

TOP REGIONAL INSIGHTS



A lack of dairy farm workers is driving a ‘tsunami’ of applications for migrant workers. Up to 4,000 applications for migrant workers are expected to be submitted from the dairy sector to Immigration NZ in the coming weeks. Of those, up to 1,000 will come from Southland Murihiku. The ongoing demand for migrant labour in this sector is driven by an inability to fulfil labour requirements from the domestic labour market.

Negative perceptions of the region are affecting bottom lines. While staff shortages are a New Zealand wide issue, people’s perceptions of Southland are compounding the problem. The August 2021 Workforce Demand Study, commissioned by the Southland Murihiku interim RSLG, identified this as the most reported barrier to attracting people to the region. Other key barriers reported by local businesses include: the region’s location/distance, remuneration rates in a tight labour market, lack of facilities/things to do, unfavourable preconceptions regarding career opportunities/salaries, and housing issues.

Employers are reporting an increasing inability to attract and retain staff from outside the region due to a lack of housing. A lack of suitable housing, actual and projected population increases, and sustained increases in rental costs are compounding the issue and acting as a further deterrent in being able to attract and retain employees and their families to Southland. Although employers are utilising alternative accommodation options (eg fly-in, fly-out) as short term solutions, these increased costs cannot be maintained if their businesses are to remain viable.

TRENDS AT A GLANCE



1,140 / 2.4% The increase in filled jobs, between October 2020 – October 2021. This compares to the national increase of 3.4% over the same time period.

Source: Stats NZ, Monthly Employment Indicators



310 / 27% Nearly one-third of the increase in filled jobs is made up of youth aged 15-19 years, between October 2020 – October 2021. By comparison, the next largest increase was for the 35-39 years cohort which increased by 160 filled jobs over the same period.

Source: Stats NZ, Monthly Employment Indicators



-410 / -11.9% The decrease in recipients of the Jobseeker benefit, between October 2020 – October 2021. This compares to the national decrease of -6.6% over the same time period.

Source: MSD, Monthly Reporting

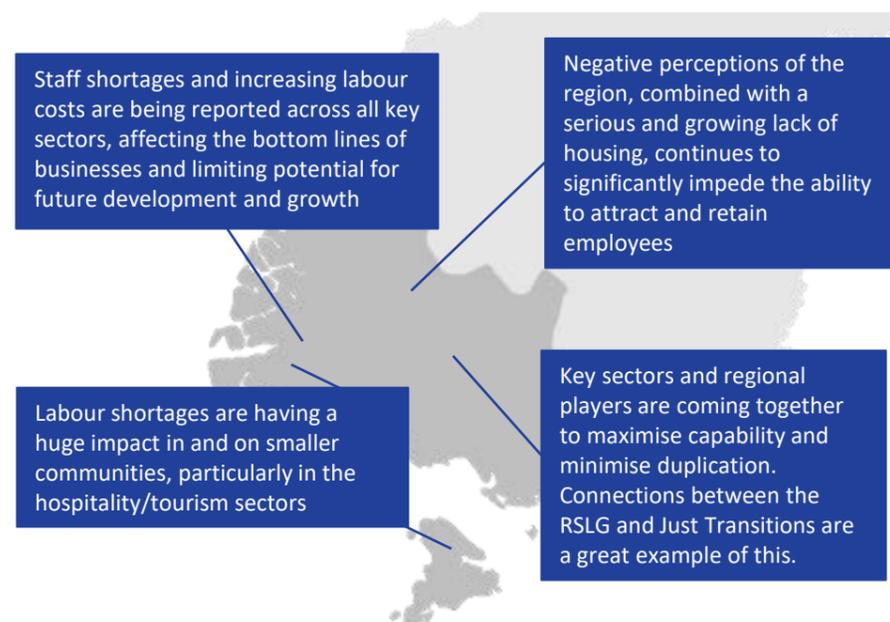
TOP LABOUR MARKET OPPORTUNITIES

- The on-going affects of COVID-19 is giving rise to an opportunity to ‘reimagine’ the way we work.** The Southland Murihiku iRSLG Workforce Demand Study noted several opportunities across industry and sectors, including for employers to: be more flexible, offer better conditions, support young people as they transition into and through the workforce, and promote a more favourable work/life balance. Labour shortages are also driving the need for interventions by automation and technology, with the cost/benefit of investments now stacking up against rising labour market costs.
- There is significant – and growing – demand for immersive, adaptable and relevant learning opportunities that are integrated into work (particularly from the manufacturing and engineering sectors).** Businesses and schools are highly motivated to generate these connections for young people while they are still in secondary school, and to complement (but not duplicate) the current suite of experiential learning opportunities. As an example of this, the Southland and Otago Regional Engineering Collective (SOREC) is actively expanding its Engineering Academy to significantly increase school and business engagement in their programme in 2022 and 2023.
- Young people are key in ‘making a difference’ to labour market issues.** The Southland Murihiku iRSLG Workforce Demand Study noted that the region needs to focus on its young people to significantly improve outcomes for all youth. The report recognised that interventions were required long before young people enter the workforce. These interventions should include a focus on youth who are not in employment, education or training (NEET) and Māori youth, to raise basic skill levels and provide them with insights into the expectations of work. The recently launched Southland Youth Futures ‘Junior Work Ready Passport’ aimed at Junior High School students (Years 9-10) is a great example of a programme integrating employability into high schools.

TOP LABOUR MARKET CHALLENGES

- Labour market shortages are limiting potential for business growth.** Small and medium enterprise (SME) business owners are reporting an inability to spend time working on their business, due to them having to continually work in the business because of staff shortages. This is preventing business owners from engaging in long-term strategic planning processes and limiting their ability to focus on people, technology, and capital investments. It is also affecting their ability to build on capacity, capability and competitiveness.
- Employers are struggling to retain existing employees and attract new ones.** This is being reported across all key sectors, including transport, primary, construction, manufacturing, healthcare and hospitality. Staff ‘poaching’ and the compounding cost of repeated recruitment rounds is becoming a significant problem. This situation is resulting in an immediate and potentially unsustainable increase in labour costs.
- Labour shortages are having an immediate and significant effect on smaller regional communities.** This is particularly noticeable in the hospitality/tourism sector, with labour shortages resulting in reduced business hours and/or business closures. Stewart Island-Rakiura and Fiordland are reporting an inability to fill tourism-focused roles as their peak season approaches. Shortages are being attributed to people leaving the hospitality/tourism sectors to pursue more ‘stable’ careers in fields not so adversely affected by COVID-19. The Maitua Licensing Trust have announced reduced hours and closures of venues in Gore, including its flagship restaurant and bar.
- Employers across the region are reporting increased workloads as they look to manage vaccine mandate requirements on their sites.** They are reporting an increase in stress levels and ‘healthcare fatigue’ in managing the logistics and staffing implications associated with vaccine mandates.

THE SOUTHLAND MURIHIKU REGION



OUR FOCUS FOR THE NEXT 2 MONTHS:

- Reaching full group complement by January 2022
- Developing the Regional Workforce Plan:
 - Finalising the region’s aspirations and testing these with stakeholders and partners
 - Undertaking analysis prior to developing the action plan