

TOP REGIONAL INSIGHTS



The Otago RSLG is supporting a new Queenstown Lakes employment initiative, Mahi QL. Mahi QL is a collaboration led by Queenstown Chamber of Commerce, Regional Tourism Organisations, Government agencies, employers, and employees to address workforce challenges across the district. Ministry for Social Development (MSD) have provided funding to enable the initiative to get started. The goal is to collaborate on meaningful actions that make a quantifiable and sustainable difference for business, workers, and the wider community into the future. This will be reflected in a workforce strategy and associated action plan for the Queenstown Lakes District, with a target release date for this strategy and plan in July 2023.

Otago Regional Council says its Queenstown bus operator, Ritchies Transport, has been going to extraordinary lengths to provide public bus services in the district, in light of extreme staff shortages. Funding from the Otago Regional Council has enabled them to pay some of the highest bus driver rates in the country, but accommodation shortages and strong competition for drivers with tourism operators has required them to go even further. They report *flying in drivers from Auckland and Christchurch* to crew services and in some instances have been providing staff accommodation in the short term and are looking at what options are viable longer term.

Growth remains strong across most employment sectors and in nearly all sub-regions in Otago, with some notable exceptions. Agricultural employment across the region is down 4.3% from a year ago as worker shortages bite, and employers look to manage expenses by reducing staffing costs. The Clutha District reported a relatively stable number of filled jobs for the year to January 2023 compared to last year, however, reported job vacancies in the district remain high.

NUMBERS AT A GLANCE



Queenstown-Lakes was the fastest growing employment market in Otago, with 8.2% growth in the quarter to February 2023

Source: Queenstown Lakes Labour Market Snapshot, QLDC February 2023.



Accommodation and Food Services remains the fastest growing sector in the Otago workforce, with 12.6% growth in the quarter to February 2023

Source: Stats NZ February 2023 Employment Figures



The older workforce is the fastest growing in Otago, with annual growth of just under 9% for workers aged 65+ to February 2023

Source: Stats NZ February 2023 Employment Figures

TOP LABOUR MARKET OPPORTUNITIES

- A collaboration to explore building foundation level skills across the community is emerging in the Waitaki District.** These skills are valued by workers and employers, as a means to lift workplace productivity and to improve social engagement. Tertiary education provision in the Waitaki is restricted by a lack of providers and campus space. Representatives from iwi, local council, business advisory groups and the Pasifika community have been discussing how to address this need. They are exploring the potential to deliver locally facilitated in-work learning, which would be validated by micro-credential assessment. This collaboration is at an early stage, and the RSLG is engaging to support the discussion. This activity directly aligns to Action 12 in the [Regional Workforce Plan](#).
- A new job skills hub and site office have opened to support the new Dunedin hospital build.** Workforce Central Dunedin (WFCD) and Southbase Construction will be co-located to enable seamless integration between labour supply initiatives supported by WFCD and the hospital project's main contractor. This will assist connecting under-skilled or underemployed workers with employment, training courses, or apprenticeship opportunities. This activity directly aligns to Action 10 in the [Regional Workforce Plan](#).
- A new initiative "Success Suits You" launched in Dunedin in March.** It is a spin-off from Employment Careers South, which was established in 2021 to encourage collaboration in the Dunedin labour sector. It aims to create a *Dress for Success*-style service that provides a network of support, professional attire for interviews, and the career development tools and skills needed to successfully get a job. The initiative is supported by a volunteer team of personal stylists, programme co-ordinators, career advisers and website support. This activity directly aligns to Action 10 in the [Regional Workforce Plan](#).

TOP LABOUR MARKET CHALLENGES

- Lack of accommodation for staff to rent or buy is more than just a minor issue for businesses,** say almost three quarters of respondents to a recent Queenstown Business Chamber of Commerce survey. One-in-three Queenstown businesses said the housing situation represents their biggest barrier to achieving optimal staffing levels right now. The Queenstown Chamber of Commerce report that many businesses are now providing accommodation directly for their staff, and the Chamber is providing advice to other businesses considering doing the same.
- MSD report that they are starting to see some redundancies in Otago.** These have occurred at local, national, and multi-national employers in multiple sectors. Reasons for these redundancies include employers looking to cut costs by making some staff redundant and offering those staff contractor roles as needed. Although MSD report that nearly all staff who have been made redundant have been able to find alternative work relatively easily due to the current strength of the Otago labour market, this is a development that should be watched over coming months.
- Tourism operators struggled over the summer as staff shortages limited their ability to service visitor demand.** Although filled job numbers across the region continue to grow, the total workforce in this sector remains well below pre-Covid levels, with over 1,000 less workers than in February 2020. The accommodation and food services sector recorded 7.6% annual growth to the end of February 2023; however, the ongoing gap in labour demand created headaches for businesses and workers as visitor activity across the Otago region surged over summer.

REGIONAL WORKFORCE PLAN REFRESH

The Otago RSLG is taking a theme-based approach as we complete a refresh of the Otago Regional Workforce Plan (RWP). Our analysis of the region's workforce profile demonstrates a shortage of workers in almost every sector and sub-region, so addressing themed issues that are present across the region is a priority. Themes that have been identified in our engagement to date are summarised as follows:

- Māori Economy & Workforce** – that the Māori workforce is a key consideration for Te Tiriti and demographic reasons. A lack of baseline data is a barrier to building a forward plan, but we are seeking to address this through engagement.
- Underutilised populations** – we are looking into workforce participation data to best evaluate what populations present opportunity of further engagement with work.
- Communities vulnerable to economic change** – we are looking into the vulnerability of smaller communities in Otago to economic change and will explore ways to build workforce resilience.
- Skills for technological change** – technology provides a key opportunity to improve productivity, but a barrier may be the ability of workforces to adapt to new technical processes. We will be looking into how these skills can be developed in the workforce.

We are holding sub-regional hui during April, where we will workshop our analysis with regional stakeholders and partners. The RWP refresh will take insight gained from these engagements and incorporate into revised actions moving forward.

OUR FOCUS FOR THE NEXT 2 MONTHS:

- Continue to progress Otago Regional Workforce Plan Actions
- Sub-regional hui to held in April to inform the Regional Workforce Plan refresh
- Release the Regional Workforce Plan 2023 refresh in June