

# Enterprise North Canterbury

## Labour Market Business Survey 2006

### Summary

In October 2006, Enterprise North Canterbury re-interviewed 33 of the original 94 businesses that were surveyed in 2005. Following are the highlights of this further investigation into the labour market needs:

### Staffing

**Current staff levels are up 20.7%:** There were a total of 1,993 employed in the 33 businesses interviewed, up from 1,651 in the 2005 survey. Interestingly, there has been a growth in both part-time and seasonal worker numbers, part-time up 289% and seasonal up 67%.

In the 2005 survey, several businesses mentioned their workers were fulltime, in this survey they re-stated their workers were part-time and seasonal workers; in some instances businesses chose to hire part-time workers instead of fulltime workers to keep costs down.

**Vacancies less than last year:** In the 2005 survey, there were 56 vacancies of which 51 were filled: 14 were for unskilled workers, 39 for skilled workers and 3 for management/administrative positions.

**Current Vacancies:** There were a total of 28 vacancies this year (a drop of 50%). 14 were for unskilled workers, 13 for skilled workers and 1 for a management/administrative position.

**Same amount of employees residing in North Canterbury:** 80% of employees of businesses surveyed live in North Canterbury, with 17% living in Christchurch and 3% elsewhere in Canterbury; this remained the same in the 2006 survey.

**Recruitment methods still mainly newspapers and word of mouth:** The 2005 survey showed that 75% respondents relied on the newspaper, 57% on word-of-mouth, with similar figures reported at the time of the 2006 survey.

**Immigrants being considered as employees:** Of the 33 businesses surveyed, 6 respondents (18%) were already sourcing Immigrants to fill vacancies, 9 mentioned they would be in the future.

### Enterprise North Canterbury Involvement

**ENC involvement welcome:** While a number of respondents were relatively happy with things as they presently were, there were a number of suggestions that Enterprise North Canterbury should be proactive and address the future needs of the labour market in North Canterbury.

## **Training**

**Training remains an important aspect in business:** 90% of the 31 respondents who answered this question still ran a training programme for their staff. Some did not as they hired only qualified, experienced staff, but some provided ad-hoc training.

**Provision of in house training increasing:** In the 2005 survey, 78% of training was provided in-house, with 22% done externally. The pattern had changed slightly at the time of the survey, with more in-house training now offered (85%) and less externally (15%).

**Businesses have better relationships with ITO's than local High Schools:** Only 8 respondents (24%) had a relationship with a local High School in 2005, however the number had dropped to 3 (9%) at the time of the 2006 survey.

19 respondents (58%) worked with an Industry Training Organisation in 2005, with 20 (61%) now doing so. 17 respondents (52%) had dealt with other providers before the survey, while 14 (42%) have continued to do so.

**Labour turnover:** In the 2005 survey, 6 respondents (20% of those who answered this question) felt it was too high, while 23 (77%) felt it was 'just right for present conditions', with only 1 seeing it as too low. That pattern was largely the same a year later, with 23 (72%) also seeing turnover as being 'just right for the present conditions', while 7 (22%) felt it too high and only 2 deeming it too low.

## **Business Development**

**Majority of businesses currently expanding:** In 2005, only 3 businesses (10% of those who answered the question) were not interested in expanding their business, whereas 23 (77%) were and 4 (13%) were actively doing so.

At the time of the 2006 survey, there was an increase in the numbers not interested in expanding, with 8 (25%) agreeing, although the majority 20 respondents or (63%) were currently expanding their business, and the same number (4) were actively expanding.

**Industry Sector Growth:** 22 businesses (69% of those who answered this question) stated that their businesses were expanding within their sector, 10 (31%) were stable and none were declining. Sectors described as increasing were manufacturing, irrigation, hospitality, plastics and forestry.

**Barriers to business growth remain same:** A lack of capital, labour shortages, compliance and regulatory issues were reported as key barriers to growth. Key comments include:

- Labour/staff were more costly in 2006 than 2005, due to greater competition from other businesses
- The labour market is tight
- Skill shortages were noted

**Negative aspects of locating business in North Canterbury:** In 2006, 7 respondents (21%) saw there were negative aspects to locating their business in North Canterbury. The labour market was the single biggest factor for this response, along with access to markets, petrol prices and the consents process.

**Development of new techniques, products or processes:** 17 respondents (55% of those who answered this question) were not developing new techniques, products or processes, however 14 (45%) were.