

## TOP REGIONAL INSIGHTS



**Across the Otago region, workforce shortages remain a foremost concern for businesses and employers.** In the Otago RSLG's engagements with stakeholders and partners this year, staff shortages have been observed across almost all sectors. This has shown no signs of easing this quarter.

**Immigration was seen as a solution prior to the COVID-19 pandemic, but closed borders and more restrictive immigration settings have exposed more immediate flaws of this strategy.** Along with much of the developed world, New Zealand faces declining birth rates and a high average duration of retirement. This has resulted in a decreasing available workforce for industry and increasing competition for workforce globally and domestically. In a briefing provided to the Otago RSLG, distinguished Professor Paul Spoonley said he expected competition for workforce to increase further as these demographic issues continue.

**Lifting workplace productivity is a more sustainable and equitable solution,** but this will require substantial investment and time to achieve. To address this, we need a coordinated plan to better prepare the Otago region for the challenges of the next decade. With the high number of small and medium-sized enterprises (SMEs) in Otago and across the motu, our capital and scale are distributed, and it is harder for industries to respond strategically to significant challenge without assistance from neutral actors. The Otago RSLG seeks to empower its communities to respond effectively, imaginatively, and entrepreneurially, in a co-ordinated manner, to these changes.

**With specialist regional knowledge, the Otago RSLG is designed to help ensure change can feasibly happen on-the-ground in the following ways:**

- Ensuring regional workforce actors see lifting productivity and employing underutilised populations as an effective response to workforce shortages
- Recommending enhancements to training and development delivery to improve workplace capability
- Supporting the implementation of automation and/or augmentation from available technologies
- Building partnerships with Māori in the region
- Providing a platform for a combined voice about Otago's needs into labour market policy making.

This aligns with our Regional Workforce Plan actions, which seek to remove barriers and build a collaborative approach to regional workforce planning. Our focus in the coming months will be on continuing to enact our actions and support regional initiatives.

## NUMBERS AT A GLANCE



**23,090 jobs in Queenstown-Lakes District, an increase of 3.6% from one year ago.**

*Source: Queenstown Lakes Labour Market Snapshot, QLDC November 2022.*



**9.3% growth in technology sector jobs across Otago and Southland in 2022, with the region also recording the fastest technology sector turnover growth in New Zealand (26.1%)**

*Source: Technology Investment Network 2022 Regional Report*



**1671 shifts affected by staff shortages in Aged Residential Care facilities in Otago Southland since 1 April 2022**

*Source: Te Whatu Ora – Health New Zealand*

## TOP LABOUR MARKET OPPORTUNITIES

**Mana Rangatahi is an Otago-wide programme that accelerates youth pathways, influenced by the Mātauranga Māori framework.** Launched in 2020 by INNOV8HQ, the programme has worked with over 150 rangatahi, achieving a 95% success rate of rangatahi progressing into further employment, entrepreneurship, or training. The programme blends learning, real world immersion, and industry mentoring (utilising cutting edge technology) to transition young people into meaningful career opportunities that align with their values, skills, and ambitions.

**Queenstown Lakes District Council (QLDC) showcased economic diversification initiatives.** QLDC is championing economic diversification in Queenstown-Lakes to mitigate the risks to the local economy of an over-reliance on the tourism sector. QLDC recently hosted the [Diversification Snapshots](#) event to showcase emerging industries and businesses in the district. A range of initiatives across the technology, energy, education, and community sectors were presented, as well as a presentation from Bend, Oregon, USA; a community that has completed a journey away from reliance on forestry to a truly diversified economy and workforce. The Otago RSLG will continue to support these initiatives as they address workforce considerations.

**Working Holiday Visa (WHV) holders are coming.** Immigration New Zealand has reported that over 70,000 WHV's have been either approved or rolled over. In a recent survey of WHV holders, 51% of New Zealand visa holders said they intend to be in New Zealand by February 2023, and 43% of those surveyed intend to come to Otago or Southland. This is expected to help mitigate anticipated seasonal workforce shortages across the region in the busy summer months ahead.

## TOP LABOUR MARKET CHALLENGES

**Nursing shortages in the Otago region continue, and the ability of aged residential care (ARC) providers to deliver core services continues to be compromised.** Since 1 April 2022, there have been 251 section 31 Health & Safety notifications to Health NZ relating to registered nurse staffing from ARC facilities across the lower South. Over 50% of these notifications have been in relation to staff shortages, caused by either resignations or difficulties recruiting staff. The ARC will continue to advocate for efficiencies in accreditation processes to address these shortages.

**The Queenstown-Lakes labour market remains tight as the district gears up for an influx of visitors over the peak summer season.** According to the November Queenstown-Lakes Labour Market Snapshot, the hospitality and accommodation sector need an additional 1,500 workers, while also accounting for the quarterly workforce churn of over 4,000 employees. Employers are nervously awaiting the arrival of working tourists to mitigate this significant workforce gap, whilst recognising better solutions are required in the medium to long term.

**Central Otago horticulture and viticulture growers are concerned that accommodation shortages in the region could impact labour supply for the upcoming summer harvest.** While there has been a significant increase in interest from domestic jobseekers and backpackers, growers are concerned about the lack of accommodation for workers caused by a housing shortages in the district generally. Growers noted that fewer backpackers seem to be travelling in self-contained vehicles this season, which will stretch local accommodation sources further. They will continue to actively seek alternative accommodation solutions as the summer progresses.

## THE OTAGO REGION

Job numbers are growing substantially in Queenstown Lakes in a range of sectors, reflecting a diversifying economy and workforce.

Over 40% of Working Holiday Visa Holders intend to come to Otago, which will help ease summer labour shortages.

Workforce Central Dunedin are encouraging large Government funded projects to adhere with the Construction Accord regarding Broader Outcomes. Greater adherence could see increased diversity in workforces engaged in these projects.

## OUR FOCUS FOR THE NEXT 2 MONTHS:

- Continue to progress Otago Regional Workforce Plan Actions
- A series of events are being planned for 2023 to increase focus on workforce productivity.
- Begin drafting the Regional Workforce Plan 2023 refresh