

TOP REGIONAL INSIGHTS



Southland economy performed relatively well through the COVID-19 lockdown. The region's key industries such as agriculture and food manufacturing were considered essential industries, and permitted to keep operating.

Lack of storage space and shipping containers is having significant impact on the region's food production and exports. Food processors are concerned they will need to reduce or stop processing, which will impact on purchase agreements with growers and reduce flow on business to the transport industry. This could result in reduced employment across all areas in this sector. The Southland iRSLG are aware this issue is occurring in other regions and understand the breadth of this issue is having significant national impact.

Te Anau underemployment is significant and growing as tourist numbers remain low. As a result of COVID-19 Te Anau ceased to be a destination in its own right for domestic tourists, with Queenstown attracting most of this market. Currently visitors only travel through Te Anau when they visit Milford Sound on a bus, rather than visiting directly. Local stakeholders expect high unemployment rates moving into the winter period and many business owners are concerned they will need to close.

TRENDS AT A GLANCE

Between **December 2020 – January 2021** the region has experienced the following job market outcomes:



Number of filled jobs has decreased by -2.4% (-1,150 jobs). A decrease is normal for this time of year as short term roles for the Christmas period end. However this is nearly double the decrease at the same time last year (December 2019 – January 2020, -580 jobs). (Stats NZ)



Number of Jobseeker support recipients has decreased by -5.6% (120 people). After peaking in September 2020 there has been a consistent downward trend in people receiving this benefit. (MSD)

In addition, between December 2019 and December 2020 the data highlights:



Number of people underemployed has increased by 64.3% (an increase of 900 people). Underemployed are people who are working less than 30 hours per week, and wish to be working more. (Stats NZ, HLFS)

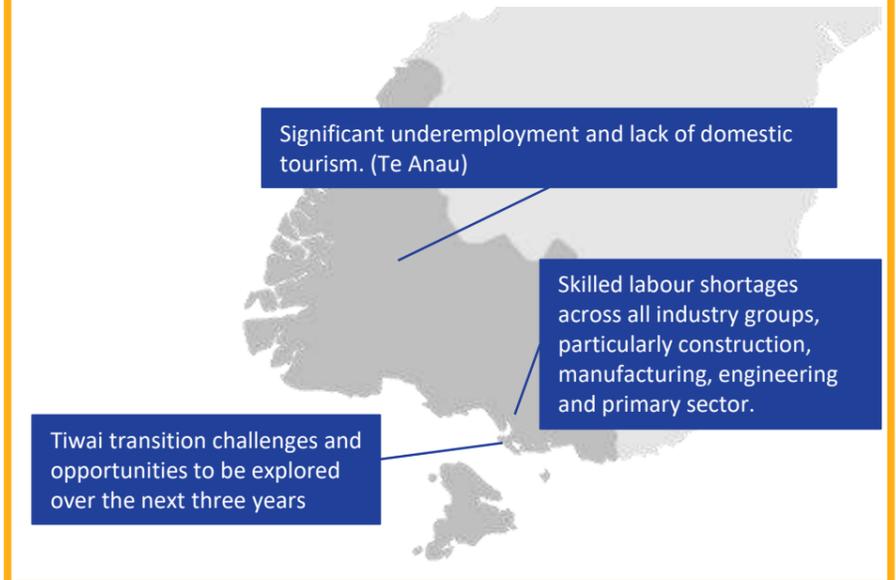
TOP LABOUR MARKET OPPORTUNITIES

- Fully utilising the regions existing population is an important long-term goal for the region.** The iRSLG is coordinating with local iwi and community providers to discuss possible pathways to increase labour force participation among younger workers, older workers, female workers and migrant workers.
- Employers need support to facilitate upskilling in the workplace.** This will address shortages in specific skills through a coordinated approach to formal training and facilitating knowledge transfer. This is particularly relevant for the manufacturing, engineering and transportation industries.
- Alternative employment opportunities are being investigated to transition staff away from the Tiwai smelter.** The "My Future Plan" initiative is being led by Tiwai to develop a pathway for each employee to help them transition into their potential work, or set up their own business. This could include providing assistance and time off for employees to study towards future employment.
- The non-residential construction industry is forecast to grow with significant infrastructure spend.** The industry is seeking skilled labour to meet demand for the \$243m Invercargill Central development, alongside the forecast infrastructure plans of local councils.

TOP LABOUR MARKET CHALLENGES

- Tourism is expected to see a slow recovery even after borders reopen.** It supports around 10% of employment in the region and some small pockets of the region are being hit very hard, for example Te Anau. Support is required to assist some firms to mothball (temporarily close/downscale) or to exit the market.
- Youth pathway strategies to transition young people into training, education or employment are under resourced.** Census data estimates approximately 5,300 children and young people in South Invercargill are disadvantaged and live under the poverty line. Support is required to establish successful and attractive pathways for youth in order to mitigate the significant impact that this will have on the future workforce across the region.
- Primary industries continue to grapple with seasonality and skill shortages.** Seasonality is considered an ongoing labour market feature across the region, particularly the meat workers industry and agriculture sector.
- Changes in environmental regulations are impacting Agricultural activities such as dairy cattle farming.** Local farmers need support to understand how the new regulations interact with practices. At present, this is driven by the Essential Freshwater work programme, which includes the National Policy Statement for Freshwater Management.

THE SOUTHLAND MURIHIKU REGION



OUR FOCUS FOR THE NEXT 2 MONTHS:

- Identify key enablers and barriers to labour market participation. This includes mapping the regional journey for various stakeholders such as how young people enter and move through the labour market, or how employers find and grow talent. This will identify potential intervention points.
- Understand the region's skills profile. What workforce capacity and capability challenges does the region experience? How are these challenges expected to change over time?