

## TOP REGIONAL INSIGHTS



Credit: DunedinNZ

**Worker shortages are evident across all sectors, subregions, and skill levels.** The situation is creating fatigue, burnout, and anxiety for employers and employees. Recruitment and retention of workers are problematic (which has manifested in staff ‘poaching’), while some businesses are reducing their activity levels because they do not have enough staff. Investment in technology and more flexible work practices are partly mitigating the labour challenges in some sectors, but there are still gaps which employers are seeking to fill by training locals and recruiting some migrant workers.

**Meeting seasonal peaks will be hard this summer,** with Orchardists particularly concerned about their ability to harvest. Additional RSE workers have created some relief for growers, especially pip fruit growers, but there will still be critical shortages of workers earlier in summer during the cherry harvest. The visitor sector is also concerned that even though the summer visitor peak is anticipated to be lower than last year, an exodus of workers has left critical skills gaps. The border reopening is welcomed, but the return of some working holidaymakers prior to reopening would better enable operators to prepare.

**Employers across all parts of Otago are having increasing difficulty attracting and retaining staff due to housing costs and availability.** The problems are not only centred on the availability of homes to buy, but there is also a lack of rental properties available. Housing challenges have also been evidenced by reports that on-farm employment opportunities have been swamped with applicants if housing is available, compared to roles with no accommodation available.

## TRENDS AT A GLANCE



**2,715 / 2.5%** 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*



**1,170 / 45%** Nearly half of the increase in filled jobs between October 2020 – October 2021 was people aged 30-39 years. There was also a large increase in the youth cohort, aged 15-24 years, which increased by 650 filled jobs over the same period.  
*Source: Stats NZ, Monthly Employment Indicators*



**-655 / -9.8%** The decrease in recipients of the Jobseeker Support Benefit between October 2020 – October 2021. This compares to the national decrease of -6.6% over the same time period.  
*Source: MSD, Monthly Benefits Update*

## TOP LABOUR MARKET OPPORTUNITIES

- 1. Businesses are looking to invest in technology and training their staff as worker shortages bite.** Businesses are investing in new systems, processes, equipment, and other technology to help do the work. Ultimately these types of investments can help improve productivity and go hand-in-hand with upskilling people to be able to adapt to new processes. The extensive field testing of remote work and flexible working arrangements during the pandemic has also created opportunities for businesses. These transformations are expected to persist with further opportunities to embed systems and processes to attract and retain workers through better workplaces.
- 2. Several parts of the region are investigating better linkages between employers and school leavers to map and drive pathways.** Youth are seen as key in making a difference to labour market shortages. Increasing the range of industry training and tertiary opportunities available in different locations will enable more youth to stay local and gain applied experience in industries with acute labour shortages.
- 3. Employers in seasonal sectors are investigating ways to create long-term sustainable employment by collaborating with other sectors and employers.** A structured system for establishing pools of casual staff and co-ordinating between employers with different seasonal peaks could enable more sustainable long-term employment options. Such systems could reduce the burden of worker churn for communities with highly seasonal industries and also reduce recruitment costs. These types of measures would reduce peaks and troughs over the longer-term, but would still need to be complemented to some degree by the availability of students and other temporary workers.

## TOP LABOUR MARKET CHALLENGES

- 1. Employers are struggling to retain existing staff across a range of sectors in all parts of Otago.** Competition for workers is increasing, which is leading to staff ‘poaching’ and the driving up of wages. Although employers appreciate that wage increases can improve workers’ living standards, they are concerned how this squeeze on their bottom line will affect the long-term viability of their businesses. This is particularly so for those where revenue has been suppressed due to COVID-19 restrictions limiting their ability to trade.
- 2. Sourcing new employees is problematic due a lack of applicants for advertised roles, and those who do apply are not ‘well-matched’ to the roles.** Applicant numbers, particularly in rural and inland parts of Otago are low, so the pool of available workers locally is limited. Even with some respite from the recent commitment to allow some RSE workers to return, seasonal worker shortages are acute throughout agriculture, horticulture, hospitality, and tourism.
- 3. Labour market shortages are causing some businesses to reduce their activity levels.** Although some businesses are investing in new technologies to overcome labour shortages, these options are less viable in some industries (eg hospitality). Some businesses are turning down work, and others are operating at reduced capacity or opening for fewer hours, because they do not have the right staff to operate safely and/or meet customer expectations.
- 4. Employers and employees are reporting fatigue and anxiety as they grapple with changes to COVID-related public health measures.** Consulting with the workforce and assessing other requirements for their business in preparation for vaccine mandates have created additional stress. COVID-19 outbreaks are a big risk to individual businesses particularly if they coincide with horticultural harvests, with growers saying that it could lead to them being locked out of certain export markets, such as China.



Credit: Tourism Waitaki

## OUR FOCUS FOR THE NEXT 2 MONTHS:

Reaching full group complement

Developing the Regional Workforce Plan:

- Finalising regional aspirations
- Undertaking analysis prior to developing action plan