



Marlborough Environmental Scan

Marlborough interim Regional Skills Leadership Group – August 2021



Marlborough at a glance

Population: 50,200

GDP: \$3290M (2020)

Top five industry contributors to GDP

1. Manufacturing
2. Agriculture
3. Forestry, fishing, mining, electricity, gas and waste services
4. Owner occupied property operations
5. Rental, hiring and real estate services

Top five industry contributors to filled jobs

1. Agriculture, forestry and fishing
2. Manufacturing
3. Retail Trade
4. Construction
5. Healthcare and Social Assistance

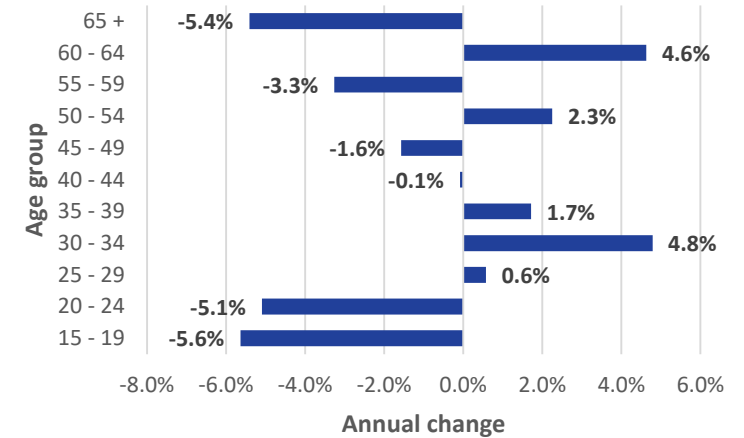


Covid-19 insights: mixed impacts for people

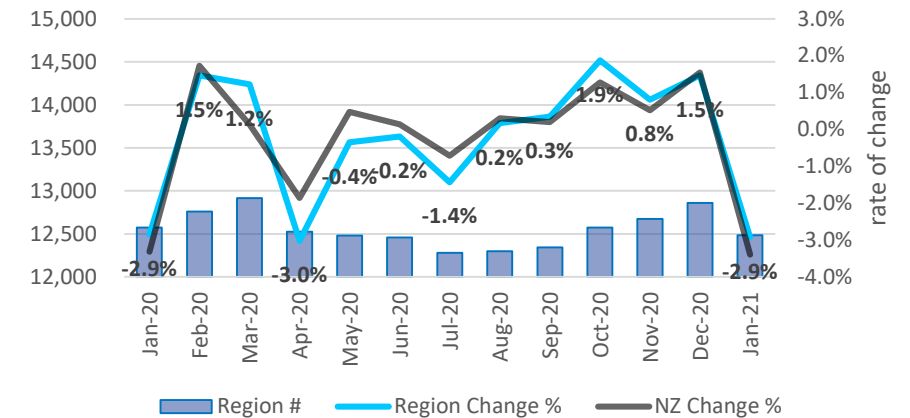
Covid-19 has had a varied impact on the lives of people within the region. For some, it has been negative, with people losing their jobs or having their working hours reduced. For others, constraints in the labour market have resulted in more favourable work conditions.

- *Unemployment increased by 25% in the year to March.* People most effected by jobs losses were workers who are older, younger, women and people with disabilities. At the peak (August to September), around 200 people were receiving the Covid Income Relief Payment. National figures show, Māori were disproportionately affected by jobs losses.
- *Reports that people with disabilities reported difficulty with finding and retaining jobs,* especially with safety concerns around Covid-19.
- *Underutilisation increased by 81% in the year to March 2021.* There are 2000 people who are “underemployed” in the region. Women and Māori more likely to be underemployed. Reports that some working families are struggling to make ends meet.
- *Competition for workers in some sectors has resulted in improved wages and flexibility* (such as offering school hours).

Change in filled jobs year to March 21



Filled Jobs – Women March 21

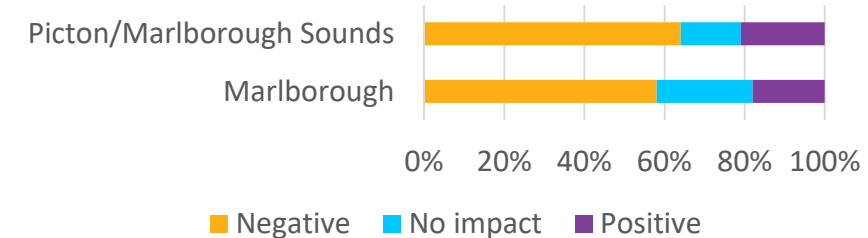




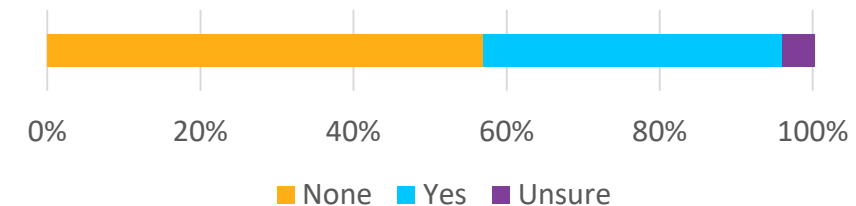
Tourism and Hospitality worst hit sectors

- 58% of surveyed businesses report that Covid-19 has had a negative impact on their business.
- *Tourism and hospitality were the most negatively impacted sectors, especially in Picton and the Marlborough Sounds, which had significantly higher reports of staff reductions and redundancies. 23% (Sounds) 28% (Picton) compared to 11% (Blenheim) and 13% (Wairau-Awatere).*
- *Businesses had to pivot to meet new market demands, such as tourism operators focussing on the domestic market or businesses offering online services.*
- *Difficulties around recruitment of local workers was exasperated, especially in sectors with a heavy reliance on migrant workers, such as the wine industry. This was particularly evident around seasonal peaks, such as a vintage and winter pruning. There were also issues in hospitality (52% of businesses in primary and 39% in hospitality/tourism reported difficulties in recruitment).*
- *Some businesses began to offer better conditions to attract workers; higher pay or school hours, or find other ways of meeting business demand.*
- *Delays in supply chains continue to impact construction and retail. 60% of negatively effected businesses report this as an issue.*

Impact of Covid on Businesses (area)



Difficulty in recruiting staff post Covid



How do we think about the labour market?

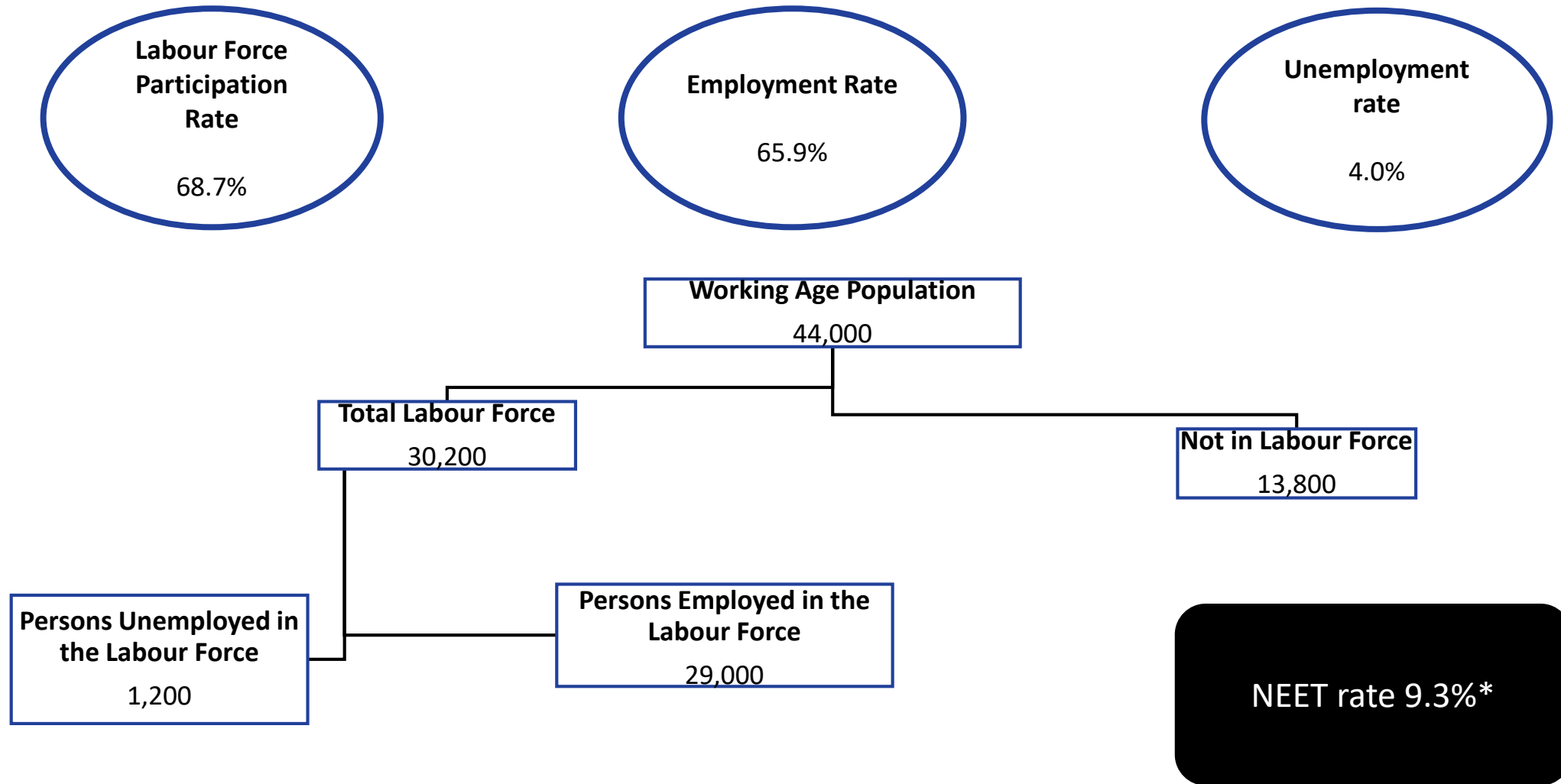
A first step in developing a labour market plan is to understand the make up of our region's current workforce (**supply**), and what our region's employers are needing (**demand**).

The following sections of this summary cover:

- *Our current local workforce in Marlborough*
- *Our level of reliance on external migration to meet labour demands*
- *Who is not currently engaged in the labour market*
- *What barriers exist for people wanting to enter the labour market*
- *Who is already looking at these issues*



Our current employment situation (June 21)





Our workforce will get older and more diverse, requiring employers to adapt

Marlborough has 50,200 residents; 44,000 are working age (15+).

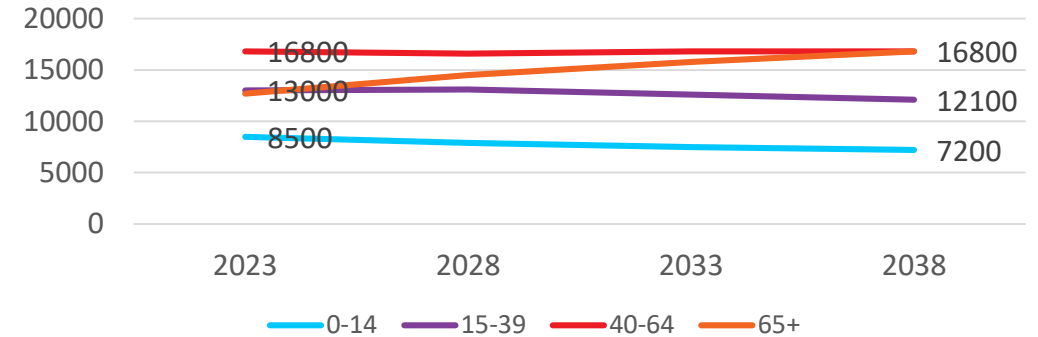
Population growth in the region is low. Marlborough's growth is 1.6% while national growth is 2.2%. Migration is the main contributor to population growth (95% in 2020).

In the next 10-15 years Marlborough's population is going to become older and more diverse.

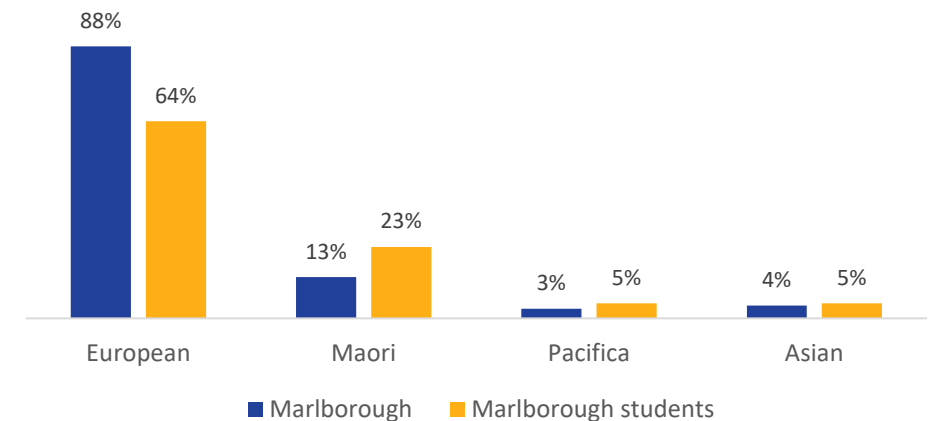
- People over retirement age (65+) will increase to about 32%.
- The number of people aged 15-64 will decrease which will place constraints our labour market.
- Our rangatahi are more ethnically diverse than the general population. As a result our future workforce will likely be more ethnically diverse.

As our working age population changes, workplaces will need to adapt to meet the needs and skills of both a younger and an older workforce.

Population projections



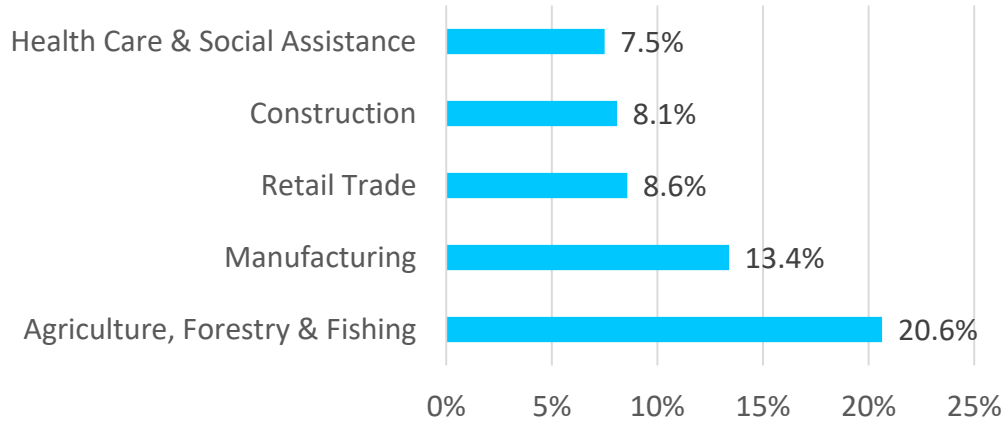
Marlborough demographics



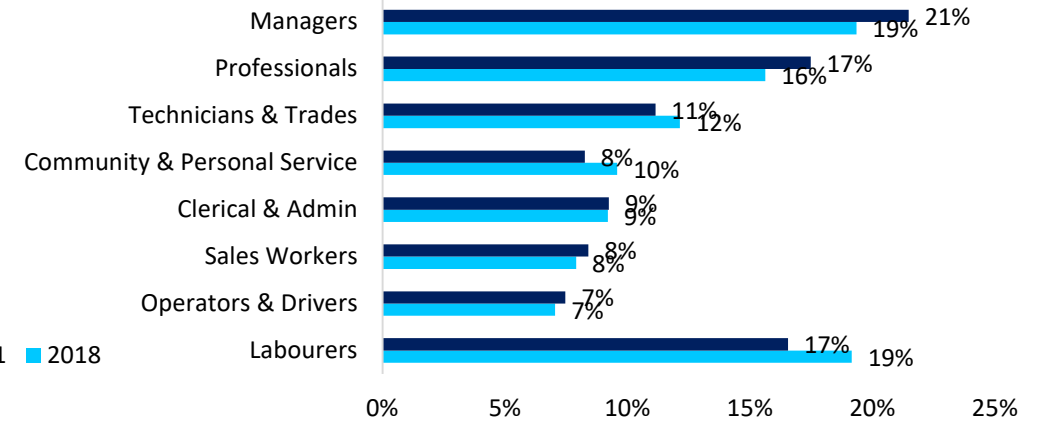
What sort of work are our current workforce doing?

Over 60% of filled jobs are concentrated in five industries.

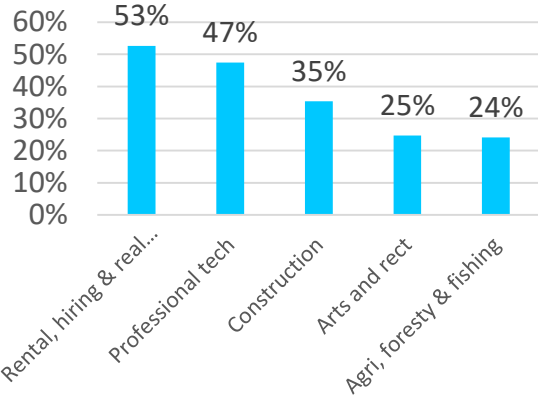
Top five industries by filled jobs 2020



**Share of employment by Major Occupation Group
Marlborough**



Share of self employment

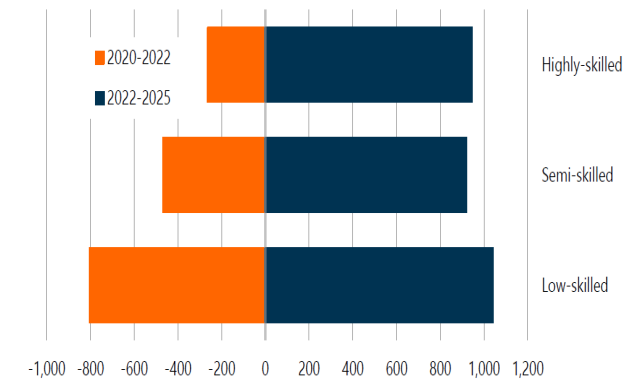


Around 5,800 people in Marlborough are *self-employed*.
About 40% of workers in Accommodation & food services, education, arts and healthcare assistance are employed *part time*.

Future of work

Infometrics modelling predicts that there will be increased demand for high skilled workers over the next five years.

Chart 16: Employment change by skill level, Marlborough, 2020-25

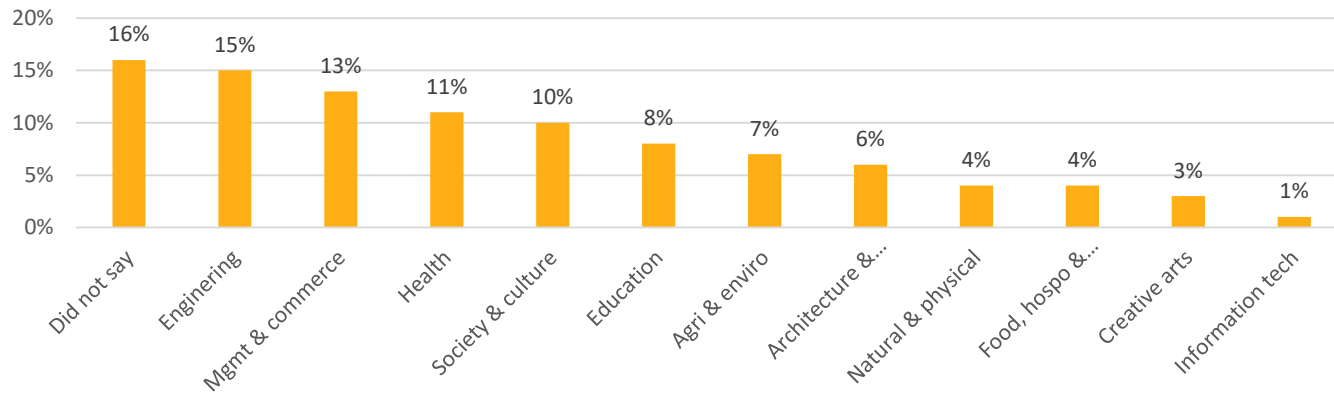


The region has low rates of higher qualifications

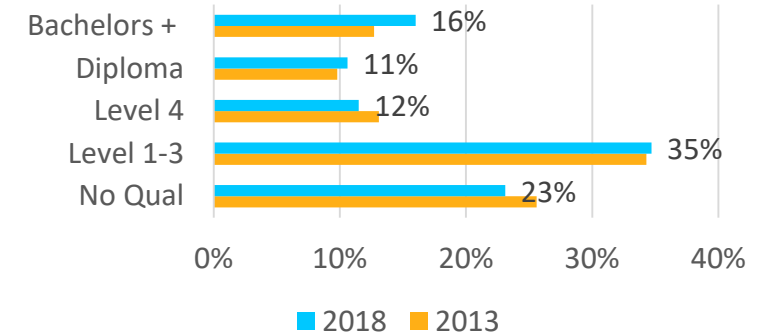
People in the region are becoming more qualified. However, around 60% of people in the region and 70% of people who identify as Māori have level 3 or below as their highest qualification. People with less than a level 4 qualification are more likely to be unemployed and have negative life outcomes.

Of the roughly 50% of people who have post high school qualifications, the most popular fields of study are in engineering, management and health (people may have more than one post school qualification, and may not work within an area that neatly aligns with their field of study).

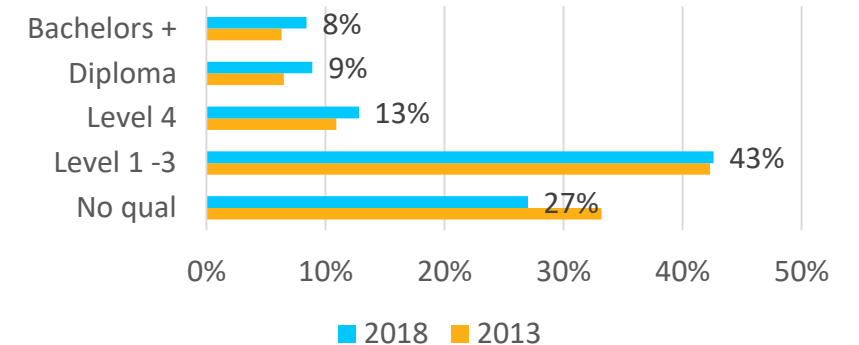
Post-school qualification field of study (2018)



Highest qualification - Marlborough



Highest Qualification - Māori





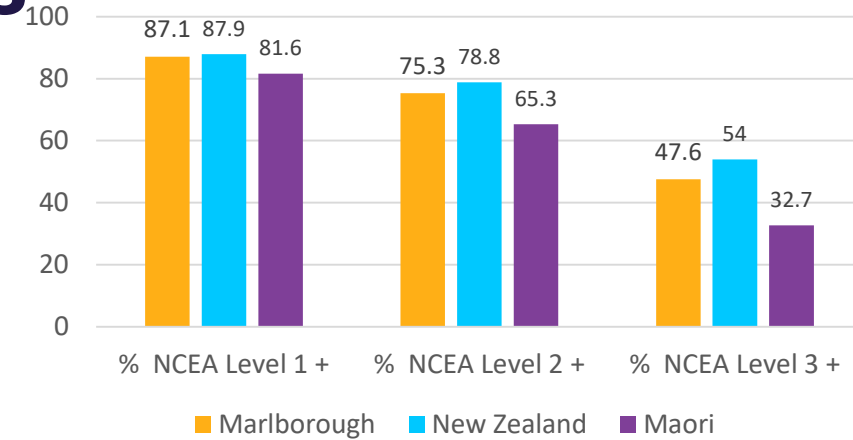
There is an opportunity to improve education outcomes for our learners

Achievement rates for Marlborough students at NCEA Levels 1 and 2 are comparable to the New Zealand average. However at Level 3, Marlborough students fall below the national average.

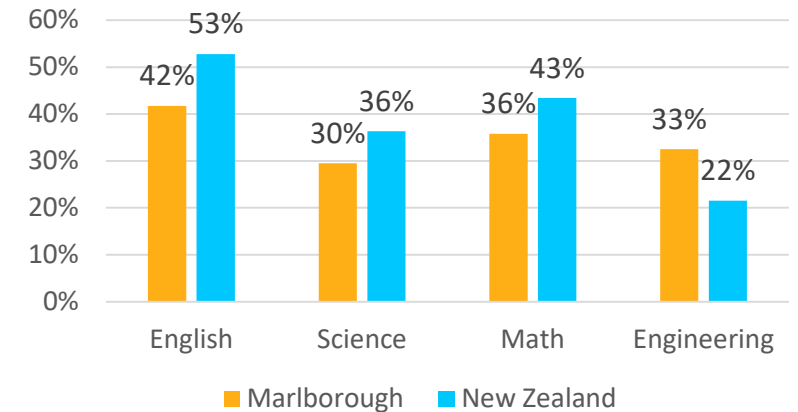
Attainment of core NCEA subjects at Level 2 is also below the national average, aside from engineering, where Marlborough students are more likely to participate.

The local colleges raise the concern of a missing group of students that leave school and do not move into long term employment or education.

Attainment level for students leaving school in 2019



Attainment at Level 2 (2019)



Snapshot of our school system

6,891 students (years 1-13)	2,164 in years 9-13+
29 schools	5 colleges 543 teachers

Wellbeing indicators of our school students

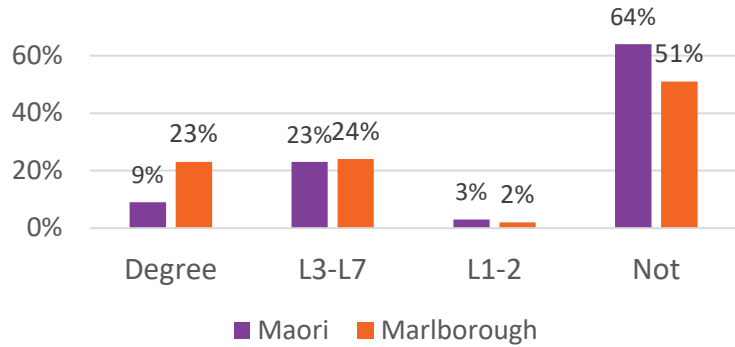
- 13% attend a low decile school
- 9% exclusions or stand downs
- 7% Truancy interventions for non-enrolment
- 19% Frequent primary school change



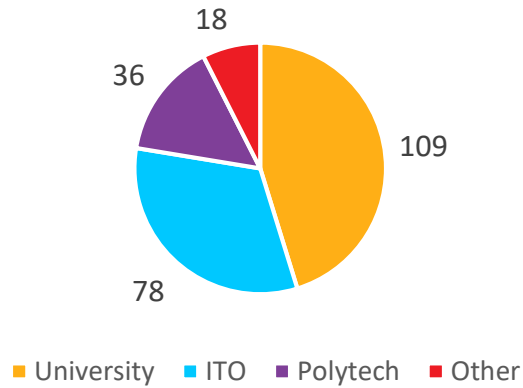
Education: post secondary

Marlborough School Leavers

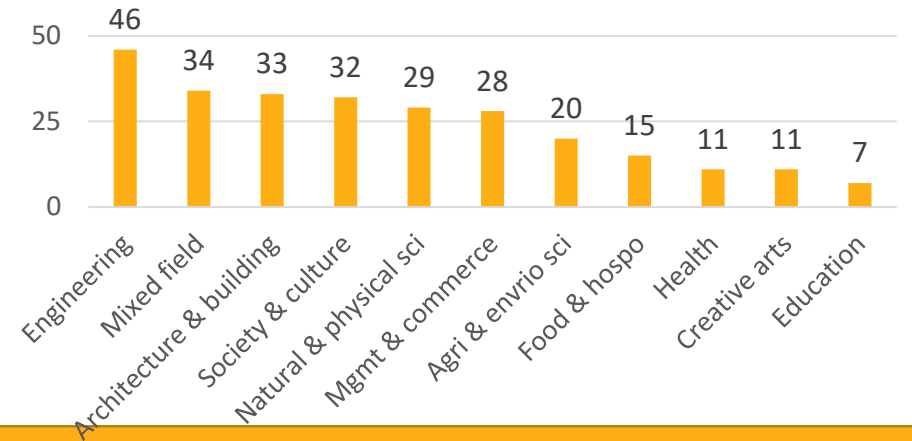
Enrolment in tertiary 2 years after leaving school 2017 cohort



Study destinations – 2017 Cohort



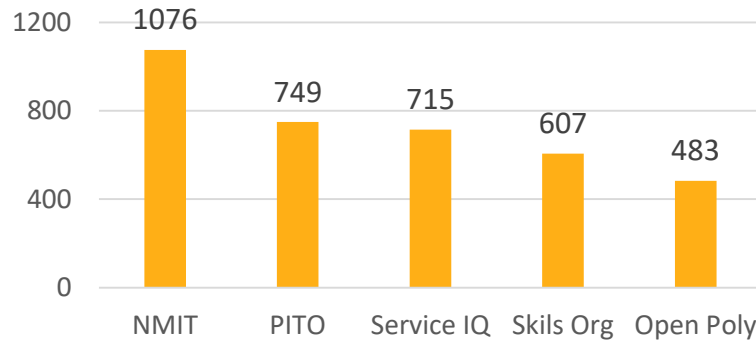
1st enrolment by subject



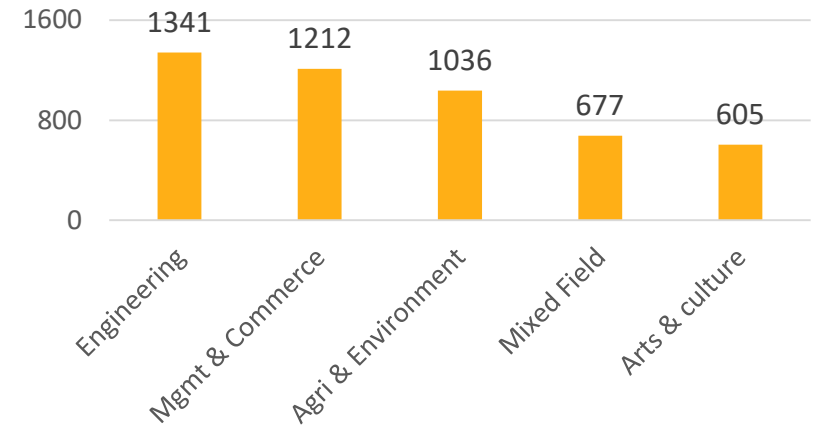
Marlborough Post-Secondary Learners

Learners in Marlborough are more likely to be male and older (25+) than the national average.

Enrolment in local providers



Enrolment by subject area





Our region is reliant on short term migrant workers for a lot of roles

Some sectors in the region have a high reliance on temporary migrant workers (e.g. wine, aquaculture, hospitality and aged care) with a mix of temporary work visa types, including RSE, working holiday visas, essential skills.

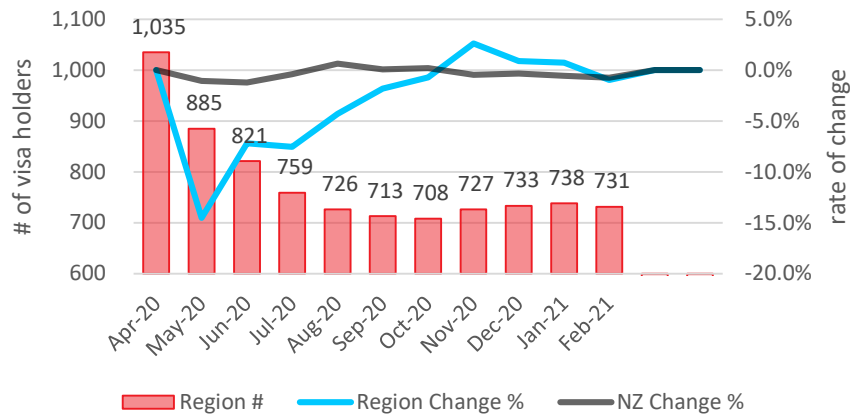
Border closures due to Covid-19 have highlighted this reliance. While there is an acceptance in the region that migrant workers are an important part of our labour force, there is a growing focus on employing and training locals.

Sectors supported by the regional skills shortage list; Agriculture & forestry, engineering, education, health & social services, recreation hospitality and tourism and trades.

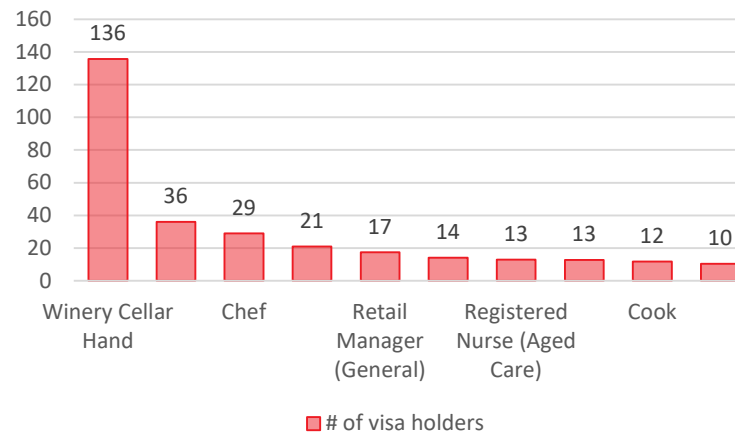
Spotlight on the Marlborough Wine Industry

- 🍇 **1800 direct employees** (made up of NZer's and migrants – working holiday, essential skills etc)
- 🍇 **2800 RSE workers** (across both seasons). RSE numbers are capped by government
- 🍇 **Seasonal peaks currently being managed through migrant labour** (RSE workers for winter pruning and ESE/Working Holiday workers for vintage)
- 🍇 **Winemaker is on the regional skills shortage list**
- 🍇 **5000 ha** to be planted over next 5 years
- 🍇 This means there is a **projected increase in labour demand of 17%**, with a 20% growth in seasonal vineyard work
- 🍇 We have an opportunity and a need to plan at a sectoral level for a local workforce to support the growth in planting

Empl. Assist. Temp. Work Visas



EATW visas Top 10 Occupations Feb 21



Share of jobs held by temporary migrants Jan- Nov 2018

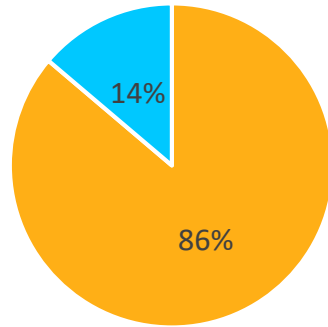
Agri, forestry & fishing	35.2%
Accommodation & food	15.7%
Admin & support	13.1%
Manufacturing	11.1%
Rental, hiring & real estate	9.7%





Who isn't fully engaged in the labour market: Underutilisation

Underutilised workforce



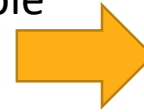
■ Total extended labour force ■ Underutilisation

1,900 (6%) of our people are underemployed:



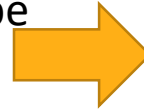
Underemployed: Individuals who are employed part-time (less than 30 hrs) but are willing and able to work more hours

1,200 (4%) of our people are unemployed:



Unemployed: Individuals who are not employed but are available and actively seeking work.

1,300 (4%) of our people have the potential to be employed :



Potential Labour Force: Individuals who are available to work but not seeking work, or will be available in the next month and seeking work

Underutilisation / Underemployment is on the rise in Marlborough

- There may also be people who are technically working full time (30 hrs) who would like to work more (e.g. workers in the Aged Care Sector)
- This has been identified as a key issue in Marlborough, where some working people are facing hardship especially with the rising cost of living
- Women and Māori more likely to be underemployed. National underutilisation rate for Māori is 17.5% . Workers within the hospitality, tourism, education and healthcare are the most affected sectors.
- People who are underemployed are more likely to experience negative life outcomes
- We therefore have a potential workforce we could better utilise, improving outcomes for both workers and employers





Not all locals are fully engaged in the labour market

- 13,800 people (31%) who are aged 15+ are not part of the labour force (may be retired, studying or caring for family)
- Unemployment has grown but remains low

Young people

- 4,830 people aged 15-24's
- Around 10% are Not in Employment, Education or Training. Concern about a hidden group of unemployed young people
- About 450 students leaving school each year – only half go straight into training
- Opportunity to engage youth at school and reengage young people into work and training
- Changing demands on workplace and skill sets

Older workforce

- About 11,480 people aged 65+
- 6,680 people aged 65-75 years
- Growing age group
- Potentially latent workforce (about 42% of respondents to one survey of people aged 65+ said they would like to work part time and around 32% would like to volunteer)
- Options to keep older workers engaged in the workforce for longer- especially important in aging workforces

Persons with disabilities

- 678 people on Jobseeker benefit: health condition or disability
- Nationally participation of persons with disabilities is low:
 - Labour force participation 43.6%
 - Employment rate 38.7%
 - Unemployment rate 11.4%
 - Underutilisation 23.3%
- Potential to increase workforce participation for both the personal benefits and contribution to labour needs

Māori

- Around 13% of people in Marlborough identify as Māori
- 423 people who identify as Maori are on Jobseeker benefits
- Nationally, Māori have higher unemployment and underutilisation than the national average
- Growing proportion of youth identify as Māori
- Māori businesses are continuing to grow in the region, especially in a post-settlement era.

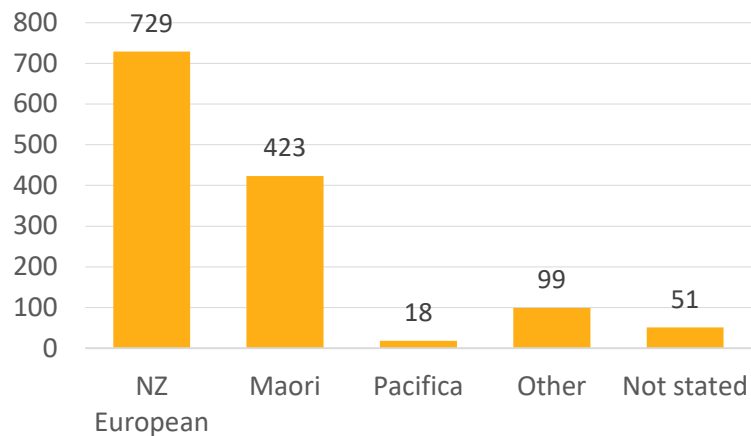




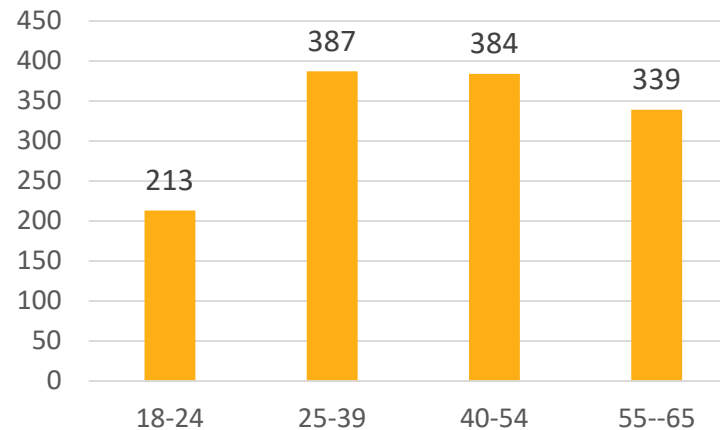
What we know about Marlborough beneficiary recipients

- 4.7% of 18- 64 year olds are receiving Jobseeker Support
- 648 Jobseeker Support recipients are “work ready”
- 11,199 people are receiving the New Zealand superannuation, some of whom may also want to work
- Ministry of Social Development offers a number of programmes to help people into work; e.g. Flexi wage, Mana in Mahi and other training and employment incentives

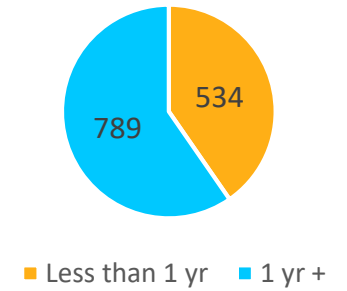
Ethnicity of Jobseeker Support Recipients



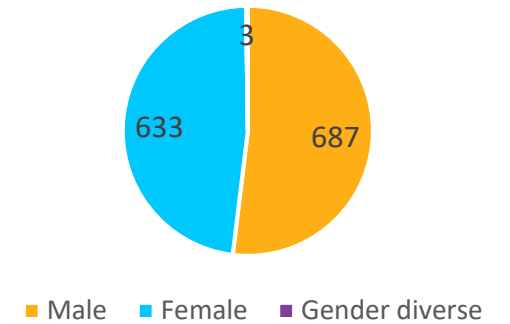
Age of Jobseeker Support Recipients



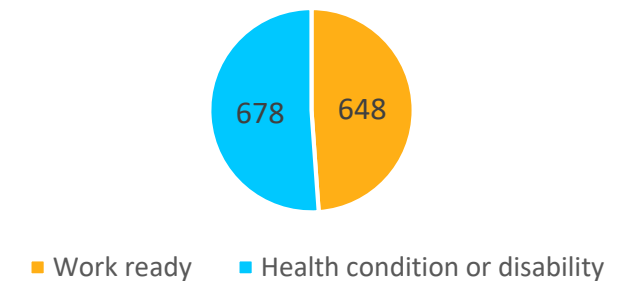
Length of time on benefit



Gender Identity



Category of Jobseeker



Barriers to employment

Barriers are obstacles that stand in the way or prevent an individual from being able to join the labour market, or employers accessing employees. An enabler reduces barriers.

The impact of barriers and enablers will vary within the region, for example rural areas such as Havelock (or those trying to get to rural jobs from urban areas) will likely have more issues with transport and urban areas may struggle to offer affordable housing.

	Transport	Accommodation	Skills	Health	Perception	Personal
Barriers	Access to or from remote areas Driver licencing/Access to vehicles	Lack of affordable and available rental and home ownership options	There is a mismatch between skills of the individual and skill requirements of the employer	Poor health and disability Mental illness and psychological distress Learning disabilities Substance abuse and dependence Attitude Criminal convictions	Workers perceptions about particular industries (e.g. primary) and employers perceptions about certain people (aged workers)	Caring responsibilities Children Availability Cost
Enablers	Workplace transport Public transport Cycle pathways Driver licencing schemes	Social and community housing Accommodation supplement More houses Worker accommodation	HR advertising of roles Education and training – including flexible/online training On the job training – apprentices and other less formal (upskilling) Pre job training (driver licences, first aid etc)	Flexible working arrangements Worker support (placement and in work) Health care (mental health support, drug and alcohol counselling)	Enhanced working conditions (e.g. better pay) Industry actively working to change perceptions Business upskilling themselves in social inclusion	Flexible work arrangements Care (early childhood, afterschool in home) Social connections
Regional action	Workplaces Waka Kotahi Local Council NGOs	Central govt: MSD, Kainga Ora Local government Workplaces, housing trusts	Education providers MSD HR – Businesses	Businesses NGOs eg Workbridge Central govt: Health, Corrections, MSD	Businesses Business groups e.g. Retail NZ Central govt e.g. MPI	Central government – funding for care Education providers (ECE) Health providers (care) Workplaces (flexible work)



Who is already doing what: regional plans and actions



Te Taihū Intergenerational Strategy. Our iwi have developed a Top of the South intergenerational strategy which covers both the Marlborough and Nelson/Tasman regions. It has five focus areas: our natural world, the economy, identity, people & communities, our place and infrastructure. There are a number of actions under each focus area.

As a Marlborough region we have not yet formally created aspirational regional plans. However, a lot happening in our community in the labour and skills space.

Te Kotahi o Te Taihū Charitable Trust	Charitable trust set up by the eight iwi of Te Tau Ihu– 5 pou including Whihi mahi (employment opportunities (jobs))
Smart & Connected Labour and Skills Group	Community lead, council supported group. Focus areas: Skills hub, Flexible working, Primary industry perceptions and Unemployment fortnight
NGO's: Maataa Waka, Workbridge, Graeme Dingle Foundation, Marlborough Youth Trust	NGO's who focus on sectors within in the community such as rangatahi or people with disabilities and assist them with work readiness and getting them into jobs
Central Government: MSD, Connected	Roles funded, such as Education to Employment broker as well as MSD work brokers
Training providers	Local training providers such as NMIT, ITO's, focused on upskilling locals and being adaptive to industry needs
Schools	Provide pathway programmes, careers guidance and training
Marlborough District Council	Responsible for economic development and capital expenditure





So what is our role in developing Marlborough's labour market into the future?

- The Marlborough RSLG is responsible for producing our first Regional Workforce Plan by June 2022.
- The regional workforce plan will set out the labour and skills aspirations for the regional over the next 15 plus years.
- This plan will also include actions and recommendations that will enable regional action and inform central government decisions.
- Working together we can, and will, make a positive difference.

