



## EMPLOYMENT AND SKILLS SNAPSHOT: INFORMATION, MEDIA AND TELECOMMUNICATIONS

### Overview – July 2010

The information, media and telecommunications sector employed approximately 43,000 people during the December 2009 quarter, or 2% of New Zealand's total workforce<sup>1</sup>.

This *Employment and Skills Snapshot* breaks the sector down into seven subsectors: publishing (except internet and music publishing); telecommunications services; motion picture and sound recording activities; broadcasting (except internet); library and other information services; internet service providers, web search portals and data processing services; internet publishing and broadcasting. It then takes a closer look at:

- employment within the various subsectors that make up this sector
- the qualifications of employees in these subsectors
- the demographic profile of these employees.

### Employment trends

**New Zealand had 4% employment growth in the five years to December 2009. During this time, employment within the information, media and telecommunications sector has shown moderate growth, as illustrated by Figure 1 below.** Over the five years to December 2009, employment within this sector has grown by 10% (or approximately 4,000 employees) to 43,000.

**Figure 1: Information, media and telecommunications employment**



Source: Department of Labour Employment Estimates

<sup>1</sup> Based on Department of Labour Employment Estimates



Table 1 below shows the different growth rates of employment in the subsectors which represent the information, media and telecommunications sector. For the four largest subsectors within this sector:

- employment in publishing decreased by 2% (230 workers) in the five years to December 2009
- employment in telecommunications increased by 22% (1,780 workers)
- employment in motion picture and sound recording increased by 22% (1,570 workers)
- employment in broadcasting increased by 20% (930 workers).

**Table 1: Employment by subsector (December 2004 – December 2009)**

Subsector	Employment (Dec. 09)	Share of industry employment	Employment growth (2004 – 2009)	Absolute employment growth (2004 – 2009)
Publishing (except internet and music publishing)	10,500	24%	-2%	-230
Telecommunications services	9,900	23%	22%	1,780
Motion picture and sound recording activities	8,900	21%	22%	1,570
Broadcasting (except internet)	5,700	13%	20%	930
Library and other information services	4,100	10%	8%	300
Internet service providers, web search portals and data processing services	3,800	9%	-10%	-430
Internet publishing and broadcasting	100	-	-	-
<b>Information, media and telecommunications</b>	<b>43,000</b>	<b>-</b>	<b>10%</b>	<b>3,920</b>
<b>Total New Zealand employment</b>	<b>2,175,000</b>	<b>-</b>	<b>4%</b>	<b>91,800</b>

Source: Department of Labour Employment Estimates

The slight decline in publishing – the largest employer in this sector with 24% of the sector's total employment – was a significant departure from the 20% plus employment growth rates experienced by the three next largest employing subsectors. The data shows that a fall in employment within newspaper publishing of 13% (with around 1000 jobs shed), combined with static employment within book publishing, were significant contributing factors.

This is not unexpected given factors impacting on these subsectors include a marked drop in advertising and changing media consumption patterns in favour of online services, exacerbated by the recent impact of the recession. However, employment growth within magazine publishing helped to offset these trends, with a 20% increase in employment over this period.



The 24% employment growth within the telecommunications subsector was largely driven by an increase in employment within wired telecommunications network operations. This is likely due to increased investment and rollout of broadband and cable infrastructure, such as Telecom's ongoing project to rollout roadside fibre optic cable cabinets nationwide.

The 22% increase in employment within motion picture and sound recording activities subsector was stimulated by a 42% increase in employment within motion picture and video production. This increase was likely influenced by production grants provided by the Large Budget Screen Production Grant (LBSPG), which provides a 12.5% rebate on production expenditure of over \$15 million in New Zealand<sup>2</sup>.

The 20% increase in employment in the broadcasting subsector was shaped by a 60% increase within cable and other subscription programming<sup>3</sup>, although radio and television employment also increased by 9% and 8% respectively. This small employment increase in television was likely driven by the launch of Maori Television in 2004 and *Freeview* in 2007.

## Qualifications

As shown below in Table 2, the information, media and telecommunications sector employs more people at the higher end of the qualification spectrum compared to the New Zealand workforce as a whole. Approximately 30% of employees have a bachelor degree or higher, compared to just 19% for the general New Zealand workforce. In fact, the internet publishing and broadcasting subsector had over twice the national rate of employees with bachelor degrees or higher.

**Table 2: Qualifications by subsector, 2006**

Subsector	No formal qualification	School qualification	Certificate and diploma	Bachelor degree or higher
Publishing (except internet and music publishing)	13%	36%	24%	27%
Motion picture and sound recording activities	7%	41%	24%	28%
Broadcasting (except internet)	5%	36%	27%	32%
Internet publishing and broadcasting	5%	35%	20%	40%
Telecommunications services	4%	35%	28%	33%
Internet services providers, web search portals and data processing services	7%	40%	22%	31%
Library and other information services	6%	30%	27%	36%
<b>Information, media and telecommunications total</b>	<b>8%</b>	<b>36%</b>	<b>25%</b>	<b>30%</b>
<b>Total New Zealand workforce</b>	<b>19%</b>	<b>35%</b>	<b>27%</b>	<b>19%</b>

Source: Census of Population and Dwellings, 2006

<sup>2</sup> Ministry of Economic Development; 2010

<sup>3</sup> This group consists of units mainly engaged in broadcasting television programs on a subscription or fee basis (such as subscription cable or satellite television broadcasting) to viewers



Correspondingly, the sector as a whole employs far fewer people with no qualifications: 8% of employees have no qualification, compared to 19% for the total New Zealand workforce.

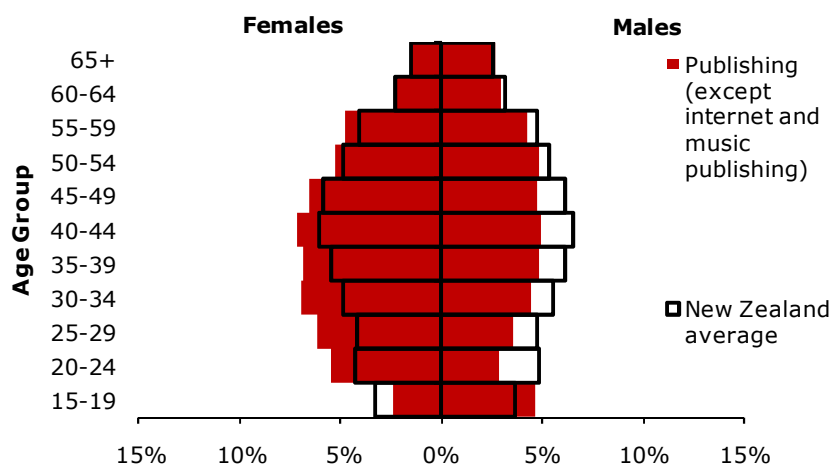
However, there was also significant variation within the sector, with the publishing, motion picture and sound recording activities, and internet service providers, web search portals and data processing services subsectors having significantly more employees with school qualifications or below, compared to the other subsectors.

## Demographic profile

The three main subsectors that dominate this sector in terms of employment have very different demographic profiles.

Figure 2 shows that the publishing subsector had very similar age and sex profiles to the general New Zealand trend, with the exception of a slight over-representation of female workers between the ages of 20 to 60. Overall, females account for 56% of this subsector's workforce.

**Figure 2: Age and gender profile of the publishing subsector**

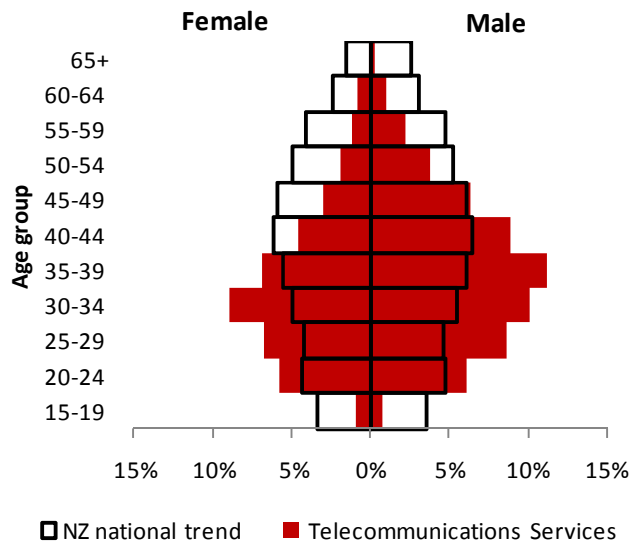


Source: Census of Population and Dwellings, 2006



Figure 3 shows that the telecommunications subsector has a much higher representation of younger workers (aged between 20 and 44 years) than the New Zealand national trend, particularly for male workers. Overall, males account for 59% of this subsector's workforce. Youth aged below 20 years are significantly under-represented – presumably because they may still be gaining the overall higher level of qualifications prevalent within this subsector (and possibly a prerequisite for entry-level employment in this subsector).

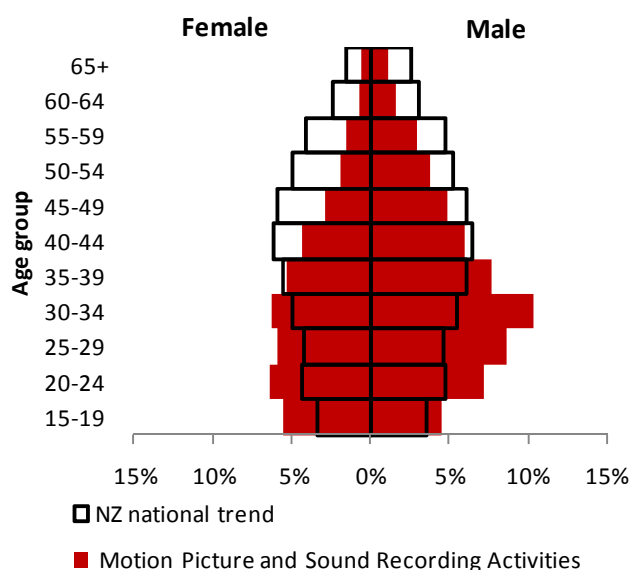
**Figure 3: Age and gender profile of the telecommunications subsector**



Source: Census of Population and Dwellings, 2006

Figure 4 shows the motion picture and sound recording subsector also has a higher representation of younger workers than the New Zealand norm. Unlike the telecommunications subsector, this includes more youth aged below 20 years – which is likely related to the high prevalence of school level qualifications in the subsector.

**Figure 4: Age and gender profile of motion picture and sound recording subsector**



Source: Census of Population and Dwellings, 2006



## Forecast employment

The Department of Labour prepares periodic updates of employment projections for industries and occupations for the next three years<sup>4</sup>. The forecasts are based on GDP forecasts by industry produced by the New Zealand Institute of Economic Research, recent productivity trends within industries, and past employment trends from the Census. Please note that a degree of uncertainty is attached to these industry employment projections.

Over the next three years, employment in the sector is expected to increase significantly. This compares with a slight increase expected across all sectors over the same period.

## Summary

Currently, the sector represents around 2% of New Zealand's total workforce. Over the last five years, employment has increased by 10% (3,920 employees) in the sector. This trend is likely to continue as investment in broadband and other government ICT initiatives are implemented.

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<sup>4</sup> Department of Labour Employment Projections, 2008-2013