaged on job creation schemes but not those on training schemes. Since, during 1986/87 subsidised job creation schemes have been wound down, with greater emphasis on the Training Assistance Programme and subsequently on the ACCESS schemes, the 1987 and to some extent the 1986 statistics are unlikely to be directly comparable with earlier records. That is because a number of earlier training programmes were integrated with job creation schemes and those persons undertaking them were also regarded as being unemployed. With the demise of subsidised schemes that element of the registered unemployed measure has diminished.

(2) Labour force numbers used as the basis for estimating rates of registered unemployment for the March years 1985, 1986 and 1987 are all 1981 levels. This follows the practice in the Department of Labour "Monthly Employment Operations Bulletin" which as at March 1987 had not adjusted the 1981 base labour force statistics to allow for changes from year to year in the actual labour force. 1981 is not of course the true base for subsequent years. The rate derived for the subsequent years is therefore distorted to the extent that the labour force itself varies from year to year.

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* See also Linda B. Kay, "A survey of New Zealand Labour Market Data", in B. Easton, op.cit., p 192.

(3) Labour force numbers for the HLFS are estimated at the time the survey is taken and Census labour force numbers are, of course, actual at the time of the Census. The HLFS is officially considered to be statistically significant at a regional level. Below that level its indications become less reliable.

1 - 3.8 The HLFS is nevertheless generally considered to be the best of the three measures because of the breadth of its coverage, its frequency and its acceptable level of significance as an indicator of current market conditions.

1 - 3.9 All unemployment measures adopted for the information produced in Table 2.1-4 indicate that the Wellington Region and its constituent local authority areas have experienced lower unemployment levels than the national average in recent years. There are, however, some contrary indicators. Whereas the registered unemployment measure suggests that a decline in the unemployment rate has been occurring generally in the Region since 1985, this is contradicted by the 1986 and 1987 HLFS's which conversely, reveal an increase in unemployment between those same years. Accoding to the HLFS, furthermore, this is against a small reduction nationally (from 4.4 percent in 1986 to 4.3 percent in 1987) and against reductions in some other centres such as Auckland and Christchurch.

1 - 3.10 From the 1986 Census, it is apparent that there were similar percentages of people unemployed and those seeking work in the Hutt Valley. Although Petone revealed the highest census unemployment rate in the Hutt Valley with 4.9 percent (male) and 8.5 percent (female), the Porirua area had the highest regional unemployment rate with 6 percent (male) and 11.1 percent (female). This was also reflected in the highest number of people in the Region receiving the unemployment benefit. In Petone, similarly a high proportion of the population received the unemployment benefit with 3.1 percent and 6.5 percent respectively.

1 - 3.11 The population of Petone and Porirua have similar characteristics. Both have a high proportion of Maori/Polynesian inhabitants - 19.8 percent and 28.4 percent respectively. This is illustrated in Table 2.1-5. Both, moreover, have a high proportion of their populations lacking tertiary education (Table 2.1-6). These combinations of factors appear to correlate positively.

1 - 3.12 The Census has also revealed that a significantly higher population of females than males in the Hutt Valley are employed part-time in the labour force, notably in Eastbourne and Hutt County.

1 - 4. <u>SUMMARY OF SOCIAL AND DEMOGRAPHIC CHARACTERISTICS</u>

1 - 4.1 The bulk of the Ford workforce live in the Hutt Valley communities and in Porirua. From Census and other data, three distinct socio-economic groupings can be identified in the five local authorities that comprise these communities.

1 - 4.2 In the first group there is a high proportion of Maori and Pacific Islanders in the Petone, Wainuiomata, Porirua and parts of Lower Hutt areas. This group is predominately employed in the manufacturing industry and live in mainly rental accommodation. Typically incomes are in the lower earning bracket (over 58 percent of the population aged 15 or more earn less than $10,000 annually).

In the second group - areas such as the Western Hills, Eastbourne and some parts of Lower Hutt - the main characteristics tend to be of a young population mainly European/Pakeha engaged in professional/managerial /technical and clerical occupations and owning their own dwellings. The average income for this group is relatively high (over 13 percent of the population aged 15 years and more earning in excess of $18,000).

1 - 4.3 The third group comprises older areas such as Titahi Bay, Plimmerton and Hospital - Kenepuru Drive which have a high proportion of retired superannuiants, the majority being European/Pakeha and home owners.

1 - 4.4 This summary serves as a backdrop for the particular assessment undertaken of the Ford closure and its impacts on local communities, especially those of which the Ford workers are part. These communities are characterised by way of comparison to the Region as a whole, by a disproportionately large share of labour force employed in manufacturing and generally higher rates of unemployment, higher shares of Maori or Polynesian population and smaller proportions of their total population having received tertiary educations. These are also the communities of the Region which in the main will experience those local economic and social impacts that result from the Ford closure.

TABLE 2.1-1 POPULATION CHANGE 1976-1986

	TOTAL POPULATION			INCREASE OR DECREASE			
	CENSUS			NUMBER		PERCENT	
	1976	1981	1986	1976-81	1981-86	1976-81	1981-86
LOWER HUTT	64,488	62,844	63,282	- 1,644	+ 438	- 2.5	+ 0.7
PETONE	8,934	8,076	8,127	- 858	+ 51	- 9.6	+ 0.6
EASTBOURNE	4,920	4,539	4,434	- 381	- 105	- 7.7	- 2.3
HUTT COUNTY (excl. Wainuiomata)	5,832	7,599	8,601	+ 1,767	+ 1,002	+ 30.3	+ 13.2
WAINUIOMATA D. Comm	19,420	19,128	18,732	- 292	- 396	- 1.5	- 2.1
PORIRUA	42,803	40,911	42,894	- 1,892	+ 1,983	- 4.4	+ 4.8
UPPER HUTT	30,987	31,269	30,939	+ 282	- 330	+ 0.9	- 1.1
WELLINGTON	139,266	134,266	135,273	- 5,040	+ 1,047	- 3.6	+ 0.8
TAWA	12,552	12,165	12,180	- 387	+ 15	- 3.1	+ 0.1
	329,202	320,757	324,462	- 8,445	+ 3,705	- 2.6	+ 1.2

Source: Department of Statistics, NZ Census of Population and Dwellings 1978, 1981, 1986
Usually Resident Population

TABLE 2.1-2

FULL-TIME LABOUR FORCE BY INDUSTRY MAJOR DIVISIONS
1986

LOCAL AUTHORITY DISTRICT	AGRICULTURE HUNTING FORESTRY FISHING	MINING AND QUARRYING	MANUFACTURING	ELECTRICITY GAS AND WATER	BUILDING AND CONSTRUCTION	WHOLESALE, RETAIL, RESTAURANT	TRANSPORT, STORAGE, COMMUNICATIONS	FINANCE, INSURANCE, PROPERTY	COMMUNITY SOCIAL, PERSONAL	INAD DEFINED	TOTAL
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
OWER HUTT	120	15	5,967	456	1,971	4,786	2,466	3,252	6,666	249	26,151
ETONE	27	0	1,092	48	252	669	315	363	849	45	3,654
ASTBOURNE	18	3	270	15	117	372	102	327	600	12	1,830
UTT COUNTY	162	12	3,354	195	858	1,896	1,200	1,203	3,048	90	12,021
ORIRUA	150	24	3,297	123	1,254	2,511	2,037	1,794	4,827	216	16,230
PPER HUTT	192	12	3,300	156	1,098	2,235	1,218	1,392	3,396	93	13,095
ELLINGTON	447	147	7,167	513	3,486	12,063	7,394	11,781	22,218	603	65,802
AWA	15	15	684	78	315	828	588	1,224	1,389	36	5,208
ELLINGTON REGION	1,128	231	25,131	1,581	9,351	25,563	15,291	21,333	43,035	1,353	143,997

ource: Department of Statistics: Census of Population and Dwellings, 1986.

FULL-TIME LABOUR FORCE BY INDUSTRY MAJOR DIVISIONS 1986
PERCENTAGE OF FULL-TIME LABOUR FORCE IN EACH DIVISION - BY LOCAL AUTHORITY DISTRICT

LOCAL AUTHORITY DISTRICT	AGRICULTURE HUNTING FORESTRY FISHING	MINING AND QUARRYING	MANUFACTURING	ELECTRICITY GAS AND WATER	BUILDING AND CONSTRUCTION	WHOLESALE, RETAIL, RESTAURANT	TRANSPORT, STORAGE, COMMUNICATIONS	FINANCE, INSURANCE, PROPERTY	COMMUNITY, SOCIAL, PERSONAL	INAD DEFINED	* TOTAL
	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT
LOWER HUTT	0.5	0.1	22.8	1.7	7.5	19.1	9.4	12.4	25.5	1.0	100.0
PETONE	0.7	0.0	29.9	1.3	6.9	18.3	8.6	9.9	23.2	1.2	100.0
EASTBOURNE	1.0	0.2	14.8	0.8	6.4	20.3	5.6	17.9	32.8	0.7	100.0
HUTT COUNTY	1.3	0.1	27.9	1.6	7.1	15.8	10.0	10.0	25.4	0.7	100.0
PORIRUA	0.9	0.1	20.3	0.8	7.7	15.5	12.6	11.1	29.7	1.3	100.0
UPPER HUTT	1.5	0.1	25.2	1.2	8.4	17.1	9.3	10.6	25.9	0.7	100.0
WELLINGTON	0.7	0.2	10.9	0.8	5.3	18.3	11.2	17.9	33.8	0.9	100.0
TAWA	0.3	0.3	13.1	1.5	6.0	15.9	11.3	23.5	26.7	0.7	100.0
WELLINGTON REGION	0.8	0.2	17.5	1.5	6.5	17.8	10.6	14.8	29.9	0.9	100.0

* Totals may not add due to rounding

Source: Department of Statistics 1986

TABLE 2.1-3

UNEMPLOYMENT IN WELLINGTON REGION AND NEW ZEALAND:
REGISTERED UNEMPLOYED, HOUSEHOLD LABOUR FORCE SURVEY AND 1986 CENSUS.

MEASURE OF UNEMPLOYMENT USED	DISTRICT/REGION/AREA	PERIOD OR DATE ASSESSED	NUMBERS UNEMPLOYED	LABOUR FORCE	UNEMPLOYMENT RATE
1. Total Registered unemployed including those engaged on job creation schemes	Lower Hutt Empl Dist	March 1985	2,122	59,549	3.6
	Wellington Empl Dist	March 1985	5,962	98,789	6.6
	Combined Districts	March 1985	8,084	158,328	5.1
	New Zealand	March 1985	88,490	1,332,342	6.6
	Lower Hutt Empl Dist	March 1986	1,586	59,549	2.7
	Wellington Empl Dist	March 1986	4,415	98,789	4.5
	Combined Districts	March 1986	6,001	158,328	3.8
	New Zealand	March 1986	78,829	1,332,342	5.9
	Lower Hutt Empl Dist	March 1987	1,563	59,549	2.6
	Wellington Empl Dist	March 1987	3,420	98,789	3.5
	Combined Districts	March 1987	4,985	158,328	3.1
	New Zealand	March 1987	86,199	1,332,342	6.5
2. Household labour force survey	Combined Wellington	March 1986	5,200	174,700	3.0
	and Lower Hutt				
	Employment Districts	March 1986	5,500	168,600	3.3
	New Zealand	March 1986	67,500	1,522,100	4.4
		March 1987	65,400	1,525,200	4.3
Census	Wellington Region	March 1986	9,705	175,002	5.6
	Lower Hutt		1,680	31,863	5.3
	Petone		279	4,335	6.4
	Hutt County		702	14,535	4.8
	Porirua		279	4,335	6.4
	Upper Hutt		918	16,026	5.7
	Eastbourne		102	2,319	4.4
	Wellington		3,972	79,178	5.0
	Tawa		279	6,348	4.4
	New Zealand		108,768	160,533	6.7

Sources: (1) Department of Labour, Monthly Employment Operations, March 1985, 1986, 1987;
(2) Department of Statistics, Household Labour Force Surveys;
(3) Department of Statistics, Census of Population and Dwellings, 1986.

TABLE 2.1-5

ETHNIC ORIGIN (1986)

AREA	EUROPEAN		NZ MAORI		PACIFIC ISLAND POLYNESIAN		OTHER		NOT SPECIFIED		TOTAL	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent	No.	Percent	No.	Percent
Hutt County	21,342	80.8	2,643	10.0	918	3.5	1,203	4.5	321	1.2	26,427	100.0
Lower Hutt	50,412	79.7	4,728	7.5	1,806	2.9	5,364	8.5	936	1.5	63,246	100.0
Petone Borough	5,223	64.3	975	12.0	637	7.8	1,008	12.4	273	3.4	8,115	100.0
Eastbourne Borough	4,155	93.6	39	0.9	12	0.2	165	3.7	69	1.6	4,440	100.0
Porirua City	24,531	57.2	6,408	15.0	5,754	13.4	5,649	13.2	534	1.3	42,876	100.0
Upper Hutt City	26,013	84.1	2,394	7.7	297	1.0	1,938	6.3	288	0.9	30,930	100.0
Wellington City	107,487	85.9	6,273	5.0	4,404	3.5	4,565	3.7	2,439	2.0	125,168	100.0
Tawa Borough	10,440	85.8	486	4.0	204	1.7	465	3.8	570	4.7	12,165	100.0

SOURCE: New Zealand Census of Population and Dwellings 1986

PAST TERTIARY EDUCATION FOR SELECTED LOCAL AUTHORITY AREAS IN THE WELLINGTON REGION 1981

AREA	PAST TERTIARY EDUCATION: University	Teachers College	Polytech	University & Teachers	University & Polytech	Other	Attending School	None	Not Specified	TOTAL	
Hutt County	582	33	2127	75	129	300	732	3609	1821	9408	Male
	207	201	687	114	27	717	522	3969	2223	8667	Female
	4.4	1.3	15.6	1.0	0.9	5.6	6.9	41.9	22.4	100.0	Percent
Lower Hutt City	2904	90	4593	258	429	660	1068	8988	4356	23346	Male
	750	585	1818	504	96	2337	975	11604	5616	24285	Female
	7.5	1.4	13.7	1.6	1.1	6.4	4.4	44.0	21.3	100.0	Percent
Petone Borough	174	12	513	24	27	54	120	1641	705	3270	Male
	87	42	207	39	9	186	99	1599	723	2991	Female
	4.2	0.9	11.5	1.0	0.6	3.8	3.5	51.8	22.8	100.0	Percent
Eastbourne Borough	369	15	327	48	51	75	84	435	252	1656	Male
	168	87	162	96	18	342	87	567	366	1893	Female
	15.1	2.9	13.8	4.1	1.9	11.8	4.8	28.2	17.4	100.0	Percent
Porirua City	807	78	1995	156	171	417	756	5694	3069	13143	Male
	297	297	750	231	51	1023	717	6729	3615	13710	Female
	4.1	1.4	10.2	1.4	0.8	5.4	5.5	46.3	24.9	100.0	Percent
Upper Hutt City	672	63	2325	120	189	384	537	4701	2013	11004	Male
	273	258	822	150	360	1008	480	5754	2397	11178	Female
	4.3	1.5	14.2	1.2	1.0	6.3	4.6	47.1	19.9	100.0	Percent
Wellington City	9504	279	9141	1005	1431	2001	2208	17715	9072	52356	Male
	4707	1407	5070	1836	654	6480	2013	20910	10830	53907	Female
	13.4	1.6	13.4	2.7	2.0	8.0	4.0	36.4	18.7	100.0	Percent
Tawa Borough	597	21	969	84	141	168	318	1413	657	4368	Male
	177	168	432	126	27	561	300	1908	876	4575	Female
	8.7	2.1	15.7	2.4	1.9	8.2	6.9	37.1	17.1	100.0	Percent

SOURCE: New Zealand Census of Population and Dwellings 1981

CHAPTER TWO

PART 2

ECONOMIC AND EMPLOYMENT CHARACTERISTICS

2 - 1. INTRODUCTION

2 - 1.1 This chapter provides an up-to-date assessment of the structure and performance of the regional economy. In carrying out the analysis an aggregate approach is adopted, although where data is available individual sectors and sub-sectors of the regional economy are considered.

2 - 1.2 The regional economy is of course dynamic and changes constantly in response to both internal and external pressures. Because of the nature of the information base, the analysis carried out here can only provide a static description of the regional economy. In addition, this analysis considers patterns rather than processes and is descriptive rather than explanatory.

2 - 1.3 The analysis concentrates on three key areas of the regional economy, namely:

(1) Employment;
(2) Production; and
(3) Linkages in the regional economy

By concentrating on these three areas it is considered possible to obtain a reasonably sound understanding of the regional economy. However, it must be acknowledged that in carrying out any analysis of the regional economy there are a number of problems. Data on production is not available at the regional level and it is thus necessary to rely on various estimates. As the techniques used in these estimates are not sophisticated the results obtained should be used with some degree of caution. Further, while trends in regional output and employment are intrinsically linked they are not linked in a way that would allow us to use one as a substitute for the other. The exact relationship between output and employment is not well understood at the level of a particular sector or at the level of the Region. Increasing output from industries in the Region may or may not require increases in additional labour in those industries. The growing trend towards external purchase of services by enterprises who have previously provided them internally means that a growing proportion of the labour input to manufacturing is being provided by producer services who are no longer classified as part of manufacturing establishments. In short, it is not possible to infer changes in employment from changes in output and vice versa in a reliable and systematic way.

2 - 2. EMPLOYMENT : TECHNIQUES AND CONCEPTS

2 - 2.1 The data used in this analysis is that published by the Department of Labour. The scope and limitations of their annual surveys need to be recognised as not all establishments are surveyed. Data is collected nationally from over 70000 establishments which together employ approximately 80 per cent of the total New Zealand workforce. One person enterprises and a small number of other discrete groups are excluded.

2 - 2.2 In measuring employment changes that have occurred, simple statistical techniques such as shift and share and location quotients are used. A major advantage of these simple statistical techniques is their simplicity, both in terms of source of data and calculations.

2 - 2.3 The shift and share analysis, also termed the component of change technique, involves a standardisation of regional employment data as a means of interpreting regional economic change. It involves dividing the growth of a regional variable (in this case, employment) into three components, all of which depend in whole or in part upon national growth. These are as follows:

(1) National Growth Component

This is the standard against which differential performances of regions and industries are measured. Any region which increased its employment by that percentage performed as well as the nation as a whole. Where the rate of change was smaller it did less well (net negative shift). Where it grew faster than the national growth rate this would be termed net positive shift. The difference between the national growth rate and the actual change, i.e. the sum of proportional and differential components, provides the net relative change.

To explain regional divergences from the national growth, it is necessary to consider two criteria. These are:

(2) Industry Mix Shift (or structural proportionality component)

This is a measure of the employment change determined by the types of industry located in the Region. The shift is positive when the Region is characterised by a predominance of national rapid growth industries; it is negative when the Region specialises in static, slow growth or declining industries at the national level.

(3) Differential Shift (or regional or competitive component)

This is a measure of the extent to which additional employment growth in a specific industry is the result of that industry growing in the Region at a rate different from that of the national rate of change. A positive shift occurs in a dynamic expanding region while a negative shift will occur in a stagnating region. It therefore may indicate the extent to which a region enjoys a competitive or locational advantage which allows industries in that region to grow at a faster rate than they would in other regions.

2 - 2.4 The other statistical technique used is the location quotient (LQ). The LQ is a measure comparing the relative importance of an industry either in a region or nationally.

2 - 2.5 The LQ provides a measure of the concentration of a particular industry in a particular area, by comparison with other areas. If calculated for all industries in a particular area it may help to indicate which industries are most significant in that area as employers of labour and how "specialised" the area is overall.

2 - 3. OVERALL TRENDS IN EMPLOYMENT

2 - 3.1 As discussed above, in order to determine the strengths of the regional economy, LQ's for the Wellington and Lower Hutt Employment Districts were calculated for all industry groups and, where possible, for the various sub-sectors. All tables referred to below are appended to this part (Part 2) of this chapter (Chapter 2).

2 - 3.2 From Table 2.2-1 it can be seen that for the Wellington Employment District 1987 the sectors that had LQ's greater than "1", which indicates that such industries are over-represented in the District by comparison to the nation, were as follows:

(1) Finance, Insurance and Real Estate
(2) Transport and Communications
(3) Community and Personal Services

At a more disaggregated scale, as shown in Table 2.2-1 it can be seen that producer services and non-marketed public services are dominant. The 'top ten' sub-sectors in 1986 were as follows:

(1) Insurance
(2) Financial Institutions
(3) Public Administration and Defence
(4) Real Estate and Business Services
(5) Communications
(6) Other Community Services
(7) Recreational and Cultural Services
(8) Sanitary Services, etc
(9) Wholesale Trade
(10) Research and Scientific Institutes

It should be noted that all manufacturing sub-sectors are under-represented.

2 - 3.3 In the Lower Hutt Employment District the following sectors were over-represented in 1987:

(1) Manufacturing
(2) Electricity, Gas and Water
(3) Community and Personal Services

In analysing the Manufacturing Sector at a more disaggregated scale it was found that the following sub-sectors were over-represented in 1986:

(1) Other food, beverages and tobacco
(2) Textiles, Clothing and Leather
(3) Chemicals, Petroleum, Rubber and Plants
(4) Non-metallic Mineral Products
(5) Metal Products and Engineering
(6) Machinery, except electrical
(7) Electrical Machinery and Equipment
(8) Transport Equipment

2 - 3.4 Shift and share analyses of the Wellington and Lower Hutt Employment Districts were carried out for the years 1980 to 1986 to determine the changes that have place (see Table 2.2-3). In aggregrate terms, the Wellington Employment District had a positive total employment shift and this was due primarily to the proportional component. This shows that the Wellington Employment District specialises in nationally fast growing sectors. However, this was not the case for the Lower Hutt Employment District which had a negative total employment shift and the differential and proportional components were also negative. This shows that the Lower Hutt Employment District does not have industries that are growing nationally and, also, those industries that it has are losing their competitive advantage. However, it is considered necessary to examine the changes that have taken place at a more disaggregated scale as analysis at an aggregated level does mask changes that are occurring in the various sub-sectors.

2 - 3.5 In the Wellington Employment District the Manufacturing Sector has showed a negative differential shift. However, it should be pointed out that the following manufacturing industries showed positive differential shifts:

(1) Wood and Wood Products
(2) Non-metallic Mineral Products
(3) Chemicals, Petroleum, Rubber, Plastics
(4) Metal Products and Engineering

In the Finance, Insurance, Real Estate Sector the Insurance Sub-sector showed a negative differential shift while Real Estate, Business Services and Financial Institutions had positive differential shifts. In the Trade, Restaurants and Motel Sector the Wholesale Sub-sector showed a negative shift while Retail Trade, Restaurants and Motels showed positive shifts. All sub-sectors of the Transport and Communications Sector showed negative differential shifts. Growth in employment in the Community and Personal Services Sector was somewhat mixed with Personal and Household Services, Public Administration, Education and Research and Scientific Institutes recording positive differential shifts.

2 - 3.6 The striking feature of the Lower Hutt Employment District is that almost all sector and sub-sectors showed negative differential shifts which would indicate that the industries are losing their competitive advantage. Manufacturing, the sector that employs the largest number of people in the District, fared extremely badly. Almost all manufacturing industries had negative differential shifts and only the following manufacturing industries had positive differential shifts:

(1) Wood and Wood Products
(2) Other Food, Beverages and Tobacco
(3) Paper Products
(4) Electrical Machinery and Equipment

It may be especially significant for this report that the Chemicals/Petroleum/Rubber/Plastics and Transport Equipment Sub-sectors showed substantial negative differential shifts.

2 - 3.7 It is clear from the above analysis that the Lower Hutt Employment District performed badly between 1980 and 1986. Manufacturing, the dominant sector in terms of employment, experienced a marked relative decline. However, as noted above, some manufacturing sectors experienced growth both in absolute and relative terms. In the Wellington Employment District a positive proportional shift mitigated against the negative differential shifts experienced. However, while the Service Sector experienced growth some of its sub-sectors declined. Thus it would appear that due to the deregulation policies of the Labour Government and changes that are taking place internationally and internally, some sectors of the regional economy have diversified and have prospered while some have declined. This simultaneous expansion of some sectors and the decline of others calls into question the traditional view of interdependent growth. Some earlier research has suggested that the growth of services has passively followed population and manufacturing growth. However, it would appear that this is no longer an adequate representation of the role of the Service Sector in regional or national economic development. Indeed, it would appear that some Service Sectors may be a leading rather than a lagging element in economic growth.

2 - 4. PRODUCTION

2 - 4.1 For the purpose of this analysis, production has been measured as GDP (Gross Domestic Product). As official surveyed data on regional output is not available it is necessary to use the information contained in the 1982 study by Frankel. *

2 - 4.2 It can be seen from Table 2.2-6 that about 65 per cent of the Region's output in GDP terms arises from servicing activities in the sectors of Wholesaling, Retailing, Transport, Finance and Community Services. When compared on a national basis, all the Region's servicing activities, except for the Transport Sector, showed above average growth rates and thus had positive differential shifts. The Wholesaling and Retail Trade Sector, in particular, performed exceptionally well as shown by the substantial positive differential shift.

2 - 4.3 Production based around manufacturing is of considerable significance in the regional economy and it accounted for some 26 per cent of GDP. However, unlike the servicing sectors, when compared on a national basis it had a below average growth rate and thus a significant negative shift.

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* Z Frankel, Regional Economic Change 1973-83 (Town and Country Planning Division, Ministry of Works and Development, Wellington, June 1982).

2 - 5. LINKAGES IN THE REGIONAL ECONOMY

2 - 5.1 The above sections have concentrated on external flows and employment in the regional economy. However, the methods used fail in some measure to give sufficient emphasis to the impact which linkages may have upon the regional economic system. Clearly, linkages vary greatly according to the nature of the economic activity. For example, in the manufacturing industry the linkages comprise raw materials which pass through different processes from one plant to another before reaching the stage of completed manufactured goods. Incorporated are links with transport and other services which are indispensable to the process as a whole. In office work or retailing the linkages are far less tangible and consist of labour inputs.

2 - 5.2 One version of the tracing of linkages is termed "input-output" analysis, because it reveals for each economic activity all the inputs required and outputs produced. From each analysis the influences of different sectors can be traced and useful conclusions drawn as to the effects of change in any one sector or all other sectors. Unfortunately, there are considerable difficulties in constructing input-output tables, in that large quantities of data are required which are not generally obtainable.

2 - 5.3 The Department of Statistics produces a national level input-output model for the economy in its Inter-Industry Study series. This model shows flows of money from one industry to another, including flows through intermediate production and service industries. Unfortunately the Department of Statistics does not produce regional and urban input-output models. To compile such a model would require a large scale survey to record all exchanges in terms of both input and output for all firms in the Region. The only practicable alternative is to modify the national tables to take into account local characteristics.

2 - 5.4 One common method of modifying national input-output tables for use at the regional level is the location quotient. As explained in Paragraph 2-2.4 the LQ is a measure comparing the relative importance of an industry in a region and its relative importance in the nation. To derive an input-out model for the regional economy, the following method was used:

(1) The 25 sectors in the 1976 revised national Inter-Industry model were condensed to nine sectors.

(2) LQ's for each sector were calculated.

(3) Each value in the national table was multiplied by the appropriate LQ to reflect local characteristics.

2 - 5.5 As expected intra-sectoral linkages are strong for all sectors. As shown in Tables 2.2-8 and 2.2-9 the Manufacturing Sector in both Wellington and Lower Hutt Employment Districts have very strong intra-sectoral linkages. Thus, any increase in output from one manufacturing industry has important implications for other manufacturing industries. In terms of input the Agriculture, Construction, Wholesale, Transport and Community Service Sectors made significant contributions to manufacturing output. It would appear, however, that the Financial Sector's contribution to manufacturing output was not significant.

2 - 5.6 In both the Wellington and Lower Hutt Employment Districts the Community Services and Manufacturing Sectors made a significant contribution to construction output. This may well reflect the high number of manufactured items used in construction of various types.

2 - 5.7 The various service sectors such as Transport, Wholesale, Retail and Community Services have relatively strong linkages. The exception to this pattern is the Financial Sector in the Lower Hutt Employment District.

2 - 6 CONCLUSION

2 - 6.1 The above discussion has described the basic structure of the regional economy. The main features that emerge from the analysis are as follows:

(1) In the Lower Hutt Employment District between 1980 and 1987, almost all sectors experienced a decline in employment in absolute and relative terms. In the Wellington Employment District there was growth in employment in the Financial, Retail Trade, Business Services and Community Services Sectors.

(2) The Region's Manufacturing Sector experienced an absolute decline in employment and also a relative decline in output. Given that manufacturing has strong linkages with other sectors of the regional economy there could be important implications.

TABLE 2.2-1 : **LOCATION QUOTIENTS : WELLINGTON**

Industry Group	1980 (LQ)	1986 (LQ)	1987 (LQ)
1. Forestry and Logging	-	0.06	0.07
2. Mining and Quarrying	0.28	0.90	0.79
3. Manufacturing (sub-total)	0.49	0.44	0.42
Seasonal Food Processing	0.13	0.11	
Other Food, Beverage and Tobacco	0.36	0.34	
Textile, Clothing and Leather	0.51	0.40	
Wood and Wood Products	0.20	0.21	
Paper and Paper Products, Printing and Publishing	1.18	1.00	
Chemicals/Petroleum/Rubber/Plastics	0.42	0.48	
Non-metallic Mineral Products	0.26	0.30	
Metal Products and Engineering	0.48	0.49	
Machinery except Electrical	0.29	0.89	
Electrical Machinery and Equipment	0.94	0.65	
Transport Equipment	0.83	0.81	
Manufacturing NEC	0.66	0.67	
4. Electricity, Gas and Water	0.90	0.81	0.79
5. Construction	0.86	0.78	0.90
6. Trade, Restaurants and Hotels (sub-total)	0.97	0.93	0.87
Wholesale Trade	1.50	1.33	
Retail Trade	0.75	0.74	
Restaurants and Hotels	0.78	0.88	
7. Transport and Communication (sub-total)	1.49	1.46	1.54
Transport and Storage	1.41	1.37	
Seasonal Storage and Warehousing	0.27	0.11	
Communication	1.69	1.66	
8. Finance, Insurance, Real Estate, etc (sub-total)	2.11	2.07	2.09
Financial Institutions	2.05	2.20	
Insurance	3.72	3.17	
Real Estate and Business Services	1.70	1.77	
9. Community and Personal Services (sub-total)	1.16	1.19	1.15
Public Administration and Defence	2.06	2.04	
Sanitary Services, etc	1.47	1.39	
Educational Services	0.85	0.98	
Research and Scientific Institutes	1.17	1.32	
Health Services	0.80	0.78	
Other Community Services	2.14	1.59	
Recreational and Cultural Services	1.67	1.52	
Personal and Household Services	0.61	0.71	

TABLE 2.2-2: **LOCATION QUOTIENTS : LOWER HUTT**

Industry Group	1980 (LQ)	1986 (LQ)	1987 (LQ)
1. Forestry and Logging	0.01	0.04	0.04
2. Mining and Quarrying	0.24	0.20	0.21
3. Manufacturing (sub-total)	1.38	1.29	1.31
Seasonal Food Processing	0.47	0.08	
Other Food, Beverage and Tobacco	1.47	1.72	
Textile, Clothing and Leather	0.94	1.03	
Wood and Wood Products	0.51	0.65	
Paper and Paper Products, Printing and Publishing	0.79	0.92	
Chemicals/Petroleum/Rubber/Plastics	3.22	2.96	
Non-metallic Mineral Products	1.10	1.35	
Metal Products and Engineering	1.37	1.49	
Machinery except Electrical	0.98	1.03	
Electrical Machinery and Equipment	2.08	2.55	
Transport Equipment	4.23	3.51	
Manufacturing NEC	0.47	0.59	
4. Electricity, Gas and Water	1.11	1.17	0.11
5. Construction	0.82	0.95	0.95
6. Trade, Restaurants and Hotels (sub-total)	0.92	0.97	1.00
Wholesale Trade	1.31	1.41	
Retail Trade	0.81	0.87	
Restaurants and Hotels	0.67	0.71	
7. Transport and Communication (sub-total)	0.57	0.63	0.54
Transport and Storage	0.41	0.47	
Seasonal Storage and Warehousing	1.06	1.08	
Communication	0.80	0.84	
8. Finance, Insurance, Real Estate, etc (sub-total)	0.66	0.60	0.54
Financial Institutions	0.61	0.62	
Insurance	0.37	0.24	
Real Estate and Business Services	0.77	0.65	
9. Community and Personal Services (sub-total)	0.98	1.01	1.01
Public Administration and Defence	1.04	0.86	
Sanitary Services, etc	1.15	1.10	
Educational Services	0.91	1.06	
Research and Scientific Institutes	5.86	5.22	
Health Services	0.66	0.73	
Other Community Services	0.81	0.89	
Recreational and Cultural Services	1.59	1.68	
Personal and Household Services	0.89	0.97	

TABLE 2.2-3 : MANUFACTURING EMPLOYMENT SHIFTS BY EMPLOYMENT DISTRICTS : 1980-1987

	Actual Employment Increase	Increase at National Rate	Difference	Total Employment Shift	Differential Shift	Proportional Shift
Lower Hutt	-2668	676	-3344	-3893	-3344	-549
Wellington	6827	6589	238	4077	238	3839

TABLE 2.2-4: WELLINGTON : SHIFT AND SHARE ANALYSIS

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
1. Forestry & Logging	47 0	47	-26.3	-	43
2. Mining & Quarrying	333 101	232	12.2	12	220
3. Manufacturing (Sub-total)	11634 13699	-2065	-5.9	-808	-1257
Seasonal Food Processing	552 663	-111	-4.5	-30	-81
Other Food, Beverage and Tobacco	625 609	16	1.0	6	10
Textile, Clothing and Leather	1374 2125	-751	-15.1	-321	-430
Wood and Wood Products	534 396	138	2.4	10	128
Paper and Paper Products, Printing and Publishing	3054 3450	-396	3.9	135	-531

TABLE 2.2-4

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
Chemicals/ Petroleum/Rubber /Plastics	1057 922	135	-4.7	-43	178
Non-metallic Mineral Products	226 237	-11	-7.8	-19	8
Metal Products and Engineering	1430 1474	-44	0.4	6	-50
Machinery except Electrical	388 512	-124	-8.1	42	-166
Electrical Machinery and Equipment	737 1194	-457	-4.3	-51	-406
Transport Equipment	1376 1835	-459	-26.2	-481	22
Manufacturing NEC	281 282	-1	-5.1	-14	13
4. Electricity, Gas and Water	1407 1306	101	17.3	226	-125

TABLE 2.2-4

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
5. Construction	5457 5094	363	-2.9	-148	511
6. Trade, Restaurants and Hotels (sub-total)	18778 18569	209	7.9	1467	-1258
Wholesale Trade	7342 8928	-1586	-6.8	-607	-979
Retail Trade	7564 6829	735	10	683	52
Restaurants and Hotels	3872 2812	1060	27	759	301
7. Transport and Communication (sub-total)	14056 13643	413	-5.4	-737	1150
Transport and Storage (excl Seasonal)	7647 7810	-163	-9.5	-742	579
Seasonal Storage and Warehousing	17 53	-36	-13.3	7	-43

TABLE 2.2-4

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
Communication	6392 5780	612	1.7	98	514
8. Finance, Insurance, Real Estate, etc (sub-total)	20565 14358	6207	37.7	5413	794
Financial Institutions	7716 4765	2951	41.2	1963	988
Insurance	3469 3703	-234	7.1	263	-497
Real Estate and Business Services	9380 5890	3490	44.3	2609	881
9. Community and Personal Services (sub-total)	32771 31451	1320	3.7	1164	156
Public Administration and Defence	13451 12500	951	3.5	438	513

TABLE 2.2-4

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
Sanitary Services, etc	996 1189	-193	-7.5	-89	-104
Educational Services	5585 5751	-166	-8.4	-483	317
Research and Scientific Institutes	673 442	231	31.6	140	91
Health Services	5626 5082	544	7.7	391	153
Other Community Services	2186 1772	414	66.9	1185	-771
Recreational and Cultural Services	1030 2129	-1099	15.0	319	-1418
Personal and House-Services	3224 2586	638	3.4	88	550
TOTALS	105048 98221	6827	2.8	6589 2750	238 4077 Total Shift

TABLE 2.2-5: LOWER HUTT : SHIFT AND SHARE ANALYSIS

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
1. Forestry & Logging	10 5	5	- 26.3	- 1	6
2. Mining & Quarrying	33 39	- 6	12.2	5	- 11
3. Manufacturing (Sub-total)	14,181 17,290	- 3,109	- 5.9	- 1,020	- 2,089
Seasonal Food Processing	156 1,083	- 927	- 4.5	- 49	- 878
Other Food, Beverage and Tobacco	1,192 1,112	80	1.0	11	69
Textile, Clothing and Leather	1,497 1,795	- 298	- 15.1	- 271	- 27
Wood and Wood Products	647 476	171	2.4	11	160
Paper and Paper Products, Printing and Publishing	1,186 1,020	166	3.9	40	126

TABLE 2.2-5

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
Chemicals/ Petroleum/Rubber /Plastics	2,625 3,202	- 577	- 4.7	- 150	- 427
Non-metallic Mineral Products	522 439	83	- 7.8	- 34	117
Metal Products and Engineering	2,165 1,909	256	0.4	8	248
Machinery except Electrical	625 760	- 135	- 8.1	- 62	- 73
Electrical Machinery and Equipment	1,171 1,175	- 4	- 4.3	- 51	47
Transport Equipment	2,296 4,230	- 1,934	- 26.2	- 1,108	- 826
Manufacturing NEC	99 89	10	- 5.1	- 5	15
4. Electricity, Gas and Water	795 715	80	17.3	124	- 44

TABLE 2.2-5

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
5. Construction	2,485 2,177	308	- 2.9	- 63	371
6. Trade, Restaurants and Hotels (sub-total)	8,254 7,721	533	7.9	610	- 77
Wholesale Trade	3,322 3,538	- 216	- 6.8	- 241	25
Retail Trade	3,740 3,196	544	10	320	224
Restaurants and Hotels	1,192 987	205	27	266	- 61
7. Transport and Communication (sub-total)	1,870 2,320	- 450	- 5.4	- 125	- 325
Transport and Storage (excl Seasonal)	891 1,000	- 109	- 9.5	- 95	- 14
Seasonal Storage and Warehousing	61 93	- 32	- 13.3	- 12	- 20

TABLE 2.2-5

Industry Group	Group Employment 1987 / 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
Communication	918 1,227	- 309	1.7	21	- 330
8. Finance, Insurance, Real Estate, etc (sub-total)	1,999 1,904	95	37.7	718	- 623
Financial Institutions	778 623	155	41.2	257	- 102
Insurance	104 162	- 58	7.1	12	- 70
Real Estate and Business Services	1,117 1,119	- 2	44.3	496	- 498
9. Community and Personal Services (sub-total)	11,441 11,565	- 124	3.7	428	- 552
Public Administration and Defence	2,150 2,813	- 663	3.5	99	- 762

TABLE 2.2-5

Industry Group	Group Employment 1987 1980	Difference Between 1987-1980	National Average Industry Group Employment Growth Rates : 1980-1987	Group Employment Change at National Rate 1980-1987	Differential Shift
Sanitary Services, etc	324 366	42	- 17.5	- 28	70
Educational Services	2,918 2,846	72	- 8.4	- 239	311
Research and Scientific Institutes	1,028 989	39	31.6	313	— 274
Health Services	1,966 1,750	216	7.7	135	81
Other Community Services	414 243	171	66.9	16.3	8
Recreational and Cultural Services	993 895	98	15.0	134	- 36
Personal and House-Services	1,648 1,663	- 15	3.4	57	- 72
TOTALS	41,068 43,736	- 2,668	2.8	676 1,255	- 3,344 - 3,893 Total Shift

TABLE 2.2-6: **SECTORAL COMPOSITION OF GDP - WELLINGTON REGION AND NEW ZEALAND**

	1981		1986	
	Wellington	New Zealand	Wellington	New Zealand
Agriculture	0.8	12.2	0.9	11.7
Hunting and Fishing	0.0	0.2	0.0	0.3
Forestry and Logging	0.1	0.7	0.0	0.7
Mining and Quarrying	0.3	1.2	0.4	1.9
Manufacturing	26.2	25.9	26.1	26.3
Electricity, Gas and Water	1.3	4.5	1.5	4.9
Construction	6.6	6.4	6.4	6.5
Wholesale and Retail Trade	24.2	14.7	24.8	14.4
Restaurants, Hotels, etc	2.4	2.0	2.7	2.2
Transport, Storage and Communication	6.5	8.0	6.5	8.0
Finance, Real Estate and Business Services	13.4	12.2	13.4	12.1
Community, Social and Personal Services	18.2	11.8	17.2	11.1
Total Real GDP	100	100	100	100

TABLE 2.2-7 :CHANGE IN OUTPUT BY SECTORS - WELLINGTON REGION 1981-1986 ($ million)

Sector	Output 1986 / 1981	Difference Between 1986-1981	National Average Growth Rates 1981-1986	Output Change at National Rate 1981-1986	Differential Shift
Agriculture	21.8 17.5	4.3	7.6%	1.3	+ 3.
Hunting and Fishing	1.2 0.8	0.4	37.9%	0.3	+ 0.1
Forestry and Logging	1.1 1.1	0	8.8%	-	-
Mining and Quarrying	10.8 7.6	3.2	68.4%	5.2	- 2.
Manufacturing	648.7 581.8	66.9	13.8%	80.3	- 13.4
Electricity, Gas and Water	36.5 29.4	7.1	22.4%	6.6	+ 0.5
Construction	159.2 145.4	13.8	13.6%	19.8	- 6.
Wholesale and Retail Trade	614.1 537.5	76.6	9.1%	48.9	+ 27.7
Restaurants, Hotels, etc	66.6 52.6	14	19.7%	10.4	+ 3.6
Transport, Storage and Communications	161.0 145.0	16	11.7%	17.0	- 1
Finance, Real Estate, Insurance and Business Services	332.3 296.4	35.9	10.5%	31.1	+ 4.8
Community, Social and Personal Services	427.8 404.0	23.8	5.5%	22.2	+ 1.6

TABLE 2.2-8: **WELLINGTON EMPLOYMENT DISTRICT : INPUT-OUTPUT TABLE**

Sector		INPUT 1	2	3	4	5	6	7	8	9
1	OUTPUT	0.209	0.011	0.213	0.004	0.018	0.068	0.015	0.007	0.05
2		0.006	1.004	0.134	0.044	0.028	0.004	0.008	0.003	0.037
3		0.200	0.208	5.732	0.072	0.370	0.199	0.313	0.120	0.696
4		0.020	0.046	0.197	1.227	0.021	0.024	0.029	0.021	0.136
5		0.032	0.233	0.168	0.049	0.941	0.021	0.121	0.031	0.652
6		0.100	0.108	0.655	0.045	0.125	1.004	1.331	0.059	0.299
7		0.168	0.217	0.685	0.062	0.084	0.074	3.188	0.092	0.291
8		0.184	0.108	0.659	0.138	0.111	0.168	0.125	2.431	0.378
9		0.055	0.055	0.162	0.051	0.046	0.047	0.076	0.051	6.351

KEY:

Sector 1 : Agriculture, Hunting, Logging and Forestry
2 : Mining and Quarrying
3 : Manufacturing
4 : Electricity, Gas and Water
5 : Construction
6 : Wholesale and Retail Trade, Restaurants and Hotels
7 : Transport, Storage and Communications
8 : Finance, Real Estate and Business Service
9 : Community, Social and Personal Services

TABLE 2.2-9: LOWER HUTT EMPLOYMENT DISTRICT : INPUT-OUTPUT TABLE

		INPUT								
Sector		1	2	3	4	5	6	7	8	9
1	OUTPUT	0.123	0.023	0.589	0.006	0.021	0.068	0.007	0.002	0.043
2		0.001	0.224	0.150	0.035	0.019	0.002	0.003	0.001	0.021
3		0.527	0.233	16.972	0.142	0.684	0.328	0.316	0.090	0.984
4		0.028	0.037	0.389	1.768	0.028	0.029	0.023	0.013	0.147
5		0.036	0.160	0.309	0.066	1.149	0.024	0.085	0.017	0.649
6		0.102	0.070	1.082	0.0547	0.142	1.045	0.089	0.030	0.296
7		0.074	0.076	0.657	0.049	0.059	0.048	1.37	0.032	0.180
8		0.054	0.029	0.496	0.086	0.059	0.087	0.043	0.694	0.186
9		0.046	0.032	0.228	0.056	0.046	0.044	0.047	0.025	5.388

CHAPTER THREE

WORKFORCE PROFILE

1. INTRODUCTION

1.1 In order to examine the effect of the closure of the Seaview Assembly Plant on the workers, the local community and the economy, and to assess what measures needed to be taken to reduce any adverse effects of the closure, the Task Force required detailed information about the existing workforce at the plant. As the information held by the Ford Company itself was inadequate for these purposes, the Task Force prepared a questionnaire which the workers were asked to complete. This chapter summarises the findings of the questionnaire, a copy of which is attached as Appendix B to the report.

2. METHODOLOGY

2.1 The questionnaire itself was based on those used in previous workforce surveys conducted by the Town and Country Planning Directorate of the Ministry of Works and Development. Several drafts of the questionnaire were prepared and discussed by the Task Force before the final version was agreed upon. The questionnaire was designed to collect the following information about the workforce:

a) demographic characteristics
b) employment history
c) work skills
d) housing characteristics
e) role in the community
f) future plans

It provided for structured responses, although two open-ended questions were included at the end to allow respondents to comment both about the questionnaire itself and about the closure of the plant in general.

2.2 A questionnaire was distributed to each of the workers by the foremen at the plant. Originally the Task Force had proposed that union delegates would act as the distributors of the questionnaire. The Company, however, were unhappy with this proposal. Consequently it was decided that the Company itself, through the foremen/supervisors, would distribute the questionnaires. This ensured that all sections of the plant were included in the survey.

2.3 It was intended that the questionnaires be distributed on Thursday 30 October, 1986 and collected, once completed on Monday 3 November, 1986. Unfortunately, the Company would not agree to the questionnaires being completed in company time.

2.4 Two training sessions for the foremen/supervisors who were to distribute the questionnaires were conducted at the plant on Tuesday, 28 October, 1986 by Task Force members who were representatives from the Department of Maori Affairs, the Ministry of Works and Development and the Ministry of Pacific Island Affairs. Union delegates were invited to attend these