

TOP REGIONAL INSIGHTS



CANTERBURY REGIONAL WORKFORCE PLAN

July 2022



The Canterbury Regional Skills Leadership Group (RSLG) launched its first Regional Workforce Plan (RWP) in Christchurch on 14 July 2022. The Regional Workforce Plan has an initial focus on rangatahi as a key labour market demographic, and on digital technology, manufacturing, and healthcare and social assistance as key sectors. The Regional Workforce Plan will be refreshed annually, and the group will continue to work within the community to ensure it captures the views and priorities of the region.

Many businesses (particularly in the rural sector) experienced more significant flooding events during the month of July, with the effects widespread across Canterbury. Whilst the full cost of repairs and remediation will not be clear for some months, the impact will be significant as many of these areas experienced similar level events a little over 12 months ago. There are concerns about how this may impact on the long-term viability of the affected businesses and therefore what this may mean for the labour market in these areas. In a recent media report by the local Ashburton paper (dated 22 May) Environment Canterbury state that the 2021 flood event has cost \$6.6M in repair work to date, and it is estimated to reach \$19.7M when work is complete.

Salaries are continuing to increase in Canterbury (along with a number of other regions) as employers struggle to attract enough staff. According to analysis of over 77,000 NZ vacancies listed on Trade Me Jobs for the quarter ending 30 June, the average salary in Canterbury now sits at \$63,875, which is up 5 per cent from the same period 12-months ago.

The Kaikōura Dark Skies initiative will create new jobs for the area now and in the future. The new tourist attraction is beginning development as the project gains momentum with a dedicated team of community members. The Kaikōura Dark Skies Trust is being established and a number of initiatives are underway to lodge an application for accreditation over the next year.

TRENDS AT A GLANCE



Canterbury registered a 5.6 per cent (\$40.1 million) increase in the value of retail spending during May 2022, compared to May 2021. However, the number of retail transactions in Canterbury fell by 4.8 per cent over the same period. This suggests that the increase in retail spending in May 2022 was driven primarily by price inflation, rather than an uplift in the volume of spending.

Source: Christchurch NZ



North Canterbury businesses report that it is the hardest it has been to find staff since the business survey began in 2013. A net 64 per cent of businesses reported that it is harder to find skilled staff than it was six months ago, and a net 29 per cent of businesses reported it is harder to find unskilled staff.

Source: North Canterbury Business Survey, April 2022



Strong growth in global dairy prices has boosted the dairy pay out to an estimated \$9.30/KgMS, boosting Timaru District farmer revenues by \$83M for the 2021/22 season. However, this boost will be offset by rising input costs – particularly feed, fuel and fertiliser.

Source: Infometrics Quarterly Economic Monitor

TOP LABOUR MARKET OPPORTUNITIES

1. The International Culinary School in Canterbury is giving access to a wider range of learners by promoting their online learning, which is allowing them to support more culinary graduates into the hospitality sector. The roles of kitchen hand and cooks have long experienced shortages, but by taking a modern-day approach through the delivery of online level 4 and 5 cookery courses, and through their industry connections, the culinary school is supporting the needs of the sector. A number of short online courses are also on offer, which also extends to a junior chef programme for 8-16-year-olds.
2. A new coastal container shipping service is providing more options for South Canterbury importers and exporters to move products. The service, to be called the Maersk Coastal Connect, will consist of two 2500 TEU (20-foot equivalent container) capacity vessels, named Maersk Nadi and Maersk Nansha. The new service will become available from mid-July 2022, and they will be stopping weekly in Timaru, along with two other New Zealand ports. The extra capacity is predicted to reduce supply chain costs, ease constraints and minimise the risk of staffing numbers being reduced along the supply chain.
3. The new 'Power Up' initiative is assisting more women to access employment support. It consists of a regionalised hub of employment related information and support agencies; events to connect women with employers; a digital campaign that provides information, inspiration, and support; and a diversity and inclusion workshop series for tech employers. The ChristchurchNZ-led Women in Work initiative is designed to better connect the nearly 20,000 underemployed and underutilised women in Canterbury with employment opportunities, especially in our skill shortage and growth areas.
4. New infrastructure investment in Kaikōura will create construction focused training and employment for the district in the coming years. The \$7.8M investment, announced by Minister Megan Wood on 21 July, will see a potential 400 new homes and will be accessed through the Kāinga Ora's Infrastructure Acceleration Fund.

TOP LABOUR MARKET CHALLENGES

1. Businesses continue to struggle as COVID-19 still impacts staffing levels and operating hours. This is being exacerbated as winter illnesses also contribute to absences, and these impacts have been felt across sectors. For some – like accounting businesses, the agriculture sector and the winter tourism market – it is a busy time of the year and therefore it has resulted in different operating models having to be implemented. This has meant delayed output, existing staff working longer hours, or customers not receiving their usual level of service.
2. Kaikōura job seekers are being disadvantaged by lack of access to driver licence testing in the area. Although this has been the case since losing the practical testing almost 10 years ago, the town now has good support and structures for preparing young people for the theory and practical tests. However, a local entity continues to raise the issue of a lack of local access to practical testing. People are required to leave the district and travel to Blenheim (which is over one and a half hours away) to sit the practical test for restricted or full licences. Until access to testing is improved, this will continue to be a major barrier to job seekers in the region entering the labour market.
3. The hospitality sector continues to struggle to attract staff back to the sector. Many workers left as businesses reduced operating hours and staffing levels as a result of the border closure and travel restrictions associated with COVID-19. Recruitment efforts have been ongoing, with many different hiring approaches and employment contract enhancements on offer. In Christchurch, Château on the Park alongside the Ministry of Social Development, are running a Job Fair on 19 August in an effort to match job seekers with employers. The event will include the opportunity for the hospitality sector to speed-interview job seekers, promote their workplaces, and arrange follow-up engagement post the event. However, it is acknowledged that there is much more required to be done in this space, as this initiative will only partly address the labour and skill shortages in the sector.

THE CANTERBURY REGION

Sudima Kaikoura is on track to officially open on 17 October 2022. The new 4.5 star hotel has 120 rooms/suites; restaurant, bar and meeting facilities; and was estimated to employ approx. 50 staff and cost \$35M.
Source: Multiple public sources

As at June 2022, Canterbury has had a 23% rise in jobs advertised in the last 12 months.
Source: Seek

The Mackenzie District Council (MDC) Mayors Taskforce For Jobs has seen 39 people secure jobs and 11 enter into apprenticeships for the year ended June 2022.
Source: MDC June 22 minutes

OUR FOCUS FOR THE NEXT THREE MONTHS:

- Following the launch of the inaugural Regional Workforce Plan, our attention will move to the implementation of the 18 actions featured in the plan.
- Stakeholders and partners will be engaged with to support the planning and implementation of the actions.
- In the later part of this quarter, analysis will be undertaken to consider what the next focus areas may be for future iterations of the Workforce Plan.