Labour Market Snapshot – NORTHLAND

Issue 1: August 2006

Quick Facts

Number of Businesses: *12,625*[1]		***Key Industries***: • *Pastoral farming* • *Tourism* • *Forestry and wood-processing*		***Labour Force Participation Rate:*** *65.4% (68.5%NZ)*[2]
	Unemployment Rate: *5.2% (3.9% NZ)*[3]		***Total Number of People Employed***: *68,400*[4]	
NZ Population *4,143,501*[5]		***Annual Gross Regional Product***: *$3.4 billion*		***Not in the labour force:*** 38,100[6]
	Employment Growth *5.2% (3.9% NZ)*[7]		***Working Age Population Growth:*** 0.0%[8]	

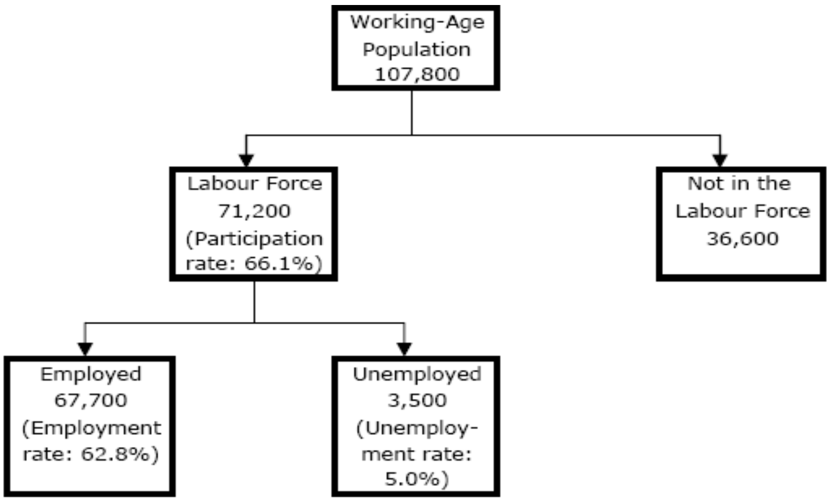
Population

Box 1: Map and population of Northland at June 2005

Source: Sub-national Population Estimates, Statistics New Zealand

Key Labour Market Statistics

Box 2: The Labour Market in Northland



Source: HLFS Statistics NZ

Main Industries

Box 1: Main industries in Northland at February 2005

Industry	Number of jobs	Percentage change 2004-2005	Percentage of NZ workforce
Primary Sector			
Agriculture	3,785	9	4.6
Forestry and Logging	720	6	9.4
Services to Agriculture	610	3	2.5
Mining	190	-10	4.2
Commercial Fishing	130	73	5.9
Total primary sector	5,435	8	4.5
Goods producing sector			
Construction	3,620	19	3.4
Food Manufacturing	1,760	6	2.4
Wood and Paper Product Manufacturing	1,460	6	5.6
Machinery and Equipment Manufacturing	960	-2	2.2
Metal Product Manufacturing	615	13	2.1
Petroleum Products Manufacturing	510	0	2.4
Non-Metallic Mineral Product Manufacturing	385	15	4.9
Other Manufacturing	365	-1	2.6
Electricity and Gas Supply	365	-3	6.1
Printing, Publishing and Recorded Media	320	16	1.5
Textile, Clothing, Footwear and Leather Manufacturing	135	25	0.7
Water Supply, Sewerage and Drainage Services	55	22	3.5
Total goods producing sector	10,550	10	2.8
Service sector			
Retailing	7,320	7	3.2
Health Services	3,970	-8	3.4
Property and Business Services	3,820	11	1.7
Education	3,670	-14	2.9
Accommodation, Cafes and Restaurants	3,520	5	3.2
Community Services	2,650	14	4.3
Wholesaling	2,005	8	1.8
Personal and Other Services	1,790	4	2.9
Transport	1,770	3	2.4
Government Administration	1,490	27	2.6
Entertainment Arts Sports and Recreation	1,000	2	2.1
Finance and Insurance	720	13	1.4
Communication Services	265	-30	1
Defence	230	156	1.9
Total service sector	34,225	3	2.6
Total industry	50,210	5	2.8

Source: Business Demographic Statistics, Statistics New Zealand
Note: Due to rounding figures may vary from those available through the Statistics New Zealand website.
Agriculture figures are provisional and should be treated with caution.

Skills Shortages

Job Vacancy Monitor

- the number of advertised vacancies declined by 7% between June 2006 and June 2005
- this was slightly lower than the national decline of 4%
- recruiting conditions for employers might be slightly easier than a year ago
- but, the labour market is still extremely tight
- there were 48% more vacancies in June 2006 compared with the same period in 2003.

The tables below show that the vast majority of occupations with a high number of advertised vacancies are unskilled. The occurrence of unskilled vacancies in the context of a relatively high level of low skilled, unemployed people in Northland should be a source of concern. It suggests that an effective match between opportunities and available labour is not being made.

Table 1a Northland: High Vacancy Occupations in all occupations in the 12 months to June 2006

Rank	High Vacancy Occupations	No. of vacancies
1	Sales Assistant	186
2	Dairy Farmer, Dairy Farm Worker	69
3	Care Giver	66
4	General Clerk	58
5	Cleaner	52
6	Information Clerk & Other Receptionist	45
7	Registered Nurse	44
8	Accounts Clerk	36
9	Sales Representative	36
10	Catering Counter Assistant	35

Table 1b Northland: Top Percentage Growth Occupations in all occupations in the 12 months to June 2006

Rank	Top Percentage Growth Occupations	% Growth
1	Cleaner	53%
2	Accounts Clerk	33%
3	Information Clerk & Other Receptionist	13%
4	Sales Assistant	10%

Table 1c Northland: Top Numeric Growth Occupations in all occupations in the 12 months to June 2006

Rank	**Top Numeric Growth Occupations**	**Numeric Growth**
1	Demonstrator (Sales)	22
2	Cleaner	18
3	Sales Assistant	17
4	General Labourer	14
5	Catering Counter Assistant	13
6	Loader and/or Checker	13
7	Kitchen hand	12
8	Courier and Deliverer	12
9	Computer Operator	10
10	Social Worker	10

Source: Department of Labour

Although the overall number of vacancies has been declining in Northland there are still occupations enjoying strong growth (see Tables 1b and 1c). Again, most of these are low skilled occupations suggesting good opportunities for low skilled workers.

Commentary from the Region*

Kaipara

- There have been good employment results for people moving into work quickly – the sooner transitioning into work happens the more sustainable the opportunities for remaining in work become.
- A large number of labouring and low level skill jobs are still being advertised in the local newspaper and there are some new businesses being established in Dargaville area, however these are small in number
- There seems to be a positive outlook for the economy in the Kaipara with a lot of business optimism. In particular, the real estate industry is seeing a continued interest in the property market with property transactions remaining steady.
- There has been approximately a 50% reduction in registered unemployed from the same time last year (252 to 154 reaching an all time low of 88)
- Farming is still a strong contributor to the local economy. With calving season having been in full swing there is an increasing demand for farm assistants.
- Total registered unemployed as at end July 06 – 154

Whangarei

- The main industries that are set to have a significant impact on the labour market locally are construction and roading projects, hospitality and forestry
- The need for semi skilled labour in these industries is set to increase. Access to labour semi and skilled will become an issue for the immediate future in the Whangarei district
- Total registered unemployed as at end July 06 – 1163 (Kamo, Whangarei, Onerahi combined)

Mid North

- Canterbury Meat Packers doing a big recruitment drive with interviews currently being held – looking for skilled and unskilled workers with training to be provided
- There are implications for Northland for the movement of labour across all industries into other regions such as Auckland
- The seasonal fruit picking and packing season is over but there is still little bit of orchard work to be done
- The main areas of employment are around Paihia, Kerikeri and Russell – it is common observation that the labour supply often resides outside these areas of high employment opportunity.
- Total registered unemployed as at end July 06 – 1263 (Kerikeri, Kawakawa, Kaikohe and Kaitaia combined)

Across the Region

Growth in the Marine sector still strong with some companies such as SMI taking on more labour to fill overseas contracts for interior fit out. They normally employ around 100 and that will grow to 140 within the next few months. Skills shortages for boat builders and marine cabinet makers has meant local employers in this sector have been working closely with Northtec to train up students specifically for their businesses. Some marine businesses have had to bring in overseas skilled labour to complete contracts.

Wood Processing is steady with TDC being the largest employer in this area employing around 200 mill hands. The expansion of their new mill has meant a steady recruitment process to allow for natural attrition which is related to hard physical and shift work demands. Carter Holt Harvey LVL Plant based at Ruakaka is also a large employer and looking at possible expansion which will require at least 80 - 100 new mill hands.

The Hospitality Industry in the Bay of Islands have experienced labour shortage in the last 2 seasons due to a big decrease in Backpackers coming into the area who are available for work. Motel and Hoteliers have struggled to find Housekeepers, Food & Beverage Staff, Porters and Front of House employees and often need to 'borrow' staff from other businesses to fulfill their work loads. Hotels with conference facilities have found it particularly difficult to find adequate labour to complete housekeeping and laundry work.

There is quite a lot of Retail growth in the Kerikeri area - the largest employer in this area being New World and the soon to be completed Kaikohe New World who will be taking on 100 new full and part time staff. These employers experience labour shortage, retention issues and in some cases skill shortage particularly qualified Bakers and Butchers.

The Engineering sector is still experiencing skill shortage particularly for Boiler Makers, Tig, Mig and Stick welders, Stainless Steel, Sheet Metal Workers etc. Much of this labour force is aging and not being replaced at a rate suitable for productivity and growth in this sector.

In general due to a back log of building permits many tradesmen are "scratching" for work until Councils pick up on their processing. Some Builders who have permanent contract work with construction companies have had to search for their own work until permits are filtered through. However Earthworks, Excavation, Quarries are all experiencing high work loads due to roading contracts funding and further land development and subdivisions growth.

Links to other Labour Market Reports

Skills in the Labour Market: summarises quarterly information on skill shortages, primarily focused on the Quarterly Survey of Business Opinion (QSBO) from the New Zealand Institute of Economic Research (NZIER) and the Job Vacancy Monitor (JVM) from the Department of Labour.
http://www.dol.govt.nz/publications/lmr/lmr-Skills.asp

Labour Market Outlook: provides an outlook for the labour market over the next two years. The forecasts are detailed in a table and accompanied by descriptive analysis and a table of comparative forecasts is presented in an Appendix
.http://www.dol.govt.nz/publications/lmr/lmr-labour-market-outlook.asp

Employment/unemployment: A report that informs about the results from the latest Household Labour Force Survey released by Statistics New Zealand.
http://www.dol.govt.nz/publications/lmr/lmr-HLFS.asp

Wage Growth: a report that examines the wage growth measures for the latest quarter from the Labour Cost Index (LCI) and Quarterly Employment Survey (QES) released by Statistics New Zealand. A technical note and data tables are included in the appendices.
http://www.dol.govt.nz/publications/lmr/lmr-qes-lci.asp

Maori Labour Market Outcomes: a 6-monthly update focusing on changes in the past six years and prospects for the next two years. Data are from the quarterly Household Labour Force Survey (HLFS) from Statistics New Zealand amongst others.
http://www.dol.govt.nz/publications/lmr/lmr-maori-outcomes.asp

About the Northland Skills Forum

"Meeting the Skills Challenge in Northland: A Regional Skills and Training Strategy " is an action plan intended to better align Northland's education and training needs.
The plan was developed by a working group comprising the heads of Enterprise Northland, Career Services Rapuara, the Tertiary Education Commission and Work and Income, and was launched in August 2004.
The action plan is overseen by the Northland Skills Forum, consisting of the original Strategy working group and also the regional head of Te Puni Kokiri, CEOs of the Northland Chamber of Commerce and Northtec

Contact – Ken Kawiti – 09 438 0769 or 027 281 1942 ken.kawiti@dol.govt.nz

Glossary

Household Labour Force Survey (HLFS): the official source of all regional labour market data, published quarterly by Statistics New Zealand (www.stats.govt.nz). It provides labour market data for people of working age (15 years and over) in each region, including:

Employment: the number of people in paid work for one hour or more per week. Annual growth in employment is termed job growth.

Unemployment: the number of people not in employment, but actively seeking *and* available for work. This is the official definition of unemployment. The unemployment rate is the proportion of the labour force that is unemployed.

Labour force: the number of people either employed or unemployed, ie those who want to work.

Labour Force Participation Rate: the proportion of the working-age population that is in the labour force.

Business Demographic Statistics: an annual count of businesses and the number of employees in each industry, published by Statistics New Zealand (www.stats.govt.nz).

External migration: the difference between the number of permanent and long-term (PLT ie one year or more) arrivals and the number of PLT departures, to and from New Zealand, published every month by Statistics New Zealand (www.stats.govt.nz).

Job Vacancy Monitor: A monthly count and analysis of job vacancies from selected editions of 25 daily newspapers, published by the Department of Labour (www.dol.govt.nz/publications/jvm/job-ad-monthly-report.asp). Vacancies are split into nine main occupations, with annual growth for three groupings: *highly skilled* (managers, professionals), *skilled* (associate professionals/technicians, trades), and *semi-skilled/elementary* (clerks, services/sales, agriculture/fishery, plant/machinery, elementary).

Unemployment Benefits: the number of people receiving the unemployment benefit, published by the Ministry of Social Development (www.msd.govt.nz).

Economic growth: a Composite Activity Index constructed from a wide range of economic indicators that provides a gauge of economic growth by region, published as Regional Trends by the National Bank (www.nbnz.co.nz).

Business Outlook: the main source of consistent regional information about how firms are feeling about the future, published by the National Bank (www.nbnz.co.nz):

- ***Activity outlook:*** the number of firms expecting their own activity to improve over the next year minus the number expecting a worsening, expressed as a net percentage of respondents. Firms are more likely to increase investment and employment if they are confident about the year ahead.
- ***Employment intentions:*** the number of firms expecting to increase employment over the next year minus the number expecting a decrease, expressed as a net percentage of respondents. This is a good indicator of job growth, although firms are not asked about the number of people they expect to hire or layoff.

Consumer confidence: an index of consumer sentiment, where a value over 100 means that optimists outnumber pessimists, published by Westpac Bank (www.westpac.co.nz) and McDermott Miller. High consumer confidence may lead to higher spending, residential investment or borrowing.

Annual average percentage change: the percentage change between the average for a whole year (eg June 2005 year) and the year previous (in this case, the June 2004 year). Unless stated, all growth rates are annual average percentage changes.

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[1] http://www.stats.govt.nz/products-and-services/businesses-in-nz/bus-in-nothern-region.htm accessed 10 Aug 06
[2] HLFS – Statistics NZ – June 2006 QTR
[3] HLFS – Statistics NZ – June 2006 QTR
[4] HLFS – Statistics NZ – June 2006 QTR
[5] http://www.stats.govt.nz accessed 10 Aug 06
[6] HLFS – Statistics NZ – June 2006 QTR
[7] HLFS – Statistics NZ – June 2006 QTR
[8] HLFS – Statistics NZ – June 2006 QTR