

TOP REGIONAL INSIGHTS

The Queenstown Lakes district is preparing to meet demand from the trans-Tasman bubble opening and the winter ski season. The key concern is around the limited pool of local labour to meet a sharp increase in demand. Over the past 12-months many businesses have reduced their operation to include only skeleton staff. A significant number of those who lost their jobs are migrants or young people, and many of them have left the district and region.

The Otago snow sports industry is facing significant skilled labour supply challenges. New Zealand does not currently have adequate access to local workers trained as Ski Patrol, Snow Safety Officers (Avalanche Safety) and Groomer Operators and their specialist skills. The industry has relied on an international workforce which typically follow the northern and southern hemisphere snow seasons. In order to successfully operate this winter the snow sports industry requires short-term labour market interventions such as border entry while the industry is implementing its '2021 SAANZ' sustainable workforce strategy. This is intended to develop New Zealand skilled industry staff to fill industry skill gaps.

Central Otago agriculture exports are crippled by the inability to attract NZ seasonal workers and eligible Recognised Seasonal Employment (RSE) visa workers. The pip fruit and grape industries are dependent on late summer harvesting and pruning which are labour intensive. The industries are unable to attract enough local workers due to the students being back in class; the on-going low sub-regional unemployment levels; and the physically demanding nature of the roles. In addition, the recent trans-Tasman travel bubble announcement has created a surge in demand for labour from the Queenstown Lakes tourism sector, increasing the competition for an already small pool of regional labour.

Mental health and addiction remains a significant issue across communities and impacts the ability of people (particularly NEETS) to be work ready thus impacting recruitment opportunities. Our business owners and leaders are another group facing significant pressures in terms of uncertainty, stress and mental health.

The lack of affordable housing options is being exacerbated by the return of trans-Tasman travel. Localised rental markets will tighten quickly following the return of trans-Tasman travel as long-term rentals return to the short-stay market. Recent changes to the Residential Tenancies Act is creating concerns for Tenants and Landlords. Landlords are reluctant to rent to people with uncertain employment status, and this is creating even more competition for tenants trying to locate or retain properties.

TRENDS AT A GLANCE



Young people have been losing their jobs at a disproportionate rate in Otago. . . . In the year between January 2020-2021 the number of young people employed (PAYE data) fell by:

Otago:	National:
-5.9% (age 15-24)	-3.5% (age 15-24)
-3.7% (age 25-34)	0.6% (age 25-34)



. . . and they are not sticking around. The number of filled jobs in the Queenstown district is around 1,800 lower than pre-COVID-19. The difference between this and MSD Job Seeker numbers (sitting at approx. 600) suggests a significant number of those who have lost jobs have left the district.



The trans-Tasman bubble is critical to the survival of many of the Queenstown Lakes businesses. The Queenstown Chamber of commerce - Business Confidence Survey February 2021 identified that almost a third of CBD businesses were unlikely to continue beyond the next three months without the travel bubble.

TOP LABOUR MARKET OPPORTUNITIES

1. Coordination of industries to maximise the existing labour pool:

- The iRSLG is working with the horticulture industry to set up a sub-group to investigate opportunities to link seasonal jobs across the year.
- Queenstown Lakes Human Resources community are working together on potential solutions to 'Build, Buy, Borrow' staff and skills across all industries.
- A 'KiwiOE' campaign is trying to attract workers for the Ski season. It is ongoing since late 2020 to attract NZ'ers to Queenstown to fill vacancies across a range of industries including construction, hospitality and others.

2. Engagement with Ministry of Education to improve alignment of education delivery with regional industry needs. This includes education provision from early childhood through to tertiary education/vocational training, with direct links to industry employers. The Otago iRSLG held its first education hui in 2020, and 2021 will build on the success from this engagement towards strong regional industry and education collaboration.

3. The iRSLG is producing an in-depth labour market demography analysis. Otago does not have a region-wide demographic analysis to provide an appropriate understanding of the labour market across the region. Such analysis will be critical to the development of an informed labour market plan.

TOP LABOUR MARKET CHALLENGES

1. Attracting NZ workers to fill Queenstown Lakes demand for tourism sector roles has many barriers. Many of the required tourism related jobs are low skilled, low paid, short-term seasonal roles, and located where accommodation costs are high.

2. Tourism industry needs support to retain key long-term staff through the extremely lumpy COVID-19 tourism seasons. The sector expects visitor numbers to continue to fluctuate even after the opening of the trans-Tasman bubble. The industry needs support through these fluctuations to attract, train and retain career professionals for when international travellers return.

3. Primary, horticulture and viticulture industries need regional solutions to fit regional needs. Otago industry leaders have found that national solutions (e.g. allocations of RSE worker visas) often do not fit regional and sub-regional needs, and skills shortages are on-going.

4. The Construction industry is facing ongoing skilled labour shortages. Over the coming decade the shortfall is estimated to peak at around 3,500 people per year. The BCITO labour demand forecast is based on planned and consented large scale public (Dunedin Hospital) and private sector (Queenstown Lakes area) projects scheduled over the coming decade. The labour shortage is expected to have significant effect on the future pipeline of work.



OUR FOCUS FOR THE NEXT 2 MONTHS:

- Deep-dive analysis into our sub-regionally focused horticulture and viticulture labour market.
- Understanding the region's skills profile. What workforce capacity and capability challenges does the region experience? How are these challenges expected to change over time?