

TOP DUNEDIN INSIGHTS

Competition for national and international talent has, and is expected to continue to be, an ongoing challenge. Employment in Dunedin has largely returned to pre COVID-19 levels with strong growth in areas such as the health sector, public administration and construction. These areas are all experiencing shortages across many skill levels such as nurses and doctors in health, and senior staff and managers in public admin.

Dunedin's thriving education sector has been affected by the loss of overseas students. Nevertheless, institutes seem to be managing by providing new education initiatives on the back of central government's push to get more people trained. Both of Dunedin's main tertiary institutions have increased enrolments since the first COVID-19 lockdown in 2020.

The local construction sector continues to face staffing and supply constraints. With the large amount of construction about to get underway in Dunedin (the new hospital build etc), the limited supply of skilled and semi-skilled labour will continue to be a hurdle for the foreseeable future. A host of skilled professions are forecasted to be in high demand, these include: project managers, carpenters, steel fixers, plumbers, electricians, carpet and vinyl layers etc. Supply chain issues are also causing disruption, with many independent and local firms reporting delays while larger national firms continue to operate more 'normally'.

Educational institutes are doing their best to address some of the local skilled labour issues (eg trades training). However there are some other industries such as technology that rely solely on businesses to train new employees in 'work-readiness' skills and using their specific software themselves. A broadening of existing vocational training offerings would be beneficial to many of these industries.

Professional services are on the up-and-up. Over the last decade Dunedin has seen significant growth in the professional services, innovation and niche manufacturing-based economies. This change from more traditional manufacturing has complemented the city's strengths in entrepreneurship, education and research. Existing high value, and knowledge-based strengths are being increasingly complemented by the digital and gaming sectors.

Border closures are negatively affecting Dunedin's fast growing start-up Tech/Gaming industries in terms of access to talent. The growth of these industries is heavily reliant on highly skilled migrants, many of whom are currently not able to enter NZ for employment. This is limiting its short/medium-term growth potential, and increasing the risk that these businesses may leave the New Zealand market.

TRENDS AT A GLANCE

Domestic student numbers at tertiary level have recently reached their highest enrolment rates ever.



- **5.4% increase** of domestic students from the same time last year
- **13.7% increase** in the number of Māori and Pacific students, from same time last year.

(Source: University of Otago)

\$550m investment has been attracted in last 3-months by two Dunedin professional services and tech companies focused on knowledge exports.

(Source: Enterprise Dunedin)



Healthcare (\$665.8m), Education and Training (\$628.9m) and Professional, Scientific and Technical Services (\$461.2m) remain the most significant contributors to the Dunedin economy in terms of GDP.

(Source: Enterprise Dunedin)

TOP LABOUR MARKET OPPORTUNITIES

1. The Dunedin economy has a clear opportunity to focus on value over volume, and its 'knowledge' exports. Specialised areas of education are being developed. This is driven by growth in the creative and technology sectors such as film and video game development, and includes bespoke education and training opportunities specific to the industry.

2. The number of local and regional apprenticeships positions have accelerated quickly over the last year. The region is eager to build on the momentum created by the Government's Apprenticeship Support Programme as well as broaden its scope to include other industry/sectors such as Transport and Logistics.

3. Other labour market initiatives include JobDUN, an Enterprise Dunedin led programme which seeks to meet the business need for talent via student internships. The University of Otago and Otago Polytechnic are also working towards realising dedicated undergraduate degrees and vocational courses for the next generation of video game developers.

4. Film Dunedin has recently hosted a number of industry specific workshops to provide upskilling opportunities for local crew to train into positions traditionally filled by skilled migrants. This will also help the industry retain its experience and knowledge base onshore.

TOP LABOUR MARKET CHALLENGES

1. Low labour supply is an issue now and into the future. With Otago having NZs lowest unemployment rate (3% June 2021) and an aging labour demographic, Dunedin is more limited than many other NZ urban centres in its ability to meet a projected increase in labour demand now and over the next decade.

2. It is recognised there will be a time lag to train local New Zealanders to fill roles previously held by 'critical' overseas workers. Many industry's are supportive of working with Government to balance the needs of changes to immigration settings while developing a transitional pathway to train locals to have the capabilities to fill these short/medium term staffing issues. Otago RSLG will have a role to play here.

3. Increasing levels of digital literacy among staff will remain a challenge for businesses in Dunedin. While this is being addressed (in part) through education, challenges and gaps still exist, and are expected to persist for some time in terms of growing a diversified and highly skilled workforce.

4. Lack of accommodation is seen as a major barrier to attracting adequate numbers of workers to the fast growing and labour intensive health and construction sectors. There is a shortage of suitable accommodation both in terms of renting or buying, and while shortages in staff and building materials persist, this is expected to grow.



OUR FOCUS FOR THE NEXT 2 MONTHS:

The incoming permanent Otago RSLG will determine their:

- areas of focus
- engagement plan
- strategy to develop the Regional Workforce Plan