

# Self employment in Kāpiti Coast District

---

for Kāpiti Coast District Council

April 2017

 The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

### **Authorship**

This report has been prepared by Andrew Whiteford.

Email: [andreww@infometrics.co.nz](mailto:andreww@infometrics.co.nz)

All work and services rendered are at the request of, and for the purposes of the client only. Neither Infometrics nor any of its employees or partners accept any responsibility on any grounds whatsoever, including negligence, to any other person or organisation. While every effort is made by Infometrics to ensure that the information, opinions, and forecasts are accurate and reliable, Infometrics shall not be liable for any adverse consequences of the client's decisions made in reliance of any report provided by Infometrics, nor shall Infometrics be held to have given or implied any warranty as to whether any report provided by Infometrics will assist in the performance of the client's functions.

## Introduction

This report provides a brief description of self-employment in Kāpiti Coast District. It looks at the magnitude of self-employment, growth trends and some of the characteristics of the self-employed, including their occupations, age, gender and location within the district.

## Self-employment historical growth performance

In 2016 there were 5,262 self-employed people in Kāpiti which amounted to nearly a third of total employment. This is a significantly higher proportion than in the national economy where self-employment sits at 18.0%.

Table 1. Self-employment in Kāpiti, 2000-2016

Year	Self employed	Employees	Total	% self employed
2000	3,828	8,427	12,255	31.2%
2001	3,837	8,434	12,271	31.3%
2002	3,866	8,873	12,738	30.3%
2003	3,932	9,159	13,090	30.0%
2004	3,986	9,511	13,496	29.5%
2005	4,048	10,072	14,120	28.7%
2006	4,116	10,292	14,408	28.6%
2007	4,260	10,656	14,916	28.6%
2008	4,356	11,083	15,439	28.2%
2009	4,349	11,101	15,449	28.1%
2010	4,311	10,853	15,164	28.4%
2011	4,482	11,111	15,593	28.7%
2012	4,704	10,858	15,562	30.2%
2013	4,751	10,731	15,482	30.7%
2014	4,748	10,964	15,711	30.2%
2015	4,904	11,176	16,080	30.5%
2016	5,262	11,437	16,699	31.5%

Source: Infometrics and Statistics New Zealand

The figure below shows that since 2010 self-employment has grown considerably faster than the number of employees. Indeed, over that period self-employed have grown by 3.4%pa, whereas employees have grown by 0.9%pa. Considerably more self-employed jobs were created over that period: 951 new self-employed jobs compared with 584 new employee jobs.

The reverse was true in the 2000s during which the number of employee jobs grew at more than twice the pace of new self-employed jobs. It is not clear what is underlying this trend. It is possibly a consequence of an industry (or group of

industries) with a high proportion of self-employment performing differently during the two time periods. Further investigation is required to understand this.

Figure 1. Annual % growth in employment: self-employed vs employees



Source: Infometrics and Statistics New Zealand

The proportion of the workforce that is self-employed has been on a general upward trend since 2010, after a general decline between 2000 and 2009. In 2016 it reached 31.5%, the highest proportion since the series began in 2000. It is not immediately apparent what is underlying the decline in the self-employment rate during a period of strong economic growth through the early to mid-2000s. It is related to the difference in growth performance of self-employed and employees over the two periods. This requires further investigation into which industries were the largest contributors to this trend.

Figure 2. Self-employment rate in Kāpiti, 2000-2016



Source: Infometrics and Statistics New Zealand

## Self-employment by industry

The table below ranks 1-digit industries according to their level of self-employment in Kāpiti. Not surprisingly construction comes out on top with 1,189 self-employed, accounting for nearly a quarter of all self-employed.

A high number of self-employed are knowledge workers with 843 (16% of total) self-employed in the Professional, Scientific and Technical Services.

**Table 2. Self-employment by 1-digit industry, 2016**

Industry	Self employed	% of total
Construction	1,189	22.6%
Professional, Scientific and Technical Services	843	16.0%
Administrative and Support Services	518	9.8%
Other Services	309	5.9%
Rental, Hiring and Real Estate Services	306	5.8%
Manufacturing	265	5.0%
Retail Trade	238	4.5%
Health Care and Social Assistance	225	4.3%
Accommodation and Food Services	198	3.8%
Agriculture, Forestry and Fishing	197	3.7%
Transport, Postal and Warehousing	161	3.1%
Information Media and Telecommunications	117	2.2%
Wholesale Trade	97	1.8%
Education and Training	96	1.8%
Arts and Recreation Services	95	1.8%
Financial and Insurance Services	86	1.6%
Public Administration and Safety	58	1.1%
Electricity, Gas, Water and Waste Services	7	0.1%
Mining	0	0.0%
<b>Total</b>	<b>5,262</b>	<b>100.0%</b>

Source: Infometrics and Statistics New Zealand

If we drill down into a deeper level of industry detail, we see in Table 3 that, among detailed industries (there are approximately 500 of them), House Construction has the highest level of self-employment. The next two industries are both knowledge intensive industries: Management Advice and Other Consulting Services, and Computer Systems Design and Related Services. There are also numerous construction related industries in the top 10.

Table 3. 7-digit industries with highest level of self-employment, 2016

Rank	7-digit Industry	Self-employed
1	House Construction	315
2	Management Advice and Other Consulting Services	286
3	Computer Systems Design and Related Services	232
4	Real Estate Services	159
5	Labour Supply Services	126
6	Gardening Services	116
7	Painting and Decorating Services	102
8	Electrical Services	95
9	Roofing Services	95
10	Cafes and Restaurants	90

Source: Infometrics and Statistics New Zealand

## Industries with high self-employment in Kāpiti

In this section, we identify the industries which have high rates of self-employment in Kāpiti relative to other districts with the surrounding region. The table below shows self-employment rates in all industries in all surrounding districts. We have excluded Mining and Electricity, Gas, Water and Waste Services because they have low employment and very low rates of self-employment.

Table 4. Self-employment rates by industry in Kāpiti and surrounding districts, 2016

Industry	Kapiti Coast	Carterton	Horo-	Lower	Manawatu	Masterton	Porirua	South	Upper	Wellington
	District	District	whenua District	Hutt City	District	District	City	Wairarapa District	Hutt City	ton City
Agriculture, Forestry and Fishing	32.1%	22.8%	21.7%	40.2%	29.6%	26.1%	36.6%	27.9%	36.5%	41.8%
Manufacturing	19.5%	5.0%	12.4%	7.7%	11.0%	14.5%	12.2%	17.7%	12.1%	12.2%
Construction	32.1%	31.9%	32.4%	22.8%	33.4%	25.2%	23.6%	33.4%	30.8%	25.9%
Wholesale Trade	27.3%	9.0%	18.9%	7.1%	19.1%	14.5%	12.5%	21.8%	14.1%	9.2%
Retail Trade	10.0%	19.5%	13.2%	9.7%	16.9%	7.7%	7.4%	14.4%	14.5%	7.5%
Accommodation and Food Services	13.1%	15.9%	15.9%	11.0%	17.8%	10.3%	11.3%	13.5%	10.7%	7.5%
Transport, Postal and Warehousing	24.4%	14.7%	23.4%	14.0%	27.1%	15.4%	24.7%	26.8%	28.1%	9.8%
Information Media and Telecommunications	30.1%	39.5%	12.9%	20.2%	22.8%	13.0%	28.4%	41.3%	18.6%	20.5%
Financial and Insurance Services	27.9%	29.7%	14.7%	16.1%	29.4%	18.5%	23.4%	35.0%	19.8%	3.6%
Rental, Hiring and Real Estate Services	39.5%	37.5%	37.3%	30.7%	37.2%	36.7%	37.5%	42.3%	36.7%	28.9%
Professional, Scientific and Technical Services	36.9%	31.4%	31.7%	23.6%	28.0%	22.5%	34.2%	39.5%	36.5%	17.5%
Administrative and Support Services	39.7%	26.9%	35.6%	14.6%	30.4%	24.7%	27.5%	38.6%	30.8%	10.9%
Public Administration and Safety	11.8%	21.1%	7.8%	3.8%	2.2%	5.8%	5.0%	15.5%	1.3%	0.8%
Education and Training	6.1%	5.8%	4.1%	3.7%	5.7%	2.9%	2.6%	4.8%	4.1%	3.8%
Health Care and Social Assistance	9.7%	10.0%	5.5%	5.1%	12.6%	4.6%	5.6%	9.9%	9.0%	7.1%
Arts and Recreation Services	22.0%	27.8%	23.5%	10.0%	20.8%	13.1%	20.0%	35.0%	8.0%	13.3%
Other Services	27.9%	26.4%	24.5%	19.1%	31.1%	19.0%	24.3%	29.0%	24.9%	12.9%

Source: Infometrics and Statistics New Zealand

We have ranked Kāpiti against all the other districts within each industry according to self-employment rate and then identified the industries in which Kāpiti ranks highly. Table 5 shows that Kapiti had the highest self-employment rate in four industries ie manufacturing, wholesale trade, administrative and support services and education and training and had a high ranking in many other industries.

Table 5. Industries in which Kāpiti ranks highly by self-employment rate, 2016

Rank	Industry	SE rate
1	Manufacturing	19.5%
1	Wholesale Trade	27.3%
1	Administrative and Support Services	39.7%
1	Education and Training	6.1%
2	Rental, Hiring and Real Estate Services	39.5%
2	Professional, Scientific and Technical Services	36.9%
3	Information Media and Telecommunications	30.1%
3	Public Administration and Safety	11.8%
3	Other Services	27.9%
4	Construction	32.1%
4	Financial and Insurance Services	27.9%
4	Health Care and Social Assistance	9.7%
4	Arts and Recreation Services	22.0%
5	Agriculture, Forestry and Fishing	32.1%
5	Accommodation and Food Services	13.1%
5	Transport, Postal and Warehousing	24.4%
6	Retail Trade	10.0%

Source: Infometrics and Statistics New Zealand

## Self-employment by occupation

The table below shows that Manager is the largest occupational category among self-employed. This is not surprising given that self-employed are typically business owners and management would comprise a sizeable component of many self-employed jobs.

Table 6. Self-employed by broad occupation, 2013

Broad Occupation	Self-employed
Managers	1,496
Professionals	1,171
Technicians and Trades Workers	765
Community and Personal Service Workers	211
Clerical and Administrative Workers	376
Sales Workers	321
Machinery Operators and Drivers	131
Labourers	279
<b>Total</b>	<b>4,751</b>

Source: Infometrics and Statistics New Zealand

Table 7 shows the detailed occupations (7-digit, of which there are approximately 1000 categories) with the highest level of self-employment. These are dominated by managerial occupations. Building trades are also well represented.

**Table 7. 7-digit occupations with highest level of self-employment, 2013**

<b>Detailed Occupation</b>	<b>Self-employed</b>
Chief Executive or Managing Director	423
Project Builder	237
Retail Manager (General)	186
Corporate General Manager	135
Sales Assistant (General)	101
Office Manager	97
Hairdresser	72
Cafe or Restaurant Manager	72
Accountant (General)	68
Real Estate Agent	63
General Clerk	59
Gardener (General)	59
Painting Trades Worker	55
General Medical Practitioner	51
Real Estate Representative	51
Management Consultant	51
Commercial Cleaner	51
Electrician (General)	46
Painter (Visual Arts)	46
Sales and Marketing Manager	46
Hotel or Motel Manager	42
Motor Mechanic (General)	42
Property Manager	42
Plumber (General)	38
Architect	38
Solicitor	38
Carpenter	38
Program or Project Administrator	34
Market Gardener	34
Sales Representatives nec	30

Source: Infometrics and Statistics New Zealand



## Age and Gender

The table below shows that males are overrepresented among the self-employed workforce. This is probably a consequence of the large number of construction workers that are self-employed which is an industry dominated by males.

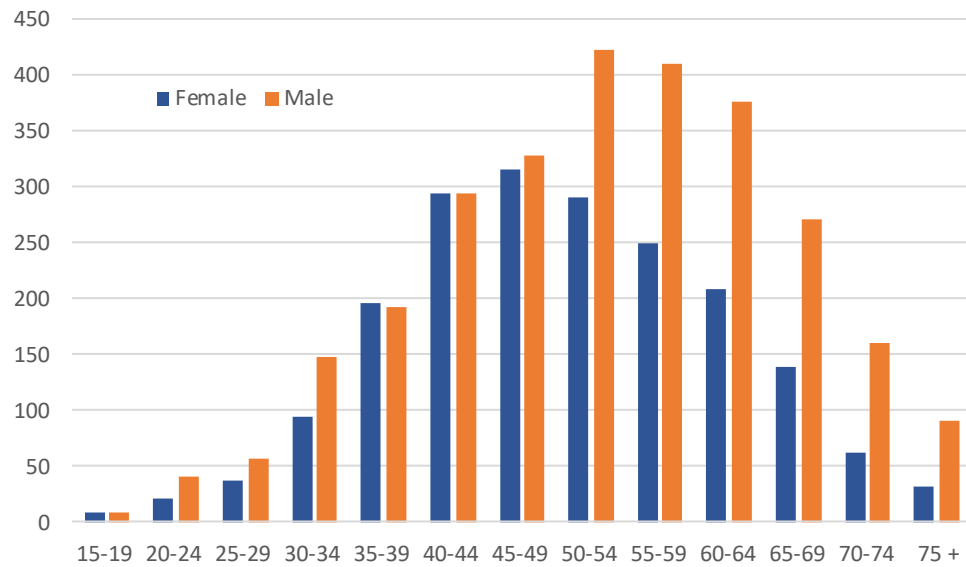
Table 8. Self-employment by age and gender, 2013

5-year age group	Number			% of total		
	Female	Male	Total	Female	Male	Total
15-19	8	8	16	0.2%	0.2%	0.3%
20-24	20	41	61	0.4%	0.9%	1.3%
25-29	37	57	94	0.8%	1.2%	2.0%
30-34	94	148	242	2.0%	3.1%	5.1%
35-39	197	193	389	4.1%	4.1%	8.2%
40-44	295	295	590	6.2%	6.2%	12.4%
45-49	316	328	644	6.6%	6.9%	13.5%
50-54	291	422	713	6.1%	8.9%	15.0%
55-59	250	410	660	5.3%	8.6%	13.9%
60-64	209	377	586	4.4%	7.9%	12.3%
65-69	139	271	410	2.9%	5.7%	8.6%
70-74	61	160	221	1.3%	3.4%	4.7%
75 +	33	90	123	0.7%	1.9%	2.6%
<b>Total</b>	<b>1951</b>	<b>2800</b>	<b>4751</b>	<b>41.1%</b>	<b>58.9%</b>	<b>100.0%</b>
<b>Median</b>	<b>50.6</b>	<b>53.2</b>	<b>52.1</b>			

Source: Infometrics and Statistics New Zealand

The self-employed in Kāpiti tend to be of older age. The median age of self-employed in 2013 was 52.1 years, with males somewhat older (53.2) than females (50.6). Figure 3 show that self-employment of males is concentrated in the 50 to 64 age group whereas females are concentrated in the 40 to 54 age groups.

Figure 3. Age distribution of self employed by gender, 2013



Source: Infometrics and Statistics New Zealand

The table below shows the distribution of self-employment across all broad industries and gender. It shows that self-employed males in the construction industry account for nearly a fifth of all self-employed workers in Kāpiti. Self-employed males in the Professional, Scientific and Technical Services industry account for a further 10.9%. The largest group of female self-employed is in the Professional, Scientific and Technical Services (6.3%).

Figure 4. Employment by industry and gender

Industry	Number of self employed			% of total self employed	
	Female	Male	Total	Female	Male
Agriculture, Forestry and Fishing	73	130	203	1.6%	2.9%
Mining	0	0	0	0.0%	0.0%
Manufacturing	86	166	252	1.9%	3.7%
Electricity, Gas, Water and Waste Services	10	0	10	0.2%	0.0%
Construction	186	855	1,041	4.1%	18.9%
Wholesale Trade	44	88	131	1.0%	1.9%
Retail Trade	134	131	266	3.0%	2.9%
Accommodation and Food Services	100	88	188	2.2%	1.9%
Transport, Postal and Warehousing	38	102	140	0.8%	2.3%
Information Media and Telecommunications	48	72	121	1.1%	1.6%
Financial and Insurance Services	28	53	82	0.6%	1.2%
Rental, Hiring and Real Estate Services	153	163	317	3.4%	3.6%
Professional, Scientific and Technical Services	286	495	781	6.3%	10.9%
Administrative and Support Services	124	162	285	2.7%	3.6%
Public Administration and Safety	28	32	60	0.6%	0.7%
Education and Training	64	24	89	1.4%	0.5%
Health Care and Social Assistance	134	63	197	3.0%	1.4%
Arts and Recreation Services	50	41	91	1.1%	0.9%
Other Services	137	143	279	3.0%	3.2%
<b>Total</b>	<b>1,951</b>	<b>2,800</b>	<b>4,751</b>	<b>43.1%</b>	<b>61.8%</b>

Source: Infometrics and Statistics New Zealand

## Location

The table below shows that although there are many self-employed in Paraparaumu Central there is quite a wide spread across the district.

Table 9. Workplace area unit of self-employed, 2013

Workplace address	Self-employed
Paraparaumu Central	960
Otaki	488
Paraparaumu Beach South	455
Raumati Beach	419
Waikanae West	357
Otaki Forks	267
Raumati South	242
Waikanae Beach	222
Paraparaumu Beach North	197
Paekakariki	176
Waikanae East	164
Waikanae Park	156
Maungakotukutuku	144
Te Horo	94
Otaihanga	86
Kaitawa	74
Peka Peka	45
Kapiti Island	0
Not Further Defined	205
<b>Total</b>	<b>4,751</b>

Source: Infometrics and Statistics New Zealand

## Methodological notes

In this report self-employment includes persons who operate his or her own economic enterprise or engage independently in a profession or trade, and receive earnings from his or her enterprise from which tax is deducted.

There are five ways that an individual can earn income from self-employment:

1. as a sole trader working for him or herself,
2. paid withholding payments either by a firm they own or control, or as an independent contractor,
3. paid a pay as you earn (PAYE) tax-deducted salary by a firm he or she owns or controls,
4. paid a partnership income by a partnership he or she owns or controls. (A partnership has two or more sole traders who cooperate to run a business. Each partner carries the burden of their own financial risk in addition to the financial risks generated by their partners), or
5. paid a shareholder salary by a company he or she owns or controls (shareholder employees are both a shareholder and employee of the company).

The source of self-employment data is Annual LEED.

The demographic and geographical characteristics of self-employed in Kāpiti (including age, occupation and location) are derived from the Population Census. All census numbers are benchmarked on LEED to ensure consistency.