

TOP REGIONAL INSIGHTS



The health care sector is continuing to feel the pressure of vacancies across the region. Rural healthcare providers are particularly vulnerable to shifting demand in neighbouring areas where staff shortages result in services being reduced or withdrawn. Smaller hospitals and GPs, for example, find they are taking overspill from other areas in the region. This is putting pressure on the availability of healthcare provision for the communities they traditionally serve – and are funded to serve. With the move to Te Whatu Ora, Southern DHB staff are expecting a change proposal for future workforce structure and roles. While this is more likely to affect support staff (i.e. administration and corporate) it is creating uncertainty across a broader range of roles. It appears that some staff may be making the decision to leave now for job security, exacerbating existing staff shortages and skill gaps. The RSLG is in the process of obtaining regional statistics to further inform its understanding of these challenges and their impact.

The 'SIT Zero Fees Scheme' provides significant economic benefits to the Southland region. A recent BERL study commissioned by the Southern Institute of Technology (SIT)/Te Pūkenga found SIT contributes about \$157.1 million to the region's economy annually, equating to \$508.5 million in GDP from 2018 to 2022. Zero Fees, as a key driver for SIT student enrolment, is a significant contributing factor to these economic benefits. The study also found that 40 percent of graduates are employed by local businesses on completion of their studies, representing a significant pool of labour for the region. Although the scheme will remain in place until the end of 2023, discussions are underway regarding its future. There are concerns that the loss of the scheme would see a significant reduction in enrolments, and therefore a reduction in the availability of a skilled workforce across the region.

TRENDS AT A GLANCE

The December 2022 Household Labour Force Survey (HLFS) results have been released. Southland Murihiku's Labour Market Summary shows the following trends:



- Labour Force Participation Rate is steady at 74.2%; the Employment Rate has slightly increased by 0.4 percentage points, now sitting at 72.3%.

- Unemployment Rate has decreased 0.7 percentage points and is sitting at 2.5%. This is below the National Unemployment Rate of 3.4%.

- The Underutilisation Rate is now 11.6%, an increase of 2.0 percentage points since the same time the previous year.



- There are approximately 1,900 available job seekers within Southland Murihiku's Labour Market. These are people who are not actively seeking work but were available in the reference week and want a job.

TOP LABOUR MARKET OPPORTUNITIES

- 1. Local employers think 'outside the square' to deal with labour market shortages.** New and innovative approaches to employment models are being trialled to attract and retain new staff. Ballance Agri-Nutrients are considering flexible working arrangements to meet the needs of domestic and international staff. PowerNet are already offering flexible work arrangements as a retention and attraction tool, and are open to taking on less-experienced employees and training them in a role. To combat staff shortages, PowerNet is also reviewing their age demographics – and in some instances proactively recruiting to ensure an appropriate role handover. Alliance Group have secured temporary accommodation for critical seasonal workers, as regional housing availability continues to be problematic. Alliance is providing housing at Takitimu House (transitional housing facility) in Invercargill for migrants from the Philippines, Malaysia, Samoa and Fiji.
- 2. The 'Welcoming Communities' initiative is looking to help meet the needs of new migrants.** The Welcoming Communities teams at Southland District Council and Gore District Council have identified that support for English as a Second Language (ESOL) is critical for new migrants, but often not available when they first arrive. Funding is being sought to overcome barriers to ESOL access, to ensure it is available quickly. This will support migrant workers at a critical time whilst they and their families integrate into their new communities. Through RSLG-established connections, Welcoming Communities is also working with Alliance Group regarding ESOL access for migrant workers currently entering the country.

TOP LABOUR MARKET CHALLENGES

- 1. An anticipated peak in new COVID-19 case numbers in January and February put further pressure on already stretched workplaces over the summer period.** The projected rise in cases was reported by the Southern DHB as peaking over December/January, which caused additional stress and anxiety as businesses were forced to limit leave, increasing the risk of staff burnout. Vulnerable sectors such as tourism and hospitality, and healthcare provision, where staff vacancies are higher than normal, were particularly impacted.
- 2. Finding staff is the key limiting factor reported by businesses in the region.** The latest Southland Business Chamber survey found that for the three months ending 30 November 2022, business confidence dropped further than in the previous quarter. Only 15 percent of respondents expected the general business situation in New Zealand to improve in the next six months, and half thought the general business situation in NZ will deteriorate, up from 40 percent last quarter. Finding staff remains a key issue for respondents, whether they be skilled or unskilled, and was reported as being the number one factor limiting growth. Thirty two percent of respondents claimed that the inability to find staff was holding them back, with capacity being the second highest limiting factor (21 percent).
- 3. Business capability is being also being affected by a lack of trained staff.** Businesses (particularly in the manufacturing and engineering sectors) are reporting significantly higher staff turnover rates than in previous years, with many skills and years' of experience being lost. The need to train an expanding pool of inexperienced staff is having a negative impact on business capability, and potentially its productivity.

REGIONAL WORKFORCE PLAN (RWP) UPDATE

To progress the actions set out in our Regional Workforce Plan, the RSLG have formed five subgroups that are each responsible for overseeing several actions. The subgroups are:

- Strategic Connections and Engagement
- Vocational Education, Training and Careers
- Research
- Business Development and Workplace Support
- Health, Māori and Rakatahi

A six-monthly update detailing the progress of our Regional Workforce Plan has been developed. The update is based on the following three categories:

- *Doing the Mahi* – The region's progress against the RWP actions
- *Making Connections* – The strategic working relationships being built by the RSLG to advance the RWP actions
- *Partner Collaboration* – The partners the RSLG are collaborating with to help advance the RWP mahi

The six-monthly update will be circulated to stakeholders and partners, as well as made available online, in February.

OUR FOCUS FOR THE NEXT THREE MONTHS:

- Distributing a six-monthly progress report of the Regional Workforce Plan (RWP)
- Refocusing the 2022/23 RWP actions against progress attained and next steps required
- Refreshing the RWP for 2023/24 including; incorporating a new spotlight on the construction sector, presenting research and insights on two emerging sectors in Southland Murihiku - aquaculture and clean energy, and hosting a specific engagement event with our partners and Stakeholders in April