

TOP REGIONAL INSIGHTS



Businesses are struggling to meet emerging export opportunities. The long-awaited re-appearance of export opportunities is being reported by businesses in the manufacturing and engineering sectors. However, ongoing difficulties in finding and retaining skilled staff is limiting their ability to take on future contracts. Concerns are growing of the flow on effects, and the potential to reduce these businesses' ability to attract new work to the region, particularly in a highly competitive global market.

Increased on-farm costs are exacerbating already high levels of stress within the food and fibre sector, with farmers expecting potential cost increases of between 15-30 percent. These increases are placing additional strain on the sector as farms seek to minimise costs wherever possible, while maintaining animal and crop health. Budgetary challenges are adding to the continued pressure of time spent working on submissions, consultation and legislative requirements.

Growth of the regional workforce is being constrained by a lack of housing. Across the region house values increased by 19 percent over the period 1 April 2021 to 1 April 2022. While housing prices now appear to be stabilising across the region, recent price rises and a lack of supply onto the real estate market is constraining the potential to attract new labour into the region. Ongoing capacity constraints in the construction sector, including supply chain disruptions and skills shortages, are further compounding the problem and limiting the region's ability to dramatically increase its stock of modern, warm housing.

TRENDS AT A GLANCE



409/0.9% Total filled jobs in the region has seen only moderate growth in the year to April 2022; compared to the national growth of 3.0% over the same period.



336/11.7% The 15 – 19 years cohort makes up the largest change in filled jobs in the region over this period (the year to April 2022). This is consistent with the national trend which saw growth of 17.8% over the same period.



-141/-5.0% The number of Jobseeker benefit recipients has decreased over the year to May 2022; however the decrease is moderate compared to the national change over the same period of -10.2%.

TOP LABOUR MARKET OPPORTUNITIES

- 'Welcoming communities' strategies are being developed to improve attraction and retention across the region.** Work continues in developing and implementing the strategies, with community engagement underway in some parts of the region to understand the conditions required to move beyond 'friendly' to 'welcoming' communities. In other areas (for example Gore) an established strategy is underway to welcome newcomers, help them settle, and maximise opportunities for them to succeed.
- Tight labour market conditions are empowering rangatahi to move to employment or training that is more fulfilling** - both for their current and future lifestyles and capabilities. Young people are leaving employment and training where they do not feel valued, or they feel dispensable. Meeting the needs and expectations of this vital demographic will help address attraction and retention issues, and support the continued need for safe, supportive working environments, and a positive workplace culture.
- Tourism numbers are climbing - but remain conservative.** This slow build is providing an opportunity to develop keen marketing and travel packages to inject life into tourism dependent areas. The sector is cautiously optimistic as tourism hotspots are witnessing an increase in overseas bookings, but they remain uncertain regarding the long-term stability of the sector as problems attracting and retaining tourism and hospitality staff are on-going (particularly in more remote areas).

TOP LABOUR MARKET CHALLENGES

- Tight labour market conditions are limiting businesses' ability to attract/recruit the right people into critical roles.** Businesses are reporting ongoing problems including diminishing levels of applicant skill sets/experience, and an inability for employers to focus on strategic principles and direction. These compounding factors are resulting in negative cultural change; health and safety implications; and increasing the risk of declining productivity levels.
- Aged care workers continue to struggle as the cost-of-living increases.** While a steady increase in living costs is being felt across the board, it is a particular issue for workers in the aged care sector as petrol costs are often covered by the staff themselves. The 'Ageing in Place' strategy requires more car travel between clients, and the impact of this financial strain is being exacerbated by the long working hours required by existing staff to cover the ongoing labour shortages.
- The Health Care sector more broadly continues to feel uncertain on the future of health care provision.** Uncertainty regarding the disestablishment of existing DHBs is causing some anxiety as health care providers remain unclear about what the potential changes will mean for their current staff.
- Employers and employees are struggling to maintain business continuity** as pressure grows to manage sick leave use, for themselves and their whanau. While the Omicron variant of COVID-19 has reached its peak, there remains increasing levels of flu-like illnesses, which is compounding the situation.

THE SOUTHLAND MURIHIKU REGION

Tourism and hospitality sectors are gearing up for international tourists, but worried that a lack of employees could limit potential to meet demand.

New export opportunities are emerging, but potential to bring new work into the region is restricted by labour market limitations.

Southern Institute of Technology's international student numbers are not expected to return to pre-pandemic levels until 2028 at the earliest.

OUR FOCUS FOR THE NEXT TWO MONTHS:

- Publication and launch of the Southland Murihiku Regional Workforce Plan (RWP)
- Developing an implementation plan for the RWP - based on the maturity, complexity and scope of influence for each action
- Incorporating a strong youth voice into the implementation of the RWP, in conjunction with the newly-appointed rangatahi representative on the RSLG