

TOP REGIONAL INSIGHTS



Credit: Videocopter/Great South

Meat processors are advising that if staff get sick and/or need to isolate, potential processing delays may create a 'perfect storm' for farmers during a dry summer season. Self-isolation requirements would reduce the capacity of meat processors and cause significant processing delays. Recent dry weather in the region means farmers cannot hold onto livestock longer than planned, due to limited feed capacity. Farmers are in turn being encouraged to plan ahead, however, limited spare capacity on-farm and a lack of skilled labour locally is preventing them from developing effective farm management plans. Transport and logistics companies are also already stretched or at capacity and are worried about managing operations if staff are sick and/or required to isolate. The knock-on implications to both domestic and export food supply chains are likely to be equally significant if meat processors are unable to operate effectively.

Panic buying of goods is likely to put unmanageable demand on producers. Local manufacturers have responded to the ongoing variability and risk associated with overseas supply chains by increasing the variety and quantity of their domestic production to meet the increased demand. However, this has stretched the manufacturing sector and its workforce. Concern is growing that potential stockpiling of goods now manufactured locally (eg soil nutrients) will create unmanageable demand on producers.

Businesses are running high-cost models that are exposed to risk from the effects of Omicron. Increasing wage costs bring the risk of redundancies if projects stall or stop due to sickness and self-isolation requirements, and/or disruptions to supply chains.

TRENDS AT A GLANCE



10.2%/360: The increase in filled jobs held by youths aged 15-19 years, compared to the same time last year. This is notably lower than the national change of 14.1% over the same period of time.

Source: Stats NZ, Monthly Employment Indicators, December 2021



-11%/360: The decrease in Jobseeker benefit recipients, compared to the same time last year. This was slightly lower than the national change of 11.5%.

Source: Ministry of Social Development, Monthly Report, December 2021



815: The number of migrants working on Employer Assisted Temporary Work (EATW) Visas. This represents 1.2% of all (EATW) Visa holders in the country.

Source: Immigration New Zealand, January 2022

TOP LABOUR MARKET OPPORTUNITIES

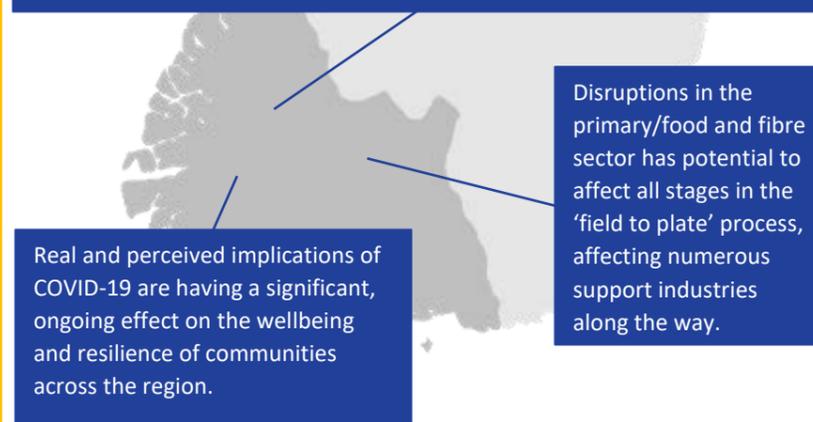
- 1. Work on key regional strategies is driving a collaborative approach in mapping a sustainable future for Southland Murihiku.** The recently released Just Transitions workplan represents an economic road map for the region as it navigates the potential closure of the New Zealand Aluminium Smelter. Transitioning workers and skills is one of three themes within the workplan, with corresponding workstreams recognising the value of input from the Southland Murihiku RSLG. Meaningful stakeholder involvement is key both now and into the future.
- 2. Rangatahi are at the centre of future educational change in Southland Murihiku.** Driven by emerging research into the challenges and inequities facing young people, there is growing recognition of the need to look for new ways to make the education system work for all in the region. Equitable career pathways and smoother career transitions are being developed, with proposed changes in ethos and practice from primary through to vocational education.
- 3. Te Ao Māori is being embedded across the development of the Southland Murihiku Regional Workforce Plan (RWP).** The Māori world view will be woven into the development of priorities and actions within the Murihiku RWP with the aim of providing equity and addressing labour market issues that are informed by, and make sense to, our collective community.
- 4. The plan to re-open borders will help people and businesses plan for the future.** The Government's recent announcement of its 5-step plan to re-open New Zealand's borders will help provide certainty and stability to struggling businesses.

TOP LABOUR MARKET CHALLENGES

- 1. Problems associated with labour shortages across the primary/food and fibre sector are compounding.** In the face of another COVID-19 outbreak, labour shortages are having a significant (and growing) detrimental effect on employer and employee wellbeing. Due to a continued inability to attract permanent on-farm staff, the sector is relying on contractors, however, these contractors are also having problems attracting and retaining staff. This shortfall will need to be addressed by the current, already over-exposed and vulnerable, on-farm workforce.
- 2. Communities continue to report being short-staffed across the tourism sector.** This is causing particular problems in locations with an economic reliance on tourism. The 'Hassle of Going Out' (HOGO) phenomenon is having a negative effect on domestic spending within the hospitality sector across the region.
- 3. The region is facing a significant shortfall of Halal Slaughtermen.** The meat processing sector has a significant vulnerability around the lack of Halal Slaughtermen locally. The role is critical in order to meet market requirements for Halal meat and there is a risk of those processing chains having to close as a result of this shortfall. The potential knock-on implications include hundreds of workers losing work and/or potentially their jobs.
- 4. Anxiety levels regarding COVID-19 and its potential effect on the community and labour market are high and increasing.** Health providers continue to struggle to fill roles, and with likely increased staff sickness and associated isolation requirements, there is real concern about the ability to deliver services safely. Tensions between the vaccinated/unvaccinated is increasing, and concerns regarding food security are re-emerging with the threat of limited stock due to disrupted supply chains/panic buying.

THE SOUTHLAND MURIHIKU REGION

Despite skill shortages, employment in the tourism industry dropped by 25.9% from 2020 to 2021, compared with a decline of 33.1% across New Zealand. Economic output in the region's tourism industry decreased by 38.8%, compared with a 46.4% decrease across New Zealand.



OUR FOCUS FOR THE NEXT TWO MONTHS:

- Further developing the inaugural Southland Murihiku Regional Workforce Plan (RWP):
 - Completing analysis of five priority areas: tourism and hospitality; food and fibre; manufacturing and engineering; health provision (particularly aged/residential care); and rangatahi.
 - Testing that analysis with stakeholders, developing the action plan and completing the first draft of the full RWP.
- Appointing a rangatahi RSLG member and incorporating a strong youth voice into the development of the RWP.