



MINISTRY OF  
SOCIAL DEVELOPMENT  
*Te Manatū Whakahiato Ora*

Department of Labour  
TE TARI MAHI



Otago

## QUARTERLY REGIONAL LABOUR MARKET UPDATE FOR DECEMBER 2006

## OTAGO

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### EXECUTIVE SUMMARY

The labour force participation rate in Otago stood at 67.0% during the year to December 2006 up from 66.2% the year before. In comparison, the national average participation rate was 68.4% for the year to December 2006.

The unemployment rate in Otago remained the same at 3.7% for the year to December 2006 (national average: 3.8%).

There were 1,545 working aged people receiving unemployment benefits from Work and Income in the Otago region at the end of December 2006.

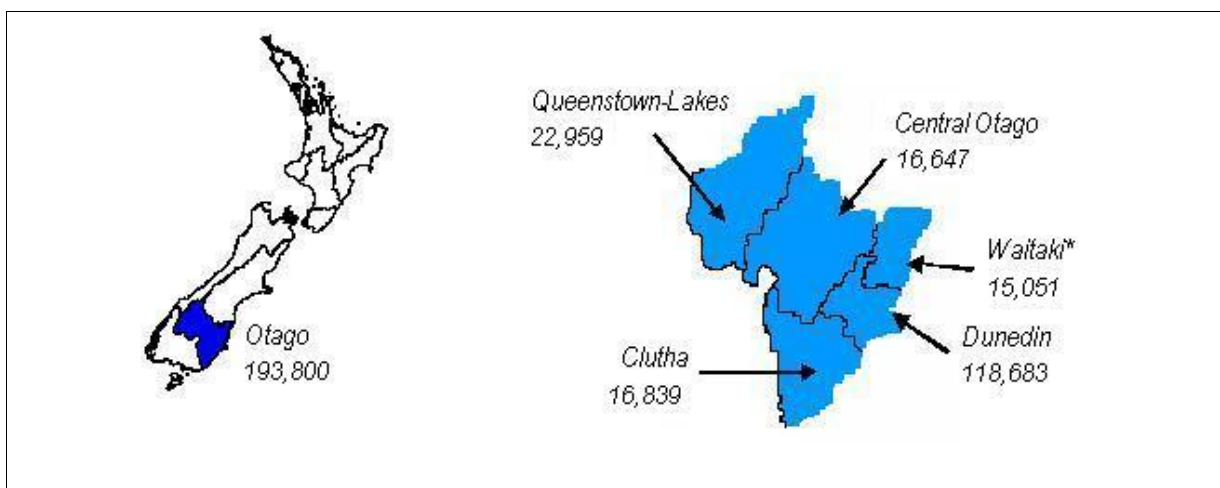
Advertised vacancies in Otago grew by 6.3% in the year to December 2006, compared with a fall of 8.0% at the national level.

The data presented in this report is by regional council boundaries. This the first time some of this information has been available using regional council boundaries.

### BACKGROUND

This report includes information relating to the area covered by the Otago region as shown in Box 1.

#### Box 1: Map and population of Otago for March 2006



Source: Population Census 2006, Statistics New Zealand

Note: Waitaki extends up into Canterbury. The population figure for Waitaki is for the portion of the Waitaki district in the Otago region.

This report is a quarterly update of current labour market conditions in the Otago region. The sources of statistics are the Statistics New Zealand Household Labour Force Survey (HLFS), Ministry of Social Development (MSD) and the Department of Labour Job Vacancy Monitor (JVM). To counter the effects of seasonality and low sample size when making comparisons over time, the figures presented are averages for the year up to the quarter indicated, unless otherwise stated.

**Table 1: Key labour market data for the Otago region**

<i>HLFS Indicator</i>	<i>Otago</i>		<i>New Zealand</i>	
	year to December 2005	year to December 2006	year to December 2005	year to December 2006
Participation rate, ann ave	66.2%	67.0%	67.8%	68.4%
Employment rate, ann ave	63.7%	64.5%	65.3%	65.8%
Unemployment rate, ann ave	3.7%	3.7%	3.7%	3.8%

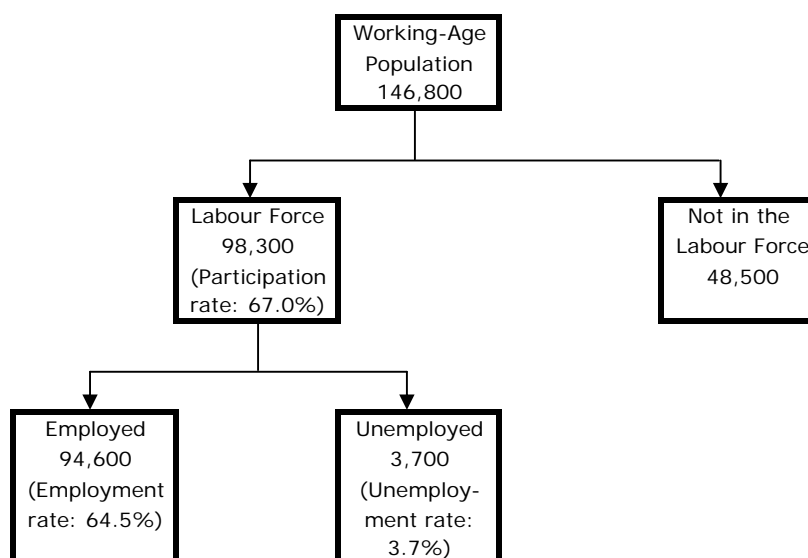
<i>Unemployment Beneficiary Indicator</i>	<i>Otago</i>		<i>New Zealand</i>	
	End of December 2006 ('000)	share in NZ	End of December ('000)	% change since December 2002
Working aged UB/UBH recipients (aged 18-64)	1,545	4.0%	38,796	-67.2%

<i>JVM Indicator</i>	<i>Otago</i>		<i>New Zealand</i>	
	year to December 2005	year to December 2006	year to December 2005	year to December 2006
Advertised job vacancy counts, ann ave % change	6.3%	6.3%	5.1%	-8.0%

Source: HLFS, Statistics New Zealand; MSD; JVM, Department of Labour

In the year to December 2006 the working-age population in the Otago region was 146,800. The labour force participation rate was 67.0% while 98,300 people were in the labour force and 48,500 people were 'not in the labour force'. Of those people who were in the labour force, 3.7%, or 3,700 were unemployed and 94,600 were employed.

**Box 2: The labour market in Otago for the year to December 2006**



Source: HLFS, Statistics New Zealand

Notes:

- Participation rate: proportion of the working-age population that is in the labour force.
- Employment rate: proportion of the working-age population that is employed.
- Unemployment rate: proportion of the labour force that is unemployed.

## POPULATION

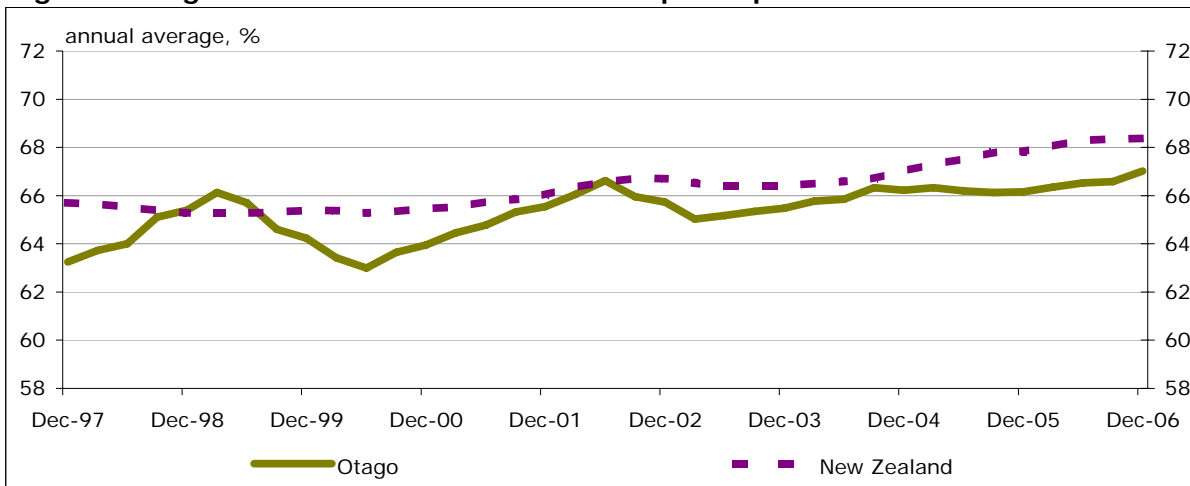
The working-age population in the Otago region is estimated at 146,800 in the year to December 2006.

## LABOUR FORCE

The participation rate in Otago stood at 67.0% during the year to December 2006 up from 66.2% the year before. In comparison, the national average participation rate was 68.4% for the year to December 2006.

The number of people in the labour force in the Otago region is estimated to be 98,300 in the year to December 2006.

**Figure 1: Regional and national trends in the participation rate**



Source: HLFS, Statistics New Zealand

For a more detailed explanation of the labour force and the participation rate, go to the Department of Labour publication: workINSIGHT, issue 5, page 35, *The Labour Market Explained: The Labour Force Participation Rate* at [www.workINSIGHT.govt.nz](http://www.workINSIGHT.govt.nz).

## EMPLOYMENT

The employment rate (the proportion of the working-age population that is employed) in Otago stood at 64.5% during the year to December 2006 up from 63.7% the year before. In comparison, the national average employment rate was 65.8%.

Employment in the Otago region was 94,600 in the year to December 2006.

**Figure 2: Regional and national trends in the employment rate**



Source: HLFS, Statistics New Zealand

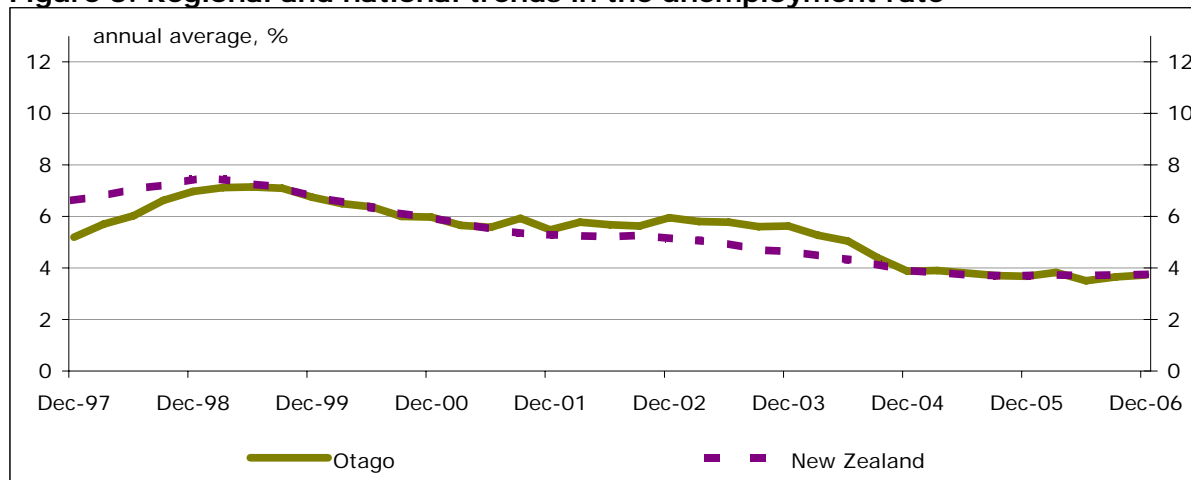
For a more detailed explanation of employment, go to the Department of Labour publication: workINSIGHT, issue 4, page 32, *The Labour Market Explained: Employment* at [www.workINSIGHT.govt.nz](http://www.workINSIGHT.govt.nz).

## UNEMPLOYMENT

The region's unemployment rate remained steady at 3.7% in the year to December 2006. In comparison, the national average unemployment rate was 3.8% for the year to December 2006.

The number of unemployed people in the region (as measured by the official statistics) is estimated at 3,700 for the year to December 2006.

**Figure 3: Regional and national trends in the unemployment rate**



Source: HLFS, Statistics New Zealand

The Household Labour Force Survey provides an estimate of all persons in the working-age population who during a particular week were without a paid job, available for work and had either actively sought work in the previous four weeks, or had a new job to start within four weeks of the survey week. These numbers will not align exactly with numbers receiving an income tested benefit such as Unemployment Benefit (see next page). There are a range of reasons for this. For example, recipients of income tested benefits can be employed part time up to specified income limits, whereas a respondent to the Household Labour Force Survey must have worked less than an hour during the week being surveyed to count as officially unemployed.

## UNEMPLOYMENT BENEFITS

The Ministry of Social Development has recently begun to make information on numbers receiving social security benefits available for Territorial Local Authorities. This information also supports display by Regional Council area, the same geographic basis on which other information in this report has been displayed. It will be some time yet before this is available as an annual time-series, so comparisons over time are provided for New Zealand as a whole.

There were 1,545 working aged people receiving unemployment benefits from Work and Income in the Otago region at the end of December 2006. Their characteristics are shown in the next table.

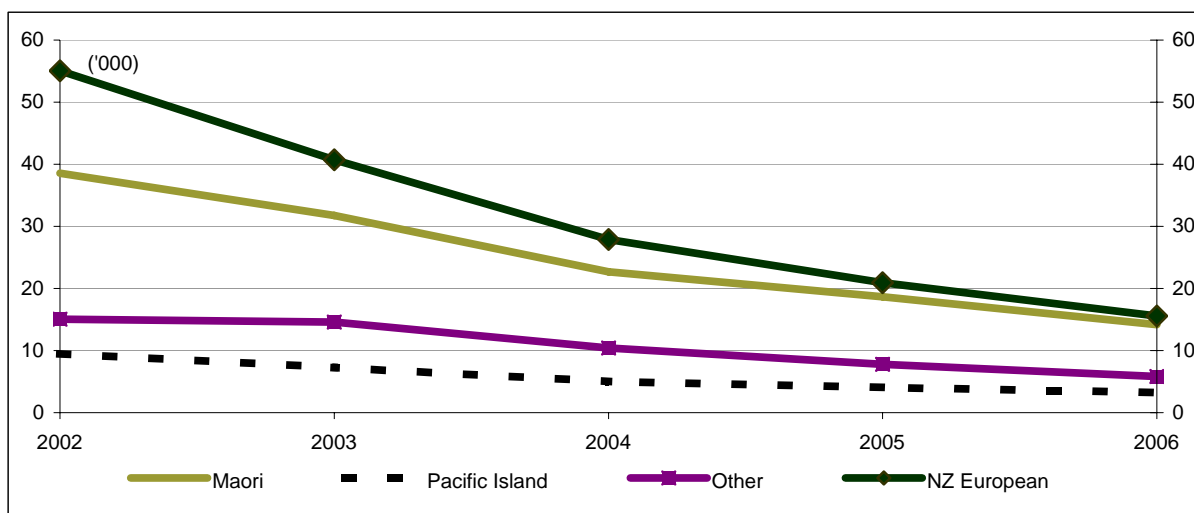
**Table 2: Working aged unemployment benefit recipients (aged 18-64) in the Otago region and nationally at the end of December 2006**

	Region		New Zealand		Region's share of New Zealand (%)
	Share (%)	Number	Share (%)	Number	
Male	67.1	1,037	65.1	25,256	4.1
Female	32.9	508	34.9	13,540	3.8
Maori	13.1	202	36.5	14,161	1.4
Pacific People	1.7	26	8.3	3,220	0.8
18-24 years	28.8	445	24.7	9,583	4.6
25-39 years	29.6	457	33.0	12,803	3.6
40-54 years	21.1	326	22.1	8,574	3.8
55-64 years	20.5	317	20.2	7,837	4.0
<b>Total</b>		<b>1,545</b>		<b>38,796</b>	<b>4.0</b>

Source: MSD

These values occur against a backdrop of significant reductions in the number of current unemployment benefits over time at the national level.

**Figure 4: Clients receiving Unemployment Benefits for the whole of New Zealand, December 2002 - December 2006**



Source: MSD

Notes: Other includes not specified. Values for the end of the December quarter.

## JOB VACANCY TRENDS

The Job Vacancy Monitor (JVM) is a monthly analysis of job advertisements in selected editions of 25 major newspapers around New Zealand and three websites advertising IT vacancies. Over time, JVM informs us about the tightness of the labour market.

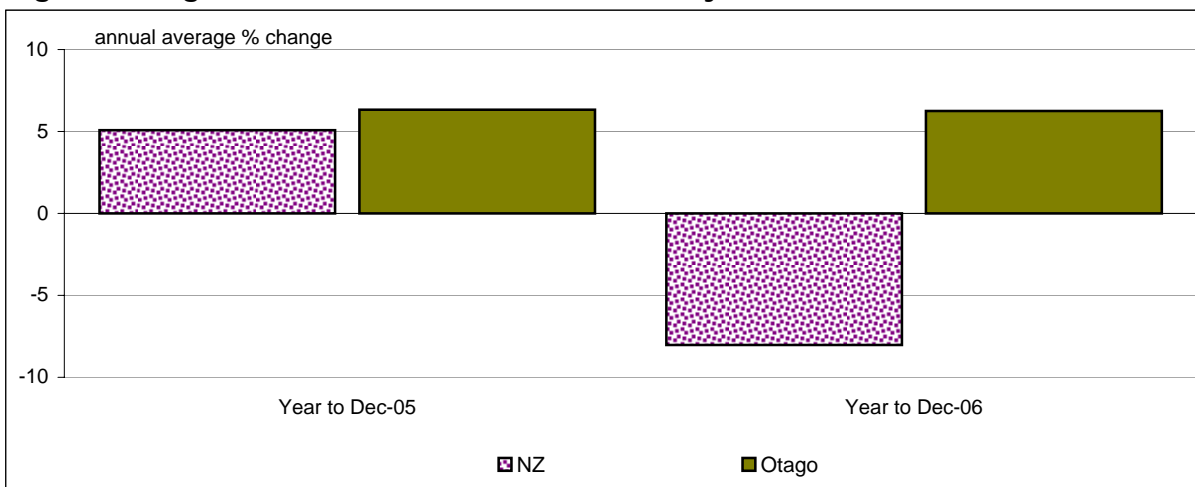
Advertised vacancies in Otago grew by 6.3% in the year to December 2006, compared with a fall of 8.0% at the national level.

Advertisements for highly skilled (legal/admin/managers & professionals) occupations in Otago declined by 5.2% in the year to December 2006.

Advertisements for skilled (ass.profs/tech & trades workers) occupations in Otago declined by 3.6% in the year to December 2006.

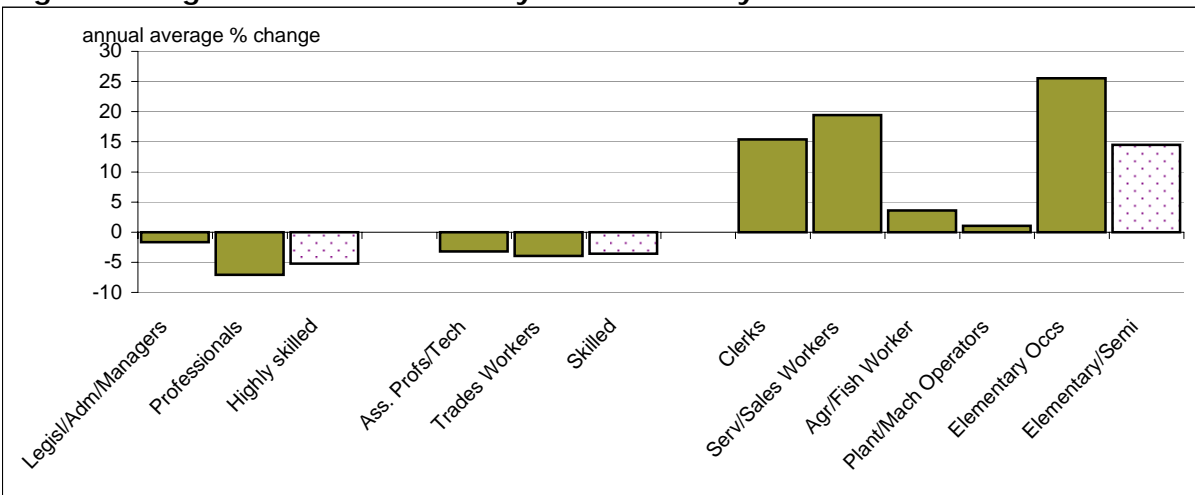
Advertisements for semi-skilled / elementary (clerks, serv/sales workers, agr/fish workers, plant /mach operators & elementary) occupations in Otago grew by 14.5% in the year to December 2006.

**Figure 5: Regional and national trends in vacancy counts**



Source: Job Vacancy Monitor, Department of Labour

**Figure 6: Regional trends in vacancy counts in the year to December 2006**



Source: Job Vacancy Monitor, Department of Labour

Note: Skill categories (highly skilled, skilled and elementary/semi) are averages of the occupation groups shown to the left.

For a more detailed labour market outlook for New Zealand as a whole, go to the Department of Labour's *Labour Market Outlook Report* at <http://www.dol.govt.nz/publications/lmr/lmr-labour-market-outlook.asp>.

For more detailed results from the Job Vacancy Monitor, go to the Department of Labour's *Job Vacancy Monitoring Reports* at <http://www.dol.govt.nz/publications/jvm/job-ad-monthly-report.asp>.

## High Vacancy Occupations

Below is a list of occupations from the JVM that have the highest number of vacancies (high vacancy occupations), and those occupations that have shown the highest growth in advertised vacancies in terms of percentage change (top percentage growth occupations) and numerical change (top numeric growth occupations) in Otago.

The number of vacancies is measured as the total number of vacancies advertised in the twelve months to December 2006. The growth in vacancies compares the number of advertised vacancies in the 12 months to December 2006 with the previous 12 months. Percentage growth figures are only included if at least 24 vacancies occurred in the year to December 2005.

**Table 3: Otago high vacancy occupations, December 2006**

Occupation group	Vacancies
1 Sales Assistant	263
2 Care Giver	215
3 General Labourer	131
4 Dairy Farmer, Dairy Farm Worker	120
5 General Clerk	119
6 Cleaner	102
7 Registered Nurse	97
8 Carpenter and/or Joiner	91
9 Information Clerk and Other Receptionist	87
10 Hairdresser	74

**Table 4: Otago, top percentage growth occupations, December 2006**

Occupation group	Vacancies
1 Hairdresser	147%
2 Kitchenhand	84%
3 Catering Counter Assistant	59%
4 Cook	50%
5 Information Clerk and Other Receptionist	32%
6 Electrician	26%
7 Waiter	24%
8 Sales Assistant	21%
9 Heavy Truck or Tanker Driver	20%
10 Accounts Clerk	16%

**Table 5: Otago top numeric growth occupations, December 2006**

Occupation group	Vacancies
1 Sales Assistant	45
2 Hairdresser	44
3 Kitchenhand	32
4 Courier and Deliverer	30
5 Catering Counter Assistant	23
6 Security Officer	22
7 Fork-Lift Operator	21
8 Information Clerk and Other Receptionist	21
9 Builder (Including Contractor)	18
10 Cook	17

## GLOSSARY

**Working-age population:** population aged 15 years and over.

**Labour force:** number of people who are either in work or are available and actively seeking work (that is, employed or unemployed as defined below).

**Employment:** number of people in work of one hour or more per week.

**Unemployment:** number of people who are not in work, but who are available for and actively seeking work.

**Not in the labour force:** number of people who are not in work and are either not available or not actively seeking work (that is, they are not employed and not unemployed). This includes for example, retired people, students and people at home with children.

**Labour force participation rate:** proportion of the working-age population that is in the labour force.

**Unemployment rate:** proportion of the labour force that is unemployed.

**Employment rate:** proportion of the working-age population that is employed.

**Job Vacancy Count:** a monthly count of job advertisements in selected editions of 25 major newspapers around New Zealand and three websites advertising IT vacancies, published by Department of Labour (<http://www.dol.govt.nz/publications/jvm/job-ad-monthly-report.asp>).

**Highly skilled workers:** legislators, administrators and managers, and professionals.

**Skilled workers:** technicians and associate professionals, and trades workers.

**Semi-skilled/elementary:** clerks, services/sales workers, plant/machinery workers, and elementary workers.

**Annual average:** the average for a whole year (eg year to December 2006).

**Annual average percentage change:** the percentage change between the average for a whole year (eg the year to December 2006) and the previous year (eg the year to December 2005). Unless stated, all growth rates are annual average percentage changes.

## 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>).

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