

## TOP REGIONAL INSIGHTS



**‘Unintentional regional consequences’ of Te Pūkenga proposals are being considered.** The Southland community has identified that local leadership and autonomy in the vocational education space is important to the region. It is seen as critical that any new delivery model retains, or improves, the regional responsiveness and adaptability Southland has received from the Southern Institute of Technology (SIT) thus far. This would enable the region to meet the new and emerging workforce opportunities in the exciting and evolving space that is currently the Southland economy e.g., Just Transitions. There is risk that a ‘metro-centric drift’ away from Southland in the management and delivery of vocational education, may dilute the region’s ability to be responsive and adaptable to regional vocational needs. There is concern that the proposed changes could have a negative impact on Southland’s population and economic development goals. The Southland Murihiku RSLG is working with Te Pūkenga to ensure that the regional strengths of the current model of delivery are not lost within its new model.

**Business confidence has dropped significantly across the region.** A Southland Business Chamber survey found that for the three months ending 31 August 2022, business confidence has dropped, with just 10% of respondents expecting that the general business situation in New Zealand will improve in the next 6 months, down from 62.5% last quarter. The outlook on the respondents’ own businesses has come up with 40% of respondents expecting an improvement in their business, down from 62.5% last quarter. 30% believe business will stay the same during the next six months and 30% believe business will deteriorate. Capacity is the most common limiting factor for businesses wanting to expand their activities at 40% of respondents. This is followed by finance at 30% and demand at 20%. The biggest effect on profit is staff costs, with 40% of respondents down from 55% in the August 2021 survey. This is followed by 30% of respondents who state that Covid-19 levels have had the biggest effect on their profit. *Source: Southland Business Chamber, September 2022*

## TRENDS AT A GLANCE



**The Southland Murihiku employment rate is increasing;** now at 73%, an increase of 1.3 percentage points compared to the same time last year. The number of people in the labour force is now 58,100 - an increase of 1,000 people.



**The Southland Murihiku underutilisation rate has decreased;** now at 9.3%, a decrease of 2 percentage points compared to the same time last year. All areas of underutilisation have seen a decrease, with a total of 1,200 fewer underutilised people.



**The Māori employment rate has decreased since June 2021,** at 75.8%. However, the rate is still 3.5 percentage points higher than the 2020 rate and it has been consistently trending upwards over the last decade.

## TOP LABOUR MARKET OPPORTUNITIES

- The opening of The Langlands Hotel provides an opportunity to focus on hospitality workforce needs.** The new 4.5-star hotel that is part of the Invercargill city-centre redevelopment has opened and requires 80 new staff to operate fully. Some vacancies are still to be filled, including qualified chefs. The Invercargill Licencing Trust (ILT) is taking the opportunity to explore the potential for a ‘Gold Standard’ in-house training programme to recognise and promote the value of professional development, and help to validate career pathways within the tourism and hospitality sector.
- Just Transition project proposals have been submitted.** Proposals under Long Term Planning, Clean Energy, Worker Transition, Business Transition, Land Use, Community Capability Building, and Aquaculture workstreams have been considered by the Just Transition Enduring Oversight Group. The proposals will help form a Southland Just Transition package aimed at supporting the region through different scenarios based on the future closure of New Zealand Aluminium Smelters Ltd (NZAS) Tiwai Point. Successful proposals will be further refined before being progressed to budget bids. The Southland Murihiku RSLG will provide a labour market perspective to the process.
- Newly opened primary care services in Invercargill may reduce strain on existing healthcare practices and improve worker attraction/retention.** The two new services will improve access to GPs, increase after-hours GP capacity, and reduce pressure on Southland Hospital’s Emergency Department. Attraction and retention of workers for Invercargill and the surrounding areas may also be improved as the lack of healthcare services, including the inability to enrol with a GP, has been noted previously as a deterrent for people wanting to relocate and/or stay in the region.

## TOP LABOUR MARKET CHALLENGES

- ‘Zero Fees’ has been positive for the Southland region, with concerns those benefits could be lost.** The Zero Fees model of vocational delivery at SIT has been successful in attracting students into vocational education, and into Southland in general. There is concern there could potentially be a negative impact on the local labour market if Zero Fees was discontinued. Te Pūkenga have indicated the scheme will continue to the end of 2023, but longer-term delivery remains uncertain. SIT are planning to conduct research to better understand the regional impact of Zero Fees, and the implications should it come to an end. This research will then give the RSLG a greater understanding of potential workforce implications.
- Businesses continue to identify lack of staff as their biggest challenge.** Local businesses across the economic spectrum, including manufacturing, engineering, hospitality, tourism, and retail are reporting that their inability to attract and retain staff is limiting growth and productivity. A recent manufacturing/engineering sector summit hosted by the Southland and Otago Regional Engineering Collective (SOREC) highlighted the shortage of skilled labour and education pathways into trades as one of their most significant challenges.
- Workforce shortages remain the biggest concern in healthcare.** Ongoing difficulties in attracting new staff remains a significant challenge for the healthcare sector, particularly in rural areas. In particular, a lack of skilled, specialist staff is causing problems in dental and GP clinics, hospitals, and allied health provision, adding pressure to existing staff and ongoing service delivery. With healthcare provision being so fundamental in population attraction and retention, this is a significant challenge for the region. Education and qualification attainment timeframes associated with these roles means there is no short-term fix without attracting staff from other regions, or overseas.

## REGIONAL WORKFORCE PLAN (RWP) UPDATE

**RWP implementation is underway.** The inaugural Southland Murihiku Regional Workforce Plan (RWP) was launched in July by Minister Sepuloni in her capacity as Minister for Social Development and Employment. The document is available online at [www.mbie.govt.nz/regional-skills-leadership-groups/southland-murihiku](http://www.mbie.govt.nz/regional-skills-leadership-groups/southland-murihiku)

**The Southland Murihiku RSLG Youth Engagement Pilot is making progress.** The pilot is a joint initiative between the Ministry of Business Innovation and Employment and the Ministry of Youth Development aimed at ensuring the voice of Southland’s rakatahi (one of the RWP’s Pou) is heard effectively during the implementation of the 2022 RWP, and in the 2023 refresh.

**RSLG researching opportunities for those categorised as ‘underutilised’ in the labour market.** Understanding the untapped potential of those categorised as ‘underutilised’ is a significant action within the Southland Murihiku RWP. The RSLG is undertaking a key piece of research to understand how more of the population can be encouraged and supported to participate in the region’s labour market.

**Co-branded employer survey released.** A Great South, Southland Business Chamber, RSLG, and Beyond 2025 Southland co-branded employer survey has been released and is open for submission. The survey is looking at what opportunities and challenges Southland Murihiku employers are facing in attracting and retaining employees. Results from this survey will be essential in helping the RSLG better understand and address the employer challenges identified across the four sectoral pou of the RWP.

## OUR FOCUS FOR THE NEXT THREE MONTHS:

- Development of a Rakatahi Rōpū /Youth Forum to incorporate a strong youth voice into the implementation of the Regional Workforce Plan
- Completion of research (underutilisation in the labour market and employer survey) and analysis of the findings
- Providing labour market insights and perspective into the Just Transition proposals as specific applications/projects emerge