

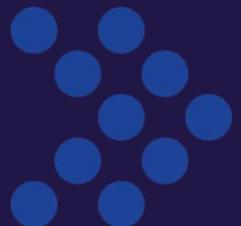
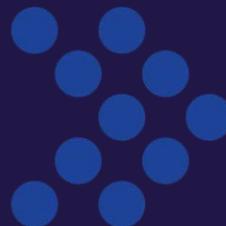
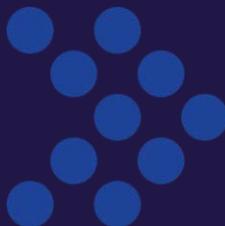


Southland Murihiku

# REGIONAL SKILLS LEADERSHIP GROUP.

## Local Insights Report

Southland Murihiku interim Regional Skills Leadership Group  
October/November 2020



# Introduction

This is the second Local Insights Report by the Southland Murihiku interim Regional Skills Leadership Group (iRSLG). It provides an overview of the current labour market challenges and opportunities in the Southland Murihiku region. It is intended to assist local stakeholders and government agencies with planning and COVID-19 recovery work.

This report is informed by individual discussions with 13 of the iRSLG members and other stakeholders, as well as notes from members' local engagement. These stakeholders include local government, central government based in the region, and regional community and business representatives which members or the Secretariat have interviewed.

This report is also informed by the Murihiku Regeneration Hui ("the Hui") held on 9 October 2020, and hosted at the Murihiku Marae (in Invercargill) by Murihiku manawhenua in Southland. More details of the Hui including the vision and values, and an overview of attendees, are at Appendices 1A and 1B.

We welcome comments on this report. Please send feedback to:  
[SouthlandMurihikuRSLG@mbie.govt.nz](mailto:SouthlandMurihikuRSLG@mbie.govt.nz)

More information about the group is available at:  
[www.mbie.govt.nz/Southland-Murihiku-RSLG](http://www.mbie.govt.nz/Southland-Murihiku-RSLG)

## Purpose of the RSLGs

Regional Skills Leadership Groups were formed in June 2020 on an interim basis to gather intelligence about the impacts of COVID-19 on the regional labour market, and to identify and support better ways of meeting future skills and workforce needs. They are part of a joined-up approach to labour market planning which will see our workforce, education and immigration systems working together to better meet the differing skills needs across the country.

Functioning independently, the groups are regionally based and regionally led, and supported by a team of data analysts, advisors and workforce specialists at the Ministry of Business, Innovation & Employment.

## Key messages

There is “cautious optimism” about the labour force across most of the region with job losses and unemployment across the region not as high as initially anticipated. However, there are certain notable exceptions as noted below. The key challenges and opportunities arising from the insights gained from our members and stakeholders are:

### Labour market - challenges

- The uncertainty about the signalled closure of the New Zealand Aluminium Smelter (NZAS) at **Tiwai Point** is of **prominent concern**.
  - The **transition timing and plans** for the smelter are seen by some members and regional stakeholders as fundamental to the region’s future labour market. They believe that if the closure goes ahead on 1 August 2021 it will have a detrimental impact felt widely, not only in Southland but throughout the country. Four to five years is the preferred time by most members to have a managed exit.
  - Government support is seen as important to help with both transition and establishing new industries. The Ministry of Business, Innovation and Employment’s (MBIE’s) Just Transitions team is consulting with the region including with our iRSLG.
- **Te Anau is a ghost town in crisis** – it is significantly impacted by the border restrictions – with very few tourists or other visitors while still being mostly dependent on tourism.
  - It is not getting the same ongoing uptake and spend from domestic visitors as from its pre-COVID-19 international market. Many visitors to the area are passing through, usually overnighing in Queenstown and often spending very little if at all in Te Anau.
  - Local stakeholders report with the lack of people in the area **underemployment is significant and growing** and various other stakeholders also expect **high unemployment**.
  - Local businesses say that **marketing and other support is urgently needed to attract more New Zealanders**, and also for government and others to **understand that Te Anau character and issues are very different from Queenstown and Wanaka**.
  - **Public attention** by government and the media on the area is seen to be lacking when compared to Queenstown. While they acknowledge that there is some government support, such as MSD and MBIE co-funding a Te Anau coordinator (see progress to date section below) this is more subtle and significantly more is believed to be needed.
  - MSD has also co-funded **Employment Liaison Advisors** to help in this space and created **new Connected roles** to help people connect to the wide range of employment, education and training supports and advice available.
  - There is also **concern that if businesses and workers survive through the season they will not be able to ride through the winter**. Traditionally the town is used to putting aside reserves to manage their off season.
  - The Hui discussed the potential to **re-position tourism** and related industries in Te Anau, and Fiordland more broadly, to be **more culturally and sustainably focused**.
- **Some other tourist areas**, especially those in rural towns, are also **struggling**, whereas others, such as Rakiura (Stewart Island) are faring well with more domestic visitors.

- **Retail and hospitality** are the other main sectors that appear to be **adversely impacted**.
  - The full impacts are believed to be hidden at the moment with many workers having their hours reduced, and concerns about less discretionary spending.
  - Smaller businesses across the region appear to be struggling, and larger retailers in Invercargill also appear to have cut or be reducing staff.
- **Seasonality** is considered an ongoing feature across much of Southland Murihiku. Primary industries continue to grapple with seasonality and skill shortages.
- **Health, social and aged care services and staff are over-stretched** and at high risk of burnout.
  - Reports of **anxiety and related issues** continuing to increase since lockdown, particularly with youth and at younger ages, but also among employees and the unemployed.
  - Further medium to longer-term effects of COVID-19 are likely to include **flow-on effects from such problems** including reduced performance on the job and impacting job interviews and applications.
  - The **new mandatory requirement for all social workers** to be registered with the Social Workers Registration Board from 27 February 2021 has come to the attention of some members. They are concerned these may increase attrition and create more staff pressures.
  - Aged care and other health services are **under-resourced relative to demand**. This has been exacerbated by the border restrictions, with demand likely to grow further with an ageing population.
  - The aged care worker shortage is thought to be partially due to **difficulties attracting local, especially younger, workers**, despite a pay equity settlement for care and support workers taking effect from 1 July 2017.
- Some **other industries** such as engineering and construction are also **reporting worker shortages**.
- Groups identified by the iRSLG to be **at high labour market risk** include:
  - **Lower skilled workers**, whom are of particular concern. Some members note these people are more likely to be among those first to be displaced and also often have more difficulty finding work. There are also concerns they will end up stuck in jobs with poorer pay and conditions, and less job satisfaction.
  - **Māori** across the region who are much more likely to be unemployed or in low skilled jobs. **Māori youth are seen to be particularly vulnerable**.
  - **Youth** in general, **Pacific people, women, and refugees** are also more likely to be poorly placed in the labour market.
- Gaining a **driver's licence** is considered by some to be the most important pre-employment qualification in the region due to the region's wide expanse and limited, viable public transport across it. This also impacts access to education for those outside Invercargill.
- **COVID-19 income relief payment** and **COVID-19 wage subsidy** long term impacts are unknown.

## Labour market – opportunities

- Our group believes more could be done to **improve coordination of initiatives** in the region.
  - Great South is proposed as the natural lead for this. There is potential to improve regional understanding of what Great South does and to facilitate more alignment of its activities with work done outside this organisation.
- **Opportunities to encourage and better support new and existing** businesses include more focus on raising awareness and facilitating connection to business and strategic planning, mentoring, and confidence building.
- **Change management** and **engaging with youth** are considered essential. **ICT literacy, connection** and access are also becoming more important for workers and industry.
  - **Training in these areas**, as well as in **soft skills** is proposed.
  - Promotion of **change management advice/information** is vital.
- **Great South** is seen to be **doing good work** promoting Southland Murihiku but there is broader potential for it to align more with other organisations, and more broadly for **Southland Murihiku to sell itself more**.
  - Members note various features (eg natural environment, good schools, low cost of housing) of a region they are clearly proud to belong to.
  - There is potential to attract more people to live and tourists to visit.
  - Retaining people in the region is also seen to be important.
- **Regional involvement in Kaimahi for Nature/Jobs for Nature** and **Provincial Development Unit (PDU) allocation** decisions are seen as important for the region's future.
  - **Local intel** is vital to make sure each initiative supports local labour market outcomes.
  - Regional Provincial Growth Fund applications from the previous term remain unresolved.
- The Ministry of Social Development (MSD) is continuing to work with our group to **understand and promote the range of labour market supports available** and to promote these but there is still **potential for further reach** across our region.

## Progress to date

Our group's first Local Insights Report identified concerns about the signalled Tiwai Point closure and the uncertainty surrounding this as having a major impact on the mood across the region.

We are continuing to build on our relationships with the local rūnanga and other regional and national stakeholders to maintain and build on the momentum and vision from the Hui.

Tourism industries overall were noted as severely impacted by COVID-19, with Te Anau seen to be at particularly high risk. Great South, MSD and MBIE have established a position based in Te Anau, to identify and implement redeployment opportunities in the Fiordland community. The Tertiary Education Commission have also opened a Direct Careers Service pop-up service in the area. However, uptake of this service is not currently as high as expected, despite continued efforts to promote it to jobseekers and the local community.

The seasonal workforce shortage challenges for the region were also raised in our first report, with fewer migrant workers compounding workforce gaps for key primary industries such as dairy and beef farmers, and the meat works. On 22 September 2020, the Minister for Immigration announced that the government established class exemptions for a limited number of agricultural and horticultural machinery operators.<sup>1</sup> Exceptions have since been made to allow more shearers and seasonal workers for the horticulture and wine industries to enter New Zealand. The government is continuing further policy work to support these industries through its agencies such as Immigration New Zealand (INZ), MSD, MBIE and the Ministry of Primary Industries.

Other opportunities recognised in our group's last report include better matching of displaced workers. MSD and MBIE are working together with local organisations such as Great South, the Chamber of Commerce and Mayoral Forum to increase employer awareness of Jobseeker lists, and to look at how to better connect and match those looking for work with employer needs.

Great South has run some campaigns to promote the region nationally. Discussions are also continuing with Southern Institute of Technology (SIT) and other educational institutions to consider short-term industry-led options and to set the groundwork for the permanent group to focus on the region's longer-term skills and training needs.

## Future focus areas

The Southland Murihiku iRSLG has identified that there are many stakeholders currently undertaking transition work or plans for a future Murihiku. Without an agreed common vision and coordination, there is a risk of fragmentation. On the other hand, a shared understanding would enable the RSLG and wider stakeholders to collectively leverage the thinking underway in order to create and deliver opportunities for the region.

Some members note the Southland Regional Development Strategy October 2015 (SoRDS 1.0) achieved some positive things for the region, including the creation of Great South. However, the Southland Murihiku of 2025 is now likely to be very different to that which was envisioned five years ago. For example, since then, NZAS has announced the closure of its Tiwai Point smelter; the region is managing the labour market impacts of COVID-19; and there is a

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<sup>1</sup> <https://www.beehive.govt.nz/release/more-border-exceptions-critical-roles>

National Policy Strategy for Freshwater Management which is presenting challenges for agriculture.

Now is an opportune time for the region to develop a new or updated SoRDS (SoRDS 2.0) that reflects the region's current and projected landscape. Given the mandate of RSLGs to develop Regional Workforce Plans (RWPs), our group is well placed to connect and coordinate regional stakeholders and ensure that any work on SoRDS 2.0 informs, and remains aligned with, the RWP for Southland-Murihiku.

One of the key priorities for our group over the next few months will be organising a Murihiku Stakeholder hui on 27 February 2020. This will bring together all those currently undertaking or interested in transition work, including mana whenua, Great South and the government's Just Transitions Unit (within MBIE), along with other key stakeholders. This hui will revisit the vision, goal and actions of SoRDS 1.0, including drawing on the Murihiku Regeneration vision. The aim of the hui is to set a mandate on the need for SoRDS 2.0 and agree to who will lead its development. We will also look at other ways we can help facilitate coordination and maintain connection with these key stakeholders, in order to deliver on any agreed collective vision.

Another ongoing priority will be supporting local educational institutions' response to the Reforms of Vocational Education. Our focus will be on creating connections, and supporting initiatives and changes that deliver better labour force outcomes for both workers and industry across the region.

In the short-term, this will include looking at how we can support SIT to explore the establishment of a manufacturing and engineering Centre of Vocational Excellence (CoVE) in Invercargill. The iRSLG sees Southland Murihiku as a potentially optimal location for this CoVE, given that the region has strong and innovative manufacturing and engineering businesses, with well-established connections and active interest in expansion.

Another short-term, more immediate priority, will be continuing to engage with government, industry, unions and other stakeholders to address the workforce gaps that some seasonal businesses are still experiencing. For example, we will work with local industry bodies to consider more flexibility with qualification requirements to meet particular needs and with Immigration New Zealand to explore options that provide more visa certainty.

MSD helps fund an Employment and Resource Planner out of Great South, with a specific focus on Te Anau and wider Fiordland. The iRSLG sees a role for itself in supporting this work, and that of other stakeholders in Te Anau, through its advice in order to deliver better labour market outcomes for this area of the region.

The Southland Murihiku iRSLG is also continuing to regionally and nationally input into policy and other changes to address many of the issues, such as driver's licence barriers and mental health problems, identified in both this and our first report. We will also seek to influence and engage to help realise the opportunities identified in these reports.

If you would like to support or engage with our group about any such opportunities, please contact [SouthlandMurihikuRSLG@mbie.govt.nz](mailto:SouthlandMurihikuRSLG@mbie.govt.nz).