



MINISTRY OF
SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

Department of Labour
TE TARI MAHI



Otago

QUARTERLY REGIONAL LABOUR MARKET
UPDATE FOR MARCH 2009

OTAGO

QUARTERLY REGIONAL LABOUR MARKET UPDATE FOR MARCH 2009

EXECUTIVE SUMMARY

The labour force participation rate in Otago stood at 66.1% during the year to March 2009 down from 66.9% the year before. In comparison, the national average participation rate was 68.6% for the year to March 2009.

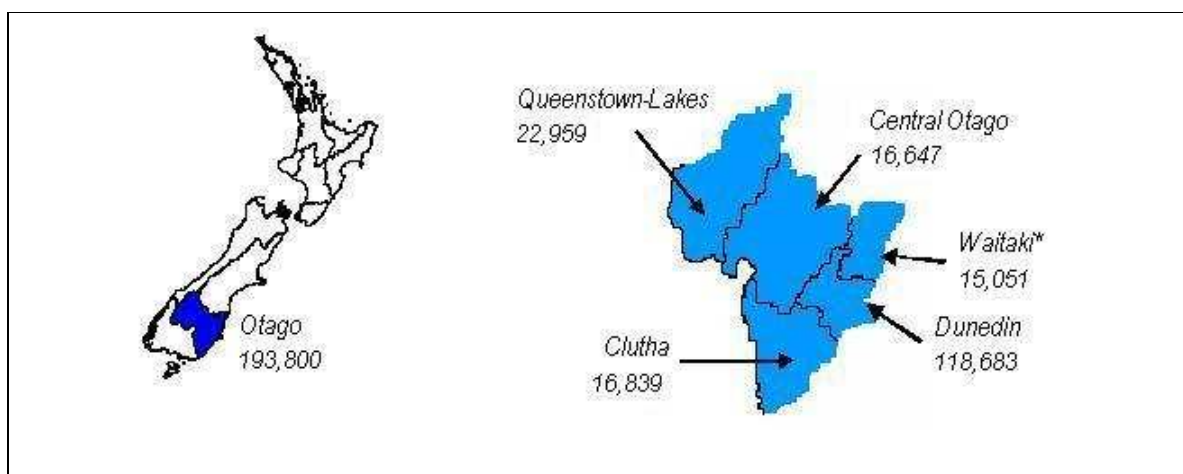
The unemployment rate in Otago increased to 3.6% for the year to March 2009 (national average: 4.5%) from 3.3% in the year to March 2008.

There were 1,246 working aged people receiving unemployment benefits from Work and Income in the Otago region at the end of March 2009.

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) and the Ministry of Social Development (MSD). 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

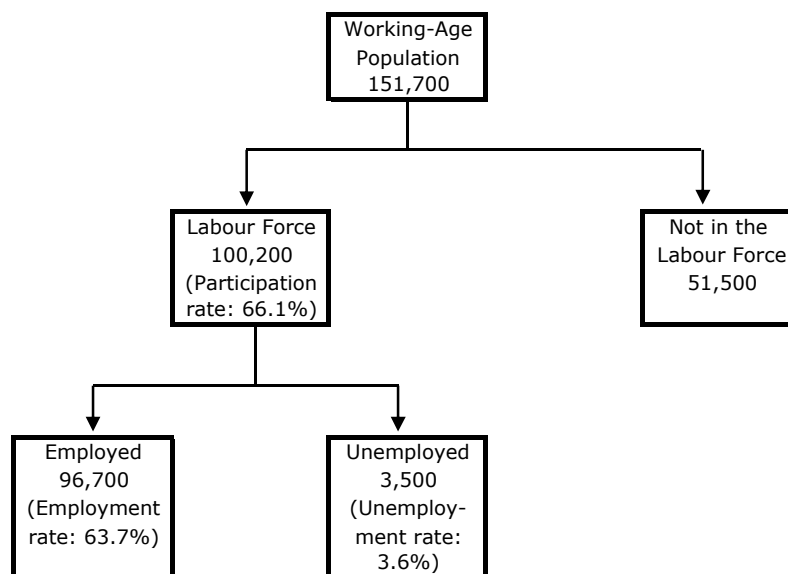
	<i>Otago</i>		<i>New Zealand</i>	
	year to March 2008	year to March 2009	year to March 2008	year to March 2009
HLFS Indicator				
Participation rate, ann ave	66.9%	66.1%	68.2%	68.6%
Employment rate, ann ave	64.7%	63.7%	65.7%	65.5%
Unemployment rate, ann ave	3.3%	3.6%	3.7%	4.5%

	<i>Otago</i>		<i>New Zealand</i>	
	End of March 2009 number	share in NZ	End of March 2009 number	% change since March 2005
Unemployment Beneficiary Indicator				
Working aged UB/UBH recipients (aged 18-64)	1,246	3.4%	37,146	-32.4%

Source: HLFS, Statistics New Zealand; Ministry of Social Development

In the year to March 2009 the working-age population in the Otago region was 151,700. The labour force participation rate was 66.1% while 100,200 people were in the labour force and 51,500 people were 'not in the labour force'. Of those people who were in the labour force, 3.6%, or 3,500 were unemployed and 96,700 were employed.

Box 2: The labour market in Otago for the year to March 2009



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

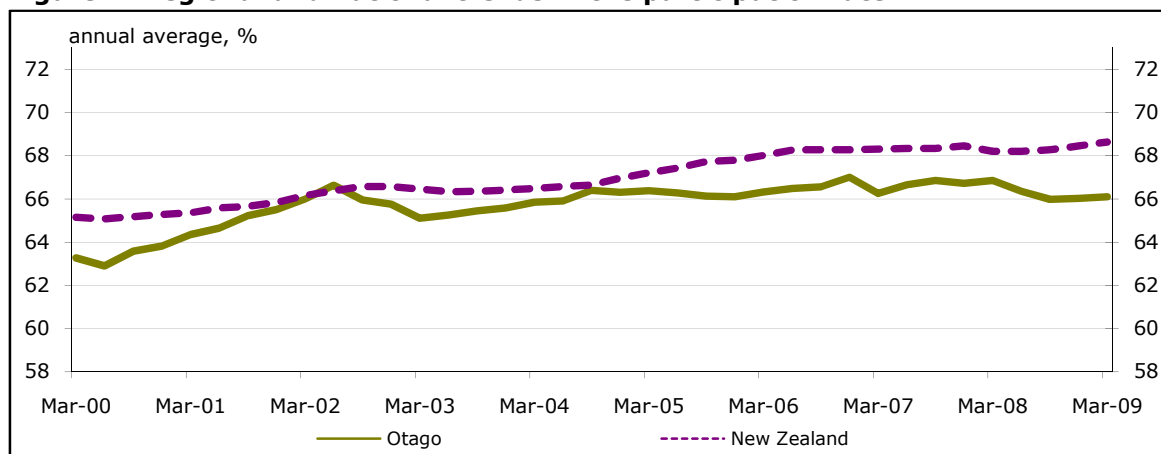
The working-age population in the Otago region is estimated at 151,700 in the year to March 2009.

LABOUR FORCE

The participation rate in Otago stood at 66.1% during the year to March 2009 down from 66.9% the year before. In comparison, the national average participation rate was 68.6% for the year to March 2009.

The number of people in the labour force in the Otago region is estimated to be 100,200 in the year to March 2009.

Figure 1: Regional and national trends in the participation rate



Source: HLFS, Statistics New Zealand

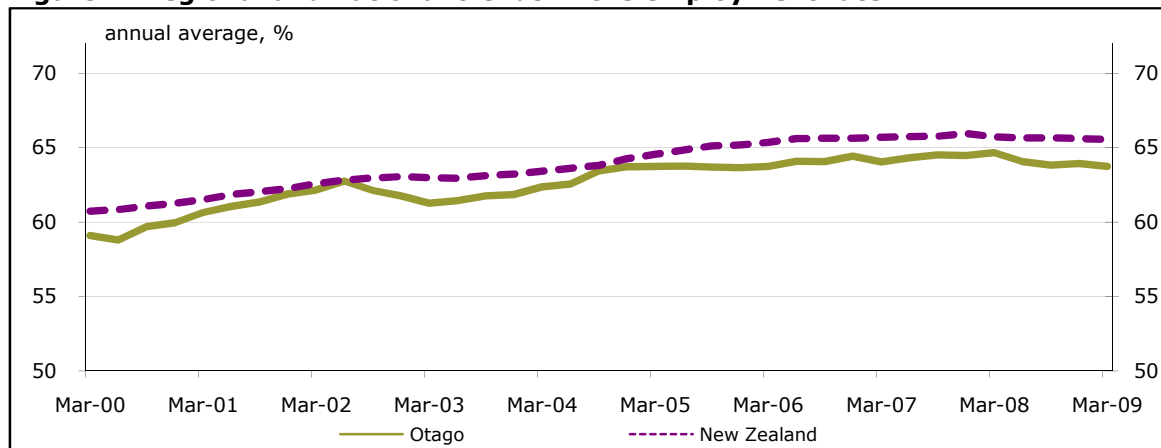
For a more detailed explanation of the labour force and the participation rate, go to the Department of Labour publication: workINSIGHT, issue 5, page 35, *The Labour Market Explained: The Labour Force Participation Rate* at www.workINSIGHT.govt.nz.

EMPLOYMENT

The employment rate (the proportion of the working-age population that is employed) in Otago stood at 63.7% during the year to March 2009 down from 64.7% the year before. In comparison, the national average employment rate was 65.5%.

Employment in the Otago region was 96,700 in the year to March 2009.

Figure 2: Regional and national trends in the employment rate



Source: HLFS, Statistics New Zealand

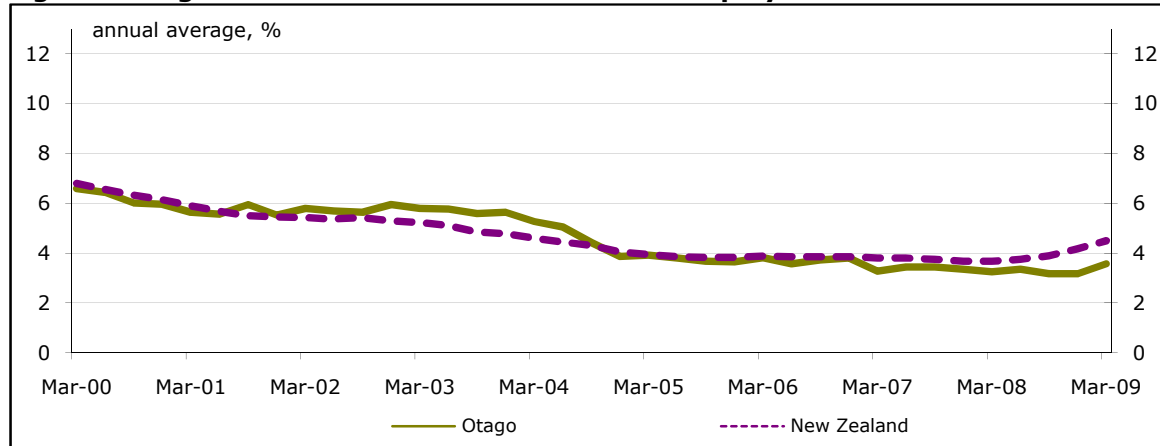
For a more detailed explanation of employment, go to the Department of Labour publication: workINSIGHT, issue 4, page 32, *The Labour Market Explained: Employment* at www.workINSIGHT.govt.nz.

UNEMPLOYMENT

The region's unemployment rate increased to 3.6% in the year to March 2009, from 3.3% the year before. In comparison, the national average unemployment rate was 4.5% for the year to March 2009.

The number of unemployed people in the region (as measured by the official statistics) is estimated at 3,600 for the year to March 2009.

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 1,246 working aged people receiving unemployment benefits from Work and Income in the Otago region at the end of March 2009. Their characteristics are shown in the next table.

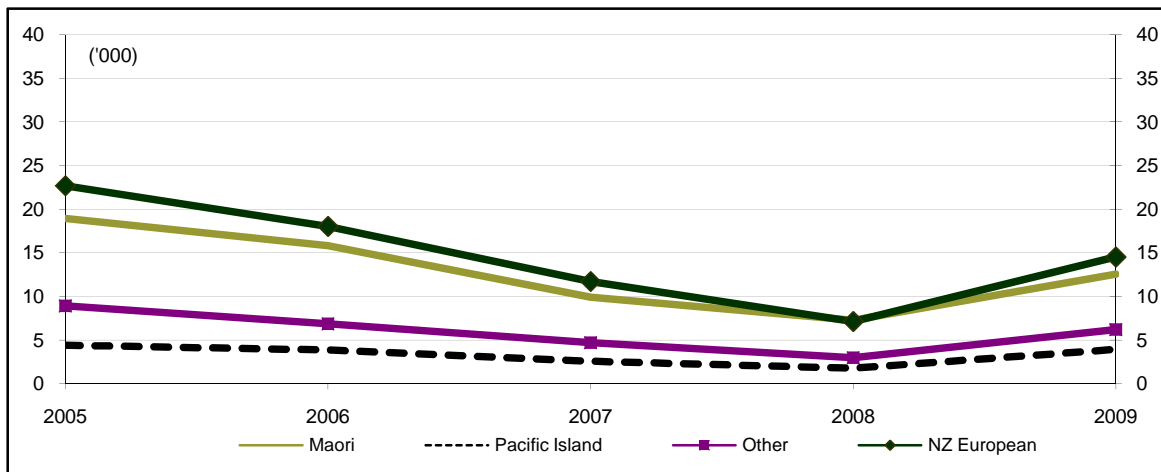
Table 2: Working aged unemployment benefit recipients (aged 18-64) in the Otago region and nationally at the end of March 2009

	Region		New Zealand		Region's share of New Zealand (%)
	Share (%)	Number	Share (%)	Number	
Male	71.7	893	70.0	26,002	3.4
Female	28.3	353	30.0	11,144	3.2
Maori	12.4	155	33.8	12,555	1.2
Pacific People	3.5	44	10.6	3,937	1.1
18-24 years	32.9	410	31.0	11,515	3.6
25-39 years	29.5	368	33.3	12,370	3.0
40-54 years	21.7	270	24.4	9,064	3.0
55-64 years	15.9	198	11.3	4,197	4.7
Total		1,246		37,146	3.4

Source: Ministry of Social Development

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, March 2005 - March 2009



Source: Ministry of Social Development

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

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.

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 t year to March 2009).

Annual average percentage change: the percentage change between the average for a whole year (eg the year to March 2009) and the previous year (eg the year to March 2008). Unless stated, all growth rates are annual average percentage changes.

LINKS TO OTHER LABOUR MARKET REPORTS

Annual In-depth Regional Labour Market reports: 12 reports that provide a detailed look at the drivers of regional labour market dynamics with sub-regional (Territorial Authority) information included where available. They contain detailed and wide-ranging labour market statistics supplemented by qualitative information from the regions (<http://www.dol.govt.nz/publications/lmr/regional/indepth/index.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 and Unemployment: a report that summarises 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-wage-growth.asp>).

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>).

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