EMPLOYMENT AND SKILLS IN NORTH SHORE CITY:
A Background Report

A Report Prepared for
Enterprise North Shore Trust

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SEPTEMBER 2004

ISBN: 1-877355-04-6

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ACKNOWLEDGEMENTS

This research project is in association with the Labour Market Dynamics Research Programme which is funded by the New Zealand Foundation for Research, Science and Technology from the Public Good Science Fund. The Foundation's funding of the research into pathways to sustainable employment is gratefully acknowledged, as is the continuing support of Massey University, the host institution.

We acknowledge the important input and assistance of Gerard Martin, of Enterprise North Shore Trust and would like to recognise and sincerely thank our interviewers, Karin Menon and Susan Arnott, for their dedication.

Finally, but not least, we would like to thank all the participants in the study. They gave generously of their time and expert opinions and comments. Their insights were tremendously helpful and greatly valued.

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INTRODUCTION

Enterprise North Shore Trust (ENS) has commissioned Massey University's Labour Market Dynamics Research Programme to undertake an analysis of the skill and employment needs of five industry sectors on the North Shore to support businesses in their employment needs and to provide quality, sustainable employment for North Shore residents. These sectors are information communication technology (ICT), manufacturing, sport and leisure, construction and financial and business services. Once the research has been completed, a project group will be formed to consider the findings of the research and decide on how to address issues regarding training and development programmes to meet the needs of the industry groups. As the economic development agency for North Shore City, Enterprise North Shore recognises that a planned approach towards sustainable employment is essential to ensure the successful development of the local economy.

According to Enterprise North Shore, the aim of the employment skills strategy is twofold: first, the report is a continuation of ongoing economic development advocacy work Enterprise North Shore has commissioned from Massey University's Labour Market Dynamics Research Programme namely, the Economic Development Trends and Opportunities: North Shore City report produced in July 2003 (Beynon and Spoonley 2003).

Second, as well as discussing the skills needs, shortages and the training provision of applicants and employees, this report also briefly discusses a number of wider issues that directly or indirectly impact on economic development and hence the labour market requirements of the North Shore. They include the influence of national economic trends, population change and migration, life-style choices and the changing nature of work. Within this section of the report, there has been an attempt to highlight the widely varying range of attitudes and perceptions that underlie and influence discussions relating to economic growth and employment-related issues. This particular dimension was evident in the discussions with stakeholders where, although there was general consensus on a number of issues such as traffic congestion being a barrier to employment, responses around education and training varied considerably. Furthermore, the study identifies existing skills shortages and skills gaps, and attempts to ascertain the nature of those shortages and gaps, why they exist and how they could be addressed. Attention is given to issues such as the relevance of courses offered by education providers, employer training programmes and their links with education providers, and employer awareness of the support schemes available.

BACKGROUND

The five key industry sectors of finance and business services, niche manufacturing, ICT, recreation and tourism and construction have been identified by Enterprise North Shore and within North Shore City's Economic Development Strategy (2004) as 'target sectors where North Shore City has current strengths and which stakeholders believe have continued potential for concentration and growth'. These sectors have been recognised for their potential to 'connect with international markets and yield high-value returns but, most importantly, make comparatively few demands on the environment.' (North Shore City Strategy 2004). The essential role of education and health businesses is also noted within the strategy which is underpinned by the vision of developing North Shore City into a 'world-class business location for knowledge and creative industries' with 'sustainable development at the heart of the city's decision-making for the future.'

It is in the context of this vision for North Shore City's future economic development that this report aims to highlight some of the key issues relating to the labour market that will assist in establishing a set of strategies designed to match future demand with supply.

Although difficult to quantify, there appears to be adequate evidence to support the view that attitudes and perceptions play a significant role in determining various aspects relating to economic growth, skills development and employment. Assuming this is the case, it is important to consider how attitudes and perceptions affect the discourse/relationships/actions between the various parties involved in issues relating to skills and employment on the North Shore such as business and council, employer and employee, parent and school leaver, community and business, employer and migrants and so on. These will be examined in the report.

Underlying a number of the key issues raised during this, and previous research relating to economic development on the North Shore, is a prevailing view that the area has suffered from an ad hoc and substantially reactive approach to planning combined with an absence of any cohesive and clearly communicated vision for the future. Much of the criticism has alluded to a lack of support and commitment to the business sector by North Shore City Council.

> *The issue of the relationship between North Shore City and the business communities that are located on the North Shore was repeatedly identified as an issue that required attention from all concerned (Beynon and Spoonley 2003)*

A previous report described the same issue when identifying the two major weaknesses of doing business on the North Shore as 'a lack of vision and planning for business activities…and problems relating to transport infrastructure and capacity' (Mc Dermott Fairgray 2001).

The second weakness and now a highly visible Auckland-wide problem referred to in the latter report, which must largely be attributable to a lack of commitment to forward planning is the congestion of the regional transport system, which is costing the Auckland economy an estimated $1 billion (NZBCSD 2003). The impact of inadequate planning and leadership may not be as visible but has equally serious ramifications for the business sector by increasing uncertainty and therefore the ability to forward plan with confidence.

POPULATION

North Shore City's population has changed radically over the past decade both in its size and ethnic diversity. Population has been a major contributor to the city's growth due to its highly educated and skilled workforce and relative affluence.

> *The most significant contributor to economic growth is the human capital available in the form of a skilled, educated workforce and community. This is one of NSC's most important assets (Spoonley, McLaren and Lysnar 2002)*

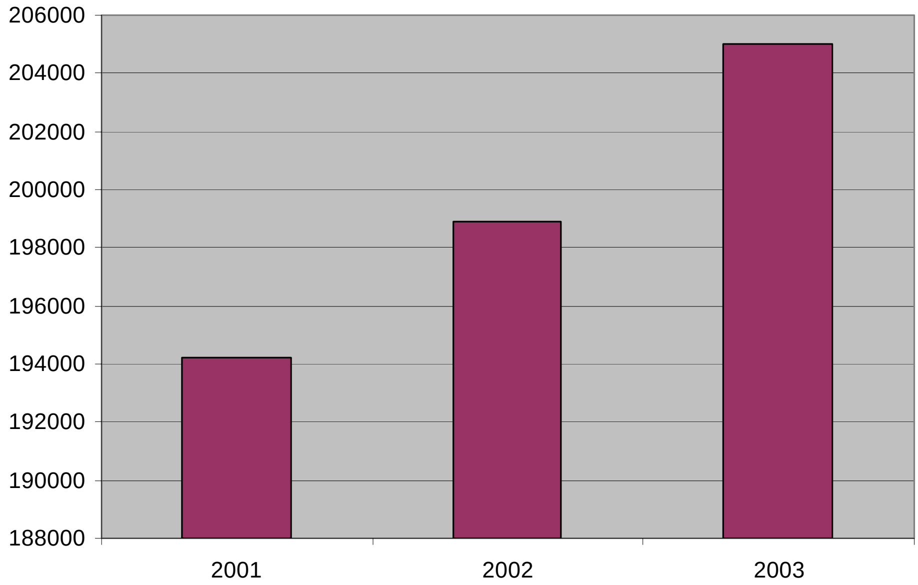
As at 30th June 2003, North Shore City's population was estimated to be 205,000, an increase of 3.1 percent (6,100) in the year since 30th June 2002. This mirrored the Auckland region's growth rate of 3.1 percent for the same period, which made it the fastest growing region in New Zealand and the highest growth rate it has experienced since the 1950s (ARC 2003).

Table 1: Annual Rate of Population Change June 2002 to June 2003

Estimated Residential Population 30 June				Annual Rate of Population Change June 2002 -2003	
	2001	2002	2003		
Rodney District	78500	81100	84100	3010	3.70percent
North Shore City	194200	198900	205000	6120	3.10percent
Waitakere City	176200	180700	185600	4900	2.70percent
Auckland City	388800	401500	415300	13720	3.40percent
Manukau City	298200	307300	317500	10240	3.30percent
Papakura District	42300	42700	43100	440	1.00percent
Auckland Region	1216900	1251600	1.291,000	39310	3.10percent
New Zealand	3880500	3939100	4009500	70400	1.80percent

Source:Statistics New Zealand

Figure 1: Population Growth in North Shore City: 2001 to 2003



Source: Statistics New Zealand (2003)

Statistics New Zealand projects the resident population on the North Shore to increase to 255,100 by 2021 which equates to approximately twice the national average increase for the same period and by 2021, will represent 5.7 percent of the total national residential population.

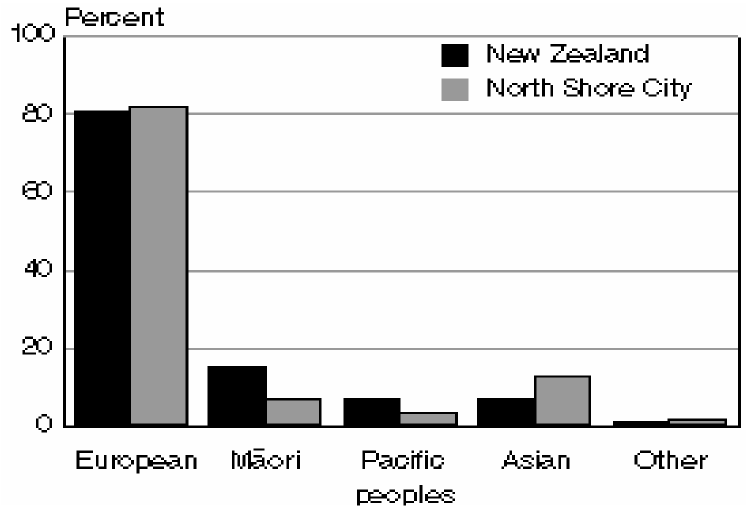
Table 2: Projected Population of Territorial Authorities 2001(base)-2021 - North Shore

Variant	Projected Population at 30 June					Change 2001-2021	
	2001	2006	2011	2016	2021	Number	Percent
High		219500	236500	253400	270200	76,000	39
Medium	194200	216000	229200	242200	255100	60,900	31
Low		212500	222300	231800	241100	46,900	24

Statistics New Zealand – Sub-national Population Projections 2001(base)- 2021

The following chart shows the ethnic composition of North Shore City's population in 2001. The key points to note are the significantly larger number of Pakeha, the low proportion of Maori and Pacific peoples compared to the rest of New Zealand and the high proportion of Asian peoples compared to the rest of New Zealand. Migration has had a significant impact on North Shore City and this is discussed below.

Figure 2: Ethnic Composition of North Shore City



Source:Statistics New Zealand

MIGRATION

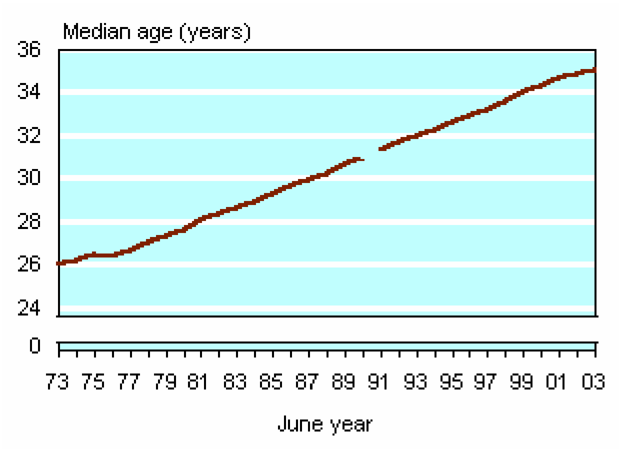
Migration to the North Shore, especially by immigrants, has had a major influence on the size and ethnic composition of the resident population. Over the period 1996-2001, North Shore City has experienced a net migration gain of 4.9 percent compared to New Zealand as a whole, which had a -0.19 loss for the same period. However, this net gain is compromised by the out migration of an important population group. Of significance are the losses in the 20-24 and 25-29 age groups, which represents potential new entrants to the labour force (see Appendix one for net migration gains and losses for North Shore City, Rodney District, Waitakere City, Auckland City, Manukau City and New Zealand 1996-2001).

The combination of high growth, low unemployment and the increasing demand for specialised skills has placed considerable pressure on the New Zealand labour market. As a result, there is increasing recognition of the contribution migrants can make to meeting employment and skills requirements. This is discussed in greater detail in the section on migrants later in the report (page 55).

THE AGENG POPULATION

The continuing trend towards an ageing population in New Zealand is reflected in the graph below which illustrates the change in the median age from 26 years in 1973 to 35 years in 2003. The continuation of this trend has significant implications for the labour market and will need to be factored into future strategies. One interviewee stressed the need to develop programmes to encourage retired trades people back into the workforce by providing special working arrangements more suitable to their needs.

Figure 3: Change to median age New Zealand 2003



Graph Source: Infometrics 2004

The following table shows the composition of the New Zealand population based on age groups for the period 1991-2003. Of note is the median age increase from 31.4 in 1991 to 35 in 2003 in contrast to the under 15 age group which decreased by 23.1 percent in 1991 to 22.1 over the same period.

Table 3: Distribution of Total New Zealand Population by Age Group: 1976–2003

		% of Estimated Population in Age Group								
June Year	**Total**	**Under 15**		**15-59**		**60-64**		**65 and Over**	**Total**	**Median Age Yrs**
		Estimated Resident Population								
1991	3,495,100	23.1		61.5		4.2		11.2	100.0	31.4
1992	3,531,700	23.1		61.5		4.1		11.3	100.0	31.7
1993	3,572,200	23.1		61.5		4.0		11.4	100.0	32.0
1994	3,620,100	23.1		61.5		3.9		11.5	100.0	32.3
1995	3,673,400	23.1		61.6		3.8		11.5	100.0	32.6
1996	3,732,000	23.0		61.8		3.7		11.5	100.0	32.9
1997	3,781,400	23.0		61.8		3.7		11.5	100.0	33.2
1998	3,815,000	23.0		61.7		3.7		11.6	100.0	33.6
1999	3,835,100	22.9		61.6		3.8		11.7	100.0	34.0
2000	3,857,800	22.8		61.5		4.0		11.8	100.0	34.3
2001	3,880,500	22.6		61.4		4.1		11.9	100.0	34.7
2002	3,939,100	22.3		61.5		4.3		11.9	100.0	34.9
2003	4,009,200	22.1		61.7		4.3		11.9	100.0	35.0

North Shore City faces various challenges given the net migration outflow of young people in the 20-24 and 25-29 age cohorts. The fertility rate has dropped from 3.2 per woman of childbearing years in 1970 to 1.97 in 2001[1] (stats.govt.nz). The percentage of the New Zealand population over 65 years of age is expected to grow from 11.5 percent in 2000 to 21.5 percent in 2040. The involvement of those over 65 years of age in paid work is also declining. Coupled with the low reproductive rates in North Shore City and its older than average population, this loss could have important human capital implications for the City in the future.

Just as changes to the North Shore's population, such as those resulting from rapid growth and increased ethnic diversity due to immigration and the rise of the median age have a significant influence on the labour market, so too do changes in the global, national and local economy. The following section looks at the changing structure of North Shore City's economy in respect to its impact on employment and skills needs.

[1] Fertility rates are dropping throughout the world. In 2002, 64 countries were already experiencing fertility rates below the theoretical replacement level of 2.1 births on average per woman. This is an increase of 10 countries from 1995. There are a further 25 countries either at or just above replacement level. This trend is projected to continue, so that by 2015, two-thirds of the population of the planet is expected to live in sub-replacement fertility regimes (United Nations, 2000, 1–2 cited in statsnz.govt.nz).

ECONOMY AND BUSINESS

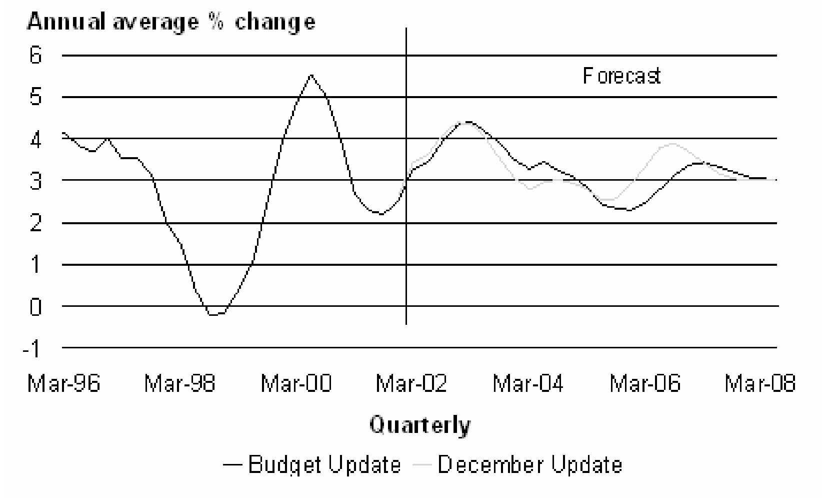
ECONOMY

The notion that New Zealand's, and by inference, North Shore City's economic performance and labour market are largely determined by the influences of wider regional, national and international trends was reiterated by the Secretary to the Treasury, John Whitehead in his opening address to the New Zealand Association of Economists' Annual Conference in June of 2004.

> *This audience is well aware that as a small economy with relatively open borders and an internationally integrated financial system, New Zealand has a considerable number of international financial, trade and labour linkages. Because of this, events outside of New Zealand can be important determinants of New Zealand's business cycle, as research has shown.*
>
> *The prices of New Zealand's exports and imports have a direct impact on domestic incomes and therefore generate fluctuations in consumption, investment and employment decisions* (John Whitehead, Secretary to the Treasury, 2004)

It is therefore appropriate when considering the recent and future economic development of North Shore City, in respect of a planned labour market strategy, to do so in terms of both a micro and macro context. It should also be recognised that 'GDP and income are [not] the sole determinants of the welfare of the country'' (Whitehead, 2004) as they do not reflect the state of non-market transactions, environmental concerns or income distribution in terms of their impact on employment.

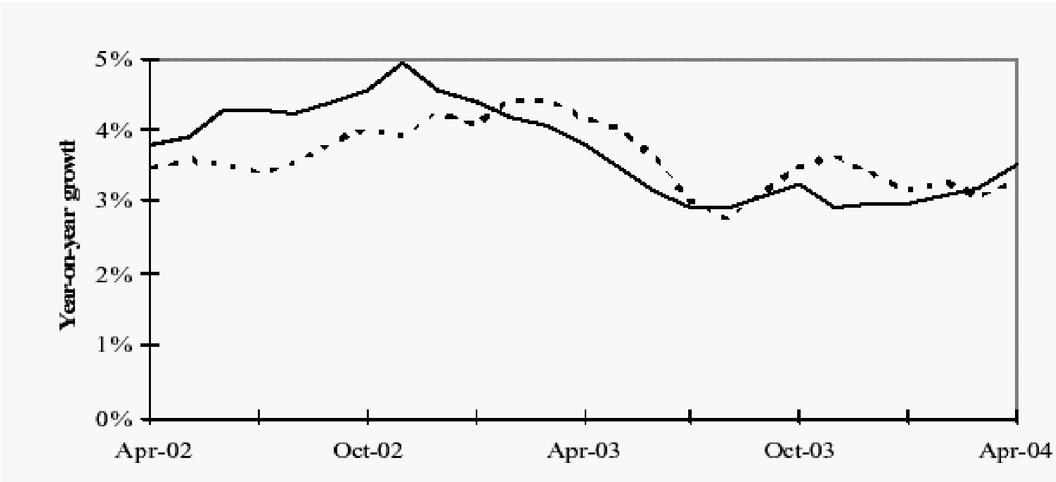
Figure 4: New Zealand, Real GDP Growth Forecast



Sources: Statistics New Zealand, The Treasury

North Shore City has benefited significantly over recent years from a strong New Zealand economy, which experienced a growth in GDP of around 3.3 percent for the year ending March 2004 (Treasury, 2004) and low unemployment levels, the lowest since 1988. The correlation between national and local economic growth patterns is evident in the graphs below.

Figure 5: Economic Growth: North Shore City: 2002-2004



- - - - - New Zealand ------ North Shore
Source; APR- ENS Economic Monitor June 2004

During the year to March 2003, North Shore City's economy grew by 7.1 percent exceeding both the Auckland and national rates by 1.1 percent and 4.4 percent respectively. Following that peak, it is expected to level out to between 4.5 - 5.0 percent (Infometrics 2004). The above average growth for the period may be attributed to the significant opportunity for, and uptake of, greenfield development in the area and the higher than average property values and income levels that existed in North Shore City prior to the economic upturn in 2001.

The following table does, however, show that the North Shore performed above both regional and national measures in respect to the annual percentage change of real GDP, FTE's, non-residential construction and house prices.

Table 4: North Shore City - Statistical Snapshot

Indicator	Period	Level			Annual % change		
		North Shore	AK Region	NZ	North Shore	AK Region	NZ
Real Gross Domestic Product	year end Mar-03	$5,882m1	$39,565m1	$113,525m1	0.071	0.06	0.047
Employment FTE's	as at Feb-03	76520	535140	1527200	0.06	0.047	0.04
Registered Job-seekers2	as at Dec-03	2163	40766	132973	-0.314	-0.18	0.191
New Dwelling consents	year end Feb-04	1334	11719	30923	-0.149	-0.049	0.114
New non-residential construction	year end Feb-04	$115m	$700m	$1779m	0.507	0.166	0.129
House Prices3	as at Mar-04	401000	320000	240500	0.238	0.145	0.203
House Sales4	year end Mar-04	7628	41619	121076	0.076	0.129	0.152
Guest nights purchased	year end Feb-04	361963	5181026	29884434	0.017	-0.017	0.025

Source: 1. Infometrics estimate; 2. Quarterly average; 3. Quotable Value New Zealand; 4. REINZ

Although growth was experienced across most industry sectors, the wholesale trade, business services and communications sectors were the major contributors.

The high level of growth for the period is clearly evident in the 24 percent rise in the median house price to $401,000 for the year to March 2004, largely attributable to demand from high population growth (including immigration). This compares to Auckland at $320,000 and New Zealand, $240,000 (Infometrics 2004). The cost of home ownership and rental properties in North Shore City was identified during the qualitative interviews as a barrier to attracting both skilled and especially unskilled and lower-paid labour.

Despite evidence of a slackening off in growth in some sectors, the buoyant economy has certainly tested the capacity of the labour market and, in doing so, highlighted the necessity for an effective labour market strategy.

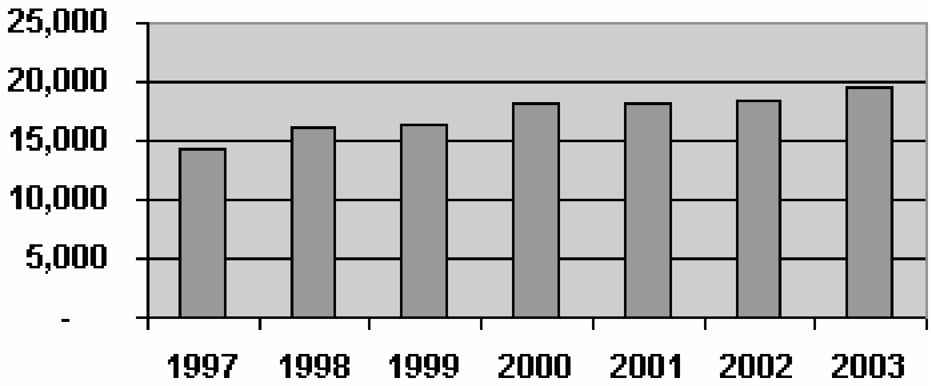
BUSINESS

North Shore City's business structure has changed markedly over the past decade both in size and type. Between 1997 and 2003, the number of businesses on the Shore increased by 5,248 from 14,229 to 19,477. Developments such as the North Harbour Industrial Estate, Smales Farm Technology Office Park and the e-centre at Massey University have all contributed to the growth and changing nature of the North Shore's commercial sector.

The communications sector, for example, has expanded rapidly from being the 14th largest employer on the Shore with 1,000 FTE's in 1997 to the 9th largest in 2003 with 3,060. On average, employment in the sector has increased by 5 percent per annum and the communications industry now accounts for approximately 11 percent of the North Shore's total economic activity (Infometrics 2004).

A consequence of the rapid changes to the structure and size of the North Shores business sector has been a radical shift in its labour market requirements in respect to numbers and skills.

Figure 6: Businesses in North Shore City

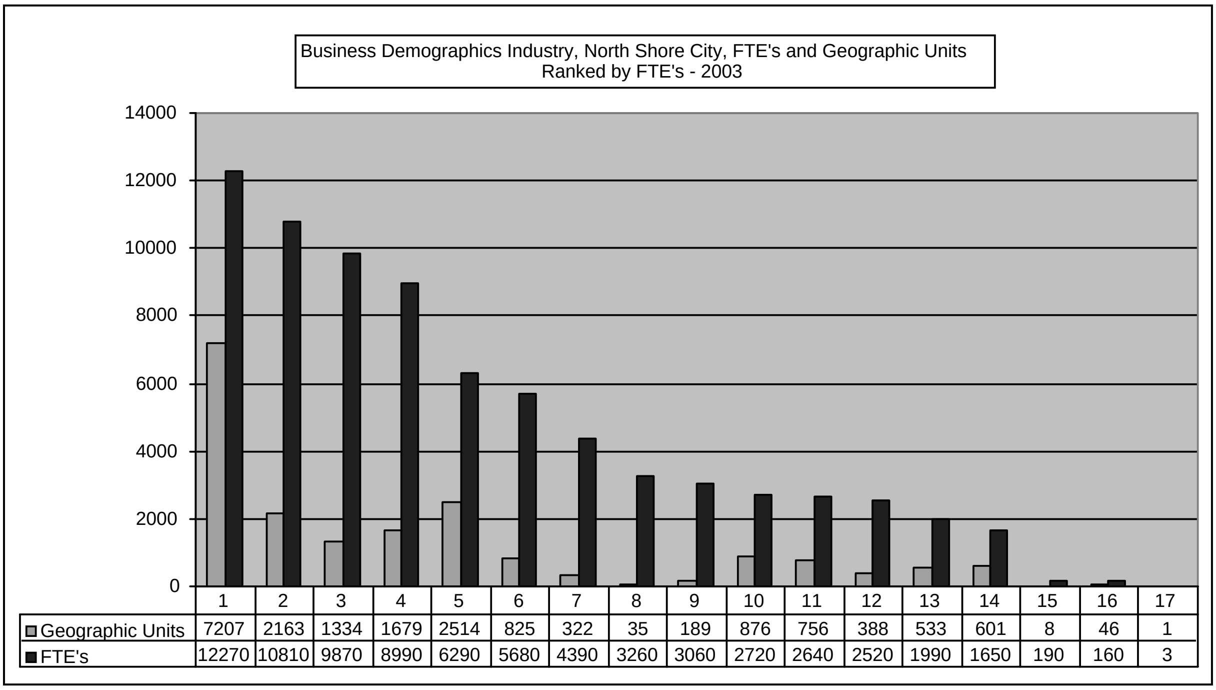


Source: Statistics New Zealand

The business services sector experienced the most significant growth for the period 1997 to 2003, expanding from 4,479 to 7,207 geographic units and from 7,910 to 12,270 FTE's representing 13 percent of the North Shore's FTE's. It has now displaced manufacturing as the largest employment sector on the Shore. Manufacturing generates approximately 11 percent of economic growth in North Shore City which is significantly less than that of Auckland at 15 percent.

Although the numbers of geographic units in the wholesale trade and construction sectors have remained relatively static over the same period, they continue to rank at 4th and 5th respectively as a result of significant increases in their FTE's since 1997. These and other changes in the North Shore's business structure are further illustrated in the following chart and supporting table, based on Statistics New Zealand data, that ranks industry sectors according to FTE's.

Figure 7: **Business Demographics: Industry, North Shore City, FTEs and Geographic Units Ranked by FTEs 2003**



Source: Statistics New Zealand

Table 5: **Business Demographics: Industry, North Shore City, FTEs and Geographic Units Ranking by FTEs 2003**

Business Demographics Industry, North Shore City, FTE's and Geographic Units Ranking by FTE's 2003			
Rank	**Industry**	**Geographic Units**	**FTE's**
1	Property and Business Services	7207	12270
2	Retail Trade	2163	10810
3	Manufacturing	1334	9870
4	Wholesale Trade	1679	8990
5	Construction	2514	6290
6	Health and Community Services	825	5680
7	Education	322	4390
8	Government Administration and Defence	35	3260
9	Communication Services	189	3060
10	Finance and Insurance	876	2720
11	Personal and Other Services	756	2640
12	Accommodation, Cafes and Restaurants	388	2520
13	Transport and Storage	533	1990
14	Cultural and Recreational Services	601	1650
15	Electricity, Gas and Water Supply	8	190
16	Agriculture, Forestry and Fishing	46	160
17	Mining	1	3
		19477	76493

Source: Statistics New Zealand

North Shore City's business structure in respect of FTE's per business unit in the 0-5 group of 87.37 percent is 3.5 percent above, and for the 6-9 group, 1.3 percent below that of total New Zealand. In the Auckland region, Waitakere and North Shore City have the most similar mix of SME's within the 0-9 employees group as illustrated in the table below.

Table 6 Employment Size Groups for Geographic Units and Area 2003

Employment size groups for geographic units and area 2003

FTE's	0 to 5	% of total	6 to 9	% of total	10 to 19	20 to 49	50 to 99	100+	Total Group
Area									
Rodney District	6805	44.76	384	5.10	223	92	14	10	7528
North Shore City	17019	87.37	1162	5.96	755	363	114	64	19477
Waitakere City	10029	87.43	684	5.96	437	224	64	32	11470
Auckland City	42745	83.69	3341	6.54	2657	1540	456	331	51070
Manukau City	15203	82.90	1306	7.12	893	649	169	118	18338
Total New Zealand by Territorial Authority	271629	83.87	23662	7.30	16165	8552	2356	1475	323839

Source: Statistics New Zealand

EMPLOYMENT

As at February 2003, the North Shore had 76,520 FTE jobs equating to an increase of 4,360 (6 percent growth) over the previous year, which was higher than that of both the Auckland region (4.7 percent) and all of New Zealand (4 percent) (Infometrics 2004). In February 2003, business services, the wholesale and retail trade and construction were responsible for 47 percent of all FTE's on the Shore.

The growth rate of FTE's in the business and property services sector has been a phenomenal 12 percent, over twice that for the rest of New Zealand (5 percent). The sector covers finance/insurance services, property services, management, research, HR, information technology, other business services, legal, accounting, advertising and architecture/engineering.

For the period March 2003 – 2004, the national trend has been towards an increase in the number of full-time paid employees, a decrease in number of part-time paid employees and an increase of FTEs from 1,199,000 to 1,236,300. With such high growth, it is unsurprising that in December 2003, the number of registered job seekers was down 30 percent on that of the same month for 2002.

Table 7: Full-time Equivalent Employees: New Zealand (by 1,000s)

Quarterly		Full-time Paid Employees	Part-time Paid Employees	Total FTEs
2002	Mar	947.8	428.4	1,162.0
	Jun	955.8	451.3	1,181.4
	Sep	946.7	448.1	1,170.7
	Dec	969.3	457.7	1,198.2
2003	Mar	981.1	435.9	1,199.0
	Jun	978.7	453.1	1,205.3
	Sep	970.2	459.5	1,200.0
	Dec	1,000.3	467.8	1,234.2
2004	Mar	1,014.9	442.9	1,236.3

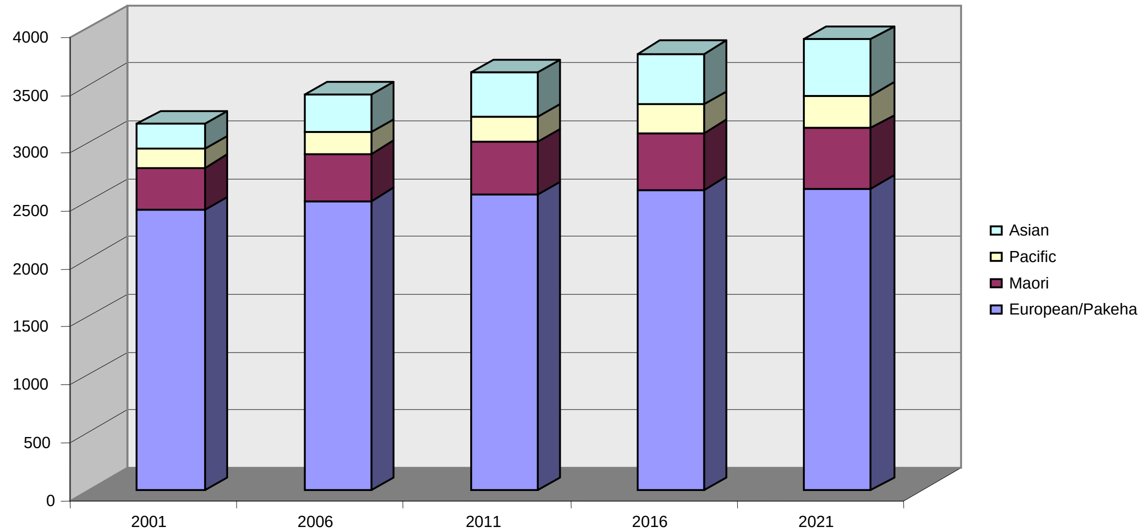
Source: Statistics New Zealand

The following table shows the projected changes to the ethnic composition of New Zealand's working age population between 2001 and 2021. By far the greatest increase is in the Asian working age population at 208.05 percent followed by Pacific peoples at 151.23 percent, Maori at 132.16 percent and European /Pakeha at 107.80 percent.

Table 8: Working-age Population by Ethnicity – New Zealand (2001 – 2021)

Working-age population by ethnicity 2001-2021					
	2001	2006	2011	2016	2021
European/Pakeha	2422	2503	2561	2601	2611
Maori	370	410	451	489	525
Pacific	162	186	214	245	277
Asian	211	324	385	439	486
Source: Statistics New Zealand, Population Projections (2001 base)					

Figure 8: Working-age Population by Ethnicity – New Zealand (2001 – 2021)



LABOUR MARKET

According to a BERL forecast published in June 2004, economic growth will generate an additional 100,000 new jobs in New Zealand by 2006. Based on current population trends, the natural increase of new labour force entrants (15yrs +) is approximately 30,000 per annum, resulting in a shortfall of around 25,000. 'The key challenge looking ahead is to find enough workers to sustain our present growth rates' (Berl 2004).

The impact of strong economic growth on the labour market and business development is evident in the Department of Labour's labour market barometer (May, 2004) which shows the net percentage of employers who considered labour as the most limiting factor to the expansion of business, rose from 14 percent in March 2003 to 23 percent in March 2004. Over the same period, those experiencing difficulty finding unskilled labour climbed 4 percent compared to 2 percent for skilled labour.

The Household Labour Force Survey for the March quarter 2004 (Statistic New Zealand, 2004) numbered the working age population at 3,068,000 of which 2,043,000 were in the labour force, 1,025,000 were not in the labour force, 1,956,000 were in employment and 87,000 (4.3 percent) were unemployed.

The following table shows the projected composition of the New Zealand labour force based on age and median age for the period 2001 – 2051. Of note is the impact of the aging population on the labour force, which is reflected in the growth of the 45-64 and 65+ cohorts drawing the median age up from 36.9 years in 1996 to 42.2 years in 2051. In contrast, both the 18-24 and 25-44 cohorts are projected to decrease over the period.

Table 9: Projected New Zealand Labour Force By Age And Median Age, 1996 Base - 2051

Projected New Zealand Labour Force by Age Group and Median Age, 1996(Base)-2051

Assuming Medium Fertility, Medium Mortality, Long-term Annual Net Migration of 5,000 and Medium Labour Force Participation:

Year At 30 June	Age Group (years) 15-17	18-24	25-44	45-64	65+	Total Labour Force	Median Age (1) (years)
	(000)						
1996 (Base)	88	297	926	533	39	1,883	36.9
2001	95	279	958	640	41	2,014	38.6
2011	106	312	901	827	54	2,199	40.7
2021	99	297	898	876	74	2,243	41.2
2031	94	268	917	819	91	2,188	41.3
2041	95	271	855	834	93	2,148	42.0
2051	89	263	823	843	90	2,108	42.2

Source: Statistics New Zealand

Although the North Shore is not immune from wider economic and social trends that impact on the labour market, it does have a number of advantages that work in its favour such as a highly educated and skilled resident workforce and a unique natural environment that is beneficial in retaining and attracting labour.

SURVEY METHODOLOGY

Enterprise North Shore has identified 5 industry sectors that will be the focus of this research and these are: information communication technology, construction (roads and buildings), financial and business services, niche manufacturing businesses such as tool making, plastics, furniture making and printing, and sport and leisure (which includes hospitality, tourism and events). This research was approached from two angles.

During April, May, June and July 2004, 11 people belonging to various businesses and community organisations were approached about their views on employment, education and training to gain an informed understanding of issues concerning employment on the North Shore. Each interview lasted for up to an hour with most being audio-taped and later transcribed. Excerpts from some of the transcriptions are included in the qualitative analysis. These interviews were conducted in a relatively informal and open-ended manner, and the following themes were covered:

- Current advantages for businesses operating in the area;
- Opportunities for future development;
- Barriers to future growth for businesses;
- Skills gaps that might exist on the Shore and how these might be addressed;
- The role of education and training providers in ensuring skills requirements;
- Strategies around immigrants and how they might figure in settlement and recruitment on the Shore;
- Strategies to retain school leavers in North Shore City by creating more sustainable employment for them on the Shore; and
- Identifying significant support industries that will underpin future development on the Shore.

To expand the information gathered in this first section of the report, 121 employers in North Shore City were interviewed by telephone in the five focus industries. Contact details for the enterprises in the sample were provided by Enterprise North Shore. As in our other surveys (McLaren and Spoonley 2004; McLaren et al. 2004), this survey was not representative of workplaces in North Shore City as larger employers are over-represented and we did not include companies that employed less than 4 full-time equivalent employees at some time during the year. Every effort was made to ensure that all responses are confidential and as these are aggregated, no single employer can be identified.

The questionnaire has been adapted from the Employers Skill Survey (2002), which was designed to investigate the extent, causes and implications of skills deficiencies in England. The Labour Market Dynamics Research Group conducted a pilot study in Waitakere City in November and December, 2003 and a similar survey in the Rodney District in 2004. The areas addressed in the survey include:

- The extent to which employers face difficulties in recruitment and whether the lack of skills contribute to these difficulties;
- The main causes of skill deficiencies identified by employers and the consequences of these;
- Employers' perceptions of the skills gaps among those currently employed; and
- The relevance and effectiveness of education and training provision for their companies.

The questionnaire, containing some closed and open-ended questions, includes background information on the businesses surveyed such as growth, turnover, hard-to-fill vacancies, various attributes like competencies related to the jobs that were difficult to fill, the effect that the lack of these has on the company, skills and proficiency in the organisation, qualities and skills lacking in present staff, barriers to developing and maintaining a fully proficient team and the ability of education and training providers to remain relevant in the labour market today.

We have found in this study and in others (see for example McLaren and Spoonley, 2004; McLaren et al. 2004; Spoonley et al., 2002 and Bartley, et al. 2001), that it is difficult for employers to find the time to devote to surveys. We are most grateful to the employers who have taken part in this study.

A small number of employers in each of the five industries were surveyed so the results should be viewed with caution. In spite of this, however, the information from the qualitative interviews together with the responses from employers we interviewed by phone, have provided background information to inform a proposed employment and skills strategy for North Shore City.

A. QUALITATIVE INTERVIEWS

The qualitative interview section of this report aims to provide a general overview of some of the key issues relating to the present and future labour market issues and requirements of industry on the North Shore. The findings are based on face-to-face interviews held with a small number of stakeholders selected for their involvement and understanding of business and labour market issues in North Shore City. It is important to appreciate that this should in no way be considered a definitive investigation into the subject and does not presume to represent the views of all participants in North Shore City's business community. It does however identify a number of key broad issues that either directly or indirectly impact on the skill and employment needs of local industry and aims to provide a reference point from which further in-depth analysis could proceed.

Each of the stakeholders interviewed was asked to respond to the following eight themes:

1. Current advantages for businesses operating in North Shore City;
2. Opportunities for future growth;
3. Barriers to future growth of businesses;
4. Skills gaps and shortages perceived to exist on the Shore and how these might be addressed;
5. The role of education and training providers in ensuring skills requirements are met;
6. Strategies pertaining to immigrants and how migrants figure in settlement and recruitment in North Shore City;
7. Strategies to retain school leavers on the Shore;
8. Significant support industries considered necessary to underpin future development in North Shore City.

Appreciating the wider dimensions around Maori perspectives of employment we held three interviews of a more general nature that centred on employment development and skills.

The eight interview themes are discussed below.

1. Current Advantages for Businesses Operating in the North Shore Area

Life-style choices

The majority of interviewees identified life-style choice as an important consideration in respect to both living and working on the Shore. It was generally felt that those that lived in the area preferred to work there if possible.

> *I think another plus is that people just like to live here. It is such a nice place to live and so in terms of employees and finding employees it is an attractive place if you want to move here…*

Operating a business in a commercial environment that was relatively new, clean and uncluttered compared to other areas of Auckland (such as Penrose) was considered a significant advantage.

A number of respondents identified previous connections to the North Shore as a key influence in business and residential location decisions.

> *…the life-style the fact that people have lived here, they want to work here.*

The degree to which life-style choices influence employment decisions was highlighted in an interview with an employer from the public sector who described how several of his skilled trade staff remained on the North Shore despite being able to earn substantially higher incomes working for the private sector in Auckland.

A buoyant economy and sound infrastructure

Strong economic growth underpinned by *'good infrastructure'* (access to a highly skilled and educated resident population) was considered a significant advantage for businesses operating in North Shore City.

> *I think that there is very evident growth happening here which is also very encouraging for businesses and its rapid growth as well*

The affluent community

For businesses offering sport, health and recreational services on the North Shore, the relative affluence of the local population is considered a distinct advantage, as is the supportive attitude of the local Council.

> *I think the nature of the population is reasonably high socio-economic with lots of families who want to support their kids into sport and activities…they are able to afford to do that generally. I think they are a relatively intelligent population as well [and that] provides good sports administration so they are well run organisations*

Traffic and parking

One interviewee considered traffic congestion to be less of a problem than other areas of Auckland while another identified access to free parking as an advantage for businesses.

> *I think traffic is certainly one advantage*

An educated resident population

Access to a highly educated and skilled resident population is considered to be a significant advantage to both new and existing businesses on the North Shore. However, there are indications that some new entrants are beginning to experience labour constraints in certain sectors as a greater proportion of the potential working population take up employment.

Greenfield space

The opportunity to purchase competitively priced greenfield space on the North Shore was considered a major advantage by several of those interviewed.

> *The advantages are largely to do, moving on from that with the amount of greenfield space where new businesses can develop. The zone area in the Albany business district has allowed new businesses to start up and to…and you can see around us the opportunities that many have taken*

2. Opportunities for future growth in North Shore City

An appropriate business structure was considered essential to ensure sustainable economic growth in North Shore City. This was largely based on the view that the cost of housing on the Shore will increasingly act as a barrier to lower paid (skilled) workers and hence the industries that employ them. A similar finding emerged in the Rodney District (McLaren et al. 2004). Consequently, one interviewee felt it was necessary for the North Shore to develop a strategy to entice a highly skilled workforce, mainly from Auckland City, where it is presently concentrated, by attracting corporate style businesses.

Sport, health and recreational services

The relative affluence of the North Shore and the supportive environment it provides sports-related organisations makes it an attractive location for business development.

> *...well for the sports organisations partly they can afford, unlike other areas in New Zealand they can afford to employ the people here, so its quite high employment in the sports industry here and some well qualified people either living in the area or wanting to move here or want to shift from business into sport within the area*

New development and re-development

Although the North Shore is restricted in terms of the area of commercially zoned land available, there is still considerable opportunity for further development. North Shore City Council has estimated that greenfield development will continue for about six years and areas such as the Wairau Valley and Barry's Point Rd have been identified as possible areas for redevelopment in order to achieve greater cost efficiency from available land.

> *...it is just one or two story buildings but a lot of small businesses working along side and it must be an opportunity in years to come to get greater cost efficiency out of that land than the way it is used currently. So it is not quite a generational thing but certainly over the next ten years you would think that there will be a bit more conglomeration of businesses under one or two buildings*

The type of development most favoured in the interviews takes a planned, long-term approach to growth similar to that of the Smales Farm Technology Office Park rather than the developments of the past, which were not designed to accommodate future growth requirements. Various international and local studies illustrate that developments like the Smales Farm Technology Office Park present tangible and intangible benefits in the form of sustainable development, quality urban design and a long-term approach – all of which adds to the growth and value of a region (Schumacher et al., 2004).

> *[Compared to Auckland] '...the opportunity here is that we are in a planning stage to do it properly and put the right facilities and infrastructure in so that it can grow and still have all that infrastructure already in place*

3. Barriers to Future Growth of Businesses and Organisations in North Shore City

Vision and Leadership

A recurring issue alluded to in the interviews and also evident in earlier research relating to North Shore City's economy (McDermott Fairgray, 2001) was the lack of a clearly communicated vision for the development of the City and the implication that this was either the result of, or compounded by, a lack of commitment to the business sector and leadership from North Shore City.

> *I probably contrast that with Waitakere City which is in a much poorer position …their vision [Eco City] is pretty basic, they will make a decision around that philosophical point of view and they make a decision around who runs the businesses, so if that philosophy is actually techno city what does that mean and [what is] the philosophy around that.*

Attitudes to employment

Several interviewees made reference to the attitudes of some young people towards employment in the context of the detrimental effect it could have on the development of their businesses. This mainly related to issues of their work ethic and commitment to remain with one employer for an extended period of time. Although this may simply be explained in terms of the 'generation gap', it could also be attributable to wider structural changes over the past decade, specifically those relating to the changing nature of the market and work which are considered far less stable and considerably more flexible than in the past. This finding is particularly evident when juxtaposed with the findings of the telephone survey. As one participant in the sport and leisure sector commented:

> *They get lots of opportunities as well but the younger people these days, after they've been here for two years they've gone on to the next bit, but the nature of the people we work with they kind of expect to have much longer term relations than that and when it's the boss trying to keep the organisation going and you have staff turning over every couple of years, you just lack speed.*

High staff turnover was considered by one interviewee to be a prevailing attitude in employment and a 'cultural thing I think about Kiwis' which acted as a major obstacle in building and maintaining strong client relationships.

> *…you're building the trust and knowledge back up again and there's no way around that when you're changing people, you know there is some things that you can try to speed up with but there is inevitably some loss in the change over..*

One means of circumventing the problem, according to an interviewee, was to target *'young family people'* to fill vacancies as they were considered more stable. Similarly, the 'attitude' of young people was also identified as a factor in restricting their employment chances in the construction industry.

> *…before when we were all sort of doing our apprenticeships and it was completely different, so from somebody who came from that generation to employ these younger people, it is like there is a twenty year gap here, how come his attitude has changed from when I was doing it you see…*

> *As I say that is just a generalisation but that would be right what you would hear from a lot of construction companies. So yeah, that makes it difficult to get these people put into positions.*

New development and redevelopment

Although greenfield development has been identified as a significant catalyst to business growth on the Shore, the opportunity for businesses to take advantage of it are being exhausted due to limitations on availability (NSC 2004) and rapidly rising land prices which will undoubtedly impact on future growth. One interviewee suggested that it was essential in terms of making the most of available land to build taller buildings and office blocks.

Delays and constraints that slowed the process of redevelopment in areas such as Wairau Valley and Barry's Point Rd, required to offset the reduced availability of greenfield space would, it was suggested, act as a barrier to future growth.

> *… I think the speed of support from maybe the local body in terms of making it a little bit easier for redevelopment in areas to start to occur and I think Wairau Valley and Barry's Point Road.*

Costs and compliance requirements were identified as significant constraints on the ability of businesses to develop further.

> *…the will of businesses, do they need to redevelop land or have the money to do it and how easy is it for them to achieve it and mainly that comes down to local council by-law restrictions [and] resource management act constraints…*

The strategy to encourage those businesses that 'make comparatively few demands on the environment' (NSC, 2004), as is the case in Waitakere, will attract lighter impact businesses to the Shore such as warehousing and ICT. However it will act as a barrier to others.

> *… obviously what we want to do is what Waitakere does which I think in Waitakere's case is probably discouraged some business [heavy industrial] from setting up here because they are… not so welcome.*

Skills shortages

Future skills gaps and shortages were generally considered important factors in determining future economic growth on the North Shore although attitudes and approaches to addressing the issue varied considerably. An interviewee suggested that further research needed to be done on the issue and more information made available. The problem of skills gaps and shortages on the Shore was considered by one interviewee to be both structural and attitudinal. This is discussed in detail in Section B.

Employment opportunities

The lack of corporate-sector job opportunities and employment options for graduates was considered as disadvantageous to the Shore and a potential barrier to growth.

> *…that the career or the job options here aren't quite as attractive as compared to say the more corporate opportunities on the other side of the bridge*

> *…but the interesting thing is that still somewhere between 40 and 50 percent of our workforce actually travels elsewhere to work so one of the struggles I think is to entice the people who live here more so to be working here*

Infrastructure - Transport

The pressure on infrastructure resulting from rapid development was seen as a potential barrier to growth both in respect to transporting goods and commuting to and from the Shore. Two of the interviewees who commuted to North Shore City from East and West Auckland explained that they experience the most severe traffic congestion when entering and exiting the Albany area.

> *I think your barriers are to do with maybe roading construction, certainly in the Albany business district where even now…there are transport problems already.*

> *Probably proper transport into the business districts such as ours, which is almost cross town, the need for a more cross town service, more regular cross town service is going to be initially a bit of a constraint till it actually happens.*

Despite suggestions that traffic congestion was getting worse it was, for some of those interviewed, a sporadic problem compared to areas like South Auckland where it is perceived as constant.

4. Skills Gaps That Might Exist on the Shore and How these Might be Addressed

With strong growth and low unemployment in North Shore City, it is not unexpected that some businesses are experiencing difficulties in addressing their needs for skilled and unskilled labour. A buoyant economy was not however considered the only explanation for labour and skills gaps. Structural and economic factors were also identified as barriers that inhibited access to both skilled and unskilled labour from within and outside the city.

Structural barriers

It was suggested that the high cost of housing on the North Shore had a significant impact on the labour market.

> *There is almost a reluctance I think and this is anecdotal evidence, or anecdotal comment to develop businesses here that may need a great deal of semi-skilled or unskilled people because they can't necessarily afford to live here because the house prices are too high so they need to be transported in from elsewhere so why would you set up a business here if that is the sort of staff you are looking for. You probably go to Manukau or you probably go to Waitakere where people can still afford to live and if they are semi-skilled or unskilled they don't have graduate qualifications so yeah so that is probably one gap, or weakness in the labour market at the moment. And that's I think a mixture of economics of the city and the house prices are becoming too high.*

…and the other issue is that they also got to look at really encouraging the upper income bracket. Partially because people want to live and work and the issue is that the lower paid jobs can't afford to live on the North Shore and so you've got a conundrum here is that if you are going to have some basic what is called basic processing type organisations and businesses then those people have to get something else; they can't afford to live here.

So what are you going to do in terms of that? It is not about elitism but if you want to grow, live and work on the North Shore then you have got to actually have the money. If you haven't got the money you live elsewhere.

Transport infrastructure

In addition, the cost of housing in North Shore City, the lack of an adequate public transport system was mentioned. Inadequate and expensive public transport, both within and from outside of North Shore City, is an issue - particularly in the employment and retention of lower-skilled workers.

… the cross town transport isn't quite there yet to enable people to live possibly in one suburb and then commute to another [the Shore]

A planned approach

The need to fill skills gaps appears to vary from business to business. Whereas a niche engineering company operating to stringent delivery and cost constraints found it essential to maintain a consistent pool of skilled labour, it is evident that other businesses take a more flexible approach by adjusting their business activity to the availability of suitably skilled labour.

Maintaining a constant pool of skilled labour was considered an essential component of its business strategy for one company, which did so by targeting potential employees both offshore and from within New Zealand as well as taking on school leavers as apprentices on a regular basis.

For one engineering company, 80 percent of its skilled staff lived outside the North Shore. Despite people moving from traditional manufacturing centres of engineering, such as the south and west of Auckland, which have been a major source of skilled workers in the past, it was claimed that they do not have an appreciation of the levels of quality demanded in the new highly specialised market and are often unsuitable for employment.

A labour shortage in the trades due to rapid growth was considered by one respondent to be more significant than the skills gaps. A more flexible approach to employment such as retired trades people coming back into the workforce part-time was put forward as one way of addressing this problem. It was also suggested that greater 'interconnectivity' between sectors would be beneficial and that Enterprise North Shore could play an important role acting as the hub to disseminate information on the skills and labour needs of local businesses.

That's a hard one. I think some of the biggest skill gaps are actually… trades…we ain't got enough plumbers, we ain't got enough electricians…because of growth. What we tend to attract are the high payers, the high paying jobs…and they're useless…

The construction industry on the Shore is experiencing severe shortages of skilled and unskilled labour at a time of exceptionally high demand. Much of the problem according to an interviewee from that sector was attributed to the lack of apprenticeship training during the past decade. This has, in turn, led to substantial increases in construction costs.

... it is the biggest problem we are faced with. We have…resources are our biggest problem at the moment; like if we could put our hands on more skilled staff and more resources we could double our turnover.

… a lot of it is unskilled [work], they are not apprenticeships of say fifteen or so years ago. We are now finding how that's impacting on our industry, the guys that have sort of done apprenticeships in the past that are actually any good if you like, have moved out of their respective trades and are in managerial positions or in different positions and there is nobody to sort of keep feeding the gap and just the fact that as a nation I think that we are so busy, the resources are just stretched completely but we can't get carpenters for love nor money and obviously the cost of building has gone up. The cost of construction workers in turn have gone up so in turn the labour rates that you may have been paying eighteen months ago are increased by say fifty percent.

Although the sports health and recreation industry has little trouble attracting applicants, finding those with the required skill level in specialised areas such as working with disabilities can be difficult.

… sometimes we think phew that was lucky we had that person because there is not a lot of big depth of... I mean there is lots of people wanting to work in the industry whether they've got the qualifications and the right ingredients to do it is another story…

5. The Role of Education and Training Providers in Ensuring Skills Requirements

Based on the findings from the previous section, it could be suggested that North Shore City's access to the pool of very skilled labour is inhibited by structural constraints rather than educational and training factors in certain instances. It was suggested that the very skilled end of the market of North Shore City's residents appeared to be well catered for in respect to having sufficient opportunities for employment within the region. In contrast, education and training for trade-based occupations is considerably more problematic.

… as we all know North Shore has some pretty good schools so the education and training commission should be a little bit more focussed on encouraging schools to not just focus on university education but on trades and say apprenticeships, some universities and trade based skills education.

Trade-based skills education and training

There is evidence to suggest that demand for apprenticeships and in-house training is one challenge faced by niche manufacturers on the Shore.

Issues around the provision of current trade-based skills education and training were referred to by several respondents mainly in respect to access to providers and the appropriateness and practical application of some class-based training programs to the workplace.

It was suggested that educators and training advisors had been told that they need to connect to the reality of the workplace and that meeting skills requirements needs to change from a supply-driven to a demand-driven process. (See also discussion in the section on Education and Training on page 56).

... They've been very clearly told what their role is. Secondly they also need to have a lot more integral part. Its rubbish, the issue is we don't have to train people, it's about ka or self value. Basically you have to focus on the industry that may be warehouses or panel beaters or what it is. Employers are generally unforgiving because at the end of the day the bank manager…

Access to training providers

A respondent from a highly specialised niche manufacturing business highlighted the problem of access to training facilities. The respondent explained that apprentices that lived and worked on the Shore were forced to attend institutions in Manukau City, which was a considerable burden to them. Similar problems were highlighted by employers in the Rodney District.

Apprenticeships

The approach to apprenticeships varies considerably. One niche engineering company interviewed had a policy of taking on one apprentice every six months to ensure continuity in its supply of skilled labour. The construction industry on the Shore is planning to reintroduce a privately-funded scheme. Taking on apprentices is a considerable commitment in time and money for most businesses on the Shore, given that 70 percent have five or less staff.

So it actually puts some financial strain on the company to employ an apprentice and train him correctly - so a lot of businesses aren't financially in a position where they can do it whereas years ago I guess it was a government incentive. So all of that has disappeared, training…but certainly it would take a long time to get back to the situation that it was some years ago.

The structure of current training schemes was also considered problematic in relation to those situations where trainees are not already employed. They rely on being taken on by a company to fulfil their hours and meet their course requirements even though they have no practical on-the-job experience.

Attitudinal constraints

The considerable change to the nature of some occupations over recent years has resulted in a situation where the perceptions of these jobs is based on a previous era and do not reflect the current reality. Niche manufacturing for example is considerably different than heavy engineering.

I think that too might be a little more tied to the affluence of the city and because the city is affluent as it is and the parents inclined to be educated think that the children need to be similarly educated but forgetting that there are still some valuable careers to be had in say engineering and trades based jobs and that is possibly what area skills should be focussed on a bit more so, so that part of the job market could be better supported and also bring these people from massive student loans in job based training.

The difficulty for small businesses to take on new graduates with limited work experience is an important issue on the Shore where over 70 percent have five or less staff. Suggestions to address this problem focused on the need for education and training providers to address the specific requirements (areas of skills shortages) of businesses by placing more emphasis on the placement component of training to ensure graduates understood the requirements of, and integrated into, the working environment more readily. Regular liaison between the business and education sectors was considered essential to achieve effective graduate employment. This was consistently referred to by employers in the telephone survey.

> *I think there is a gap between the Universities putting up the graduates and then getting some experience and them being ready for us to be able to employ them, because one of the problems, because we are quite a small organisation we cannot afford to employ graduates very often. They've got to hit the ground here with a lot more experience and knowledge of just how to work. Something more to offer than just generally what a fresh young graduate has got.*

Furthermore, an example of how perceptions can influence employment decisions was highlighted during an interview with a manager from a large and technologically sophisticated engineering company. The interviewee described how a North Shore school-leaver who was offered, and was keen to accept, an apprenticeship had to overcome the extreme reluctance of his parents for him to take up a career in engineering. They perceived it as a manual, low paid job with little future. Those views totally evaporated however when they visited the plant and became aware of the highly skilled and specialised nature of the work, the career opportunities that existed and the excellent remuneration being offered.

6. How Migrants Figure in Settlement and Recruitment in North Shore City

North Shore City has been identified as a magnet metropolis (Spoonley et al., 2002) as it is home to an increasing number of migrants. Consequently, most employers have either employed or considered employing migrant employees. However, attitudes towards migrant employees vary as this employer in the sport and leisure industry sector observed:

> *We kind of do have a preference in general it seems for people who have been born and bred North Harbour people and you know that will never be the deciding... the main factor of course.*

For others, however, migrants whether sourced locally or offshore, were considered to be of significant value for some businesses. One of the key benefits was their ability to introduce experience, new knowledge and skills to those companies. This depended to a large extent on the compatibility of the business environment from which they came and therefore varies from country to country of migrant origin.

Targeting labour from overseas was considered problematic in respect to determining suitability from a distance, despite the use of agencies. However, whether sourced locally or from abroad, it is apparent that employing immigrants can be of significant benefit.

A key issue highlighted by one respondent was the necessity of connecting immigrants to the workforce quickly. This allowed them to establish socially and physically with the area and to do so without depleting their financial resources. Although the high Asian immigrant population on the Shore (12 percent) was considered an untapped source of labour, a number of issues were highlighted in relation to their integration into employment.

The attitude of certain employers was raised as an issue and these included breaking down preconceptions and the need for employers to be '*more welcoming*'.

(i) The language barriers

Placing greater emphasis on addressing language problems was considered essential.

> *… but not just English, business English but also understanding how business is done and also there is an argument that suggests that English language schools should be training more business English rather than just straight colloquial English so that immigrants can be far better equipped when it comes to working here. Rather just talking to someone in English they can understand some of the techniques and philosophies of business and how it is done in New Zealand and be a bit more aware of what sort of markets we have here as well…*

(ii) Training for immigrants

It would appear that there is very limited opportunity for immigrants to receive training from employers to offset skills gaps.

> *… because on the Shore, seventy percent of our businesses have five or less staff, you know, they are all fairly lean and not able to offer as much training as they might need to encourage immigrants to work here.*

(iii) Incompatible skills

A difficulty encountered by the construction industry has been the incompatibility of the general skill sets required of New Zealand construction workers and the specific skills offered by immigrants.

> *See New Zealand and Australia are two countries where the carpentry standards are completely different of that over seas. There is a completely different mindset in training system. Where you basically finish an apprenticeship in New Zealand you can do everything, you finish your apprenticeship overseas then you can do one specific thing.*

(iv) Immigration policy

Government policy was also considered problematic in that it focused on eligibility points rather than connecting people with actual jobs.

> *They [immigrants] clearly would be boosting the skills available on the North Shore but there is a divide between people that have the available skills and the employers who want to employ them*

This is discussed in more depth in the analysis of the telephone interviews.

7. Strategies to Retain School Leavers in North Shore City

> *To a certain extent we find they [school leavers] make the best employees. They're more committed, but as school leavers we will be looking at people who are more experienced. We have just employed a graduate, she's got a degree but she's doing reception and that's how they get into the industry*

The relatively high cost of living on the Shore was considered to be a contributing factor for young people moving out of the area. Although they overcame this by living at home while studying, once employed on starting salaries they find the area too expensive if they want to stay.

> *What I found interesting is that a lot of teenagers are staying on the North Shore and doing their tertiary studies in Auckland, generally. One of the reasons is that they can't afford to live somewhere else and it is cheaper to stay home, but what happens is the question… I think there will always be a trend for young people to leave the North Shore but I think there will also be a desirability to come back and the issue is if they come back…*

> *'The research that I am aware of indicates that there is a number of twenty to twenty nine year olds moving from the Shore and some people argue that that is probably our biggest export market..*

Matching education with jobs

Enterprise North Shore is involved in a number of initiatives to encourage schools to match educational programs with skills shortages although it suggests there are presently an insufficient number of suitable jobs available on the Shore to retain large numbers of university graduates.

A careers adviser in a large secondary school in North Shore City suggested that a centralised data base providing information on skills and employment needs would be most useful. There is a general lack of awareness of skills shortages in industries and one way to address this would be for local industries on the Shore to regularly update an industry directory. Information should be centralised and readily available and it was a case of identifying who could be responsible for maintaining this information and, importantly, it required employers to be more proactive in articulating their needs.

Furthermore, information gathered could be advertised in the local newspapers on a weekly basis. This might be one way to retain younger people on the Shore.

Lack of job offerings for graduates

> *…I think that is the most significant because I think at the moment there is insufficient jobs... there's certainly the skilled and qualified people here but there is probably not enough jobs here yet in those markets…*

Teaching technology at school

A manager from an engineering company considered the lack of North Shore schools offering high quality technology courses such as woodwork and metalwork to be a significant problem. Rangitoto College was considered an exception in that the attitude of the technology teacher had played a significant part in encouraging students to consider trade-related careers. There is evidence that this situation is changing however with the construction of technology blocks at several schools.

Career advice

Several respondents were critical of the standard of career advice in respect to trade-related occupations although there is evidence that this is slowly changing in recognition of skills shortages in these sectors. It was suggested that because career advice is predominantly the role of female staff, there was a strong bias against (and lack of information about) technical and trade-related careers, probably due to their lack of knowledge of them.

> *'You want to be a rocket scientist I know the company that does this. What they do [career advisers] is they say you want to be a rocket scientist go the web and have a look around. You want to say I know this company this is the way to go…That's what I think still sucks it can be done but...'*

The careers adviser we interviewed, however, was actively encouraging students into trade and technical occupations but cited the lack of information about skill and employers' needs in North Shore City inhibiting this process.

8. Significant Support Industries That Will Underpin the Future Development of NSC

The financial and administrative sectors were identified as having significant potential for growth on the Shore. Access to a large pool of well-educated school leavers was considered to be significant advantage to contribute to the growth of these sectors.

It was suggested that a well-developed financial and administrative sector would not only be of benefit to the local business community but could also service surrounding districts as well as the Pacific rim.

> *I think the business and financial services industries are very important in terms of helping businesses establish and providing information and support. The construction industry, both in building buildings but also in building roads is essential for the Shore to progress.*

It is interesting to note that growth in companies in a given sector, including suppliers, clients and competitors, was considered beneficial in that it had the potential to grow the sector as a whole, which ultimately benefited everyone within that sector.

Having a robust, vibrant and integrated business community is of significant benefit to any regional economy.

9. Employment Development and Skills: Maori job seekers

Three Maori participants were interviewed to gain a better understanding of employment and skills initiatives in North Shore City as they might be relevant to Maori job seekers. One of the participants suggested that there is a need for marae-based services as the Awataha Marae is well-located and easily accessible to service the local communities. Marae-based education and training initiatives were positively commented on by a number of employers interviewed in a telephone survey in the Rodney District (McLaren et al. 2004). For example, one employer from the retail industry group suggested that together with other training, marae-based training initiatives provide a broader approach to education than 'kiwi-training' alone. Another employer in the 'bio-business' industry commented that training on the marae was an eye opener for them and that they would use it again and it was a pity that so few employers had heard of it. A third employer found it effective because young people related well to the teaching style and responded to the family atmosphere on the marae.

These comments seem to indicate that forms of marae-based education may offer both Maori and non-Maori forms of knowledge and education processes that differ from those offered in other learning institutions (McLaren et al. 2004). A member of the Ngati Whatua iwi offered these comments about Maori experiences in the education system.

> *We look at Maori and they are achievers, they just achieve at a different rate and in a different way. We are not providing education based on areas that will stimulate their interest.*

He suggested that education for Maori should not simply be focussed around Tikanga Maori, but rather it should involve a blend of Maori and western perspectives.

> *I think that skills issues have always been a problem for Maori. My reason is that [education] is either one or the other. In saying this, you go to a western tertiary institution and everything is driven by a western paradigm. On the other hand, if you go to Maori institution and it is completely the opposite. People might think that is good for Maori, it's not. The market, at the end, is always the market. There are opportunities within that market to apply contemporary or historical Maori concepts and values. But we just don't seem to be able to weave those two together.*

However, he argued that addressing Maori employment issues also requires wider recognition and understanding of Tikanga Maori, both in mainstream education and wider society.

> *But what we are going to [have to] become, if we're going to be one nation, is a bilingual country. Whereby [te reo Maori] will be taught from kindergarten right through to secondary school and you'll come out of the end of it speaking two languages. ... Let's be bi-cultural so we understand the concepts that Maori hold fast to, so we can assist each other meet our obligations... In my opinion [we would be] such a wonderful rich country if we have each others' cultures rather than one being forced to have a dominant western culture... If we don't start there, employment is always going to be difficult...*

He continued that:

> *There are opportunities within that market to apply contemporary or historical and contemporary Maori concepts and values. But we just don't seem to be able to weave those two together.*

In terms of employment opportunities for Maori job seekers on the Shore, it was observed that:

> *That's our culture on the Shore and there is really not that many opportunities for Maori employment other than the retention of Babcocks, the naval base. The naval base is something that North Shore City Council in the marine area should focus on retaining and the Navy. That provides numerous opportunities for Maori….Now that's an area that North Shore City Council should focus on in terms of employment for Maori, because I think that is where most Maori would be employed on the North Shore and once you've looked at that area what you have to look for is skills that are in there in the Navy and how those skills can be grown when they leave the Navy. So if Maori seem to excel at a particular area within the Navy then, we should be identifying those skills.*

> *So we should look to the Navy in terms of where do Maori prosper and a lot of it would be that whanau base that communal environment that is down there that suits Maori.*

Concluding comments

There was a widely held perception among stakeholders interviewed that there is a significant shortage of trade and technical skills in North Shore City. However, it was also acknowledged that graduate job seekers were finding it increasingly difficult to get jobs on the Shore. The poor perception of the status of trades amongst secondary school students was identified as a key factor in the number of entrants into the trades. This is exacerbated by the lack of comprehensive trade training facilities in the wider north Auckland. This was identified as a hindrance to apprenticeship pathways for employers and apprentices.

In addition, expensive housing and inadequate and expensive public transport, both within and from outside North Shore City, is an issue in the employment and retention of lower-skilled workers.

The following section analyses the telephone interviews with 121 employers in the five industry sectors identified. It expands on many of the issues that have emerged from the qualitative interviews as important factors impacting on employment and skills in North Shore City.

B. TELEPHONE INTERVIEWS

I INTRODUCTION

The discussion analysing the qualitative interviews with key stakeholders is followed by an investigation into the information we collected from the 121 telephone interviews with employers representing the five industries in North Shore City. The numbers interviewed in each industry are as follows: ICT (28); manufacturing (35); sport and leisure (27); financial and business services (20) and construction (11).

The responses in this section mostly appear in figure and tabular form. These are aggregated as well as analysed by industry groups. As the sample is small, we cannot generalise too extensively and is confined to the respondents' views only. Moreover, the size of the businesses we surveyed are not representative of the North Shore because we confined our interviews to employers with four or more full-time equivalent staff employed at some time during a calendar year. Following the Ministry of Economic Development definition of small, medium and large enterprises,[2] we interviewed employers in 16 micro-enterprises, 61 small, 28 medium and seven large organisations. The table below compares the size of companies interviewed in our survey with the Statistics New Zealand (2003) figures on employees in organisations. The nature of the survey sample is such that businesses with less than five employees, the overwhelming numerical majority of all businesses in New Zealand, are under-represented i.e. 13 percent as opposed to 87 percent of all businesses on the North Shore. Furthermore, half the businesses surveyed have between 10 and 49 employees. Over three-quarters of the enterprises included in the telephone survey had been in operation for over 5 years with well over one-third operating for 11 years and longer.

Table 10: Size of Businesses

Number of Employees	Frequency		Percent	
	Sample	North Shore	Sample	North Shore
4-5	16	17,019	87	13
6-9	30	1,162	6	25
10-20	31	755	4	26
21-49	28	363	2	24
50-99	7	114	.05	6
Over 100	7	64	.05	6
TOTAL	119	19,477	100	100

[2] The definition of SMEs varies across countries and within countries. Differentiation is often on the basis of numbers of full-time equivalent (FTE) employees. In New Zealand, small firms are those with fewer than 50 FTEs and large firms have more than 100 according to Cameron and Massey (1999), yet government agencies (e.g. Ministry of Economic Development) often define 'small' firms as those with 6-19.5 FTEs, 'medium' firms are those with 20-49.5 FTEs and 'large' firms 50 and more employees. Micro enterprises are those with less than 6 employees. Large firms comprise only around 1percent of total firms, according to the latter classification. For purposes of this study, as well as the associated Labour Market Dynamics Research Programme study on the ICT industry in NSC, we use the latter SME definition.

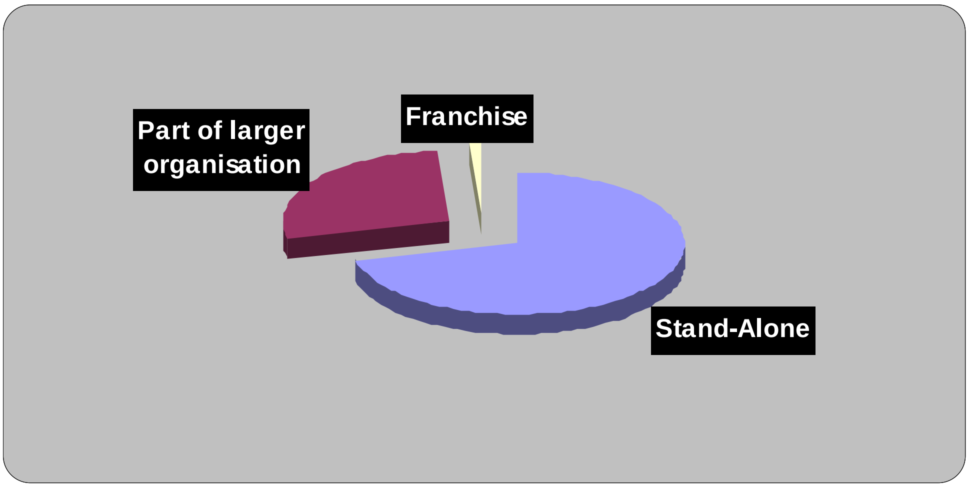
Table 11: Employment Relationships

Employment relationship	Number of employers	Percentage of employers
Permanent full-time	121*	100
Temporary full-time (incl. Contractors, Seasonal workers, Casuals and Fixed-term)	10	8
Permanent part-time	15	12
Temporary part-time:	42	35
Apprentices	8	7

*Not every employer surveyed answered this question. We have made the assumption that all companies employ at least one person on a permanent full-time basis including owners of the business.

At least 35 percent of participants employed people on a temporary part-time basis and eight percent on a temporary full-time basis. This includes casual, fixed-term and seasonal workers as well as contractors. For almost 80 percent of employers, the majority of their staff lived on the Shore. The remainder lived in Auckland, Waitakere and a few in the Rodney District.

Figure 9: Business Grouping - Overall



Most of the enterprises surveyed in ICT (23), manufacturing (28) and sport and leisure (22) are stand-alone with no affiliation to larger organisations whereas five construction companies are stand-alone, five part of a larger organisation and one a franchise. Financial and business services are primarily part of larger organisations like a bank, accounting and market research companies (12) with seven independent businesses.

The figure below shows that 83 percent of companies reported that business volume had increased over the last year, for 14 percent it had stayed the same and for only three percent business had declined.

Figure10: Volume of Business in the Last 12 Months – Overall

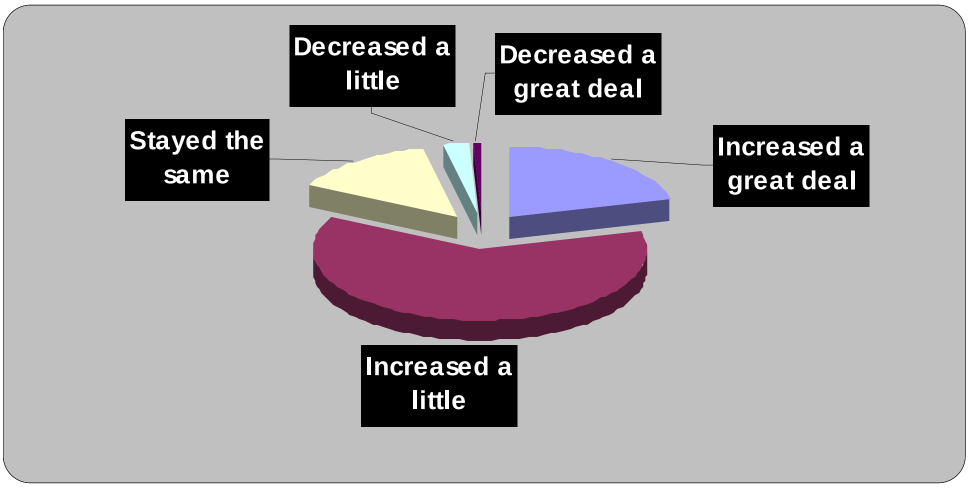
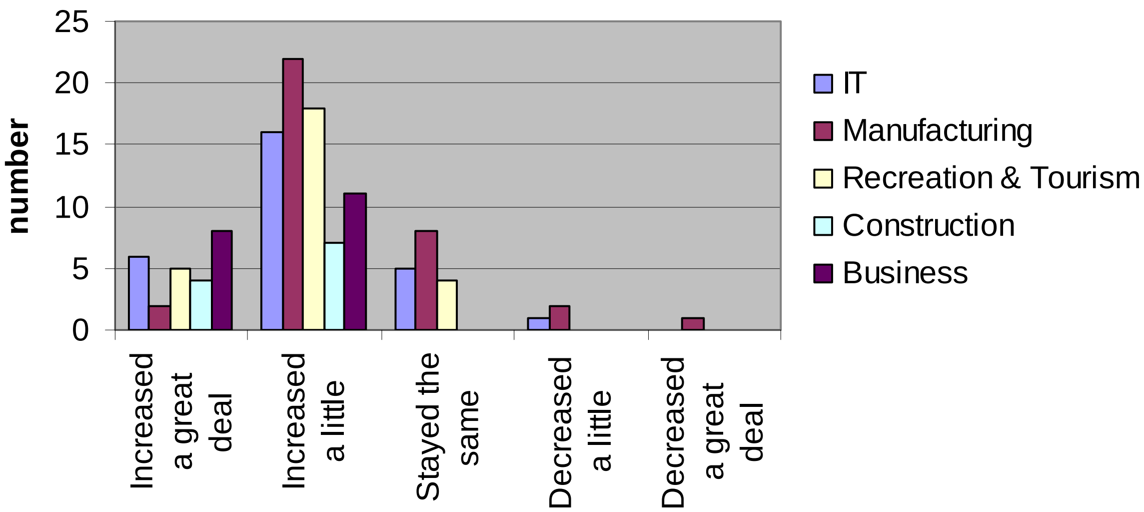


Figure 11: Volume of Business in the Last 12 Months – by Industry



Overall, companies in the financial and business services and construction sectors had seen an increase in business and only three manufacturing and one ICT company reported a decline in business volume in the last 12 months. This confirms the business statistics (pages 14 and 15) showing that the business service sector had experienced the most significant growth between 1997 and 2003, where the ICT sector has grown from 14th largest employer on the Shore in 1997 to 9th in 2003 and manufacturing generating 11 percent of the economic growth in North Shore City.

This is in contrast to the employment expectations over the next 12 months. Whereas 83 percent of the employers had experienced an increase in business volume, less than a third anticipate that employment will grow in the next year (see table 12 for a comparison). Of note is that 62 percent suggest that employment levels will remain the same while only seven percent felt that employment will decline. This suggests that skills shortages and the lack of appropriate staff could have a significant impact on business development in the foreseeable future. Comments such as the lack of government support in job creation and training in smaller enterprises, the high compliance costs involved in employing people, educational standards, the attitudes of employees (lack of commitment) and the shortage of skilled people and training (e.g. apprentices) were some of the reasons cited for the barriers to job creation.

Sixty-five people responded to the question about the potential for job creation in their business. Twenty four suggested that their business might grow for reasons like the buoyant housing market, population growth on the North Shore and on the condition that sufficiently skilled people were available. One employer observed that his employment would grow but he would increasingly outsource work rather than create employment in the business. Eleven were ambivalent depending on the availability of appropriate applicants and 30 did not see the possibility for job creation because government policies were perceived by several employers as discouraging employment, because of the lack of appropriate staff and some of the businesses were seen to be too small to sustain further growth. Nationally, skills shortages remain very high and surveys have confirmed that companies are finding it more difficult to recruit staff than at almost any other point in the last 25 years. Furthermore, it is the main factor limiting expansion in one-quarter of companies in New Zealand which represents a 30 year high (http://www.dol.govt.nz/lmr-skills.asp).

Figure 12: Employment Expectations Over the Next 12 Months – Overall

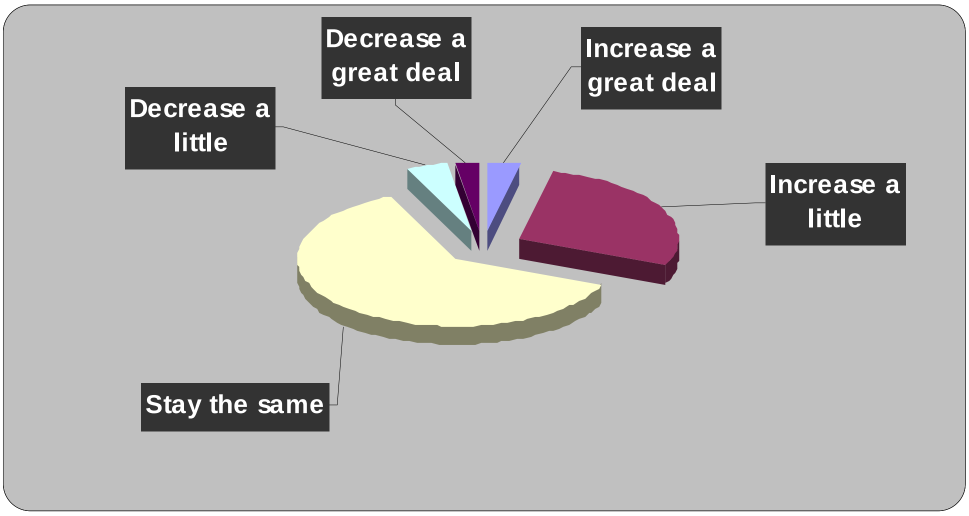


Figure 13: **Employment Expectations Over the Next 12 Months – by Industry**

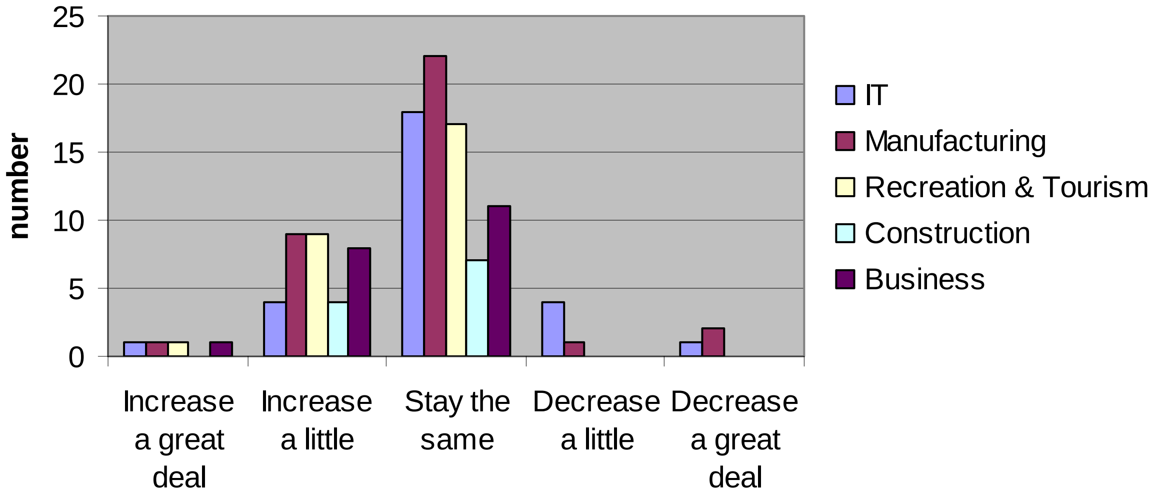


Table 12: **Comparison of the Volume of Business in the Last 12 Months and Anticipated Employment Growth in the Next 12 Months**

Expectation	Volume of Business in the last 12 Months (n=120)		Employment Expectations in the next 12 months (n=121)	
	Number	Percent	Number	Percent
Increase/d a great deal	25	21	4	3
Increase/d a little	74	62	34	28
Stay/ed the same	17	14	75	62
Decrease/d a little	3	3	5	4
Decrease/d a great deal	1	1	3	3

VACANCIES

Of the 121 employers surveyed, 57 responded that they had had some staff turnover in the last year. Thirty-six positions were vacant at the time of the survey and 76 employers identified 82 positions that were generally difficult to fill. Table 13 below compares the occupational groups experiencing staff turnover in the last year, current vacancies and roles that were identified as generally hard-to-fill. Several employers did report that staff turnover was low and recruitment was largely by word-of-mouth.

In this section, we will focus specifically on hard-to-fill vacancies identified by employers. Terms used to describe skills gaps/shortages or hard-to-fill vacancies are often used interchangeably but do have different meanings. Based on the National Skills Taskforce in the UK, the Department of Labour (2003:14) has outlined a number of circumstances in which shortages might arise and these are as follows:

- Skills shortages occur when employers have considerable difficulty filling their vacancies because there are insufficient job seekers with the required skills;
- Skills gaps occur when employers only find people who have some, but not all, of the skills required; and
- Recruitment difficulties occur when there are enough job seekers with the required skills but they are unwilling to take up the work that is on offer.

According to the Employers Skill Survey (Felstead, 2002:171), hard-to-fill vacancies are not only equated with skills shortages, but rather can be distinguished between those that are skill-related and those that can be attributed to company-specific factors such as the industry, unattractive rates of pay or conditions of employment.

Employers were asked whether they had any roles in their organisations that are generally difficult to fill. Seventy-six employers identified 82 occupations that were generally difficult to fill. For employers on the North Shore, hard-to-fill vacancies are found in most occupational groups except clerical (2) and the less skilled positions (5). Some of the occupations identified among professionals (12) are accountants (5), engineers (which includes electrical and software engineers) a microbiologist and teacher. Technical roles (17) include technicians, programmers, graphic designer, pilot and surveyor. Trades positions are in carpentry, boat building, production (non-spec at eight mentions), builder, printer, toolmaker and chocolate moulding. Sales and service roles were in occupations often staffed by temporary employees such as serving staff and sales people and others like chefs, sales representatives marketing and distribution. Machine operators were generally difficult to find (6) as were drivers and bus drivers, finally, four cleaning roles were identified as hard-to-fill and one general maintenance position.

Over 70 percent of the hard-to-fill vacancies were ongoing or always difficult to fill. Four percent of the positions had been vacant for one month, 12 percent had been vacant for 2 months, 9 percent for three months, and three percent for five months.

Table 13: **Staff Turnover, Vacancies and Hard-to-fill Vacancies**

	Left in last year	Current Vacancies	Hard-to-Fill positions identified
Managerial	3	4	8
Professional	8	4	12
Technical	19	5	17
Clerical	7	2	2
Sales and Service	16	7	13
Trades	13	8	17
Plant and Machine	4	3	8
Elementary	10	3	5
TOTAL responses	80	36	82

Most commonly, technical and trades positions were identified as difficult to fill. This is followed by sales and service, professional, managerial and machine operating roles; the latter are found primarily in the construction industry.

The tables below will be presented in terms of industry sectors. In certain instances, we have compared industries but these comparisons must be viewed with caution as the number of employers interviewed in each sector differed. These tables are useful to give an indication of the attitudes and experiences of employers in particular industries. In terms of industry sectors, the table below shows that the ICT industry on the North Shore has difficulties in filling technical and professional roles as well as a few of the service and sales positions. For the niche manufacturers, skilled trades people are hard to attract; in sport and leisure, it is commonly sales, service and elementary positions; for employers in the building and construction industry, it is plant and machinery operators and for business services it is in managerial and professional roles.

Table 14: **Hard-to-Fill Vacancies by Occupational Group**[3]

	Managerial	Professional	Technical	Clerical	Service & Sales	Trades	Plant & Machines	Elementary	TOTAL
ICT	0	6	10	0	3	0	0	0	**19**
Manufacturing	3	2	5	0	2	13	1	0	**26**
Sport and leisure	1	0	1	1	7	1	2	5	**18**
Construction	0	0	1	0	0	2	5	0	**8**
Business services	4	4	0	1	1	1	0	0	**11**
TOTAL	**8**	**12**	**17**	**2**	**13**	**17**	**8**	**5**	**82**

[3] The occupational breakdowns were categorised according to the nine Statistics New Zealand's Standard Classification of Occupations 1999, retrieved from www.stats.govt.nz.

The remainder of this section examines why occupations are hard-to-fill in the industry sectors surveyed and the issues considered and presented in the tables below are:

- Skills lacking in applicants;
- Personal attributes or qualities lacking in applicants;
- The main causes of hard-to-fill vacancies;
- Effects of hard-to-fill vacancies on the company; and
- Outcomes of hard-to-fill vacancies for the company.

Table 15: Skills Lacking in Applicants by Industry Group (n=72)

	ICT	Manufacturing	Sport and leisure	Construction	Business	TOTAL (no. of responses)
Technical or practical skills	10	13	7	5	5	40
Customer handling skills	3	1	6	0	2	12
Team working skills	3	6	4	1	3	17
Management/supervisory skills	0	2	2	0	4	8
Oral communication skills	5	5	9	1	5	25
Problem solving skills	0	6	8	0	7	21
Literacy	6	9	7	1	2	25
Numeracy	1	8	3	1	0	13
IT or software skills	9	3	2	0	0	14
Commonsense	0	1	0	0	2	3
Other	1	1	2	1	0	5
TOTAL	38	55	50	10	30	183

Not surprisingly, the ICT and manufacturing employers interviewed cited practical, technical and ICT/software skills as most lacking in applicants. Many courses were too theoretical and they felt that education and training institutions did not adequately prepare students for the working environment. (See section on education and training for further discussion on this). Problems with communication skills, literacy and numeracy were mentioned by many employers in response to this question. Comments were made about the need to raise standards in schools and other educational institutions and to reward excellence. Furthermore, several observed that for New Zealand businesses to compete internationally, training and education should meet international standards. In an article for TUANZ, Maire (2004) found that employers in the ICT sector were frustrated at the difficulty in finding new entrants to the workforce with the mix of skills needed to succeed - particularly regarding essential social skills.

Table 16: Hard to Find Qualities/Attributes by Industry Group (n= 63)

	ICT	Manufacturing	Sport and leisure	Construction	Business	TOTAL (no. of responses)
Attitude	11	15	11	5	6	48
Work ethic	1	10	10	6	3	30
Punctuality	0	6	8	6	3	23
Interpersonal skills	7	4	6	0	5	22
Presentation	2	3	6	0	2	13
Respect	1	3	5	2	1	12
Commitment	1	1	3	1	3	9
Motivation	2	3	1	0	1	7
Cultural understanding	0	1	3	1	1	6
Other	6	1	0	1	0	8
Maturity	2	0	0	0	0	2
Realistic	0	1	0	0	1	2
TOTAL	33	48	53	22	26	182

A consistent finding throughout this research and others and across industry sectors (see Spoonley et al. 2002; McLaren and Spoonley 2004; McLaren et al. 2004) was, according to employers, the poor attitude displayed by employees. Several employers commented on the general ‘laid back’ attitude of people and that this was endemic in the New Zealand work culture. The poor work ethic was particularly evident in manufacturing and sport and leisure occupations. Poor interpersonal skills were most commonly found in the ICT and sport and leisure sectors. Cultural understanding generally referred to migrants who did not always have an adequate understanding of the local New Zealand working environment.

‘Other’ responses included comments concerning the lack of inquisitiveness, lack of sense of achievement or lack of self-confidence.

Table 17: Main Causes Of Hard-To-Fill Vacancies by Industry (n=74)

	ICT	Manufacturing	Sport and leisure	Construction	Business	TOTAL (no. of responses)
Low number of appropriate applicants	9	14	12	5	7	47
Lack of necessary work skills	8	8	11	1	8	36
Lack of required qualifications	9	5	6	1	2	23
Low number of applicants generally	3	8	1	1	2	15
Not enough people interested in doing this job	1	7	2	1	0	11
Competition from other employers	1	3	0	5	0	9
Terms and conditions offered for the job	1	1	4	2	0	8
Shift/hours	0	0	3	0	0	3
Education System	2	1	0	0	0	3
Lack of training facility	0	0	2	0	0	2
Other	4	5	1	1	2	13
TOTAL	38	52	42	17	21	170

Not surprisingly, the low number of appropriate applicants was the most common reason given for the existence of hard-to-fill vacancies. Well over one-quarter of these comments were made by employers in the niche manufacturing industries. This is followed by observations on the lack of necessary work skills particularly in sport and leisure followed by an equal distribution of responses from ICT, manufacturing and financial and businesses services on the same issue. Aside from one employer in the construction sector, the lack of necessary job skills was not commented on. For these employers, the shortage of appropriate job seekers and competition from other employers were most commonly reported for the existence of hard-to-fill vacancies.

Comments that were coded as ‘other’ include false expectations, inflated CVs, immigration service delaying work permits for skilled migrants and the highly skill-specific nature of certain roles in the manufacturing industry.

Table 18: **Effects of Hard-to-Fill Vacancies on Industries (n= 60)**

	ICT	Manufacturing	Sport and leisure	Construction	Business	TOTAL (no. of responses)
Difficulty in meeting customer service objectives	5	12	6	3	5	31
Loss of business to competitors	6	11	3	6	4	30
Increased operating costs	4	8	7	3	5	27
Existing staff work harder/stressful	3	3	7	1	6	20
Delays in developing new products/services	4	11	2	0	1	18
Difficulties introducing new work practices	2	3	0	0	0	5
Withdraw from offering certain services altogether	0	4	0	0	0	4
Difficulties introducing tech change	1	0	2	0	0	3
Other	1	4	0	0	1	6
TOTAL	26	56	27	13	22	144

Significantly, 39 percent of all comments on the effects of hard-to-fill vacancies were made by employers in niche manufacturing businesses. Customer requirements were difficult to meet, there could be delays in developing new products and services and business was lost to competitors. Similar issues were identified by employers in the ICT sector. For operators in the sport and leisure sector, operating costs were increased, existing staff worked harder and meeting customer service objectives was made more difficult. As mentioned in the previous section, construction companies cited the loss of business to competitors as an outcome of hard-to-fill positions. For those in the financial and business services, staff shortages affected the workload of existing staff.

Consequently, as the table below shows, the most common outcome was to extend recruitment beyond the North Shore and often off-shore. Given the importance of the extension of recruitment for suitable staff, the employment of migrants in North Shore City is examined on page 54. Those in the ICT sector relied heavily on increased on-the-job training which will be discussed in more detail in the section on education and training.

Table 19: **Results of Hard-to-Fill Vacancies by Industry (n=68)**

	ICT	Manufacturing	Sport and leisure	Construction	Business	TOTAL (no. of responses)
Extend recruitment	9	14	8	5	5	41
Increase training	16	11	6	2	4	39
Redefine existing jobs	2	3	2	0	1	8
Change recruitment strategy	0	2	3	0	3	8
Take on more trainees	0	4	1	2	0	7
More work for existing staff	1	0	0	0	1	2
Other	2	4	1	1	0	8
TOTAL	30	38	21	10	14	113

The above discussion indicates that there is a combination of factors affecting employment in the five industry sectors on the North Shore. Firstly, skills shortages exist because there are insufficient numbers of job seekers with the required skills, particularly in the technical, associated professional and trade-related occupations. Secondly, recruitment difficulties are experienced because of the lack of appropriate applicants and employers have highlighted issues of poor communication skills and work ethic. Finally, skills gaps are experienced because employers are only able to recruit job seekers with some of the skills required and it has been suggested that the lack of practical and technical skills contributes to this. Consequently, in-house or on-the-job training of existing staff was the most common option used by employers to overcome hard-to-fill vacancies but extending recruitment was the most common solution identified to fill any shortage of skills experienced. The comments recorded under 'other' responses include outcomes such as lowering standards and taking on less proficient staff, reducing staff numbers and restructuring. The following section will examine the issue of skills gaps experienced by employers.

PROFICIENCY OF CURRENT STAFF

Few employers responded to the question on the proficiency of existing staff and we have made the assumption that this is because they were generally happy with those staff members and any skills gaps were filled by on-the-job training which is significant among North Shore employers. Nationally, on-the-job training is becoming increasingly relevant and has been the focus of government initiatives. John Blakey, Chair of the Industry Training Federation (2002), suggested that the future of the economy would depend on the ability to establish a system that goes well beyond the current 'front loaded, pre-employment system of education and training'. He argues that industry training is the vanguard of the new economy training and learning system and should be seen as a legitimate pathway for the skill development of school leavers and the vocational training of university graduates as they enter the workforce thus 'future proofing employees and the economy against the relentless logic of innovation and change' (www.workinprogress.govt.nz). Similar sentiments were expressed at the Employer and Manufacturers Association Learning Conference (2002) where it was asserted that a greater portion of learning should take place within industry in the form of on-the-job training. This could be achieved by a focus on the demand-side and facilitating access to high quality support for workplace learning achieved by a tripartite relationship between the government, Council of Trade Unions and Business New Zealand (Baker, 2002).

Of the 34 employers who spoke about those roles where skills gaps existed, it is not surprising to find that almost one-third of these positions were in the trades (10) followed by technical (5), service and sales (5) and managerial (4). Six employers reported that skills gaps existed at all (or various) levels. Reasons for these skills gaps cited were primarily the lack of motivation in staff followed by the lack of work experience although these could be recently recruited employees who had yet to gain experience in the current role. Recruitment problems were also mentioned and several employers have changed their recruitment strategies by scrutinising their candidates' skills and personal qualities more carefully or by employing the services of a recruitment agency with a reputation for successful screening of candidates.

Table20: Employees not Fully Proficient **(n=34)**

Occupation	Number
Various/at all levels	7
Managerial (project manager	1
Professional (incl. accountant, research analyst, teacher, IT engineer)	4
Technical (incl. graphic design, technical, software and IT non-specific)	5
Service and sales (incl. sales person and customer service)	5
Trades (incl. carpenter, boat builder, builder, production non-spec)	10
Plant and Machinery (incl. driver and digger operator)	2
Elementary (incl. cleaner, maintenance)	2
Total	36

Table 21: Reasons Why Staff are not Proficient (n=33)

Reason	Number of responses
Staff lack motivation	19
Lack of experience/recently recruited	14
Recruitment problems	8
Failure to train and develop staff	3
Inability of workforce to keep up with changes	2
High staff turnover	2
attitude	2
Other	8
TOTAL	58

To gain an understanding of the skills that would be most sought after in employees in the next two to three years, employers were asked to list these. The table below outlines the responses given.

Table 22: Skills Perceived to be Important in the Next 2-3 years **(n=114)**

Skills	Number of responses
Personal skills	115
Personal/people skills (incl. attitudes, responsibility)	26
Communication skills (incl. language skills)	19
Willingness/ability to learn	15
Motivation/self development	12
Customer services/sales	11
Teamwork	5
Work ethic	3
Adaptable to change	5
Problem solving	5
Practical skills	5
Honesty/integrity	4
Flexibility	5
Technical/trade skills	31
Use/update of new technology	10
Software skills	9
Computer skills	7
Technical skills	5
Literacy/numeracy	4
Management/supervisory	1
Other	16
TOTAL	167

Over two-thirds of the responses to this question referred to personal skills like communication, willingness to learn, commitment, motivation and customer services. It is interesting to note that only 18 percent spoke of technical or trade specific skills such as the use of new technology, software skills and ICT skills. This further emphasises the increasing frustration employers have with the attitude of many of the applicants and employees. It is felt that a lot of school leavers struggle with the essential competencies like general life skills, literacy, numeracy and oral communication skills. This is a common theme in the literature and Betcherman et al. (1998) typify this when they suggest that strong basic skills are an essential prerequisite for effective participation in the labour market and that these skills should be the first priority of all education systems. Many employers referred to the lack of adequate standards and the attitudes of job seekers. One employer suggested that attitude constituted 70 percent of what makes a good employee. The lack of perseverance and the 'laid back' nature of New Zealand culture was frequently mentioned in this regard and this was seen to be exacerbated by the ease with which benefits could be accessed reducing the lack of motivation to work. 'Other' responses included entrepreneurial skills, cognitive skills, working autonomously, presentation, commonsense and adhering to simple instructions.

In terms of the industry sectors, software skills were identified as the most important for future ICT needs, personal attitude for manufacturing, communication skills for employers in sport and leisure and skills were spread across a range of areas for employers in construction and financial and business services.

To expand on the effects of hard-to-fill vacancies and the importance of certain skills to the development of a proficient team of employees, we asked respondents if there were any other barriers to conducting business most effectively.

OTHER BARRIERS TO EMPLOYMENT

This question was open-ended with no pre-codes. Many barriers to the employment of fully proficient employees were identified and these have been broadly categorised into personal qualities and traits, education and training, external factors, local and central government, industry and enterprise related barriers and 'other'. The table below lists these in more detail with the large number of 'other' comments ranging from the closing down of AUT's printers courses; exaggerated CVs; inadequate recruitment strategies; and the attitude of younger people. Comments were evenly spread across industry sectors.

Table 23: Barriers to Employment of a Fully Proficient Team (n=83)

Barriers	Number of responses
Personal qualities/traits	*37*
Attitude (incl. NZ attitude, motivation)	18
Work ethic (including in younger people)	9
Unrealistic expectations	6
Willingness to learn	4
Education and Training	*24*
Local/NZ training/education standards	13
Low standard of communication/literacy/English	6
Training costs/availability	5
External factors	*12*
Shortage of skills	5
International competition	3
Technological advancement	2
Migrants literacy	2
Local and central government	*9*
Lack of government support for industry (incl. training)	5
Employment laws	3
Compliance costs	1
Industry/enterprise related	*5*
Low pay rates in the industry	1
Financial constraints	3
Nature of industry (unattractive)	1
Other	17
TOTAL	104

Personal Qualities/Traits

In spite of having commented on personal qualities and traits in previous sections, employers again mentioned these as one of the greatest barriers to gaining a fully proficient team of employees. The attitude of employees was most commonly mentioned and this included reference to the so-called 'New Zealand attitude' discussed in previous sections. One employer in the manufacturing industry suggested that government 'handouts' were demotivating to the self-development of people. There was little incentive for employees to commit themselves to showing up to work on a regular basis and producing a high standard of work. Several expanded on this, referring to 'parental neglect' in teaching basic personal skills and taking responsibility.

Education and Training:
The low standard of education and, specifically, the poor written and oral communication skills of school leavers were identified by employers as barriers to employing fully effective people. Lack of international standards contributed to this. One employer in hospitality commented on the low entry level for certain courses and the lack of specialised training for the printing and tool making industries were mentioned. In addition, costs of staff training were more than some small employers could afford.

Government regulations
Several employers felt that government policies were preventing smaller employers from increasing their staffing levels. One employer in the ICT industry suggested that current government policy made it difficult to employ staff so they are outsourcing to other countries where labour is cheaper. Another in ICT suggested the lack of government subsidised on-the-job training made it difficult for smaller employers to remain competitive internationally. Administrative costs prohibited employers spending money on training.

Other barriers
The shortage of skills was seen as inhibiting business growth. This shortage is not only evident in North Shore City but also Auckland wide.[4] Other issues raised were growing international competition and keeping up with technological advancement. In some instances, the nature of the enterprise or industry was seen as unattractive to job seekers and financial constraints due to the small size of businesses affecting the affordability of in-house training were perceived to be some of the barriers to employment.

[4] In a recent publication (preliminary results) examining job openings for Auckland regional residents in the eight years between 2003 and 2011, it was found that 12,093 trades workers would be required and 25,042 technicians and associated professionals (Economic Development Unit, Manukau City Council, 2004).

MIGRANTS

Immigration is a key element of North Shore City today and is likely to remain so. In 2001, a third of all North Shore residents had been born overseas, specifically in the United Kingdom, South Africa and Asia. North Shore City, along with Auckland and Manukau City, has been an important immigrant destination in the post 1990 period. The most significant change has been the arrival of migrants from Asia, with one-fifth of the 15-19 year age group on the North Shore now Asian. With the exception of Pacific peoples and Maori, the NSC is home to one of the most diverse ethnic communities in New Zealand (Spoonley et al. 2002).

We asked employers to describe the employment of migrants in terms of their company needs. This question was asked because the loss of young people is of concern although the North Shore population is expected to continue to grow for the foreseeable future. One of the strategies to overcome the effects of an ageing population, the loss of young people to other areas and the shortage of productive workers might be to attract migrant workers. NSC has the third highest proportion of people of Asian origin compared to the total population, after Auckland City (17.3 percent), and Manukau City (13.6 percent).

Table 24: Migrant Employees (n=112)

Reasons	Number of Responses
No different to non-migrants (incl. employ on merit)	46
(but) Communication difficulties	34
Work ethic/reliable/motivated (incl. better work ethic)	16
Work hard as they need the job	5
As long as they speak English	4
Can't comment	13
Other	22
TOTAL	140

Most of the respondents across the industry sectors employed migrants and commented that they recruited on merit. In certain instances, communication skills were problematic, more specifically for employers in manufacturing and sport and leisure enterprises, but many suggested that this could be overcome. However, for some businesses like publishing, printing or editing where superior English skills are essential, migrants were not considered as suitable job candidates.

Several employers reported that migrant employees were better skilled than New Zealanders and one employer in ICT suggested that they had undergone 'quality' training overseas. Others observed that the migrants who come to New Zealand are high achievers and work hard because they need the employment. One employer in the ICT sector said that the company employed 20 different ethnic cultures and without the well-skilled migrants, the company would not be able to operate effectively. Language could be a barrier though. The general importance and contribution of migrants to the ICT workforce in the City, was also highlighted in the face-to-face interviews conducted for the research examining the building of ICT capacity in North Shore City (de Bruin and Plester, 2004). De Bruin and Plester found that there is no doubt the Asian ethnic population comprised a key part of the ICT workforce on the North Shore.

An employer in niche manufacturing was frustrated by immigration policies and procedures. He found migrants to be well-skilled and motivated and suggested that immigration procedures be made easier for employers as immigrants add to the pool of qualified applicants. Again he qualified this by stating that language could be a problem. Of the nine respondents who suggested that immigrants had a better work ethic, six were employers in the manufacturing industry sector.

For one employer in business and financial services, migrants were unsuitable because of their 'psyche' which did not match the New Zealand business environment. Another employer in the same industry suggested that the work demanded creativity, ingenuity and flexibility in thinking of solutions to problems. Some cultures were more orientated to following instructions and routine strategies at work. He continued that many migrants were less creative than New Zealanders and this was problematic.

Comments coded under 'other' were wide-ranging. On the negative side, responses included seeing migrants as too often rejecting tasks not related to their jobs, Asian migrants not relating to the 'rough' New Zealand carpentry culture and migrants less creative than local employees. Additional comments were made concerning the reliance on migrant workers because of the small pool of job applicants and without the well-skilled migrants, businesses would not be able to operate effectively.

The final section of this report deals with issues around education and training.

EDUCATION AND TRAINING

The final section of the questionnaire was included to gain an understanding of employers' attitudes to secondary school and post-secondary school education and training. Eighty-eight percent of the employers surveyed reported that they participate in some form of in-house or on-the-job training but only 18 percent were aware of Government subsidised training schemes. Training schemes paid for by employers are included in the following table:

Table 25: Employers' Participation in Training (n=107)

	Number of Responses
In-house (non-spec)	67
ITOs	53
On-the-job training	44
Consultants (non-specific)	20
PTEs	10
Modern apprenticeships	7
First aid/H&S/OSH	5
Courses (non-spec)	4
Overseas	4
NZQA	3
Manufacturer/product/franchise training	2
Other	11
Total	230

The issues outlined in the other sections in this report have underscored the importance of in-house and on-the-job training for employers because of the skills shortages, skills gaps and recruitment experienced across all industries.

Most significantly, of those employers who responded to the question on the effectiveness of education and training for their needs, 30 percent reported dissatisfaction with some of the competencies of school leavers, 12 percent with university and 12 percent with polytech graduates. Many more (59 percent for polytechs and 65 percent for universities) had some reservations about the competencies of graduates and less than a quarter of the employers surveyed felt that the skills acquired by school and university leavers were providing them with the skills they required and 29 percent felt that polytech graduates were adequately trained. Employers found ITOs and PTEs more effective in providing vocational skills.

Table 26: Employer Opinions on Education and Training Provision

Education/ Training provider	Effective/ Relevant?	ICT	Manufacturing	Sport & Leisure	Construction	Business services	TOTAL
School	*Yes*	2	12	2	1	4	21 (23 %t)
	Yes, but...	11	7	6	5	8	37 (41 %)
	No	6	11	11	2	3	33 (36 %)
Polytech	*Yes*	4	8	5	3	6	26 (29 %)
	Yes, but...	17	15	9	3	10	54 (59 %)
	No	2	5	4	0	0	11 (12 %)
University	*Yes*	3	7	2	1	5	18 (22 %)
	Yes, but...	18	13	9	3	10	53 (65 %)
	No	2	4	4	0	0	10 (12 %)
ITO	*Yes*	15	15	5	7	10	52 (70 %)
	Yes, but...	2	6	5	1	1	15 (20 %)
	No	0	3	4	0	0	7 (10 %)
PTE	*Yes*	10	11	11	7	8	47 (94 %)
	Yes, but...	0	2	0	0	0	2 (4 %)
	No	0	0	1	0	0	1 (2 %)
Inhouse	*Yes*	20	25	13	9	14	81(93 %)
	Yes, but...	0	3	0	0	1	4 (5 %)
	No	0	0	2	0	0	2 (2 %)

Generally, secondary school education was seen as inadequate because of the unsatisfactory language and communication skills students had acquired by the time they left, basic life skills were perceived to be lacking and generally, comments were made about the attitude of school leavers. Expectations of school leavers were often felt to be unrealistic as was the common sense of entitlement. It was suggested that students should be better prepared for the school-to-work transition. Several employers were concerned at the lack of focus on grammar and language skills in schools and many commented that literacy was ‘shocking’. These sentiments have been expressed throughout the report and, of note, is that 40 percent of employed people in New Zealand and 70 percent of unemployed adults were found to have poor literacy skills (Ministry of Education 2002). In spite of North Shore City having one of the most skilled and qualified communities in New Zealand, many employers reported on the low standards of literacy and numeracy among job seekers. The importance of these ‘intangible assets’ (Betcherman et al. 1998) cannot be underestimated.

Employer criticisms of polytechs and universities were similar. Many commented on the general attitude of graduates and the approach of 'no problem mate'. This employer in the sport and leisure typified responses:

> *…staff have got no attitude, respect, commitment and don't want to work. They take things for granted. Want to collect their wages without doing anything for it. Kiwis are lazy…no wonder, there are so many government handouts…*

The second area most criticised was the theoretical content of courses and qualifications. More work experience and preparation for the actual working environment were suggested. However, several employers commented that education providers could not be expected to provide fully competent graduates and that each employer had the responsibility to ensure that staff was fully competent.

Among the ICT employers interviewed, language skills, the attitude of applicants and training providers not meeting international standards were most problematic. Manufacturing employers commented on the attitude of those entering the work force, courses not being practical enough, perceived low standards and the loss of apprenticeships. The major concerns with education and training provision for employers in sport and leisure were attitude and personal and life skills of applicants. Employers in the construction sector did not have many comments to make about education providers although a few commented on the general philosophy of 'taking' without 'giving' anything in return. Employers in the business and financial services most commonly commented on the lack of basic life skills.

Consequently, over 70 percent of employers felt that ITOs were most relevant for their needs – one employer in the ICT industry commented that the business gets all job applicants from the ECTO (Electrical Computer Training Organisation) which closely monitors the ICT industry for its training needs.

Figure 14: Employers' Education and Training Preference

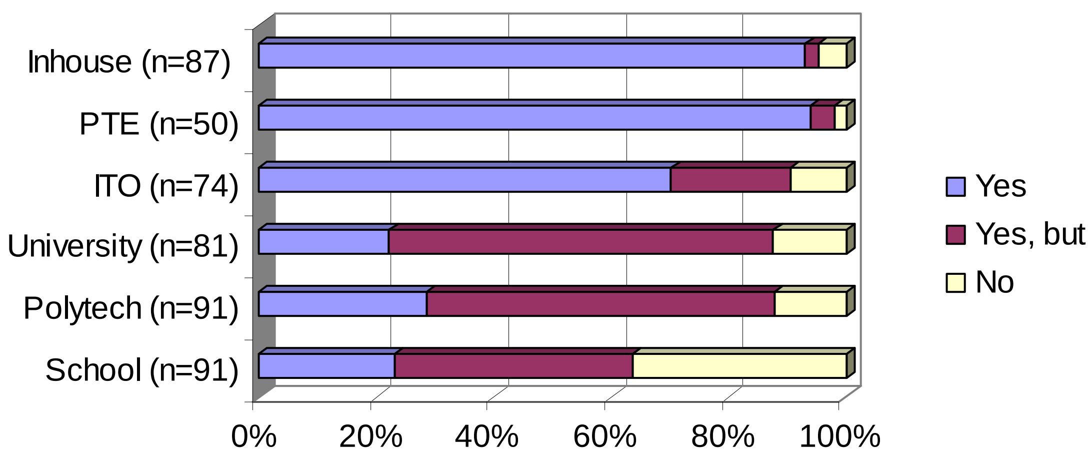


Table 27: Reasons for Employer Opinions on Training

Reasons for improvement	Schools	Polytechs	Universities
Language skills/verbal communication/spelling	15	3	3
Life/personal/basic skills	14	5	4
(NZ) Attitude(incl. unrealistic, take not give, expect handouts)	13	17	17
Standards too low	7	5	5
Not practical enough/too theoretical	4	13	13
Inadequate training	3	4	2
Lack of work experience	2	1	4
Lack of work ethic	2	5	1
Education starts at home/birth	2		
Not achievement orientated	2	1	1
Loss of apprenticeship scheme		2	1
Not meeting international standards		2	2
Other	8	3	3
TOTAL (no of responses)	72	61	56

Table 28: Employers Comments on All Education And Training Provision (n=81)

	ICT	Manufacturing	Sport & Leisure	Construction	Business services	TOTAL
Attitude of applicants	7	14	10	2	4	37
Not practical enough	5	13	6	3	4	31
Few life/personal/basic skills	3	1	12	1	7	24
Language/verbal skills	8	4	6	2	1	21
Can't expect education provider to teach everything	9	0	7	0	3	19
Standards too low	4	7	1	2	3	17
(NZ) attitude (incl. handouts, take and not give, philosophy	0	6	3	4	2	15
Lack of work experience	2	5	3	1	0	11
Inadequate training	3	3	3	1	0	10
Not meeting international standards	6	0	0	0	0	6
Too general	0	4	1	0	0	5
Lack of apprenticeships	0	5	0	0	0	5
No work ethic	0	1	3	0	0	4
Not achievement orientated	4	0	0	0	0	4
Other	1	5	7	2	1	16
Total	52	68	62	18	25	225

Overall, employers suggested that education providers should better prepare their graduates for the work force by instilling personal skills, a work ethic and a sense of responsibility. Several conceded that education began in the home and poor parenting was at times responsible for the low work ethic. Many employers suggested that the focus should be on more practical training and a better alignment with on-the-job training. Suggestions were made to increase industry placements, visits to work sites, and a better relationship between employers and education and training providers. Improving standards in education and training was a common observation with several employers extending it to encompass international standards. A greater focus on literacy and communication skills and equipping graduates with personal and presentation skills that would assist them in applying for jobs were identified as important.

Training is an essential component in employment growth. There is growing evidence that contemporary challenges include the need to consider education, training and skills in a more systematic way as globalisation together with a tightening regional labour market and a subsequent shortage of skills, are reshaping local and regional economies. What is incontrovertible is that work-based education and training is one of the most effective ways of closing skills gaps in organisations. Although work-force training is recognised as one of the most effective means of up-skilling staff, many small and medium-sized companies do not have the resources in terms of time, money and personnel to achieve this as successfully as they might desire. Several employers in this survey observed that it was difficult to achieve training objectives given compliance costs, time spent on administration supporting compliance issues, the size of companies and their work load.

CONCLUDING COMMENTS

Building a knowledge economy has been identified as a fundamental part of North Shore City Council's economic development strategy which means:

> …an economy where products are services rather than commodities and workers produce intellectual property rather than manufactured goods (NSC, 2004)

In addition, the strategy identifies target sectors where the City currently has strengths and which have been identified by stakeholders as contributing potential concentration and growth. These are financial and business services, niche manufacturing, ICT and sport and leisure. Adding to this, Enterprise North Shore has identified construction as a growing industry sector. Nationally, the industrial and occupational mix is changing implying that different skills are needed. More specifically, one-third of all employment growth has been in the service sector, employment in the manufacturing sector has grown by 20 percent in the last 10 years and building and construction by 50 percent (Ministry of Education 2002).

While North Shore City has one of the most skilled and highly qualified communities in New Zealand and is a City that has experienced significant employment growth in the last five years, it is affected by challenges faced by New Zealand as a whole. The fertility rate has dropped from 3.2 per woman of childbearing years in 1970 to 1.97 in 2001 (stats.govt.nz). The percentage of the New Zealand population over 65 years of age is expected to grow from 11.5 percent in 2000 to 21.5 percent in 2040. The involvement of those over 65 years of age in paid work is also declining. Of note, however, is the impact of the ageing population on the labour force, which is reflected in the growth of the 45-64 and 65+ cohorts drawing the median age up from 36.9 years in 1996 to 42.2 years in 2051. In contrast both the 18-24 and 25-44 cohorts are projected to decrease over the period which is compounded in North Shore City by the out-migration of these same age groups. The low fertility rates and an ageing population profile have major implications for the skill mix of the local labour force as demand and supply characteristics will change. This has significant implications for growth options that are further constrained by the departure of 20-29 year olds from North Shore City.

In spite of some of the advantages North Shore City has over other regional labour markets including its location, life-style, a magnet metropolis for migrants and a skilled population, skills shortages have been identified by employers as a major issue. In many instances, this has impacted on perceptions of employment growth in individual enterprises. This is particularly significant in the technical and trades positions. A co-ordinated strategy to alleviate some of the shortages experienced by employers today and certainly envisaged for the future, is required. A labour shortage in the trades due to rapid employment growth and a decline in apprenticeship training were considered by one respondent to be more significant than skills gaps. Moreover, the difficulty in accessing apprenticeship training 'north of the bridge' has exacerbated the shortages experienced. A more flexible approach to employment such as retired trades people coming back into the workforce part-time was put forward as one way of addressing this problem. It was also suggested that greater 'interconnectivity' between sectors would be beneficial and that Enterprise North Shore could play an important role by acting as the hub to disseminate information on the skills and labour needs of local businesses.

Some of the challenges facing local government agencies, education and training providers, employers and community groups in North Shore City are outlined below.

- The adequacy of education and training provision emerged consistently in the interviews.
    - First, there is a need to increase the focus on eliminating the poor literacy and numeracy of those leaving compulsory education so that all those completing compulsory education achieve basic literacy and numeracy standards (see also Baker 2002). Good literacy and numeracy are essential skills for coping in the labour market in the twenty-first century as they provide the foundation on which further learning and training is possible. Of concern, however, is that 40 percent of employed people in New Zealand and 70 percent of unemployed adults were found to have poor literacy skill (Ministry of Education, 2002). In spite of North Shore City having one of the most skilled and qualified communities in New Zealand, many employers commented on the low standards of literacy, communication skills and numeracy among job seekers;
    - Second, the importance of general life skills to effective participation in the labour market cannot be overstated and these 'intangible assets' (Betcherman et al. 1998) are the key to the growth of any economy. Furthermore, they are increasingly identified as being of equal importance to technical competence (Ministry of Education 2002; TUANZ 2004); and
    - Third, many employers commented that post-compulsory education and training should be more rigorous and remain relevant to the skills required by employers. This is best achieved by greater partnerships between businesses, local and central government agencies and education and training providers. The first step is to set up a regional skills initiative.
- Following on from the above, the importance of on-the-job training should not be underestimated as a positive impetus to employment growth (see also Cosh et al., 2000). This is evident in our research but can be problematic for small enterprises with limited resources. Several did suggest that they saw no potential in the future for job creation because of the lack of resources for staff training.
- Migrant strategy – the reliance of employers in North Shore City on skilled migrants indicates a need for a co-ordinated migrant settlement strategy. North Shore City's Economic Development Strategy (March, 2004) does not include such an initiative but is one that could be considered by Enterprise North Shore. According to the Ministry of Education (2002), it can take migrants up to 10 years to experience similar employment outcomes as New Zealanders – this could be speeded up with specific interventions. Given the increasing global labour flows and competition for skilled people, a well-considered migrant settlement strategy on the North Shore is timely.
- North Shore City's economic development strategy privileges the development of a 'knowledge economy' yet there is the need to ensure that those without formal education and training or with lower-skills are not excluded from an employment vision for North Shore City. Public transport problems and the cost of housing on the Shore are making it increasingly difficult for employers to attract lower-paid workers.
- Information co-ordination and dissemination is the key to developing a better match between the demand and supply of workers and the relevance of vocational education and training.

This report has presented a broad snapshot of the numerous issues facing employers in North Shore City. Some of the employment challenges confronting employers are beyond their direct control and overcoming them will require concerted strategies from local and central government agencies. Our research has shown that there are significant skills shortages, skills gaps and recruitment difficulties arising from the shortage of appropriate job seekers. Some of these problems may be exacerbated by new employment demand from emerging industries such as the growth in ICT companies (see de Bruin and Plester, 2004), construction and niche manufacturing on the North Shore. Furthermore, various structural problems like the cost of housing and public transport difficulties have impacted on employment on the Shore.

Facilitating a collaborative approach involving education and training providers, agencies such as Work and Income Auckland, the Tertiary Education Commission, Careers Advisers, the Immigration Service and employer/industry groups will ensure that labour market demand and supply processes are matched and enhanced more effectively. A demand-led approach that enables employers and industries to provide clear signals about requirements to future job seekers and education/training providers should be actively encouraged and co-ordinated.

The labour market, by its very nature, is highly complex and subject to rapid and continuous change. As such it would be inappropriate to develop an employment skills strategy that was in any way overly prescriptive or inflexible. As businesses and the labour force increasingly hone their capacity to adapt and respond to the rapidly changing demands of the modern marketplace, so too must the approach to education, training and development programmes.

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USEFUL WEBSITES

EDANZ, the economic development agency of New Zealand has identified some useful websites around information on skills and labour shortages in New Zealand (http://www.edanz.org.nz). These and others are listed below.

The Department of Labour has various useful websites:
www.dol.govt.nz/labour-market-reports.asp: The Department of Labour has obtained customised HLFS survey data by regional council area and these results are published in the Department's six monthly regional labour market reports.

http://www.dol.govt.nz/skill-mkt-plan.asp: This website provides information on the Skills Action Plan (SAP) launched by the Government in 2002 to better match people's skills to job opportunities and to assist people to make well-informed decisions about participating in, or providing, education and training.

http://www.dol.govt.nz/linked-employee.asp: This is the linked employer-employee database which is a joint project between the Department of Labour and Statistics NZ to develop a database which integrates data from different sources so that the same individuals are matched and different information about them is combined to gain new insights into their labour market behaviour and outcomes that cannot be answered from employee or employer surveys alone.

Other Government agency websites:
www.worksite.govt.nz: this is a web-based portal for labour market information.

www.workinsight.govt.nz: This is a six-monthly publication on skills and work, which supports the aim of helping match people and jobs. It contains updates on labour market trends, statistical information, personal profiles and references to further information. Its primary target audience is career advisers, Work and Income NZ work brokers, and other job market intermediaries.

Local Government and Agency websites:
www.NSCC.govt.nz: website of the North Shore City Council.

www.enterprisens.org.nz: website of Enterprise North Shore Trust.

Other useful websites:
www.anzbank.com/nz: The ANZ bank publishes a job advertisement series that measures the number of jobs advertised in the major daily newspapers and Internet sites covering Auckland, Wellington and Christchurch each month and provides a good indication of future labour market trends.

www.nationalbank.co.nz: The National Bank Survey of Business Opinion includes information on the employment intentions of employers. The information is available on a regional basis and provides a qualitative indication on the future labour market conditions in each region. The bank also publishes information on quarterly regional economic trends.

http://lmd.massey.ac.nz: This website has the Labour Market Dynamics Research Programme's publications that can be downloaded.

APPENDIX ONE:

Net Migration Gains/Losses for 1991-1996 and 1996-2001

	North Shore City		Rodney District		Waitakere City		Auckland City		NZ Total	
Age Range*	1991–1996	1996–2001	1991–1996	1996–2001	1991–1996	1996–2001	1991–1996	1996–2001	1991–1996	1996–2001
0-4	13.79	6.98	24.39	22.38	10.79	7.94	12.56	6.63	4.72	0.1
5-9	17.25	12.12	24.18	23.89	5.26	0.98	2.98	-3.96	4.4	2.6
10-14	23.52	15.21	16.93	12.11	6.94	1.22	13.07	11.45	5.27	0.97
15-19	23.44	18.3	-1.09	-2.5	7.07	8.4	28.79	18.93	3.27	0.67
20-24	0.69	-4.9	-17.16	-23.22	0.99	1.23	36.74	32.82	-4.13	-8.35
25-29	4.36	-7.1	27.41	11.22	13.25	6.02	15.18	7.94	1.29	-8.64
30-34	17.8	11.43	40.96	35.25	14.02	10.39	10.6	3.34	8.25	2.61
35-39	17.12	10.6	28.61	27.84	7.13	2.68	4.96	-2.28	5.24	1.87
40-44	13.15	8.17	19.82	15.6	5.65	0.25	7.93	-1.96	3.99	0.84
45-49	6.3	2.88	11.2	7.36	2.9	-0.06	7.93	-1.32	2.87	0.16
50-54	0.7	-2.34	21.55	10	1.78	-1.49	3.36	-1.39	1.82	-0.2
55-59	-2.13	-4.02	26.8	12.24	3.38	-1.04	0.36	-1.36	2.37	0.61
60-64	-2.52	-0.95	36.74	13.56	0.88	-0.28	-1.19	0.31	2.89	2.22
65-69	-0.18	-0.03	20.9	12.95	2.71	-1.37	-1.73	-0.81	2.1	2.33
70-74	3.77	1.29	10.36	4.88	5.66	1.72	-1.94	-4.03	1.69	1.04
75+	4.28	1.19	9.36	5.29	3.67	2.03	-2.61	-0.96	-0.36	1.08
ALL Years		4.94		12.96		3.17		3.63		-0.19

It should be noted that under 5 net migration estimates have high uncertainty/errors. The 60 years and upwards have high errors due to modelled deaths. Figures are based on applying a dated Statistics NZ 1995 parameterised national fertility and mortality model to each ethnic population to arrive at total population estimates for each Territorial Local Authority (James Newell, Personal communication, November 2002).