Economic Indicators for the Northland Region

Enterprise Northland

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Enterprise Northland, 113 Bank Street, PO Box 1762, Whangarei, Northland, New Zealand
P 09 438 5110, F 09 430 3008, W www.enterprisenorthland.co.nz, E info@enterprisenorthland.co.nz

Preface

Enterprise Northland is the Enterprise Northland is the economic development agency for the Northland region.

Our mission is to promote and encourage sustainable economic development for the benefit of the people of Northland.

Our vision is to develop a vibrant economy that creates wealth and high-skilled and high-waged jobs, which provides choices and opportunities for people to live, work, visit and invest in Northland, while sustaining its unique environment for present and future generations.

Enterprise Northland works in partnership with business and industry sectors, the economic development agencies and councils of Northland's three districts, iwi, the Northland Regional Council, central government agencies and departments and other key stakeholders in the Northland economy.

Enterprise Northland was established in 2002.

NZIER is a specialist consulting firm that uses applied economic research and analysis to provide a wide range of strategic advice to clients in the public and private sectors, throughout New Zealand and Australia, and further afield.

NZIER is also known for its long-established Quarterly Survey of Business Opinion and Quarterly Predictions.

Our aim is to be the premier centre of applied economic research in New Zealand. We pride ourselves on our reputation for independence and delivering quality analysis in the right form, and at the right time, for our clients. We ensure quality through teamwork on individual projects, critical review at internal seminars, and by peer review at various stages through a project by a senior staff member otherwise not involved in the project.

NZIER was established in 1958.

Authorship

This report has been prepared at NZIER by Grant Andrews for Enterprise Northland.

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1. Overview

This report sets out the compilation of economic indicators for the Northland region and its constituent local authorities. The indicators will enable Enterprise Northland to monitor trends in the regional economy on an annual basis.

2. Growth of the Northland economy

2.1 Northland's GDP

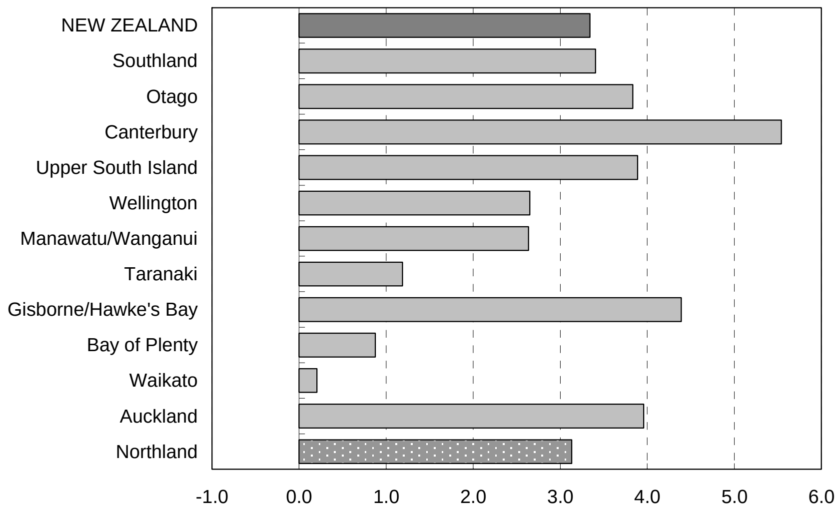
In the year to March 2007, Northland's Gross Domestic Product (GDP) was $4.4 billion in current prices, $3.3 billion in 1995/96 prices. The latter figure provides a measure of the volume of economic activity in the region excluding the impact of inflation ('real GDP'), and has increased by 16.3% since the March 2002 year.

In the year to March 2007, the Northland economy accounted for 2.6% of New Zealand's total economic activity. Northland's contribution to national GDP remained relatively stable at between 2.4% and 2.6% through 1998-2007. Northland is New Zealand's second smallest economic region, above Southland.[1]

Growth in Northland's real GDP averaged 3.1% per annum between the March 2003 and 2007 years (inclusive), below growth in the national economy of 3.3% pa, but 7th of the twelve regions in New Zealand.

Figure 1 Regional real GDP growth

Average annual percent change, years ended March 2003-2007



Source: NZIER estimates from Statistics New Zealand data

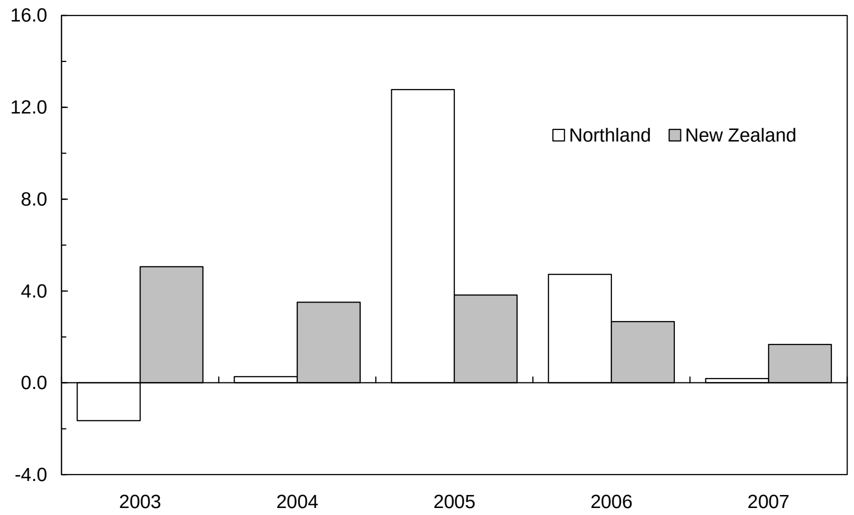
However, Northland's growth has been highly variable from one year to another over the period, with small falls in economic activity in three of the last five years,

[1] For the purposes of these estimates, some of the smaller regional council areas are aggregated together. Thus, the regions used for comparison in this report are: Northland, Auckland, Waikato, Bay of Plenty, Gisborne-Hawke's Bay (i.e. an aggregation of the Gisborne and Hawke's Bay regional council areas), Taranaki, Manawatu-Wanganui, Upper South Island (an aggregation of Tasman, Nelson, Marlborough and West Coast), Canterbury, Otago and Southland.

and a single year, to March 2005, accounting for almost all growth over the period.

Figure 2 Northland real GDP growth

Average annual percent change, years ended March

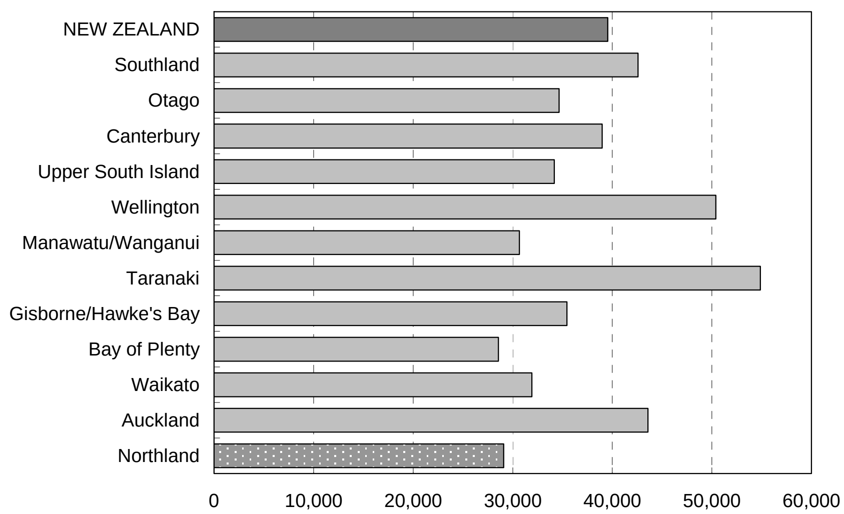


Source: NZIER estimates from Statistics New Zealand data

Northland's *nominal* GDP per capita was $29,087 in the year to March 2007, compared to a national figure of $3,9556. Northland has the second-lowest GDP per capita of the twelve regions.

Figure 3 Nominal GDP per capita

Dollars, year ended March 2007



Source: NZIER estimates from Statistics New Zealand data

2.2 Number of businesses

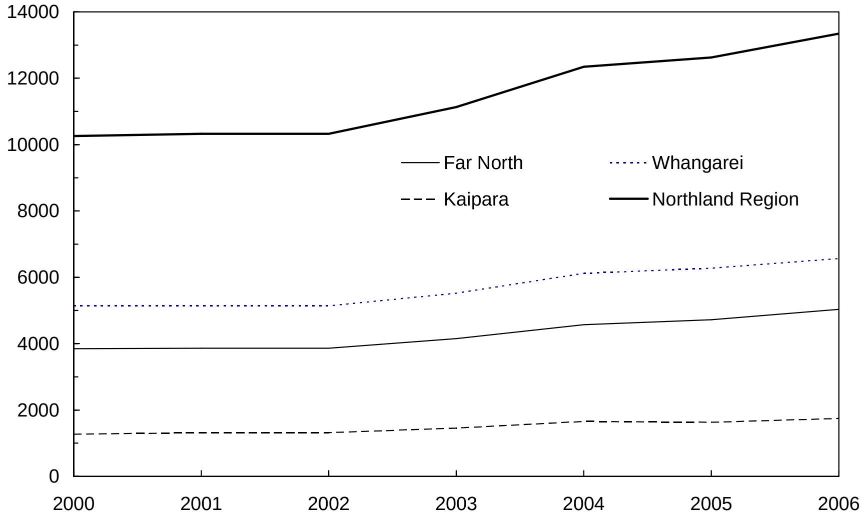
In February 2006, there were 13,345 non-agricultural workplaces (‘geographic units[2]’) in the Northland region; the number increased by 30.1% over the six years from February 2000, an average of 4.5% per annum. At the District level, comparable figures are:

- 5,032 the Far North District – an average annual increase of 4.6%
- 6,565 in Whangarei – an average annual increase of 4.2%
- 1,747 in Kaipara - – an average annual increase of 5.4%

The charts below show trends in the number of in each District in the Northland region, and across the region as a whole.

Figure 4 Number of non-farm businesses

Number of geographic units, as at February



Source: Statistics New Zealand Business Demography (BD) database

The growth in the number of businesses was most pronounced between 2002 and 2004, following two relatively flat years; and preceding two years of moderate growth.

[2] A geographic unit is defined as ‘a ‘separate operating unit engaged in New Zealand in one, or predominately one, kind of economic activity from a single physical location or base’. This is the preferred measure for counting the number of businesses in a particular area; the alternative definition, ‘enterprises’, is less useful as it will not count subsidiaries, branches etc whether in the same or a different location from the main location of the enterprise; and classifies branches etc according to the main industry of the enterprise, even if they are engaged in a different activity.

These data are drawn from Statistics New Zealand’s Business Demographics (BD) database. There are a number of exclusions from the BD database, the two main ones being:

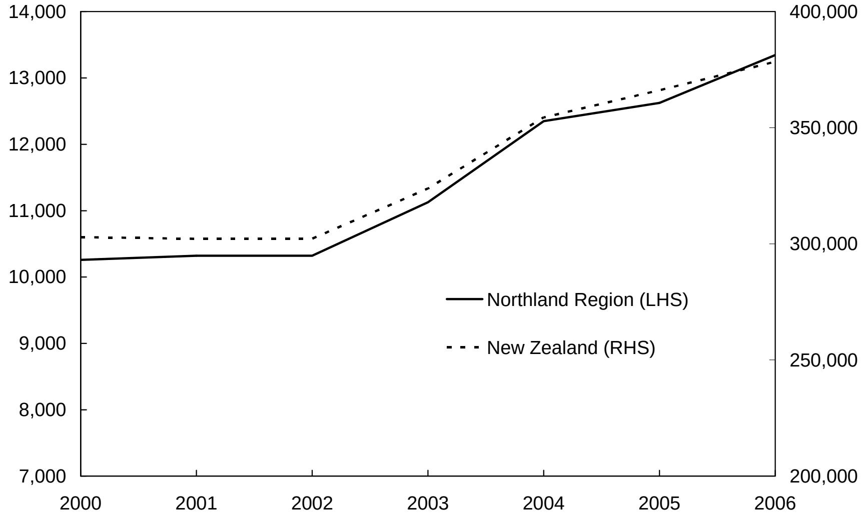
- agriculture, including farms and horticultural businesses
- those that are not “economically significant” – mainly those with annual GST sales of under $30,000, or three or fewer employees

Exclusions represent about 30% of the region’s employed population.

These are the latest data available; February 2007 data are not scheduled for release until 28 November 2007.

Figure 5 Number of non-farm businesses

Number of geographic units, as at February



Source: Statistics New Zealand Business Demography (BD) database

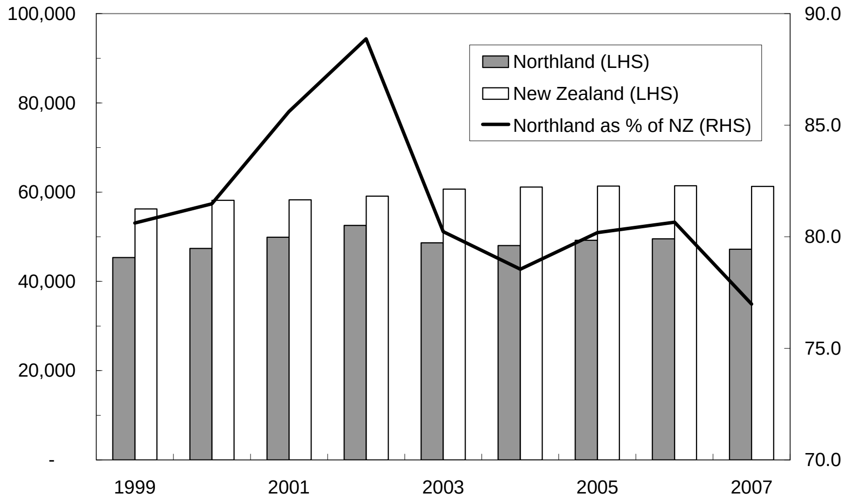
Trends in the region mirror those in the national economy, with business expansion resulting from very strong economic growth over this time. This said, the 30.1% increase in the number of businesses in the region exceeded the national increase of 24.9%.

2.3 Labour productivity

The simplest measure of labour productivity is GDP per employed person. Northland's GDP per person employed was $47,174 in the March 2007 year (in 1995/906 prices), 77% of the national average of $61,282.

Figure 6 Labour productivity

Real GDP (1995/06 prices) per person employed (LHS); percent (RHS)



Source: NZIER estimates from Statistics New Zealand data

This measure for Northland has consistently been below the equivalent national figure, averaging 81.5% over the period. After rising to nearly 90% of the national average in the March 2002, it has fallen since that time, as Northland's GDP per person employed has grown by 0.5% per annum, compared to 1.1% for New Zealand.

2.4 Change in the business profile

There are an average of 3.6 employees in each workplace in Northland, ranging across

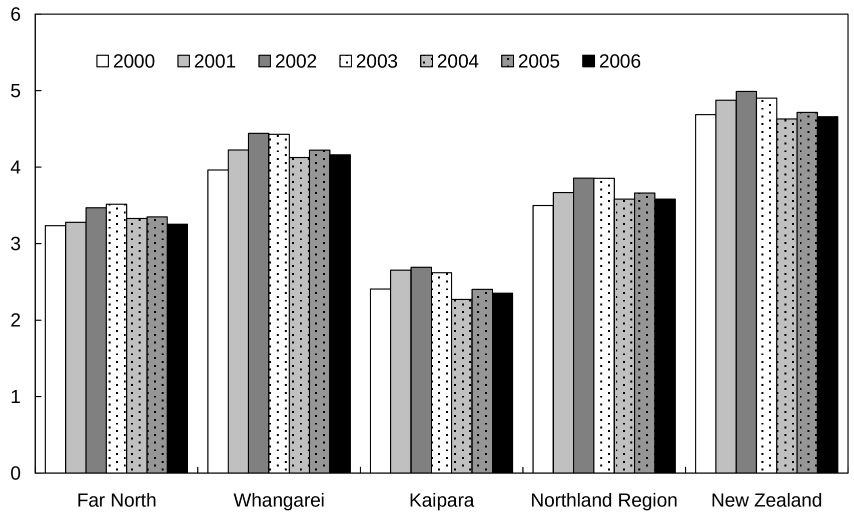
- 3.3 in the Far North
- 4.2 in Whangarei
- 2.4 in Kaipara

This is significantly below the national average of 4.7 employees per workplace.

These numbers have been relatively stable across the period, with a rising trend from 2000 to 2003, and slight falls since then.

Figure 7 Average workplace size 2000-2006

Number of employees per geographic unit, as at February

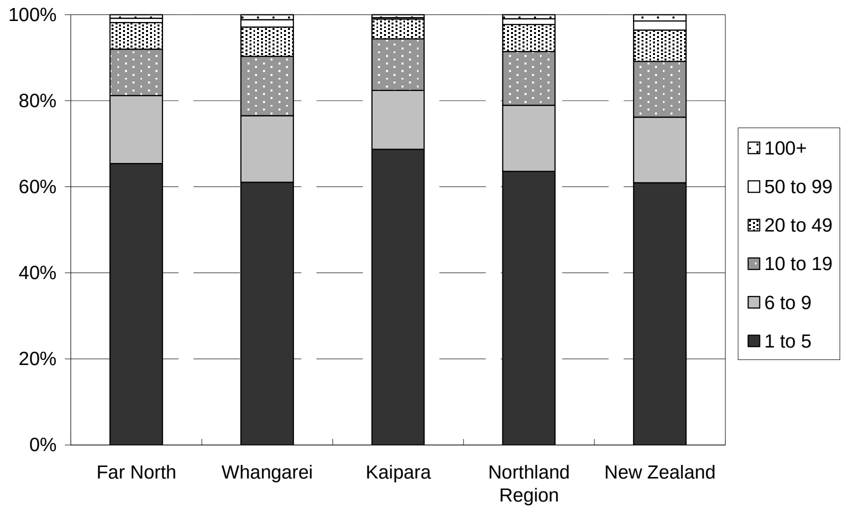


Source: Statistics New Zealand Business Demography (BD) database

As the chart below shows, smaller workplaces in Northland are a consequence of relatively fewer large workplaces in the region, and a corresponding preponderance of smaller workplaces.

Figure 8 Distribution of workplaces by size, 2006

Percent of geographical units by employee size group, as at February



Source: Statistics New Zealand Business Demography (BD) database

This pattern is common comparing non-metropolitan regions with national averages – larger workplaces are disproportionately located in the largest centres – and indeed is evident within the region, comparing Whangarei with the other two Districts.

Most firms in New Zealand are in the smallest size group, with 1-5 employees. Northland has a slightly higher proportion of firms in this size group - 63.6% versus 60.9% nationally – and about the same proportion with 6-10 employees (15.4% versus 15.2%). But the region has a lower proportion of firms in all of the larger size groups.

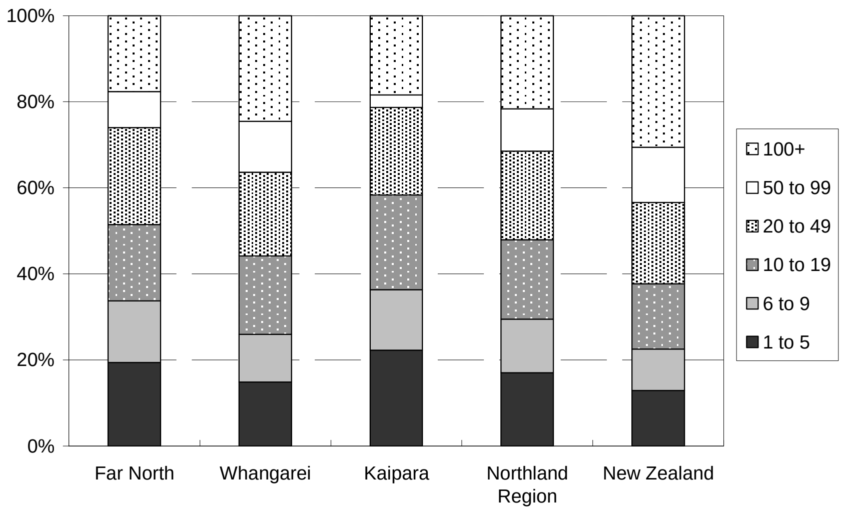
The effect of this can be seen by looking at the proportions of *employment* in each size group. Comparing the smallest and largest size groups

- 17.0% of Northland employment is in workplaces with 1-5 employees; 21.6% in those with over 100 employees
- 12.9% of national employment is in workplaces with 1-5 employees; 30.6% in those with over 100 employees

An approximate estimate is that the median-sized workplace in Northland would have about 22-24 employees; the equivalent workplace across all of New Zealand, about 38-40 employees[3].

Figure 9 Distribution of employment by workplace size, 2006

Percent of employment by geographical unit employee size group, as at February



Source: Statistics New Zealand Business Demography (BD) database

[3] The median – the workplace that falls exactly in the middle of the size distribution - is in the 20-49 employee size group for both the region and the country. However, the Northland median is likely to be near the bottom of the range – 47.9% of employment is in workplaces with fewer than 20 employees, and 20.6% in the 20-49 employee group. Nationally, equivalent figures are 37.7% and 18.9%, suggesting the median is likely to be close to the top of the range.

2.5 Number of jobs in major sectors

The following table shows employment by industry division in the region and TLAs (as at February 2006), and for industry sub-divisions whose employment represents at least 2.5% of total employment.

Table 1 Employment by industry divisions

Employee count; as at February 2006

	Far North	Whangarei	Kaipara	Northland	New Zealand
Agriculture, Forestry & Fishing	580	620	230	1,420	34,010
Mining	95	50	55	200	5,110
Manufacturing	1,520	3,870	1,020	6,390	253,250
Electricity, Gas & Water Supply	140	270	3	420	7,280
Construction	1,190	2,350	250	3,780	114,690
Wholesale Trade	370	1,320	260	1,940	115,120
Retail Trade	2,640	4,210	710	7,560	232,640
Accom, Cafes & Restaurants	1,870	1,510	330	3,710	113,440
Transport and Storage	580	1,110	90	1,770	75,470
Communication Services	90	120	18	230	28,470
Finance & Insurance	200	510	40	750	54,250
Property & Business Services	1,290	2,500	200	3,980	237,030
Govt Administration & Defence	450	900	100	1,450	70,880
Education	1,820	1,820	330	3,970	126,170
Health & Community Services	2,230	4,380	330	6,950	182,260
Cultural & Recreational Services	450	640	90	1,190	49,820
Personal & Other Services	880	1,140	85	2,100	63,270
Total	**16,380**	**27,320**	**4,110**	**47,820**	**1,763,160**

Source: Statistics New Zealand Business Demography (BD) database

Table 2 Employment by selected industry sub-divisions

Employee count; as at February 2006; for industry sub-divisions with greater than 2.5% of total employment

	Far North	Whangarei	Kaipara	Northland	New Zealand
Services to Agriculture; Hunting & Trapping			120		
Food, Beverage & Tobacco Manufacturing	450		580	1,660	73,510
Wood & Paper Product Manufacturing	460	820	160	1,440	
Machinery & Equipment Manufacturing		810			
General Construction	630	1,120	130	1,900	50,130
Construction Trade Services	550	1,220	110	1,890	64,560
Food Retailing	1,190	1,490	280	2,950	83,540
Personal & Household Good Retailing	870	1,750	230	2,860	100,780
Motor Vehicle Retailing & Services	580	970	200	1,750	48,300
Accommodation, Cafes & Restaurants	1,870	1,520	330	3,710	113,430
Road Transport	410	770		1,260	33,510
Business Services	940	2,100		3,140	210,970
Govt Administration	450	890		1,450	58,570
Education	1,820	1,820	320	3,960	126,180
Health Services	1,370	2,540	160	4,070	120,820
Community Services	850	1,850	170	2,880	61,430
Other Services	760	770		1,590	

Source: Statistics New Zealand Business Demography (BD) database

By way of comparison, the following table shows shares of employment by industry division, including for New Zealand, highlighting industries with significantly greater and lesser employment shares compared to the national average..

Table 3 Employment shares
Percent of total employment, as at February 2006

	Far North	Whangarei	Kaipara	Northland	New Zealand
Agriculture, Forestry & Fishing	3.5	2.3	5.6	3.0	1.9
Mining	0.6	0.2	1.3	0.4	0.3
Manufacturing	9.3	14.2	24.8	13.4	14.4
Electricity, Gas & Water Supply	0.9	1.0	0.1	0.9	0.4
Construction	7.3	8.6	6.1	7.9	6.5
Wholesale Trade	2.3	4.8	6.3	4.1	6.5
Retail Trade	16.1	15.4	17.3	15.8	13.2
Accommodation, Cafes & Restaurants	11.4	5.5	8.0	7.8	6.4
Transport and Storage	3.5	4.1	2.2	3.7	4.3
Communication Services	0.5	0.4	0.4	0.5	1.6
Finance & Insurance	1.2	1.9	1.0	1.6	3.1
Property & Business Services	7.9	9.2	4.9	8.3	13.4
Govt Administration & Defence	2.7	3.3	2.4	3.0	4.0
Education	11.1	6.7	8.0	8.3	7.2
Health & Community Services	13.6	16.0	8.0	14.5	10.3
Cultural & Recreational Services	2.7	2.3	2.2	2.5	2.8
Personal & Other Services	5.4	4.2	2.1	4.4	3.6

XXX	indicates a significantly higher employment share than the national average
XXX	indicates a significantly lower employment share than the national average

Source: Statistics New Zealand Business Demography (BD) database

Across the region, Retail Trade has a higher share of employment than the national average, and Property & Business Services significantly less. Other variations are specific to the individual area – for example, the low share of Health & Community Services in Kaipara would reflect provision of services for its residents from Whangarei or Auckland.

Note also that the BD includes very little of Agriculture; if this were included, it would demonstrate a much larger share than in New Zealand as a whole.

3. Transfer of wealth

3.1 Employment

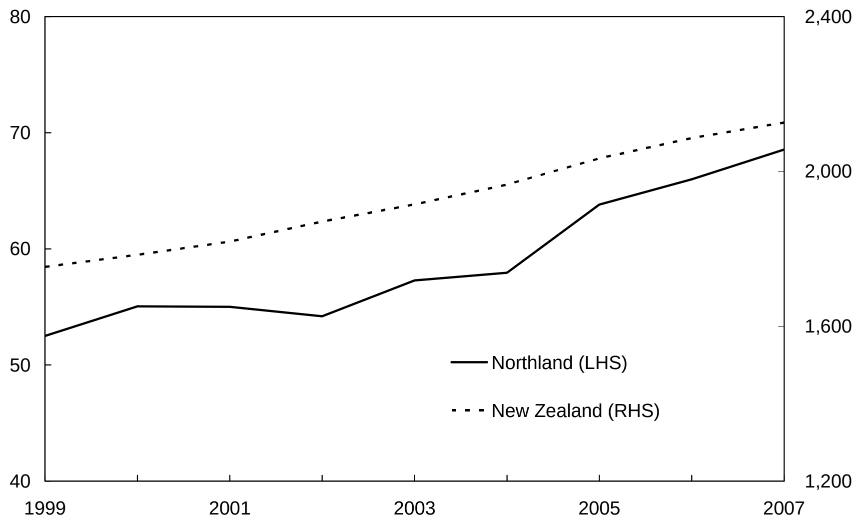
The last decade has been one of the strongest periods of job growth in New Zealand's modern history, and Northland has enjoyed the benefits of this.

Indeed, employment in the region has been growing more rapidly than the national average. There were an average of 68,600 people in employment in the March 2007 year, an increase of 24.2% on the number working in the March 1999 year (based on the Household Labour Force Survey). In comparison, total national employment increased by 20.7% over the same period.

Employment was growing by an average of 2.8% in the region, and 2.4% nationwide, over these eight years – a remarkably high rate of job growth sustained over a long period.

Figure 10 Employment trends

Annual average, years ended March; number of persons (LHS); 000s persons (RHS)



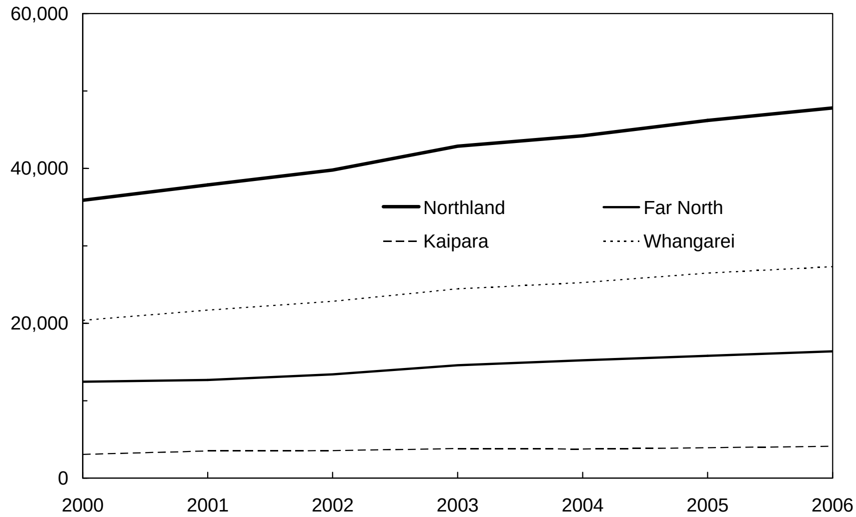
Source: Statistics New Zealand Household Labour Force survey

More detail is available from the BD[4]. The charts below show numbers employed over the period 2000 to 2006 in the region and its constituent TLAs.

[4] "Employment" is measured in different ways in the two surveys, and thus represents slightly different concepts. The HLFS is based on surveys of persons in resident households, and employment is the number of persons in jobs. The BD is based on surveys of firms, and employment is the number of filled positions.

The two surveys give different numbers because of the differences in coverage, and in the case of the HLFS, errors arising from estimates based on a sample rather than the whole survey population. However, they generally display parallel trends.

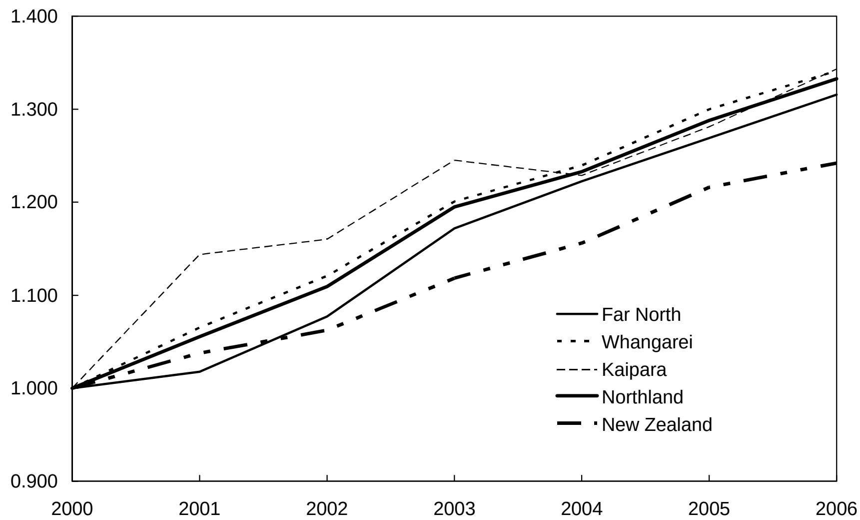
Figure 11 Employment trends
Employee count, as at February



Source: Statistics New Zealand Business Demography (BD) database

To generate a ready comparison of trends, we have converted the numbers employed to an index, based on March 2000.

Figure 12 Employment trends
Index, February 2000 = 1.000



Source: Statistics New Zealand Business Demography (BD) database

This confirms that

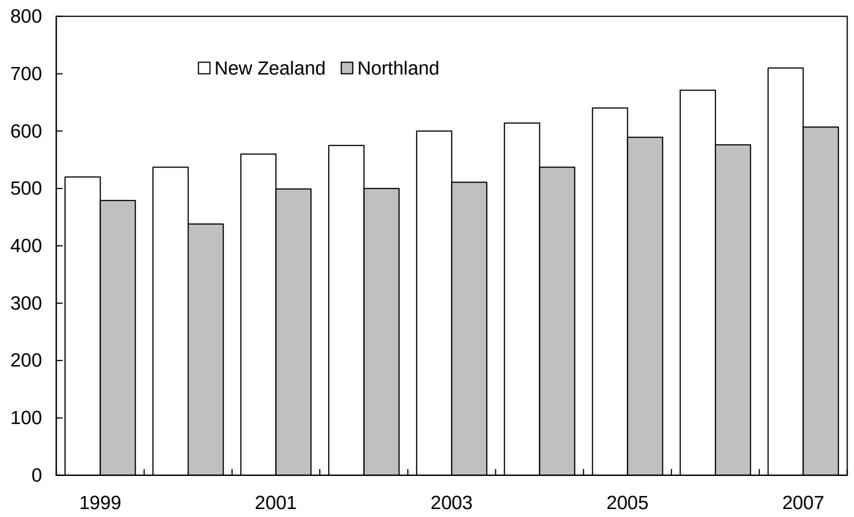
- growth in employment has strong throughout the region, and has increased by about a third – 31.6% in the Far North, 34.1% in Whangarei and 34.3% in Kaipara
- Northland's growth has been stronger than the national average, which was "only" 24.2%

3.2 Average incomes

In the June 2007 quarter, employed Northland residents (including self-employed) earned an average[5] of $607 per week.

Figure 13 Weekly earnings

Dollars per week from self-employment and paid employment; median average; June quarter



Source: Statistics New Zealand New Zealand Income Survey (supplement to June quarter HLFS)

This is only 85% of the national average of $710 per week, and the lower average wages in Northland is a longstanding phenomenon. However, this is true for most non-metropolitan regions – earnings, even for comparable jobs, tend to be higher in urban centres.

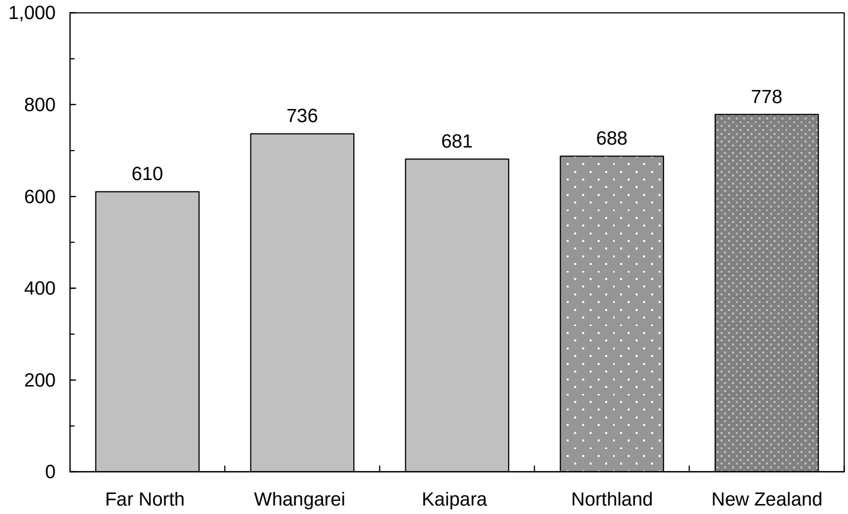
Moreover, earnings in Northland have been increasing more slowly than New Zealand as a whole – 27% over this period, compared to 37% nationally.

The above data are not available for TLAs; an alternative source, the Linked Employer-Employee Database (LEED) provides data on quarterly earnings from employment (excluding self-employment) by TLA, but no more recently than the June 2006 quarter.

[5] The measure used here is the median average, i.e. the figure exactly in the middle of the earnings distribution. This is preferred (where available) to the mean average, total earnings divided by number of persons employed, which is invariably higher because of the influence of high earnings at the top of the distribution.

Figure 14 Weekly earnings

Dollars per week from paid employment,; mean average, year ended September 2006



Source: Statistics New Zealand LEED

Northland earnings were 90% of the national average, and displayed considerable variation within the region .Whangarei earnings were 92% of the national average, whereas those in the Far North were only 77% of the national average.

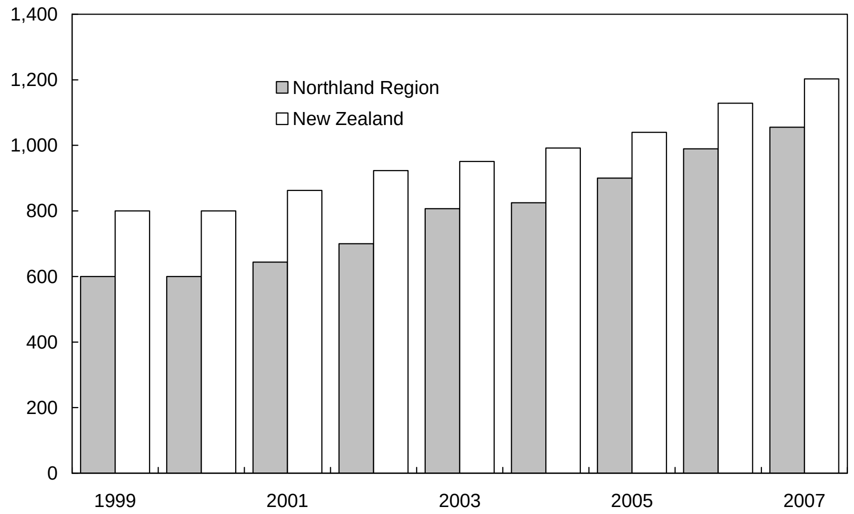
The Census also provides information on personal incomes, but is of limited value as income data are provided within bands rather than average dollar values. Median incomes of all persons aged 15 and over in the region, and Whangarei and Kaipara, were in the same band,. $20-25,000 per annum, as the national median. From scrutiny of the data, the national median would be around the middle of the band, where Northland and Whangarei would appear near the bottom of the band, and Kaipara around the middle. Median incomes in the Far North would be near the top of the next lowest band, $15-20,000 per annum.

3.3 Average household incomes

The median weekly income for household in Northland was $1,055 in the June 2007 quarter, compared to $1,203 across all New Zealand households.

Figure 15 Household incomes

Dollars per week, median average, June quarter



Source: Statistics New Zealand New Zealand Income Survey (supplement to June quarter HLFS)

Two facts are apparent from this chart. Firstly, lower household incomes in Northland are a longstanding phenomenon. But the gap has been closing –the median household income in Northland increased by 76% over this period, compared to 50% for New Zealand.

The fact that household incomes have been increasing more rapidly than the national average in Northland, even though earnings from employment have been increasing more slowly, is a reflection of the strong job growth in the region. This has provided paid work for people previously on benefits or outside the paid workforce altogether.

In the 2006 Census, median household incomes across New Zealand were in the $50-70,000 income band, whereas they were in the next band down, $30-50,000 for Northland region and all if its constituent areas.

3.4 Skills & education

The preferred indicator is "the proportion of 25-64 year olds with at least upper secondary school and/or tertiary education" which is published by the Ministry of Social Development in the regional section of the Social Report (from customised HLFS and Census data[6]).

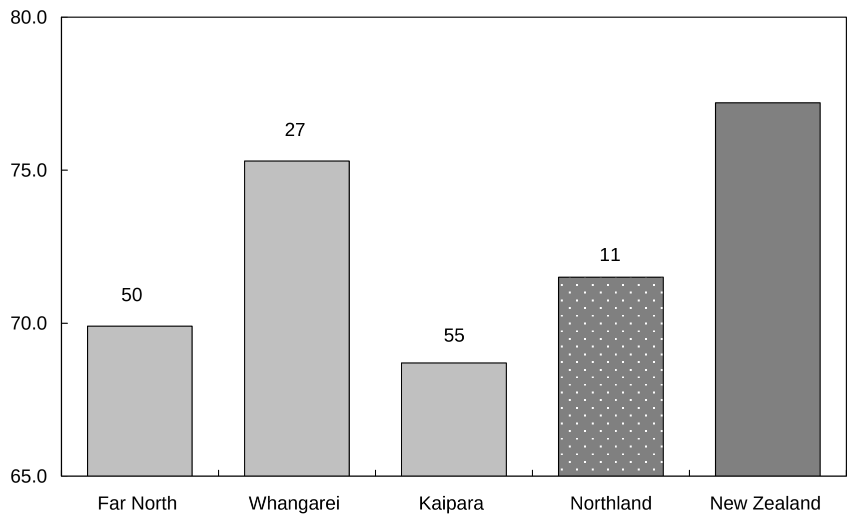
As the charts below show, Northland's adult population has lower educational attainment than the general New Zealand population. The region as a whole has the second lowest share of its adult population with upper secondary qualifications, and the lowest share with tertiary qualifications, of the twelve regions measured.

Within the region, it is notable that Whangarei has an above-average ranking in both upper secondary and tertiary qualified adults, and the other two Districts are in the third quartiles[7]. This is to be expected, as urban centres typically have a concentration of industries (e.g. business services) which require people with upper secondary and tertiary qualifications.

Figure 16 Educational attainment - secondary

Proportion of 25-64 year olds with at least upper secondary school education, percent

Figures above columns are rankings out of 73 Territorial Local Authorities and 12 Regional Council areas



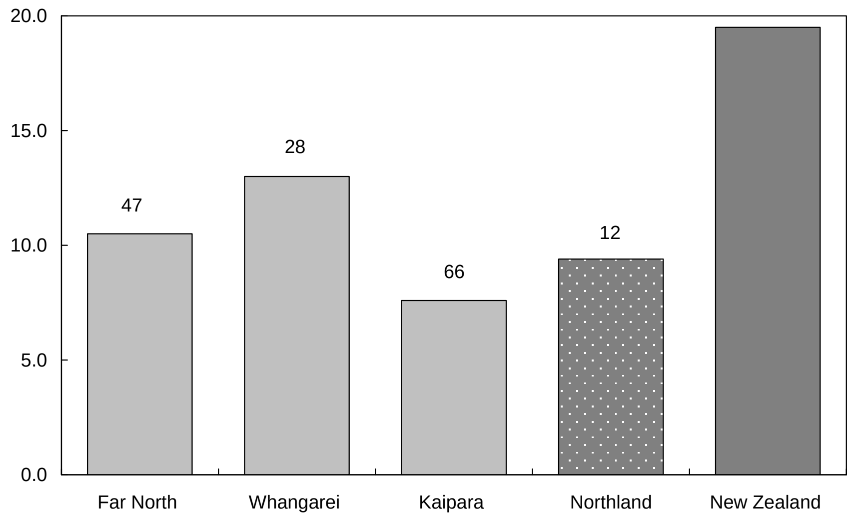
Source: Ministry of Social Development "Social Report 2007", from Statistics New Zealand HLFS/ Census

[6] See http://www.socialreport.msd.govt.nz/regional/.
Northland and New Zealand data are annual average data for the calendar year, from the HLFS; TLA data are as at March from the Census; and data from the two sources may not be entirely consistent.
Note that we are limited to published data, and in some cases, detailed data of interest are not available from that source.

[7] i.e. above the lowest 25% but below average – except for tertiary qualified adults in Kaipara, in the lowest 25%

Figure 17 Educational attainment - tertiary

Proportion of 25-64 year olds with at least tertiary education, percent
Figures above columns are rankings out of 73 Territorial Local Authorities and 12 Regional Council areas

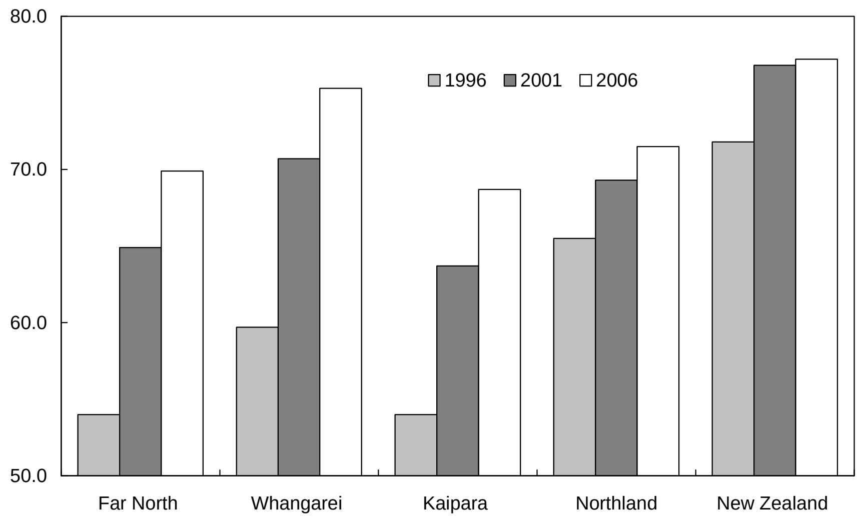


Source: Ministry of Social Development “Social Report 2007”, from Statistics New Zealand HLFS

However, when we compare the changes in the shares of upper secondary-qualified adults, we see a distinct improvement over time.

Figure 18 Changes in secondary educational attainment

Proportion of 25-64 year olds with at least upper secondary education, percent, annual averages



Source: Ministry of Social Development “Social Report 2007”, from Statistics New Zealand HLFS

The educational attainment of adults has been improving over the last decade, as older adults retire and are replaced by younger, better-qualified people. This trend has been apparent throughout New Zealand; but the improvement in Northland has been much more pronounced.

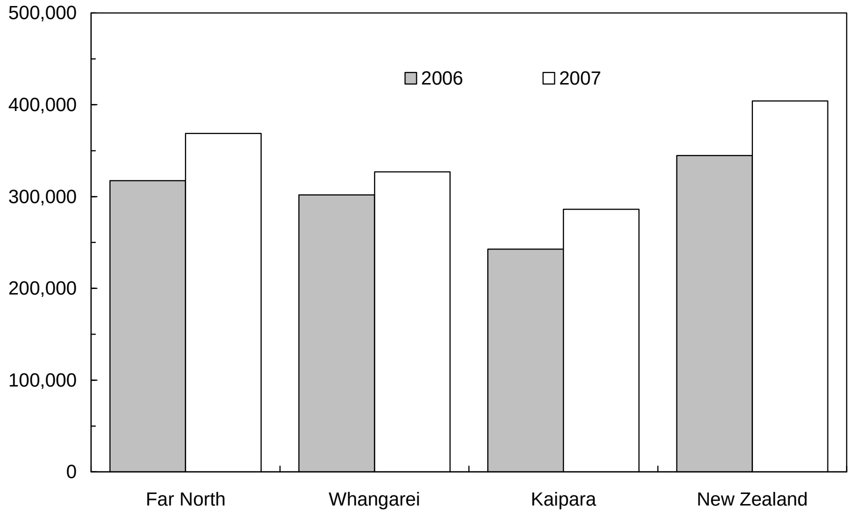
4. Other indicators

4.1 Average house prices

Average selling prices[8] for houses in the Northland region are below the national average.

Figure 19 House prices

Average sale price for three months ended September



Source: Quotable Value New Zealand

In the three months to September 2007, average selling prices were

- Far North - $369,000- 91% of the national average
- Whangarei - $327,000 – 81%
- Kaipara - $286,000 – 71%

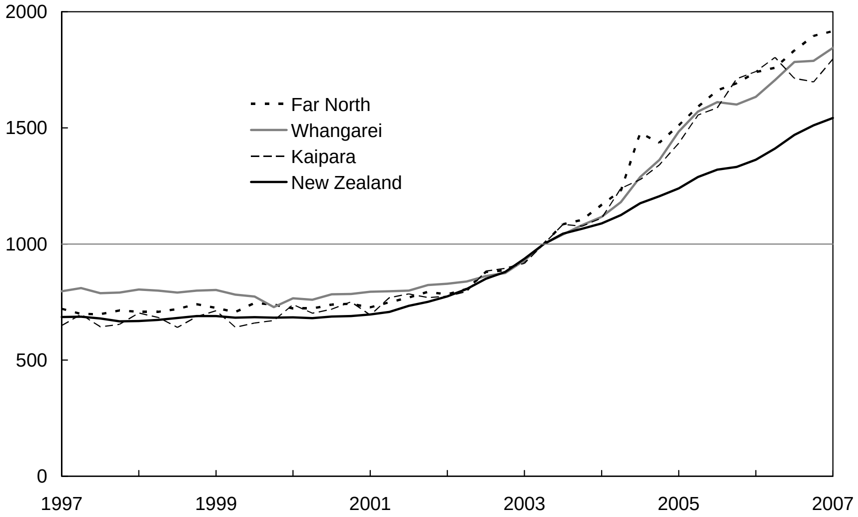
compared to the national average of $404,000.

While house prices in the region are below the national average, they have been rising more rapidly than nationally.

[8] Note; these represent the prices of houses that were actually sold during the period, and not the average value of houses in each area. As properties that change hands are not necessarily representative of the the total housing stock in an area, these figures are only broadly indicative of average and relative property values.

Figure 20 House price trends

Quarterly Price Index - Houses, Ownership Flats, Converted Flats and Home & Income, September 1997 to September 2007; Dec 2003 = 1000



Source: Quotable Value New Zealand

Since the beginning of 2003, house prices have risen by

- 118% in the Far North
- 114% in Whangarei
- 103% in Kaipara

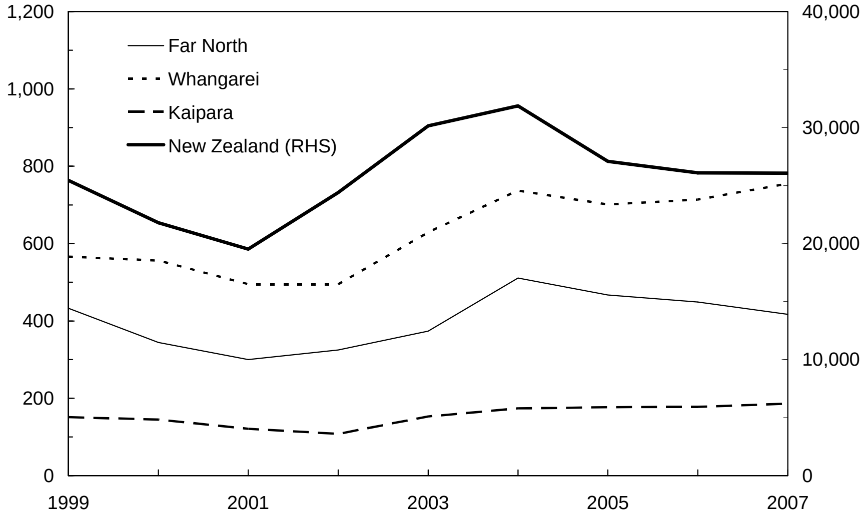
The national increase over this time was 81%, and the increase in Auckland was 61%.

4.2 Building consents

The period from 2002 to 2005 was a record for house construction in this country, and this trend was reflected in Northland.

Figure 21 Building consents - residential

New dwellings, number, years ended September



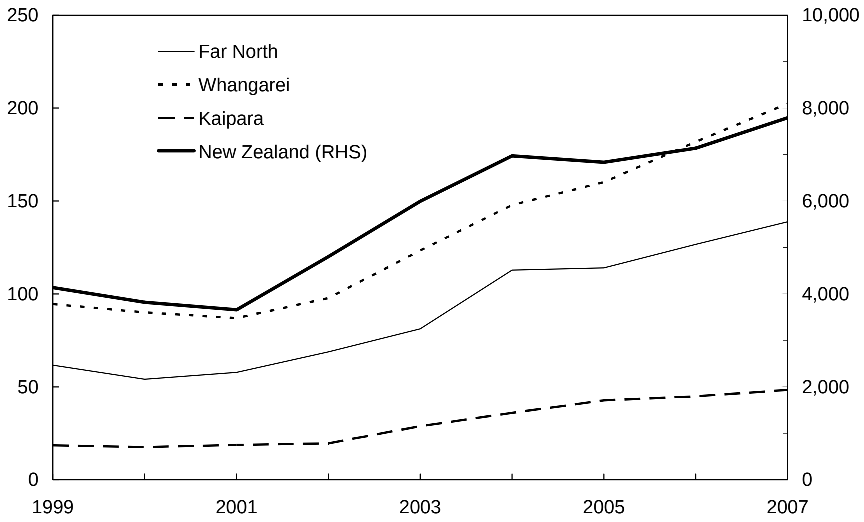
Source: Statistics New Zealand

A similar trend is observed in the value of building consents, including new dwellings, additions and alterations, and outbuildings[9]. However, these show an underlying upward trend, given increases in construction costs, and a tendency towards larger new houses.

[9] Additions and alterations and outbuildings account for about 20% of the value of consents issued.

Figure 22 Building consents - residential

Total residential, million dollars, years ended September

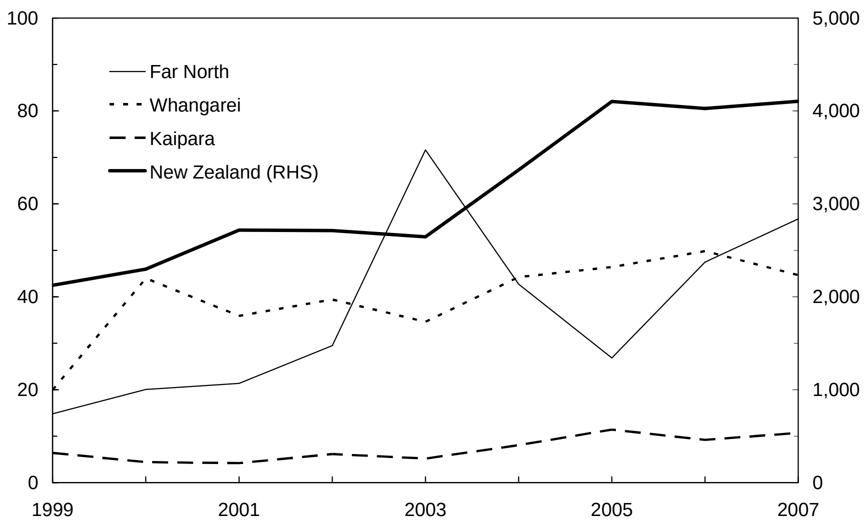


Source: Statistics New Zealand

The pattern observed in consents issued for non-residential buildings (shops and offices, hotels etc) is a lift in 2003 to 2005, and a levelling off since.

Figure 23 Building consents – non-residential buildings

Total non-residential buildings, million dollars, years ended September



Source: Statistics New Zealand

This pattern has been largely followed in Northland, except for

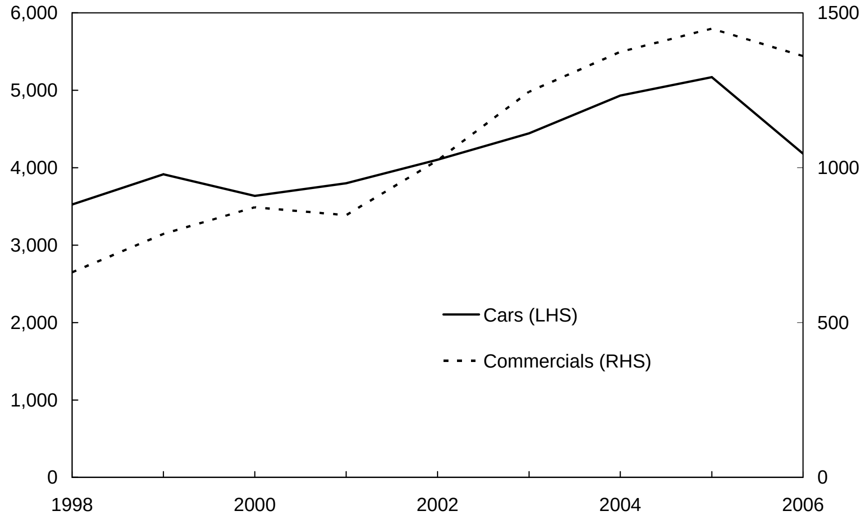
- a fall in consent values in Whangarei in the last year
- a big lift in the Far North in the September 2003 year, followed by falls in the following two years and subsequent years.

4.3 Vehicle registrations

The chart below shows a major lift in registration of vehicles in the region, especially commercial vehicles, between 2001 and 2005, with a downturn in 2006 in line with slowing economic activity.

Figure 24 Vehicles registered

Number; calendar years; new vehicles (including ex-overseas) registered in the Whangarei postal district



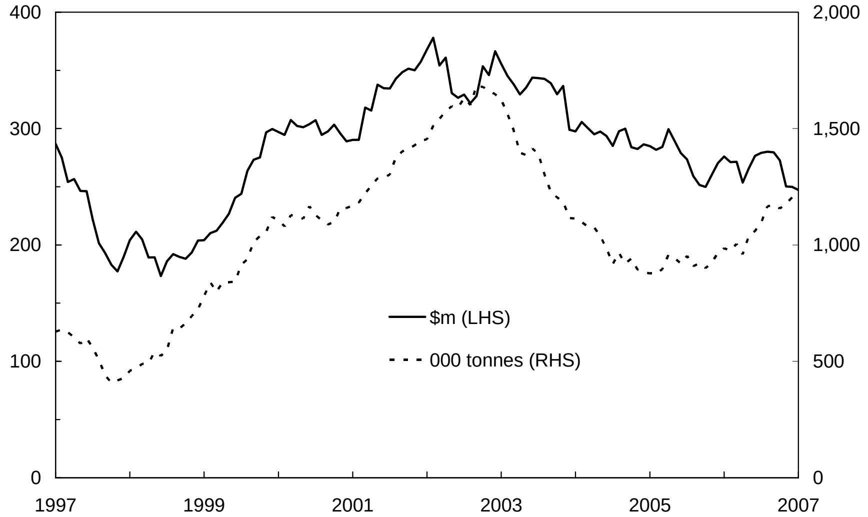
Source: Land Transport New Zealand

4.4 Exports from Whangarei

The chart below shows volumes and values of exports from the Port of Whangarei. These peaked in 2002/03, because of high forestry exports, and have fallen since; although volumes (but not values) show signs of recovery in the last year.

Figure 25 Export cargo loaded at Whangarei port

Million dollars Free on Board (LHS); Gross weight 000s tonnes (LHS); cumulative annual totals, to September 2007; August/September 2007 data are provisional



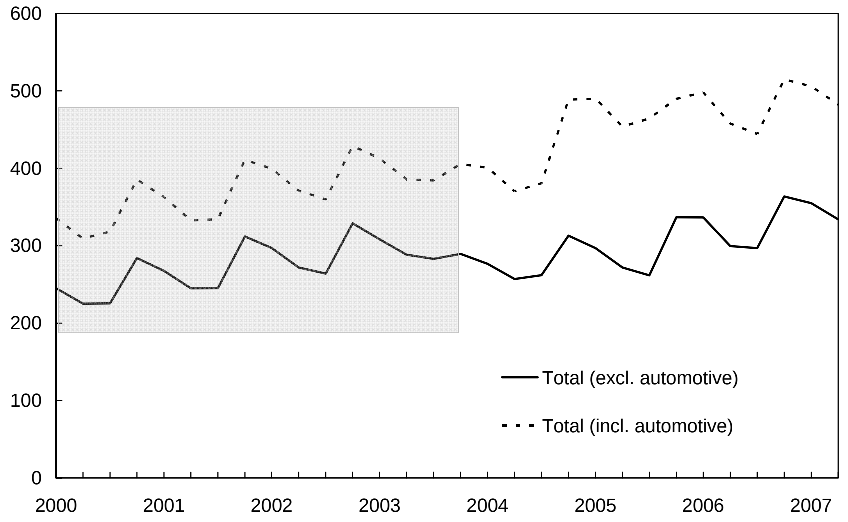
Source: Statistics New Zealand

4.5 Retail trade

The chart below show trends in quarterly retail trade sales in Northland since 2000[10].

Figure 26 Retail sales in Northland

Million dollars, quarterly



Source: Statistics New Zealand – customised data from Retail Trade Survey

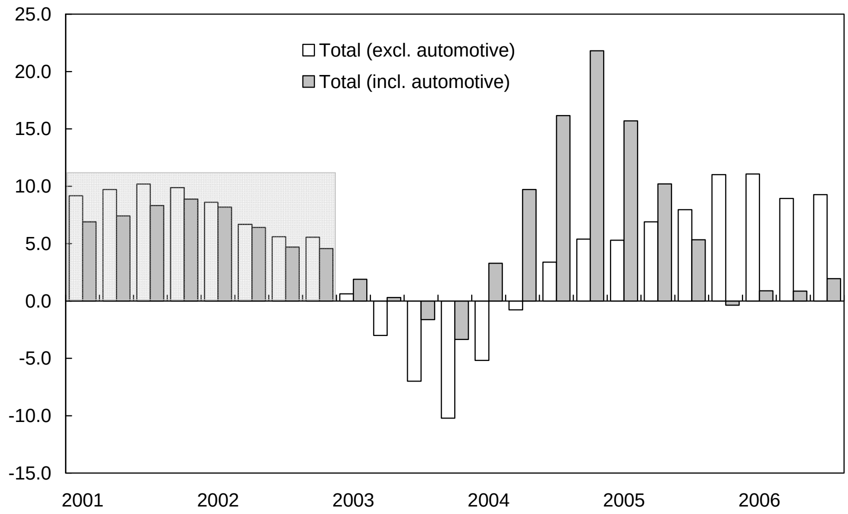
Two series have been distinguished - total sales excluding automotive store types (vehicle sales, fuel sales and repairs), and total sales including automotive. Historically, the automotive series have been quite volatile and non-automotive sales are regarded as a better indicator of underlying retail trends.

[10] There was a change in survey methodology in October 2003, so data before and after that time may not be comparable. Prior data is shown in the shaded areas in these charts.

Because of small sample size (i.e. the number of surveyed retailers in Northland), these data are subject to sample, non-sample and modelling errors and should be regarded as indicative only. These data are not available by TLA, as the number of surveyed retailers in each TLA is too small.

Figure 27 Retail sales in Northland

Annual average percent change



Source: Statistics New Zealand – customised data from Retail Trade Survey

The above suggests the opposite – that in fact, the non-automotive sales have been more variable, with falling sales in 2004. However, this is subject to a significant qualification, that the apparent falls may be a reflection of changes in the survey design and/or sample error, rather than underlying trends.

Focusing purely in the period since October 2003, retail sales appear to have been growing strongly in Northland, with non-automotive and total sales increasing at an annual rate of 9.1% and 9.3% respectively. This is stronger growth than nationally, where comparable increases were 6.9% and 6.3%.

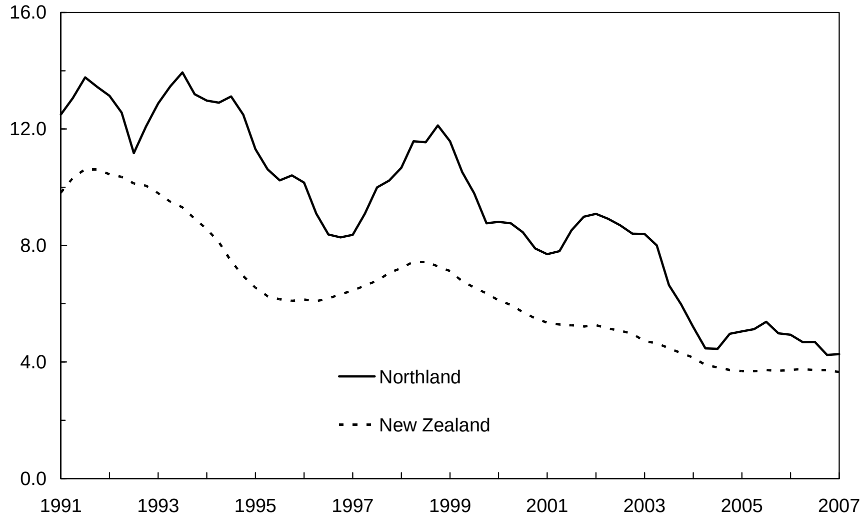
4.6 Unemployment

The chart below shows the unemployment rate for the region and New Zealand since the year ended September 1991. As can be seen, the region's unemployment rate has been above the national average; and has followed national trends, but with more variability.

Over the last decade, much of the gap between regional and national unemployment rates have closed. Northland's unemployment rate average 4.3% of the labour force[11] in the year to September 2007, compared to 3.7% across New Zealand as a whole.

Figure 28 Unemployment rates

Percent of the labour force, annual average



Source: Statistics New Zealand – Household Labour Force Survey

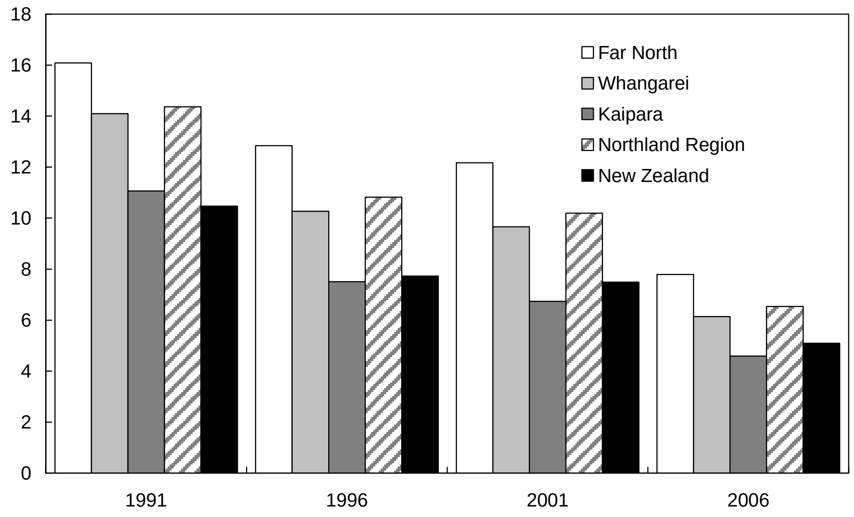
More detail is available from population Censuses. These confirm that the region's unemployment rate has been above the national average; and at the local level,

- the Far North has consistently had the highest unemployment rate in the region
- Whangarei the second highest
- Kaipara the lowest, around the national average

[11] Persons aged 15 and over engaged in or actively seeking employment.

Figure 29 Unemployment rates

Percent of the labour force



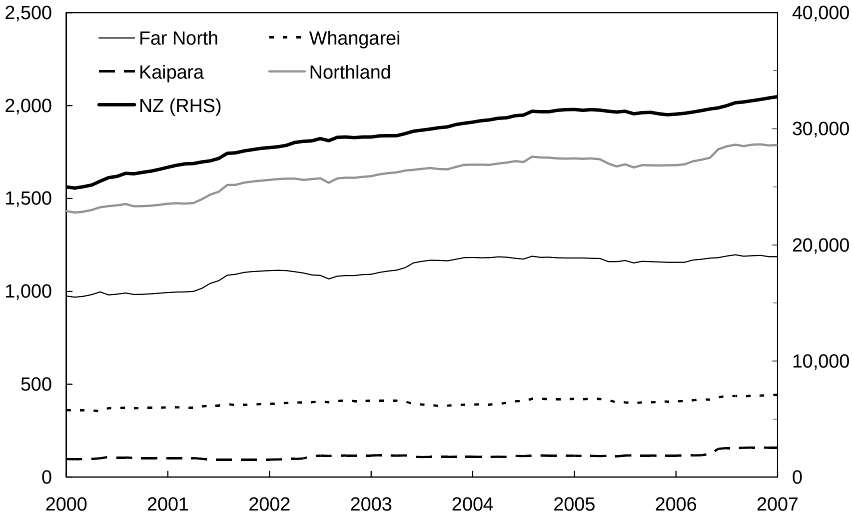
Source: Statistics New Zealand – Population Censuses

4.7 Visitor nights

The chart below shows the number of guest nights (both domestic and international tourists) in commercial accommodation.[12]

Figure 30 Guest nights

000s, cumulative annual, to September 2007



Source: Statistics New Zealand Accommodation Survey

Northland as a whole has participated in the growth in use of commercial accommodation experienced nationally. The dip in guest nights from late 2005 (after the boost from the British & Irish Lions rugby tour) was more pronounced than nationally, although the recovery has been stronger.

Growth in guest nights in the last year (to September 2007) has been:

- 2.6% in the Far North
- 8.2% in Whangarei
- 35.0% in Kaipara

and

- 6.2% across the region

compared to 4.9% nationally

Northland had 5.4% of total national guest nights. The Far North is by far the main visitor area in the region, accounting for approximately two-thirds of guest

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[12] The target population for this survey is all 'geographic units' that are classified as short-term (less than one month) commercial accommodation providers operating in New Zealand. Excluded are establishments

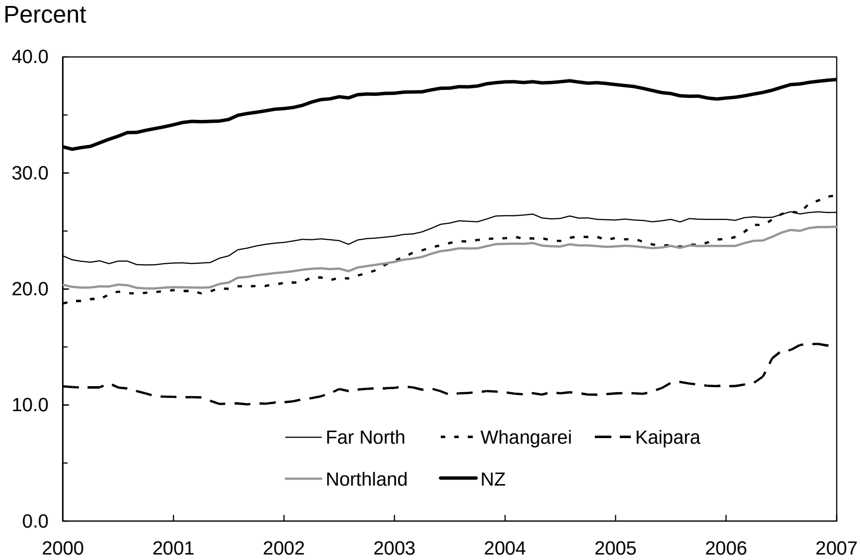
- that are temporarily closed for more than 14 days during a month
- with a GST turnover of less than $30,000
- primarily offering accommodation for periods of one month or more

Some Northland camping ground and total data have been suppressed due to quality concerns.

nights in the region (although its share fell in the last year, as a result of the higher growth in other parts of the region).

Occupancy rates – the ratio of occupied to total available unit-nights - are significantly lower in the region than nationally, especially in Kaipara.

Figure 31 Occupancy rates



Source: Statistics New Zealand Accommodation Survey

This is a reflection of pronounced seasonality in the region. Occupancy rates in the peak month, January, are typically three times the equivalent figure in August, the low month. The equivalent ratio nationally is 1.6.