

TOP REGIONAL INSIGHTS



Consumer price rises are impacting projects and the construction industry. The consumer price index rose 0.8 per cent in the three months ended March, lifting the annual inflation rate marginally to 1.5 per cent. The Construction industry has reported that delays with imported goods has meant that projects can not be completed at the prices originally quoted. In some cases there has been at least a 10% increase on contracts.

Aged Care continues to be a focus within Southland Murihiku. The industry is still unable to fill current roles, and they have ongoing concerns around the impact this is having on patient care. With many older people living independently, pressure is being felt by staff providing care across private homes, retirement villages, rest homes, hospitals and respite care facilities. Work continues to get the Competency Assessment Programmes (CAP) for Registered Nurses in Southland.

Mental health remains a significant issue across our communities. While this applies to every part of our community there have been reports of significant and escalating instances of mental pressure within our agriculture sector. The shortage of workers is forcing our farmers and their staff into unsustainable workloads, raising levels of stress, and increasing the risk of workplace accidents and animal welfare concerns. At the same time the social agency providers of mental health support are facing their own staff shortages and increases in workload, stress and anxiety. This means they are less able to meet the increasing demand.

TRENDS AT A GLANCE



For the year **June 2020 – June 2021** the region has experienced the following job market outcomes:

- Number of **filled jobs** has **increased by 2.1% / 960 jobs** (Stats NZ)
- Number of **Accommodation Supplement recipients** has **increased by 2.1% / -130 people** (Ministry of Social Development)

This suggests that although more jobs are held, there is an increasing number of people that need additional support to make ends meet.



In addition, the latest Employer Assisted Temporary Work visa data highlights that for the year July 2020 – July 2021:

- In the region the number of visa holders has **decreased by -11.7% / -210 people**
- Nationally the number of visa holders has only **decreased by -1.6%** (Immigration New Zealand)

TOP LABOUR MARKET OPPORTUNITIES

1. **The Just Transitions team from MBIE are working with local Southland communities.** They are focussed on developing industries and a future economy that isn't as vulnerable to volatility in international commodity markets, or the profit margins, of a multinational corporation. Just Transitions are commencing work on supporting new industries that are future focused; that will integrate into the local community; and that will provide a source of well paid jobs for current Southlanders and future generations.
2. **Progressive Procurement Policy is highlighting the need for Government agencies to increase the diversity of their suppliers.** The initial focus is on Māori businesses, with the project team Te Kupenga Hao Pāuaua being jointly led by Te Puni Kōkiri and the Ministry of Business, Innovation and Employment. Its purpose is to prototype approaches to reduce barriers for Māori businesses to engage in government procurement processes, and assist government agencies to implement the progressive procurement policy. This is a great opportunity for Māori businesses within Southland Murihiku.
3. **Training Bond agreements are being investigated.** Businesses often wish to fund the education and further training of their staff for obvious reasons. This is not a straight forward process or product for either employer or employee. Suggestions have been raised around a policy to allow a fair and equal arrangement for this to be a successful and sustainable pathway for both employers and employees. Investigations are still being undertaken and due diligence will be explored for this initiative.

TOP LABOUR MARKET CHALLENGES

1. **Demand for higher wages is becoming apparent within the region.** Payroll information from Stats NZ on aggregate wage data for all industries in Southland show that average wages across Southland over the 12-months to May 2021 was 4.7 per cent higher than the same period a year earlier. We expect to see this trend continue to increase due to the very tight labour market and skills shortage.
2. **Seasonal employers are anticipating a staff shortage.** Ballance Agri Nutrients in Southland District have reported that they will need to commence their off-season recruitment two months earlier than expected due to the tighter labour market within the region. This initiative comes at the cost of additional staff wages for the company, however the risk of not having enough staff in the peak of the season will be more detrimental to the company. We anticipate seeing a significant increase in the need for seasonal staff as we approach the start of the meat workers season.
3. **Young people continue to face challenges in attaining suitable drivers licencing,** as they are unable to regularly attend training. The absence of public transport and the ongoing shortages in drivers licence testing officers mean many young people are not getting their licences and are unable to secure employment as a result. Those who have employment are challenged by excessive wait times for testing and it is putting their chances of employment progression at risk. More accredited testing opportunities are required.

THE SOUTHLAND MURIHIKU REGION

The Winter Season compounds existing challenges in Te Anau. The lack of visitors and Trans-Tasman bubble interruptions will continue to have an impact on Te Anau businesses and their community.

The Primary Sector continues to experience staff shortages. Employers are considering availability of seasonal workers earlier than usual.

Consumer cost increases are having an impact across sectors and projects within the region

OUR FOCUS FOR THE NEXT 2 MONTHS:

- Development of a report around labour market needs, now and in the future
- Transition to the permanent Regional Skills Leadership Group