Preface

In November 2007, Venture Southland, in partnership with the Department of Labour and Southern Institute of Technology, commissioned Infometrics in partnership with MartinJenkins to facilitate development of a Southland demand assessment and regional workforce strategy.

This report has been prepared for Venture Southland by Richard Tait and Lis Cowey, MartinJenkins (Martin, Jenkins & Associates Limited), drawing on stakeholder consultation and on the work of Andrew Whiteford and David Grimmond (Infometrics) associated with the preparation of the Southland Regional Labour Demand Assessment 2008, which is a companion report. This report has been peer reviewed by Kevin Jenkins, Director, MartinJenkins.

Venture Southland working with industry sectors and interested parties will be undertaking a series of initiatives to address the current and future skilled workforce shortfalls. These initiatives will include school to work transition, upskilling, retention and destination management, and targeted marketing to attract and retain skilled migrants.
Context and Approach

Southland is undergoing significant social and economic change: its economy is growing, and across a number of other indicators it is a good news story. House prices in Invercargill grew by almost 25 percent over the past year, while unemployment is at 1.6 percent. The dairy boom has had a large impact on the local economy, while Southland has avoided the devastating effects of drought experienced other regions. Significant potential economic opportunity in oil and gas is currently being explored. Of course, recent economic indications may temper the positive picture somewhat in the immediate term.

The Southland region occupies 12 percent of New Zealand’s land mass, with a little over two percent of the country’s population: Southlanders are relatively geographically dispersed. While Southland lost almost 15 percent of its population over a 25 year period, with many of its young and talented people heading north and beyond, these demographic trends are now reversing. There is now a net in-flow of migrants, and a surging birth rate. In the field of sport, things are also looking up for Southland, with the netball team having some of the best players, and the new indoor velodrome being the base for New Zealand’s track cycling programme.

Southland has seen the development of a number of enablers which allow for greater workforce development in recent years. The region has 96 percent broadband coverage, allowing greater opportunities for people to access information, which can be important for up-skilling and adopting practices which boost productivity. The introduction of the ‘Zero Fees’ scheme at the Southern Institute of Technology has allowed many people to have greater access to tertiary education and training, and to date Southland has been successful in retaining this policy. The SIT2Learn programme, allowing distance learning, has played a vital role in delivering flexible training options and skill development particularly for those in rural areas or in current employment.

Regional economies are dynamic: established industries expand and contract, and new ones emerge in related or entirely new areas. Changes in economic activity, both current and projected, will potentially alter the regional economy substantially. In addition to changing land use in agriculture driven by the dairy boom, developments such as oil and gas and lignite conversion plants require a significantly greater overall workforce in the region.

For Southland to continue to prosper into the future, and weather economic shocks, it needs to continually develop, utilise, attract and retain enough people with the right skills to support the constantly evolving needs of the regional economy. The changes underway in the Southland region will increase pressure on an already tight labour market.

The Infometrics Southland Workforce Demand Assessment and the Southland Employer Workforce Survey have highlighted the current and future pressures in the labour market and the economy.
There is a two-way relationship between economic performance and the regional labour force. A high performing Southland region is more likely to support the creation of jobs and opportunities to attract skilled migrants and keep them there. The deepening pool of human capital then supports and creates opportunities for accelerated growth. Conversely, if Southland does not perform well, it is less likely to attract the workers it would need to improve its performance, locking it into a vicious cycle of underachievement.

Southland’s regional strategy for growth is therefore dependent on taking a strategic approach to workforce development. The regional systems that support the development of Southland’s workforce need to be able to anticipate and adapt to these changing circumstances over time. This draft strategy responds to the desire of key Southland stakeholders, in partnership with the Department of Labour, to take a strategic approach to workforce development in Southland, reflecting current and future needs.

Southland already has a good base of activities in the area of workforce and skills development and stakeholders, focused on addressing many of the issues raised by the situation assessment in this document. These provide a fertile base on which to build a greater degree of collective strategic action.

**Approach**

Information supporting development of the strategy has been gathered from a range of sources, particularly:

- Southland Regional Labour Demand Assessment 2008, compiled by Infometrics
- Southern Institute of Technology’s Regional Tertiary Education Statement 2007-2010
- Surveys and research reports commissioned by Venture Southland including:
  - Southland Perception Study 2004
  - Southland Perception Study 2008
  - Economic and Social Impacts of New Zealand Aluminium Smelters on the Southern Economy
  - Southland Employer Workforce Survey 2008
- Department of Labour research
- OECD interim report on local skills strategies (November 2007), and
- Workshops with local stakeholders.
Views on areas of focus and priorities for the strategy have been formed by combining analysis of the current and projected future labour situation in Southland with specific insights and ideas of local stakeholders, supported by examples of best practice in local skills strategies adopted in other parts of the world. The ideas about areas of focus have been strongly shaped by local stakeholders, and the strategy's steering group in particular. What has emerged is a set of actions with strong regional commitment for taking them to the next stage - developing implementation plans.

This strategy is being developed in parallel with the New Zealand Skills Strategy and the Schools Plus programme. Work is being undertaken to ensure the Southland Workforce Strategy is aligned with them, where possible, and contributes to their development.

**The New Zealand Skills Strategy**

The New Zealand Skills Strategy discussion document was developed by a forum of government Ministers, officials, Business New Zealand, the New Zealand Council of Trade Unions, and the Industry Training Federation. It aims to forge a shared understanding of priorities for action around skill development and use, as a basis for driving improvements in labour productivity and economic growth levels. Its four proposed goals are:

- The effective use and retention of skills to transform work and work-places
- Increase the quality of demand for skills from employers and workers
- Influence the supply of skills and create a more responsive education and training system
- A unified approach to defining, valuing and measuring skills.

The four priority areas for action aimed at achieving these goals are:

- Literacy, language and numeracy skills
- Capability for firms (e.g. management capability)
- Supply and demand of skills, and measurement of skill acquisition and retention
- Young people in work (including provision of advice on how to support young people in work; and improving careers advice).

**Overview of this report**

This report outlines the strategic challenges for Southland and an approach to address these:

- A summary of the Southland Workforce Strategy
- Vision and Goals
- The Challenge: the current and projected future labour situation in Southland
- The strategic approach and specific priorities for action.
The report draws from the Southland Regional Labour Demand Assessment 2008.

The strategy aims to integrate the range of current activities into a common framework for thinking about workforce development, focus effort on the right points of leverage, and identify opportunities to build on the current approach through new initiatives or different emphases.

Appended to the report is additional material, providing information about stakeholder engagement in development of this report; current workforce development activities in Southland; an overview of what makes a good workforce strategy, drawn from international evidence; and the terms of reference for development of this report.
Summary of Southland Workforce Strategy

All actions are important however the governance group should establish appropriate priorities.

Governance and review

1. Establish a governance group to:
   - Monitor implementation of the strategy
   - Review implementation and update the strategy at suitable intervals (an assessment every year and a more comprehensive review every three years), taking into account the changing labour environment in Southland, emerging issues and the effectiveness of the initiatives against key indicators over time
   - Oversee co-ordination of relevant generic and sector approaches to determine the effectiveness and delivery of programmes.

2. Establish an evaluation framework (a basis for assessing progress early on to ensure relevant data is gathered, recorded and the key progress indicators can be tracked.

3. Work with central government to identify and agree options to address issues of particular concern to Southland

A focused approach – key sectors and skills

4. Establish sector project groups in key areas (such as dairy, construction, engineering and manufacturing, hospitality, accommodation and retail, education and health and community services) to undertake needs analysis and activities to address these around skill development, retention, utilisation and attraction

Information on the regional context

5. Scope options for a regional jobs web-portal

6. Consolidate data and establish an agreed process for integrating information into a regular snapshot of labour market need identifying future skill requirements, shortages and gaps

7. Continue to work with the New Zealand Immigration Service to explore how best to support contracted regional Department of Labour positions to improve initial settlement support including provision of information
Utilisation

8. Develop initiatives to increase participation in the workforce, particularly among Southland’s older workers and people currently out of the workforce, under-employed or seasonal workers, including promoting greater levels of flexible work options.

9. Promote effective processes that ensure migrants’ skills are well-matched to the regions requirements.

10. Identify actions to encourage firms to invest in automation and efficient technologies so peoples’ skills and capabilities can be harnessed in more highly productive ways (for example, case studies; training and seminars).

11. Develop an approach for redeploying workers within existing industry or into different industries as industry and job opportunities change.

Building Southland’s skill base and productivity

12. Provide regional information which allows the regional education and training organisations to respond to changing needs (including servicing the needs of new migrants as well as the existing population).

13. Development of a Southland model for the Schools Plus initiative that is closely aligned to tertiary institutions highlighting the need to develop stronger business to education provider links.

14. Explore the further development of flexible training opportunities in Southland.

15. Review the level of demand for English as a second language (ESOL) support for migrants ensuring adequate funding is available, and identify options to ensure migrants get the support they require to effectively participate in the Southland labour market (e.g. access to funding from the migrant ESOL levy) people can easily broaden or transfer skills, such as mobile training units and distance learning.

16. Explore establishment of professional or trade supervision to verify competency of and allowing skilled workers to apply their skills within their vocation as opposed to being employed in the lower skilled labour market.

17. Work with appropriate Government departments to develop funding and monitoring systems that reward schools based upon successful student outcomes.

18. Identify innovative ways to promote to young people, career advisors and parents the job opportunities in Southland, as well as other tertiary options.
Attraction

19. Build an understanding of patterns of domestic migration into Southland, and reasons for leaving Southland, as a basis for refining attraction and retention activities.

20. Evaluate the changing status of key attractors for the current population and target migrants, with a view to improving performance in areas that are lagging, and which are readily influenced through direct means.

21. Continue to positively promote the benefits of living in Southland and address the negative perceptions amongst other New Zealanders and would be migrants, as part of the new branding strategy.

22. Target information on Southland at key influencers of migrants, such as immigration consultants, New Zealand Immigration Service front-line staff, and visitor information centres.

23. Review the approach to targeted attraction, focusing particularly on the target sectors and identify specific options to improve rates of attraction and settlement.

Retention

24. Initiate a destination management programme that creates an awareness of the importance of migration and prepares Southland employers and communities to accommodate new migrants and cultures.

25. Develop and implement an active and tailored approach to migrant settlement in Southland including a pilot programme to establish a locally-based ‘Migrant Liaison Officer’.

26. Consider development of bridging courses for migrants in areas of skill or labour shortage to improve integration into Southland jobs.

27. Initiate analysis of the funding levels for voluntary agencies such as the Multi Nations Council and other volunteer agencies involved in settlement, as a basis for ensuring increasing pressures can be met.

28. Explore ways to more effectively attract work permit holders and foreign students into longer term jobs in Southland.

29. Work with community boards, community development committees and community workers in sub-regions to develop effective community awareness of the positive role of migration in community development, and to develop effective support systems for migrant settlement.
30. **Explore the establishment of good employer standards to enhance work place practices.** Building Southland employer capability and facilitate the retention of workers

31. **Explore establishment of bonded scholarships for Southlanders who undertake tertiary study** and work with key agencies such as the Community Trust of Southland, the Invercargill Licensing Trust and the Mataura Licensing Trust to encourage recipients to apply their skills at a local level.
The Vision and Goals

The purpose of this workforce strategy is to ensure Southland can utilise, develop, attract and retain appropriately skilled workers to support sustained growth and prosperity in the future.

Vision Statement

Southland’s workforce supports sustained regional growth and prosperity

Supporting goals

The specific goals of a workforce strategy for Southland to achieve this vision, in light of the challenges presented in this and earlier sections, are that:

1. Southland’s current and potential workers are utilised in the most effective way to support regional growth
2. The regional education and training system in Southland anticipates and responds effectively to current and future workforce needs to build the skills needed in the region
3. Southland is more successful at retaining existing and new workers
4. New workers are attracted to the region in sufficient numbers and with the right skills to meet current and future needs
The Challenge

Southland’s historical and current labour situation

Southland’s population has remained relatively static over the last 5 years, with around 93,000 people living in the Southland Region in 2006. From 2001-2006, Southland’s population did not grow. Outward migration to other regions took around 2300 people away from Southland. This loss was countered by natural population increase and a small amount of net international immigration.

Southland has succeeded in attracting a growing number of people from outside the region, but has lost more people than it has gained.

International migration to Southland has been trending upwards over the last 10 years, but the rate at which people migrate to Southland from overseas is still being exceeded by the rate at which they leave for overseas, with international departures trending upwards since 2002.

Southland gained about 8900 people from other regions of New Zealand between 2001 and 2006 but lost almost 11,300 to other regions (net loss of 2.5 percent). As a comparison, Taranaki (which had a 2006 population of around 107,000) lost 2.1 percent.
Compared to the 1996-2001 period, Southland has seen an improvement in net migration over the most recent 5-year period.

Southland was a net gainer from the northern regions, including Northland, Auckland and Waikato, while the greatest losses were to Canterbury and Otago, which may be due to the outflow of students to those regions. Losses to Canterbury and Otago are mostly between the ages of 15 and 24 years, and could possibly be due to study choices.

Southland’s population is aging faster than NZ as a whole. By 2026, one in four people are expected to be older than 65 years (compared to one in seven now), compared to one in five nationally (one in eight now).

Southland’s labour force has grown in the last 5 years due to increased participation. Southland’s potential labour force is already very well mobilised. The region’s labour force participation rate has exceeded the New Zealand average from around 2003. The participation rate in Southland is currently the highest in the country, with 72.8 percent of the working age population in the labour force, compared to the national rate of 68.5 percent.

Southland has the lowest unemployment rate in the country (1.6 percent as at the December 2007 quarter).
Southland’s economic performance has been improving more recently, at 3.7 percent in the year to December 2007. This followed a period of below average growth in which Southland’s economy expanded by 1.4 percent per annum compared with 3.2 percent nationally. Performance of the economic is heavily influenced by the fortunes of agriculture. Manufacturing is larger than agriculture and provides some stability, but about half of manufacturing relates to primary sector processing, which also rises and falls with primary sector performance.

The overall number of jobs has grown – nearly 3000 jobs were created between 2002 -2007, a rate of 1.2 percent per year.

Industries showing strongest growth in employment over the last 10 years include Wholesale Trade (4.4 percent), Cultural and Recreational Services (4.2 percent), Construction (3.2 percent) and Health and Community Services (3.3 percent).

Sub-industries related to the building and real estate boom showed strong growth as did those associated with dairy farming. There has been a significant increase in employment for labourers and builders over the last 5 years. These topped the occupations to see the largest employment increase between 2002-2007.

The changing patterns of agricultural production have had a significant impact on employment for some agricultural occupations, with the greatest declines in meat production occupations.

There has been growing demand for highly skilled occupations (e.g. professionals, associate professionals/technician, managers and trades) and high level qualifications (graduate and postgraduate).

There were approximately 1700 job vacancies in Southland as at the December 2007 quarter. Job vacancies are distributed across all broad occupational categories. The highest number of vacancies is for Agriculture Workers followed by Service/Sales Workers.
Forecast labour needs in Southland: 2008-2016

Infometrics forecasts project between 2 percent and 3.5 percent annual growth between now and 2016. Infometrics has modelled three potential growth scenarios for Southland between now and 2016. These scenarios incorporate different assumptions about certain key development projects that may proceed:

The baseline economic expansion scenario includes Kaiwera Downs Wind Farm, Slopedown Wind Farm, Edendale expansion, and one new dairy factory. The modelling of these and the current mix of industries indicates potential for Southland to grow at about 2 percent per annum until 2016.

The Positive Scenario lifts annual growth to 2.9 percent per annum. This scenario also includes the Lignite to Liquids project and a second new dairy factory.

The Optimistic Scenario lifts growth to 3.5 percent per annum over the forecast period, and includes all projects listed in the other scenarios as well as a Silicon Smelter, a Biotechnology facility, oil and gas exploration and a third dairy factory.

Southland will need to find between 11,000 and 16,000 people to fill new and replacement jobs between now and 2016. This will create between 5000-9500 new jobs, depending on the growth scenario.

Further labour will be required to replace people moving out of the workforce (either departing, retiring or withdrawing from work) (around 800 workers a year on average).

Overall, the total growth in demand for labour up to 2016 will range from 11,000 to 16,000.

Allowing for non-working family members, achieving this type of employment growth will require net migration into Southland of between 16,000 and 22,400 over the period. On an annual basis this implies that between 1,800 and 2,500 additional people will be needed per year (either through better retention, attraction or a combination of both).
Nine year labour market and population implications of scenarios (2007-2016) (Source: Infometrics projections)

<table>
<thead>
<tr>
<th></th>
<th>Base Scenario</th>
<th>Positive Scenario</th>
<th>Optimistic Scenario</th>
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<tbody>
<tr>
<td>Existing vacancies in 2007</td>
<td>1,700</td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td>Replacement demand</td>
<td>7,200</td>
<td>7,200</td>
<td>7,200</td>
</tr>
<tr>
<td>Number of new positions</td>
<td>5,100</td>
<td>7,300</td>
<td>9,500</td>
</tr>
<tr>
<td>Required new workers</td>
<td>14,000</td>
<td>16,200</td>
<td>18,400</td>
</tr>
<tr>
<td>Labour supply growth (no migration)</td>
<td>2,700</td>
<td>2,700</td>
<td>2,700</td>
</tr>
<tr>
<td>Implied labour shortfall</td>
<td>11,300</td>
<td>13,500</td>
<td>15,700</td>
</tr>
<tr>
<td>Migration required to meet shortfall</td>
<td>16,100</td>
<td>19,300</td>
<td>22,400</td>
</tr>
<tr>
<td>Implied Southland population in 2016</td>
<td>109,800</td>
<td>113,000</td>
<td>116,100</td>
</tr>
</tbody>
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Total annual job openings by broad occupation, 2007-2016 (Source: Infometrics projections)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Baseline</th>
<th>Positive</th>
<th>Optimistic</th>
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<tr>
<td></td>
<td>New jobs</td>
<td>Replace-</td>
<td>Total</td>
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<tr>
<td></td>
<td></td>
<td>ment</td>
<td></td>
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<tr>
<td>Legislators/Managers</td>
<td>140</td>
<td>70</td>
<td>210</td>
</tr>
<tr>
<td>Professionals</td>
<td>130</td>
<td>90</td>
<td>220</td>
</tr>
<tr>
<td>Associate Professionals/Technicians</td>
<td>110</td>
<td>70</td>
<td>180</td>
</tr>
<tr>
<td>Clerks</td>
<td>10</td>
<td>90</td>
<td>110</td>
</tr>
<tr>
<td>Service/Sales Workers</td>
<td>110</td>
<td>180</td>
<td>290</td>
</tr>
<tr>
<td>Agriculture/Fishery Worker</td>
<td>10</td>
<td>120</td>
<td>130</td>
</tr>
<tr>
<td>Trades Workers</td>
<td>20</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td>Plant/Machine Operators</td>
<td>0</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Elementary Occupications</td>
<td>30</td>
<td>40</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>560</td>
<td>800</td>
<td>1,360</td>
</tr>
</tbody>
</table>

Southland will need people to fill jobs across a range of occupations but particularly those within retail trade, health, community services, agriculture and trades. Strongest growth under all scenarios will be in highly skilled occupations (managers, professionals, associate professionals / technicians). The table above indicates Infometrics assessment of annual job openings by broad occupation.

The Positive and Optimistic scenarios lift growth in demand for some of the lower skilled occupations including Plant/Machine Operators and Elementary occupations due to the strong growth in the manufacturing and mining industries.

The largest number of new jobs is likely to be in retail trade, health and community services and agriculture (dairy).
Manufacturing and mining may experience strong growth in the Positive and Optimistic scenarios. Energy and oil/gas also have the potential to create significant demand for skills to build and service new infrastructure, putting pressure on local engineering, trades and construction industries.

- Manufacturing and mining may see a decline in jobs under the baseline scenario baseline projections. This raises a question about how best to retain and redeploy people involved in these industries if there is a decline in jobs in the future.

- Anecdotally, there is concern about a future shortage of tradespeople, given the large numbers of older workers who may retire within the next 10 years.

Seasonal industries such as meat processing present particular challenges...

Seasonal industries (e.g. tourism, hospitality, agriculture, forestry, fishing, and meat processing) may require particular solutions for workforce attraction and retention. Tourism and hospitality, and agriculture are areas which may show high seasonal job openings in the region.

...and the tight national and global labour market is making it difficult to attract people to fill certain jobs.

The tight national and global market for skilled labour presents an ongoing challenge for Southland in its efforts to attract and retain key skill-sets, particularly health workers, professionals and trades people.

Increasing numbers of migrants from different cultures may require specific actions on migrant settlement and workplace practices.

In a tight labour market, intense competition for workers creates particular pressures on firms, particularly smaller sized ones. This can have an up-side up to the extent that it creates incentives for firms to innovate and to retain staff through improving employment conditions and practices and career opportunities. However, there is also scope to explore opportunities for firms within localities to adopt more collaborative approaches to minimise detrimental impacts and avoid a ‘bidding war’. 
Forecast supply of labour in Southland: 2008-2016

- The local labour force in Southland is projected to grow by less than 3,000 between 2008 and 2016 (about 300 people or a rate of 0.6 percent per annum), which is significantly less than the projected level of demand of between 1,800 and 2,500 per year. This would result in a labour force of around 54,600 by 2016.

- It is difficult to analyse whether the current training ‘pipeline’ will meet future needs in Southland. However, a rough assessment\(^1\) suggests tentative conclusions that:
  - Information technology appears to be the most undersupplied field of study by enrolments, at levels lower than bachelors degrees, over the period examined
  - Education, management and commerce and food, hospitality and personal services were also undersupplied by the local education system relative to the demand for qualifications in these areas over the same period, and
  - Health, society and culture enrolments over the period exceeded demand for qualifications in these areas. In health, however, there was an undersupply of higher level qualifications.

Perception studies

Two recent market research studies commissioned by Venture Southland, The Southland Perception Study 2008 and the Secondary and Tertiary Student Perception Study - Southern Institute of Technology 2008, have identified on the plus-side, the ‘pull factors’ for living and studying in Southland are affordability and lifestyle factors such as access to the natural environment and tourism activities, proximity to family and the lack of traffic congestion. On the negative side, the general ‘push factors’ include the night life, climate, availability of health care and arts and culture. In relation to education and employment, issues identified are that Southland jobs have lower wages, and less opportunities for graduates and those with specialist fields, and that there are better tertiary education facilities in larger centres. Comparisons with other centres showed that:

- For the New Zealand-wide respondents, Southland was the third most popular destination to relocate to (11 percent), higher than Auckland (8 percent) and Central Otago / Queenstown / Wanaka (eight percent)
- Southland was rated high in terms of attractiveness as a holiday destination (3.85 on a scale of 1 to 5), second only to Christchurch
- Invercargill and Southland were also viewed as the most affordable place to purchase a house, with the residents being viewed as the friendliest.

\(^1\) This assessment by Infometrics compared demand for positions requiring qualifications between 2003-2006 with the proportion of subject enrolments in the local education system over the same period. Note that this does not say anything about whether the current proportion of enrolments matches future demand growth for particular skills in certain areas.
• Despite the high proportion of job vacancies in Southland, respondents identified Auckland as has having plenty of jobs, with Southland and Invercargill being viewed much less positively.

• Southland was viewed as having the best quality of life, a change since 2004, when Christchurch and Dunedin were perceived to be the leading locations on this issue.

**Strategic challenges**

**Southland is in transition from a 'low skills intensity equilibrium' to a situation characterised by skills gaps and shortages...**

According to the OECD study on local skills strategies, ‘low skills equilibrium’ is where a low intensity of skills supply is met by a low intensity of skills demand. “In such situations, skills shortages are frequently reported, but in fact represent ‘labour shortages’ where employers cannot find labour willing to fill certain lower skilled positions because of poorer employment conditions. In this situation, policymakers frequently become diverted to fire-fighting to fill shortages without an eye to the longer term strategic need to improve the quality and knowledge intensity of the employment on offer and increase the attractiveness of the local labour market to residents and newcomers alike. This is particularly challenging for local policymakers as it requires encouraging local employers to make a step change towards introducing new technology and changing work processes.”

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Example: The transition from low intensity skills equilibrium to skills shortages

Two examples cited in the OECD study seem to characterise different ends of the transition that Southland is experiencing:

South East Lincolnshire in the United Kingdom: the study notes that rural areas with a relatively weak education and training structure can become dependent on a relatively weak skill base that suffers from a lack of enrichment from new, skilled migrants. In South East Lincolnshire the employment rate has never been higher, exceeding the national average. There is no shortage of jobs, but productivity is low and the average wage is lower than the national average. The region has a narrow industrial base. It is seen as a relatively attractive place to live because of low living costs, but not to work (due to pay). Young people building careers and academically able young people leave the area for higher education and careers elsewhere.

Mackay, Queensland: areas undergoing economic development may find it difficult to access the high skilled people that are needed to drive productive economies. Mackay is the largest sugar producing region in Australia. The resource boom has seen the mining industry explode. The unprecedented growth has put pressure on company development with skills shortages becoming a constant threat to industry growth. The situation has been exacerbated because skilled sugar industry workers needed retraining for the mining boom, and there has been a shortage of school leavers wishing to enter a trade.
The study also notes the difficulties some areas have in absorbing the skills of newcomers, who can remain overeducated for the jobs they hold, with their skills not contributing to the local economic system. Southland faces this issue to some extent, and needs to think about the ability of the local economy to effectively absorb highly skilled migrants.

**Southland will need to get better at holding onto people, and/or attracting them, in order to meet anticipated demand…**

On current population projections, excluding the impact of migration, Southland may face an annual shortfall of people to fill replacement and new jobs. This shortfall may range between around 1800 and 2500 people annually between now and 2016.

There are approximately 1700 job vacancies in Southland as at the December 2007 quarter. Job vacancies are distributed across all broad occupational categories. The highest number of vacancies is for agriculture workers followed by service/sales workers. Concerns for the future include shortages in professionals, managers, service workers, health service workers and trades people.

It is self-evident from the projections that having enough people to meet future needs will be a significant challenge for Southland. To achieve the kind of economic growth that is projected and desired requires a step change in Southland’s historical population trends or productivity, or both.

This imbalance between projected supply and demand is clearly not sustainable. One or a combination of three outcomes is likely to follow:

1. Southland manages to make up the shortfall by attracting migrants from other parts of New Zealand and overseas, improves retention of the existing population, and utilises them more effectively.

2. Southland employers strive for a higher rate of productivity growth (for instance by deepening capital intensity, and investing in the skills of management and workers) than the rate built into the scenarios. However, Southland’s ability to achieve productivity growth in many industries may be restricted by the small size of the economy and the varied nature of the work which limits the capacity for specialisation and increased automation.

3. The regional economy becomes constrained by the shortfall and does not achieve the growth potential estimated in the scenarios.

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3 This is echoed in SIT’s Regional Tertiary Education Statement, which points out, “without significant ‘intervention’ to increase the size of the regional labour force, the Southern region will not have sufficient people to meet industry employment needs over the next decade. Southern Region Regional Tertiary Education Statement 2007-2010, Southland Institute of Technology.
Southland has faced net migration out of the region for the last 10 years, as have other regions in New Zealand. There are questions as to how much more inward migration is realistic to expect from further investment in attraction activities, given widespread skill and labour shortages elsewhere. It is possible that a greater focus on retention could reduce out-flow, and tilt net migration towards the positive. There is also scope to consider ways of working smarter with the people already in Southland: better utilisation of people already in work can reduce labour demand at the margin.

The strategy for building Southland’s future workforce will need to incorporate a range of areas, and focus on the right balance of ‘make’ ‘buy’ or ‘fix’ \(^4\) so it has people with the right skills for the jobs available to take up work opportunities in future.

**Changing workforce needs will put a premium on retaining, up-skilling and redeploying workers…**

Current and forecast skill shortages will require the local education and training system to respond to the changing demands placed on Southland’s workforce, including through providing support for identifying and developing careers and new skills.

Current experience and the baseline forecast scenario raise the possibility of declining employment in particular areas, such as mining and manufacturing. The region is already experiencing a decline in meat processing and sheep farming jobs. Southland will need to consider the impact of declining employment in these areas, which potentially creates a retention and re-deployment challenge.

Similarly, potential ‘boom’ areas for Southland such as mining, energy, and oil/gas exploration and extraction may require Southland to up-skill or reskill its workforce rapidly to take advantage of these new opportunities if they eventuate.

**Population aging will require Southland to consider how to encourage older people to keep working …**

An aging population presents a challenge for all regions. How can Southland encourage better participation of its aging workers to increase the size of the workforce?

\(^4\) Department of Labour formulation
Strategic question
The primary strategic question for Southland’s workforce strategy is therefore:

How will Southland attract new workers, retain these and existing workers within the region, develop them and get the most of them, to fuel sustained growth in the future?

Points of leverage and approaches
There are four realistic ways to ensure that Southland maintains and grows the right-sized workforce with the right skills:

Mobilising the current workforce – including leveraging greater productivity through technological and capital investment, and considering ways to increase participation in the future, especially as the workforce gets older.

Developing the right skills: using education and training to meet some of the region’s needs through a home-grown workforce. This involves ensuring that the local education and training ‘pipeline’ is responsive to changing needs over time, so that the right skills are being developed locally where possible, and that there are clear career paths within the region.

Attracting people with the right skills: increasing the rate at which people move to Southland through direct attraction policies (e.g. marketing), and improving underlying attracting factors.

Ensuring that people with the right skills stay: lowering the rate at which people with the right skills leave the region and employment within it, through active policies and improving the underlying factors which mean people will stay in work in the region.

Short versus long term strategies
Southland’s population will grow at a relatively predictable rate through natural increase. The projections in the earlier section show that this natural increase in the labour force can not be relied upon to grow what the region needs from within its borders. In both the short and long-term, therefore, the workforce strategy will need to place significant emphasis on understanding and influencing migration patterns to and from the region.

In parallel, the region also needs to ensure that the potential of its existing population is developed and tapped to meet growing and changing needs through having a regional education and training system responsive to evolving workforce needs. This is a longer term process, however.
The Strategic Approach

Key messages

Southland is currently carrying out a range of activities that contribute positively towards development of the right kind of skilled workforce to meet its future needs.

The main opportunities for improving the workforce development approach looking forward are:

- **Establishing an overarching programme** to drive and develop a co-ordinated approach, and implement generic initiatives such as information provision, and destinational management and marketing.

- **Focusing attention on key sectors and skill sets** for Southland:
  - Dairy
  - Construction
  - Engineering and manufacturing
  - Hospitality, accommodation and retail
  - Education
  - Health and community services.

- **Taking a more integrated approach** to designing and implementing workforce development activities within Southland including in the areas of career pathways, up-skilling, migrant attraction and settlement. Integration would occur at several levels: national/regional, business/education, and public/private sector.

The strategy proposes action across four key areas: utilisation, up-skilling, attraction and retention. These actions will apply to both the existing and future workforce.

Productivity improvements by firms are a potentially important way of reducing the demand for labour in future. This strategy needs to link in to initiatives aimed at productivity improvement through technology use and investment in other forms of capital. The capability of management is critical to decision-making on these issues. Of course, productivity of the workforce will be important in helping Southland reduce its labour needs while supporting economic growth. Workforce productivity is within the frame of this strategy, and relates closely to areas such as skill development (both of employees and managers and owners of companies); utilisation (e.g. effectively matching peoples’ skills to jobs); and retention.

**Strategic framework for Southland workforce development**

The model below outlines the important and interdependent areas of a workforce strategy for Southland, and how these areas are intended to build a workforce that supports Southland’s growth path into the future. Each of the key areas is described briefly in the section that follows.
Vision
Southland’s workforce supports regional growth and prosperity

Outcomes
Southlanders with skills are matched to jobs
Southland’s skill base develops to meet changing needs
Increased numbers of the right people with the right skills stay in southland and are attracted to it

Generic Overview:
information, promotion, co-ordination and evaluation

<table>
<thead>
<tr>
<th>Attraction (Destination Marketing)</th>
<th>Retention (Destination Management)</th>
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Sector Focus
(Project Groups developed as required)

Sector Needs Analysis
(Utillising Regional Demand Assessment Data)

<table>
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<tr>
<th>Current residents</th>
<th>New and future residents</th>
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<tbody>
<tr>
<td>Utilisation</td>
<td>Attraction</td>
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<tr>
<td>Up-skilling</td>
<td>Utilisation</td>
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<td>Retention</td>
<td>Up-skilling</td>
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<td>Retention</td>
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What is being done and who is involved?

A number of national and regional agencies and organisations are involved in designing and implementing Southland’s workforce strategy, spanning the public and private sectors. The diagram below highlights the different regional players that are involved in different dimensions of workforce development in Southland.

A brief description of current workforce development activities is set out in Appendix 1.
Action Areas

This section builds on what is already being done in Southland, and proposes some new directions and activities for the Southland community to develop its workforce capability and performance to harness the region’s growth potential. Two types of approaches are proposed:

- Overarching activities to underpin achievement of the proposed four Southland strategic workforce goals, through leadership / governance; establishment of project groups in key sectors; assisting decision-makers in the labour market through boosting information.
- Actions focused on each of the four identified goals, taking a balanced approach to utilisation, building skills, retention and attraction. The strategy uses both a generic approach, ensuring basic common needs across all sectors are met, as well as developing sector-specific actions.

The proposed actions are shown below in coloured boxes, and under each is discussion of the rationale and proposed approach to the action in detail. Proposed phasing for these actions, and their relationship to current activities already underway are outlined in the summary chart on the strategy on page 8.

Develop and implement an overarching programme

1. Establish a governance group to:
   - Monitor implementation of the strategy
   - Review implementation and update the strategy at suitable intervals (an assessment every year and a more comprehensive review every three years), taking into account the changing labour environment in Southland, emerging issues, and the effectiveness of the initiative against key indicators over time,
   - Oversee co-ordination of relevant generic and sector approaches to determine the effectiveness and delivery of programmes

2. Establish an evaluation framework (a basis for assessing progress early on) to ensure relevant data is gathered, recorded and the key progress indicators can be tracked.

Establishing a governance group, comprising key government and business stakeholders is key to the successful delivery of the regional workforce strategy. The group’s primary role is to ensure all activities, both sectoral and generic, are undertaken in line with the strategies developed for the region as a whole. The group will review and update the strategy at regular intervals to ensure the changing labour market and emerging issues are dealt with in a well-balanced manner.
Given the importance of the workforce strategy for Southland, it would be appropriate to put in place a framework for evaluating effectiveness in the medium to longer term. An evaluation framework would assist the strategy’s governance group to track the contribution of the workforce strategy towards achieving intended outcomes and, in particular, enable them to assess whether and to what extent the strategy is having the desired effect.

3. Work with central government to identify and agree options to address issues of particular concern to Southland:

- Education: apparent inflexibility in funding of distance learning and ESOL
- Immigration: high threshold for minimum earnings for two year immigration permits; time delays, bottle necks in immigration decisions for employer-sponsored migrants; need for an agreed approach to information sharing about migration and work permits so migrants receive appropriate initial support; develop a Southland model for integrating migrants, in partnership between the Department of Labour, Venture Southland and local organisations

In a number of areas, central government policy appears to be constraining the development of solutions to problems identified within Southland. Concerns centre on education policy and funding, and immigration policy and processes. Stakeholders have expressed concern that secondary school funding and performance measurement requirements appear to be encouraging schools, and guidance counsellors within schools to ‘hang on’ to students, sometimes when it is not in individual students’ best interests to do so.

According to the OECD, regions internationally are finding it useful to influence their national immigration system. An example is the implementation of Regional Migration Schemes in Australia, which represent a national attempt to prevent the concentration of new immigrants in cities, while providing valuable opportunities for regional and rural areas to petition for newcomers that match their local development strategies.

A key issue raised in Southland’s context is reducing the barriers to migration of unqualified workers. Workshop participants noted that immigration settings create obstacles for in-demand, so-called unskilled and semi-skilled immigrants such as truck drivers, who have difficulty obtaining points for residency because they often do not have formal qualifications. In the immigration area, there are concerns about the length of time taken to process employer-sponsored immigration applications, which can be detrimental to the firms involved. Ideas for better national-local working and information flows around migrant settlement have also been identified.
Successful implementation of the regional strategy requires several general programmes to be undertaken, as a complement to sectorally-focused strategies, for example, regional destination marketing and destination management (discussed in more detail below).

It is envisaged that Venture Southland would take a lead on establishing sector-specific groups, and ensuring their activities are well-linked into general programmes.

**A focused approach – key sectors and skills**

| 4. Establish sector project groups in key areas | (such as dairy, construction, engineering and manufacturing, hospitality, accommodation and retail, education and health and community services) to undertake needs analysis and activities to address these around skill development, retention, utilisation and attraction. |

The wide array of sectors and skills that could potentially be targeted by the workforce strategy means that a focused approach is necessary to avoid efforts being spread too thinly. This means a combined approach of ‘broad’ and ‘deep’ activities:

**Broad:** pursuing less resource-intensive activities such as ‘passive’ information provision across a broad range of sectors and skills, as well as particular high impact actions under each of the key areas, and

**Deep:** focusing efforts on a few key sectors and skill-sets with strongest current and future growth/need, particularly:

- sectors of current and future comparative advantage for Southland (e.g. agriculture)
- sectors which will support the needs of a growing and aging population (e.g. health), and
- ‘enabling’ skills which are needed to support a range of current and future growth areas (e.g. engineering and trades)

**Focal areas**

Applying this lens, three suggested initial focal areas for a targeted approach (on the basis of current and projected demand) might be the health and agriculture sectors, and construction / manufacturing:

Agriculture encompasses all aspects of agriculture, including dairy. It is a particularly important sector from a skills perspective because there are current and projected shortages, different supporting industries involved (including engineering) which provide a variety of possible career paths, the need to retain and redeploy existing workers from declining areas such as meat production, and agriculture is a significant area of comparative advantage for Southland which will support future regional economic growth.
Health and disability services is a key support sector in the region which has current and projected skill shortages.

Construction and manufacturing are important enablers of future growth in a range of industries that may grow rapidly in Southland, particularly if there are heavy infrastructural needs. Construction and engineering will be relevant in agriculture, engineering, mining, manufacturing and energy sectors, amongst others. Current shortages of trades people at a national level reflect Southland’s challenge and increase competition from an attraction point of view. This places extra importance on developing construction and engineering skills from within the existing population.

To give effect to a focused approach on sectors and skills, Southland would establish a project group for each focal area. The role of these groups would be to oversee development of a balanced, integrated, and targeted approach for that sector/skill set across the different areas of utilisation, education and careers, retention and attraction.

**Representation and governance**

To ensure integrated design and implementation, each group would include an appropriate mix of employers, industry bodies, recruiters, educators and training providers, Venture Southland, and government agencies. Groups would be overseen by a governance group, to ensure effective co-ordination and transfer of knowledge across groups.

**Roles**

The roles for each group would include:

- **mapping** needs of the sector and existing activities encompassing building skills, utilisation, retention and attraction
- **developing a plan** in consultation with stakeholders, which balances and prioritises activities under these four areas in the most effective way to meet the short to long term needs of that sector
- **obtaining commitment to the plan**, agreement on actions, and any resources required to implement it
- **overseeing implementation** of the plan, and gathering information / data needed for evaluation.
Possible activities under each group

Each project group would look across all these areas and develop an appropriate plan, which would dovetail with more general priorities such as the approach to attraction and retention. It would take an ‘action learning’ approach and would set in place evaluation at certain intervals to assess the effectiveness of the approach taken. The learning from the different groups’ activities could then be applied in other sectors.

The actions identified in relation to each of the four strategic goals should all be considered as possible actions for the project. Key areas for each group to consider as they develop a tailored plan for their sector include:

- Identifying skills needed, target markets for overseas migrants and developing a co-ordinated marketing and targeting approach on a sector-wide basis.
- Developing a clear view on skill- or sector-based career pathways within Southland
- Developing closer business-education links in Southland to market the relevant sectors and career pathways to students
- Facilitating a more seamless transition for youth from school, through training, into work
- Carrying out graduate recruitment within New Zealand, where appropriate
- Identifying and modelling effective migrant settlement and workplace practices to employers within the chosen sector
- Identifying specific ways of improving the participation of Southland’s population in the chosen sector, including issues around redeployment and re-skilling of the existing workforce, and how to make best use of seasonal workers, older workers, unemployed people and people not currently in the labour-force
- Identifying key immigration barriers and influencing national policy development and review.
Information on the regional context

Regional jobs web-portal

5. Scope options for a regional jobs web-portal

An important part of matching the right people to opportunities is to ensure that information about jobs is up to date and easily accessible to the people within and outside Southland who may be attracted to those jobs.

As part of the strategy, opportunities for developing a regional jobs web-portal should be explored. This would be a ‘passive’ matching mechanism that caters to the broad range of jobs in the region, and complements the more targeted focus of active migrant attraction.

In scoping possible options for a portal, it will be important to ensure that it does not displace commercial activities currently carried out by recruitment agents. In practice, the portal might provide a ‘one stop shop’ similar to Trademe – or loaded onto that site - where employers and recruitment agents can list vacancies with further links to their own information or websites.

Updating the skills picture of Southland

6. Consolidate data and establish an agreed process for integrating information into a regular snapshot of Labour Market need identifying future skill requirements, shortages and gaps

It can be difficult and costly to obtain detailed regional data on needs, gaps and shortages of skills. However, maintaining an accurate and up-to-date picture of the local context is critical to understanding the best focus and emphasis within regional labour strategy and policy. For example, the specific needs that Southland faces over time will influence the approach taken to migrant attraction, the focus of the education and training system, and the focal sectors for attention across all dimensions of workforce strategy. Up-to-date information is needed to support effective matching of people to opportunities, and developing targeted skills and attraction initiatives. This can be fed into the national immigration system (and vice versa), the regional and national education and training system, and regional targeted attraction activities.

Currently Southland obtains data through various means, including the Department of Labour’s annual in-depth reports, Venture Southland’s periodic surveys of skill shortages, a range of reports and surveys commissioned (e.g. perceptions studies, career surveys of school students), and SIT’s facilitation of the Regional Tertiary Education Statement. This pattern is consistent with overseas experience, which suggests that detailed regional data is usually
available as a result of local skills audits initiated by regional development boards or local councils.\textsuperscript{5}

Each data gathering activity provides complementary pieces of the Southland workforce picture, but there is a degree of avoidable overlap in these activities which could be addressed through approaching data gathering in a more systematic, regular, and efficient way through a joined-up approach. The Southland Perception Study could be used to measure the success of these initiatives.

This action involves establishing a single, agreed process to provide an annual snapshot of key labour market information in a single ‘product’, including:

- An assessment of current demand, shortages and vacancies in various sectors and occupations with a short term view of 3 years
- Key labour market indicators such as unemployment, participation rates, inwards and outwards migration data and trends
- Forecast future needs and shortfalls in types and quantities of skills required, with a 3-10 year view
- A view on possible priorities for sectors, occupations and skills areas that talent and skill development activities should be addressing.

Development of the snapshot would be a collaborative exercise involving strong regional engagement, most likely led jointly by Venture Southland, SIT and the Department of Labour. It would draw upon and consolidate available data from various national sources, supported by regionally-sourced data (e.g. through an annual employer and industry survey).

This single data gathering and compilation process would be used for multiple purposes, particularly the review and adjustment of priorities and activities under the workforce strategy, and the adjustment of education and training priorities. In respect of the latter, this single process of data gathering should be designed to accommodate the data needs of the Regional Tertiary Education Statement.

Benefits would include streamlining the processes around data gathering, reducing costs and time involvement from survey participants, and having a single comprehensive picture of the current and project future skills and workforce needs.

\textsuperscript{5} OECD (2007).
Information flows on migration and work permits

7. Continue to work with the New Zealand Immigration Service to explore how best to support contracted regional Department of Labour positions to improve initial settlement support

New Zealand Immigration Service’s regional support services are providing assistance with settlement at the local level. Currently, significant resource appears to be being used by the Settlement Support Co-ordinator and other agencies in the identification of new migrants to Southland. There is scope to identify how information flows between central government agencies and local agencies could be improved, to enable more proactive assistance to migrants at the regional level at an early stage in their adjustment process.

Utilisation

Increasing participation in the workforce

8. Develop initiatives to increase participation in the workforce, particularly among Southland’s older workers and people currently out of the workforce, under-employed or seasonal workers, including promoting greater levels of flexible work options

The current labour force in Southland offers a sizeable resource to support regional growth. Southland currently has high labour participation and low unemployment rates compared to the rest of New Zealand, but now and in the future there will be an increasing need to ensure that Southland can get the most out of its workforce, including:

- Taking steps to encourage older workers to stay productive in the workforce for longer
- Promoting work practices which cater to people who may be seeking more flexible employment arrangements (e.g. part-time, flexible hours). This may include caregivers, parents at home with children, and older workers
- Assisting people not in the workforce, unemployed people and seasonal workers to find suitable work, including through active policies, such as those led by the Ministry of Social Development and Department of Labour

Key groups who may be underutilised include seasonal workers, women at home with children, and caregivers (who may require flexibility in working times and hours) and older people. The latter group in particular presents a challenge for any labour force in future. The ageing rate in Southland means that one in four people in Southland are projected to be over 65 in 2026, compared to one in seven now. This means that a significant number of people may be leaving the workforce over the next 20 years. The challenge for Southland is to consider ways to encourage the aging workforce to stay in work for longer, as the demands of a rapidly aging population force a shift in approach towards this segment of the workforce.
An EEO Trust (2006) survey identified key factors for retaining older people in the workforce, including availability of quality part-time work and flexible working hours as well as extended leave and return to work policies. An aging workforce will also require Southland to consider using older workers in different roles. While someone may no longer be suitable for a physical role, their experience and knowledge may suit them well to mentoring roles, among others.

Encouraging people to stay in the workforce longer will also require examination of stereotypes about older people and the need to educate employers about the value that older workers can add. 6

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6 For further discussion, see “Ageing workforces and ageing occupations: a discussion paper”, F Alpass and R Mortimer, Department of Labour, 2007.
Matching skills to opportunities

9. Promote effective processes that ensure migrants’ skills are well-matched to the regions requirements

National data on migrant settlement outcomes suggests that of those migrants who are dissatisfied with their job (around 8 percent nationally of those surveyed), 55 percent attribute this to ending up in jobs which do not adequately utilise their skills. This has been reported anecdotally within Southland. Ineffective matching of skills to jobs may occur for several reasons, including:

- A deliberate decision by the migrant to take a job that is not a good ‘fit’ on the assumption that it is easier to find and access the right job once in New Zealand, and
- Overselling of the position by the employer.

Whatever the reason, a poor match of skills to the job can quickly lead a highly skilled migrant to leave the region in search of opportunities elsewhere. Rapid churn due to poor matching can be costly for the employer, who has to recruit again, and for the migrant, who faces job switching costs. An action to investigate is the improvement of processes which check the ‘fit’ between the migrant’s skills/preferences and the job prior to offering the job. This may be a role for recruiters and employers, in particular.

10. Identify actions to encourage firms to invest in automation and efficient technologies so peoples’ skills and capabilities can be harnessed in more highly productive ways (for example, case studies; training and seminars)

11. Develop an approach for redeploying workers within existing industry or into different industries as industry and job opportunities change

Harnessing Southland’s growth potential will also depend upon firms’ ability to use – and develop - the employee resources they have in order to adopt high productivity business strategies. Sharing ideas on moving up the value chain, and investing in new technologies is one way of stimulating firms to think about how they can match the people and skills within the firm to the growth opportunities that exist for them.

Refer to “Skilled Migrants in New Zealand: A Study of Settlement Outcomes”, Department of Labour, February 2006.
Building Southland’s skill base

In addition to attracting people with the right skills to the region, Southland’s workforce needs be agile and responsive to evolving demands over time. The local education and training system is the key to meeting these changing demands in way that lifts the overall skill level of Southlanders, and thereby improves productivity in the region.

The “SIT 2 Learn’ distance learning initiative is a promising tool to enhance the skill-base of Southland people who are unable to attend more conventional training. The broad geographic dispersal of Southland’s population makes this a particularly appropriate local solution. The use of new technologies such as Broadband and learning tools such as on-line whiteboards enhance these learning experiences.

Key areas for consideration include:

- Ensuring people in all parts of the local skills development system are aware of and planning to meet current and anticipated skills needs and gaps, such as the possible development of an OSH training centre to increase current productivity and plan for potential new industries like oil and gas
- Support for those who wish to or need to change or extend skills to respond to changing regional needs, including ‘second chance’ education, employer-based training and career guidance, and
- An active approach to developing and promoting careers within the region, focusing on transition from school into training and the workplace.

Adapting the education system to changing needs

| 12. Provide regional information which allows the regional education and training system to respond to changing needs (including servicing the needs of new migrants as well as the existing population) |
| 13. Development of a Southland model for the Schools Plus initiative that is closely aligned to tertiary institutions highlighting the need to develop stronger business to education provider links |
| 14. Explore the further development of flexible training opportunities in Southland, so people can easily broaden or transfer skills, such as mobile training units and distance learning |
| 15. Review the level of demand for English as a second language (ESOL) support for migrants ensuring adequate funding is available, and identify options to ensure migrants get the support they require to effectively participate in the Southland labour market (e.g. access to funding from the migrant ESOL levy) |
16. Explore establishment of professional or trade supervision to verify competency of and allowing skilled workers to apply their skills within their vocation as opposed to being employed in the lower skilled labour market

For the local skills pipeline to support regional growth it needs to be attuned to current and future skills needs. It needs to align with development of the right skills in the right quantities to meet current and future demand from local employers and sectors. The regional facilitation of the Tertiary Education Statement process (established through the Tertiary Education Commission’s framework) has revealed a broad and deep picture of projected skills requirements for the region, which is being used to influence planning within the education and training system. This process should continue on an annual basis, drawing upon the annual snapshot described in the section below on ‘Information on the regional context’.

The system also needs to consider the most effective modes of delivering training and education, taking advantage of developments in technology to develop more flexible training models.

Occupations projected to have significant shortages over the next 10 years include trades, managers, nurses, personal care workers, and dairy-related occupations, suggesting a particular focus on developing skills locally in these areas. There may be ways to simplify re-training requirements, so that skill development is not just about developing higher skill levels, but is also about broadening skills, or developing ‘horizontally’ into new skill areas. Minimising the requirements to do so might encourage more people to move into new occupations.

As new migrants move into Southland, it is important that they receive the support they need to develop language skills required in the work-place. It will be important to ensure not only that suitable courses exist, but also that they are flexible enough to meet migrants’ needs, and provided in sufficient quantity to meet demand.

Career development and building new skills

17. Work with appropriate Government departments to develop funding and monitoring systems that reward schools based upon successful student outcomes

18. Identify innovative ways to promote to young people, career advisors and parents the job opportunities in Southland, as well as other tertiary options
The ability to up-skill and reskill local workers effectively - and financially reward skill development - is essential to building a suitably skilled workforce that responds to changing needs. This will be important as new opportunities emerge, and old industries change (including through technology-driven productivity enhancements). It will be important to develop a lifelong learning approach in Southland. This means:

- Helping local youth to see and understand possible career paths within the region that are interesting, challenging, and provide scope for development
- Providing information, support, and facilitation to channel youth through the school system and into local industries, and
- Providing advice, support and options for established workers who would like to or need to develop or change their skills to suit changing employment needs within the region or a particular industry.

There is scope for an integrated regional approach to tap into Southland’s existing potential through promoting opportunities within Southland for changing careers and developing new skills. This would involve collaboration between career education professionals, private training establishments, tertiary institutions (SIT), schools, Industry Training Organisations, and government agencies, targeting schools and the community more generally to:

- Promote awareness of opportunities and assistance for career development and ‘second chance’ education and training
- Help people to navigate through the education and training system along particular career paths by providing advice on opportunities to upgrade skills and use existing skills in different jobs
- Demystify new jobs for careers advisors in schools
- Avoid fragmentation in school-based careers advice – improving centralised support through a co-ordinating resource, and
- Focus on critical growth areas, in particular in the trade areas and training teaching staff on how their subject contributes.

The suggested approach around career paths and training would also focus on key sectors and industry training areas through the three initial project groups of health, agriculture and construction / manufacturing. Groups would each be charged with:

**Developing and marketing career pathways within the region:**

- Developing an industry-wide perspective on recruitment, career ladders, training and mentoring.
- Marketing their industries to showcase potential career paths within the region, including building better links between major employers and schools, showcasing the need for technical skills within the industry, and highlighting the different opportunities
and skill needs to show that there are interesting career paths available within Southland. The James Hargest College research for Venture Southland suggests that year 10 students may not be aware of the range of job and training opportunities that exist locally.

**Youth transition to work**: Facilitating work shadowing and exploration as part of matching employers with young people interested in those industries. This would leverage off the Tertiary Education Commission’s Gateway programme offered within a number of Southland’s secondary schools already.

**Apprenticeships**: For the construction / manufacturing group, developing targeted promotion of apprenticeships as part of career guidance within the region’s schools. This would seek to boost the profile of industry training opportunities in Southland, especially in the agricultural and engineering support areas, which are seen to be both areas of comparative advantage. Members of the group might source apprentices for local businesses through engagement with schools, organise their induction process, and provide ongoing support for the apprentices during their placement.

A potential barrier to involving employers more actively in supporting young people’s transitions to work is an apparent lack of willingness among many employers to support the Gateway scheme in practice. The project groups will need to explain the benefits of the approach, and leverage off existing positive examples.

There is also scope to consider how management training can be boosted. Indicative analysis is that there is a dearth of Southland graduates with management and commerce qualifications, relative to the demand for job seekers with these skills. There is an opportunity to address this through closer working between education providers and firms, to develop training that suits their needs. It is noted that the New Zealand Skills Strategy discussion document proposes national-level support for pilot projects focused on such issues.

**Example: The BConstructive programme**

A form of this approach is being trialled by the construction industry in New Zealand to encourage higher uptake of apprenticeships and to meet demand for workers in that industry. The BConstructive programme ([www.bconstructive.co.nz](http://www.bconstructive.co.nz)) was developed by a group of construction related industry training organisations known as the Built Environment Training Alliance or BETA. The BConstructive programme is primarily workshop based. Rather than focusing on any one trade the programme builds skills and an understanding of all trades in the construction industry. It also develops literacy, numeracy and communication skills and has close links with the NCEA and Technology curriculums, enabling school students to carry out part of their apprenticeship requirements which they are in school, and supporting measures to encourage employers to ‘adopt’ a school leaver. This is linked to the Gateway programme.
Example: Marketing careers in South-East Lincolnshire

In South-East Lincolnshire, increased attention is being given to marketing local careers in response to a perceived lack of variety in job opportunities. Attempts to retain young people have focused on improving the image of traditional industries, notably horticulture and associated food industries. Initiatives included building business-education links between employers and schools/tertiary institutions, and highlighting the range of opportunities and skill needs (e.g. sales and marketing, business administration etc) to illustrate that not all jobs within the food industry are in large pack houses.

Example: Career clusters in the United States

An effective way of building strong linkages between training courses and career trajectories in the United States has been developed through the ‘career clusters’ initiative. A career cluster is a group of occupations and broad industries based on key common areas. At the foundation (school level), learners are exposed to an entire industry and how different careers interact and rely on one another. Within each cluster there are anywhere from two to seven career pathways from school, through tertiary education/vocational training, to the workplace. They enable students to make connections to future goals, providing motivation for working harder and enrolling in rigorous courses. The clusters are delivered through a partnership approach involving state, schools, educators, employers, industry groups and other stakeholders.

Attraction

Successfully attracting migrants is about having the right attributes, ensuring others know you have them, and matching people with the right skills to the opportunities that are present. In practice, both word of mouth and active approaches to attraction will be key areas.

Across OECD countries, strategic efforts to improve local skills are increasingly focused on the attraction and retention of talent. For Southland this would include:

Improving underlying attracting factors: Southland needs to ensure that the fundamental attracting factors for migrants and the current population are maintained and developed over time. Some factors will be more easily influenced through direct means, such as the quality of infrastructure, facilities, education, and environment. Other factors, including economic growth, income growth, jobs and career opportunities, lifestyle, and safety/security, are much more difficult to influence through direct means because they are the product of much broader and more complex economic, social, and cultural interactions.

Positioning Southland positively in the minds of New Zealanders: general branding and marketing of Southland is an important tool to positively condition the external (and internal) perceptions of the region and what it has to offer. This needs to complement and harness word of mouth, which has the power to disseminate either good or bad perceptions. Southland needs
to be positioned in a way that leverages off genuine strengths and points of difference. While general positioning is likely to be an indirect tool for increasing inward migration, it is worth using the marketing approach to reinforce the ‘pull factors’ that are important to targeted migrants.

**Targeted migrant attraction:** active migrant attraction activities connect target markets/potential migrants with particular openings and opportunities in Southland, as well as making them aware of general ‘lifestyle’ attractors. Activities include recruitment and advertising, and trade and job expos. Effective targeting requires accurate and up to date information about regional needs.

**Underlying attractors and points of difference**

| 19. Build an understanding of patterns of domestic migration into Southland, and reasons for leaving Southland, as a basis for refining attraction and retention activities |
| 20. Evaluate the changing status of key attractors for the current population and target migrants, with a view to improving performance in areas that are lagging, and which are readily influenced through direct means. |

International experience suggests that to attract new talent, and retain existing talent, regions need to offer a wide variety of different underlying attractors. These include:

- Availability of jobs that utilise people’s skills fully, and opportunities for a career path within the region
- Cost of living
- Environmental attributes and values
- Security/safety and family friendly amenities and community
- Sporting and recreational opportunities
- Educational opportunities, and
- Amenities and infrastructure.

Some of these factors are more amenable to direct influence than others, such as the quality of infrastructure, facilities, education, and the environment. Other factors, including economic growth, jobs and career opportunities, lifestyle, and safety/security, are much more difficult to influence through direct means because they are the product of more complex economic, social, and cultural interactions.

Because New Zealand is small, word of mouth connections are pervasive within its mobile population. This means two things:
If the fundamentals are right (particularly sustained, strong economic performance), then word-of-mouth is likely to take its course and motivate people to move (back) into Southland from other parts of New Zealand, and

Getting the fundamental attractors right and maintaining them will always need to be an underpinning platform of an effective attraction and retention strategy. Managing expectations of overseas migrants who have been attracted by particular opportunities or lifestyle factors is particularly important. If the job or the region doesn’t match their expectations then they may simply use Southland as a stepping stone to other opportunities within New Zealand, as has been suggested anecdotally.

At present, key attractors for migrants to Southland are thought to include its ‘lifestyle’, environment, family-friendly attributes, and lower cost of living. It is hoped that the dynamism created by a growing economy will reinforce the availability of interesting jobs and career paths within the region. As the region grows, it is likely to involve some trade-offs in terms of the type of lifestyle available in Southland. A review of the key elements within the Southland Perception Study would help inform decisions about suitable attraction programmes for Southland.

Northland, Auckland and Waikato were key sources of migrants for Southland between 2001 and 2006. Effort should be put into monitoring whether this trend is continuing and if so why it has been occurring. This understanding may identify specific points of leverage that Southland could use to market its opportunities more actively into these regions.

**Positioning strategy**

**21. Continue to positively promote the benefits of living in Southland and address negative perceptions of Southland amongst other New Zealanders and would be migrants, as part of the new branding strategy.**

**22. Target information on Southland at key influencers of migrants, such as immigration consultants, New Zealand Immigration Service front-line staff, and visitor information centres.**

The Perception Study 2008 identified the extent to which perceptions of Southland have improved in recent years, with the region enjoying an increasingly positive profile within New Zealand. This is particularly the case in relation to perceived overall quality of life and affordability of housing, as well as Southland’s tourist attractions. An effective positioning strategy for Southland should aim to build on this momentum. As an approach, it is unlikely to bring people to Southland by itself because it will be too generic, but it will positively condition the perceptions of Southland in the minds of New Zealanders by positioning its strengths and actively countering any false negative perceptions. The idea for the positioning strategy is to build on the positive trends indicated in the 2004 and 2008 perception studies, and address key elements and priority issues they have identified.
Regional workshop participants shared a desire to see increased efforts on marketing Southland as a place to live and work, especially within New Zealand. Participants considered that marketing campaigns should be targeted towards two particular groups:

- People living in other regions of New Zealand who might visit Southland or may consider moving to Southland for a job/lifestyle change, and
- Southlanders themselves, including resident migrants. Participants thought that this group in particular might respond positively to “selling the positive story of Southland to Southlanders”, as a way of improving long term retention.

The marketing approaches outside the region would be targeted particularly towards population groups that are mobile and who may be more likely to settle in Southland for a period of time, including:

- Students (particularly through the ‘zero fees’ initiative)
- People with families who are young enough that parents feel able to move region without undue disruption to schooling and networks of friends, and
- People whose children have left home.

The ‘internal’ marketing approach would be targeted at all Southlanders, but may focus particularly on those groups who appear more likely to leave the region permanently – those in the 15-24, and the 45-65 age brackets.9

Venture Southland has recently developed a revamped branding strategy for Southland, which aims to use various channels to position Southland positively in the minds of Southlanders, other New Zealanders, and overseas visitors. The positioning strategy should be evaluated over time to identify whether it is effective and to reveal useful improvements to the approach.

**Targeted attraction**

Targeted migrant attraction involves actively matching the attraction approach to the specific skills that are required. The challenge is to design the approaches in a way that delivers the best result for the investment in these activities. As discussed in the section on focal sectors above, the approach to targeted attraction should involve a sequence of identifying:

- Which sectors/skills to target, based on areas which are of strategic importance for managing Southland’s future needs (e.g. health), or sustaining and building future comparative advantage (e.g. agriculture)
- The specific occupations and skills needed
- Where to get them from, examining push versus pull factors

9 Based on Statistics New Zealand migration data
A specific approach that is likely to maximise the return on investment in attraction activities

The 2005 Deloitte report *Understanding international migrants* for Venture Southland observes that three groups of factors come into play in migrants’ decision-making processes:

- Economic factors: jobs, career opportunities, wage differentials and stage of life
- Lifestyle factors: environment, proximity to family, education and schools, cost of living, access to entertainment and facilities, safety
- Socio-cultural factors: fitting in with the community, presence of migrants from similar cultures, language

The report notes research to suggest that economic factors tend to play more of a role in domestic migration decisions, whereas lifestyle and socio-cultural factors play an important role in international immigration decisions. This influences the approach to targeted attraction and implies that a ‘rounded’ approach to the benefits of moving to Southland is appropriate, alongside marketing specific sectors and opportunities.

**Casting the attraction net more widely**

23. Review the approach to targeted attraction, focusing particularly on the target sectors and identify specific options to improve rates of attraction and settlement success.

Southland spends most of its targeted migrant attraction effort on the traditional English-speaking markets, such as the United Kingdom (e.g. through jobs expos) and South Africa (through commercial recruitment activities in the agricultural sector). This makes sense given that migrants are more likely to move to a place that is similar to their home, where they are able to use their current skills, but with enough points of difference to make it attractive to move.

However, growing migrant markets in Asia, South America and central Europe present opportunities which Southland may not yet be fully tapping into through its current active targeting policy. While Australia is still the biggest source of external migrants, it may also present even greater future opportunities for attracting more migrants in agricultural occupations due to the climatic challenges it is experiencing.

The ongoing development of Southland’s targeted attraction strategy needs to be based on a clear understanding of the dynamics of successful settlement in Southland. Working from the base of the ‘known’, this should include understanding key attractors for resident migrants, and investigating opportunities to leverage greater levels of migration through families and friends of recent or established migrants. It should also involve investigating the various ‘push’ and ‘pull’ factors for different markets, and understanding likely settlement issues and outcomes for different markets before new markets are approached.
Finally, there may be opportunities to attract Southland’s diaspora back to the region more actively.

**Retention**

As the OECD report puts it, “if attracting new talent is partly developing ‘magnets’, then retention is perhaps more about generating social ‘glue’. Retaining skilled workers does not just apply to new migrants. It also applies to the skilled people who already reside in Southland.

It is a challenge for any region to retain people in the face of globalisation and international competition for skills. A sharper focus on activities to retain people in Southland will be important. This does not imply putting a wall up around the region – movement of people and ideas between regions and countries is a reality and it is a critical way of improving skills, innovative practice and productivity in the region. In this regard, the problem may need to be reframed as ‘brain circulation’, rather than ‘brain drain’. The key will be to hold onto people for long enough to get the most out of them during their time in Southland. This is difficult, because some factors (including jobs and career opportunities) are not easily within direct policy influence.

Beyond ensuring that the fundamental attractors for the region are positive, the retention strategy needs to focus on stimulating host community action and employer-led initiatives to tackle factors that affect Southland residents’ decisions to move elsewhere, through settlement assistance, establishment of social networks, workplace conditions and practices and career opportunities. In addition, more effective settlement and higher retention of new migrants could be addressed through further enhancement of key services such as immigration services. Significant work has already been undertaken in Southland, in collaboration with the New Zealand Immigration Service, allowing access to immigration services, and there is ongoing dialogue on further enhancement to design an approach to settlement in Southland that is tailored to Southland requirements.

Key areas that have been identified to improve retention of workers in Southland are:

- A strong initial focus on ‘destination management’
- Investigating ways to build a migrant settlement support system in Southland that is tailored to local needs, drawing on the range of local community organisations, service providers alongside the establishment of a locally based ‘Migrant Liaison Officer’ (See Appendix 5)
- Improving the match between migrants’ skills and the jobs they take
- Developing workplace practices in the region that will mark Southland employers as good employers

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10 OECD (2007).
• Assess regional settlement agencies’ capacity with a view to ensuring adequate resource application

• Low standards of insulation and heating can be a significant factor in retention of new migrants. There is a need to upgrade existing housing stock.

**Destination management**

**24. Initiate a destination management programme** that create awareness of the importance of migration and prepare Southland employers and communities to accommodate new migrants and cultures.

Effective retention of migrants partly depends on having employers and local communities that are prepared for, and willing to play their part in, welcoming and settling new migrants into Southland’s communities and workplaces.

Settlement policies need to ensure that migrants are effectively connected into the social and economic fabric of the region and their immediate area. Where a person has migrated into Southland for a particular job, effective settlement also means ensuring that this person’s partner or spouse is able to settle into the local community. While Southland positions itself externally around the friendliness of its people, some migrants report their community to be more of a ‘closed shop’ than they expected. This may be partially explained by the fact that Southland tends to attract seasonal workers who have a more transient connection with the local community.

Southland is seeing increasing numbers of migrants entering the region. If successful, aspects of this strategy will increase the number of migrants arriving in future, potentially from more diverse cultures than in the past. Active ‘destination management’ is necessary to prepare the ground for successful settlement of these migrants, to prevent regrettable losses.

Specific activities under this initiative would include:

• Conditioning the expectations of the community around the need for migration and the positive benefits for the community and regional economy

• Groundwork on acceptance of different cultures and education about cultural differences, including through the school system, and

• Working with institutions and employers to help them understand the importance of good settlement and utilisation

• Investigating reasons for people – particularly non-New Zealand migrants - leaving Southland, as a basis for continuing to develop effective migrant settlement support.
The OECD report noted the approach taken by Griffiths, New South Wales, where a local strategy to attract skilled immigrants is being matched by actions to promote multiculturalism and better integrate newcomers, which is proving crucial to increasing retention rates.

**Migrant settlement policy**

25. Develop and implement an active and tailored approach to migrant settlement in Southland including a pilot programme to establish a locally-based ‘Migrant Liaison Officer’

26. **Consider development of bridging courses for migrants** in areas of skill or labour shortage to improve integration into Southland jobs

27. **Initiate analysis of the funding levels for voluntary agencies such as the Multi Nations Council and other volunteer agencies involved in settlement**, as a basis for ensuring increasing pressures can be met

28. **Explore ways to more effectively attract work permit holders and foreign students into longer term jobs in Southland**

29. **Work with community boards, community development committees and community workers in sub-regions to develop effective community awareness of the positive role of migration in community development**, and to develop effective support systems for migrant settlement

Discussions with stakeholders revealed scope to improve migrant settlement outcomes in the region through a more integrated approach, aimed at positioning Southland as the ‘best place to settle in New Zealand’.

Currently a range of initiatives are in place to support successful migrant settlement. These include:

- A ‘Welcome to Southland’ package of general information for new migrants;
- A Settlement Support person (employed by Venture Southland under contract to the Department of Labour), whose roles include:
  - A co-ordinating role vis-à-vis various voluntary agencies in the region
  - Providing 0800 support to migrants
  - Running settlement information programmes for new migrants
- A range of voluntary agencies who undertake specific settlement activities for particular ethnic communities and subgroups of migrants.
While this approach is considered effective to some degree, limitations have been observed, including:

- Difficulties in locating recently arrived migrants
- Limited resources, which makes an ‘active’ settlement support approach difficult, particularly given the growing numbers of international migrants to Southland.

The suggested action in the area of migrant settlement involves developing a more active and co-ordinated approach between Venture Southland, recruitment consultants, the Immigration Service, settlement services, employers and the community, to provide a seamless initial support and follow-up service for new migrants that starts during the initial attraction activities and flows through engagement with the recruitment agent or employer, into immigration processes and eventual settlement in Southland.

The establishment of a ‘Migrant Liaison Officer’ would enable a more ‘hands-on’ role to migrant settlement, allowing support to come to the new migrant. This is seen as key to successful settlement given the geographic spread of the region.

A possible approach for consideration is set out in the diagram below. Key features include:

- Ensuring immigration information is passed to settlement support before the migrant enters New Zealand. Settlement support contacts the migrant directly to offer support prior to immigrating. Settlement support also checks if the employer has handled migrants before and offers training.
- When migrants arrive, they are met by the employer and settlement support
- The employer has a key ongoing role in settlement. Best practices would be highlighted to improve the knowledge of local employers on how to help settle migrants, and
- A settlement support field worker checks in a couple of weeks later and a month later again to respond to any issues or questions in a proactive way.

There are also real opportunities for Southland to make better use of migrants already attached to Southland in some way, for example, work permit holders and spouses of principal migrants.

**Example: Griffiths, New South Wales**

In Australia, the new regional immigration programmes have been taken up enthusiastically by the local area of Griffiths in New South Wales. While local actors state that the preferred position would be to have an available pool of ‘home grown’ skilled people, the new regional programmes provide a useful means of addressing skill shortages. The regional development board embarked on a bold and proactive programme to maximise the attraction of skilled migrants, including by:

recruiting a dedicated person to be proactive in delivery of skilled migrants to the region
participating in Australia needs Skills expos in Hong Kong and Manila, 
promoting the locality as a welcoming region, and 
engaging in activities to promote the effective integration of the new residents.

A key issue is the increasing number of migrants requiring settlement support. Under current resource constraints, a more active approach may not be feasible. An early task will be to determine possible delivery and funding models and investigate feasibility. Options to consider including creating roles for semi-retirees or part-timers looking for flexible work, and operating a funding partnership model to cover costs that draws upon resources from local authorities, Invercargill Licensing Trust, and the Community Trust.
## Retaining residents in Southland and employees in our work-places

<table>
<thead>
<tr>
<th>Action</th>
<th>Description</th>
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<tbody>
<tr>
<td>30.</td>
<td>Explore the establishment of good employer standards to enhance workplace practices. Building Southland employer capability and facilitate the retention of workers.</td>
</tr>
<tr>
<td>31.</td>
<td>Explore establishment of bonded scholarships for Southlanders who undertake tertiary study and work with key agencies such as the Community Trust of Southland, the Invercargill Licensing Trust and the Mataura Licensing Trust to encourage recipients to apply their skills at a local level.</td>
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</table>

Satisfactory or unsatisfactory employment conditions are a key reason why people may stay in or leave employment. There will inevitably be employers whose practices aren’t considered to be up to scratch, but workshop participants identified this as a significant concern in employment retention in Southland.

Workshop participants generally identified a need to focus on changing employer and management approaches to employment conditions by investing in this aspect of management skills and knowledge. Particular areas of concern noted were around employment conditions, treatment of employees, and not making the transition from working ‘in’ the business to working ‘on’ the business. There are currently a range of employer programmes available to employers through Venture Southland, Department of Labour, New Zealand Trade and Enterprise, the Ministry of Social Development and others. In the agriculture sector, the “Good Employer” case study programme provides both information and competitive pressure for employers to improve workplace practices and conditions. The potential to build on this approach in other sectors should be explored. The proposed action to develop managerial skills under “Building Skills” should also be designed to address this issue.
Towards developing an evaluation and monitoring framework for the Southland Workforce Strategy

A workforce strategy is a way of bringing together thinking and shared understanding amongst key labour market participants about issues facing the labour market. This shared understanding is a basis for collectively developing and implementing actions to realise the strategy’s goals.

An evaluation and monitoring framework can be a critical tool to inform the strategy owners about direct and indirect benefits - and any unintended consequences which may have arisen from implementation of the strategy, in order to build a fuller picture about overall effectiveness. It is generally recommended that an evaluation framework be developed at an early stage of a strategy’s life (if not prior to its launch). This ensures that the information required to answer crucial evaluation questions is generated as necessary throughout the life of the strategy, and available in a form that can be robustly evaluated. The types of activities that should be undertaken to develop the framework could include:

- developing an ‘intervention logic’ to surface understandings of how the different areas of the strategy are expected to contribute to achieving the overall desired result
- developing a shared understanding of what success would look like
- identifying indicators or measures to demonstrate:
  - Whether or not the areas within the strategy are being implemented in line with the intent
  - Whether or not the interventions are having the intended effects (contributing to outcomes)
- developing a programme of work to monitor, interpret and advise on the above during the life of the strategy so that adjustments can be made to implementation (in real time) to deal with issues or problems as they arise rather than at identifying them at final review.
## Appendix 1: The current approach

<table>
<thead>
<tr>
<th>Area</th>
<th>Current approach</th>
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<tbody>
<tr>
<td><strong>Attracting migrants</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Positioning Southland</strong></td>
<td>Southland has recently undergone a re-branding exercise, and developed a new branding strategy which will employ various channels to position Southland positively in the minds of Southlanders, New Zealanders and overseas visitors. Significant marketing activity occurs in the Tourism sector. This marketing is very focused (a limited budget means that the amount of generic marketing is limited). Typical tourism marketing includes trade shows, consumer shows, existing channels, and a website. The most successful channel is utilising the media e.g. the Air New Zealand inflight magazine. Specific marketing to attract conferences is undertaken. Events are also used as promotional tools for the region.</td>
</tr>
<tr>
<td>(includes general marketing of the Southland region and its points of difference)</td>
<td></td>
</tr>
<tr>
<td><strong>Targeted attraction activities</strong> (national and international)</td>
<td>Annual attendance by Venture Southland at the UK job expos. This is facilitated by a list (compiled from the Venture Southland workforce survey) of currently available positions in Southland. Employer information is passed onto potential migrants and vice versa, and a recruiter is available to facilitate connections. This survey is only conducted periodically. Southland DHB has also attended similar expos. Advertising nationally and internationally by local recruitment agencies for specific positions. Advertising on employment websites such as seek.co.nz. Direct advertising/marketing (including internationally) by larger regional employers, including SIT, Fonterra and Southland DHB.</td>
</tr>
</tbody>
</table>
| **Retaining people**     | Settlement activities include:  
  - A documented Welcome to Southland package covering a range of key issues for new migrants  
  - Migrant settlement support through workshops for new migrants, and an 0800 number.                                                                                                                                   |
• services provided by a range of voluntary agencies in the region.
• General employer training through a range of programmes run by Department of Labour, and Venture Southland.

### Building skills

The current approach for developing skills to meet Southland’s needs is partially reflected in the Regional Tertiary Education Statement 2007 – 2010 for the Southern Region.

The regional facilitation process to develop the Statement is aimed at improving the responsiveness of the regional tertiary education system to the evolving education and skills needs within the region. It was led by SIT and a steering group comprising representatives from Venture Southland, the Department of Labour, and the Southland Chamber of Commerce.

The process used existing regional information and data, as well as input from a wide range of stakeholders, to identify regional training needs, priorities and gaps.

Careers guidance is provided through schools and by a few private providers.

Currently links between business and the education system are not seen as strong, with some notable exceptions (e.g. Stabicraft).

A number of Southland secondary schools are participating in the Tertiary Education Commission’s ‘Gateway’ programme of work exploration and work shadowing.

The Ministry of Social Development provides a range of programmes nationally under the banner of “Cadet Max” aimed at building skills within the workforce through pre-employment training and transitioning youth into jobs. The Ministry is working with a range of employers nationally to encourage them to ‘adopt’ school leavers and use training within employment to meet workforce needs.

### Utilisation

A range of DoL and MSD programmes are aimed towards utilising the workforce effectively in different regions. While not directly working with Southland in this area, MSD is working with the agriculture sector to help transition workers from the meat industry to other farming jobs.
<table>
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<tr>
<th>Information</th>
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<tbody>
<tr>
<td>Data and information on skills shortages and job opportunities by industry and occupation.</td>
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</tbody>
</table>

- Periodic workforce survey conducted by Venture Southland, identifying current positions available at occupation and industry level.
- SIT’s survey to support development of the Regional Tertiary Education Statement, which surveys current and anticipated (next 10 years) skills needs and skills shortages.
- Anecdotal information gathered by particular agencies in the course of their interactions, e.g. Venture Southland, Southern Training Trust (trades).
- Department of Labour annual in-depth report on labour market.
- New Zealand Immigration Service long-term and immediate skills shortages listings (the latter includes a non-quantified regional breakdown of shortages for specific occupations).
### Appendix 2: Stakeholder engagement

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
</tr>
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<tbody>
<tr>
<td>Barry Simmonds</td>
<td>New Zealand Aluminium Smelter</td>
</tr>
<tr>
<td>Shane Pickle/James Neylon</td>
<td>Alliance Group Ltd</td>
</tr>
<tr>
<td>David Rose</td>
<td>Federated Farmers</td>
</tr>
<tr>
<td>Peter McFarlane</td>
<td>Greener Horizons Workforce</td>
</tr>
<tr>
<td>Fiona Heslop</td>
<td>Fonterra</td>
</tr>
<tr>
<td>Steve Nally</td>
<td>Invercargill Brewery</td>
</tr>
<tr>
<td>Peter Ridsdale</td>
<td>Ascot Park Hotel</td>
</tr>
<tr>
<td>John Horn</td>
<td>Invercargill MANZ</td>
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<tr>
<td>Darryl Johnson</td>
<td>HWR</td>
</tr>
<tr>
<td>Ray McLellan</td>
<td>Calder Stewart Industries Ltd</td>
</tr>
<tr>
<td>Jeff Troon, Meghan Dick,</td>
<td>Venture Southland</td>
</tr>
<tr>
<td>Alistair Adam, Steve Canny</td>
<td></td>
</tr>
<tr>
<td>Richard Hay</td>
<td>Chamber of Commerce</td>
</tr>
<tr>
<td>Glenys McKenzie</td>
<td>Southern Group Training Trust</td>
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<tr>
<td>Sue Morrison-Bailey</td>
<td>Southland Settlement Support</td>
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<tr>
<td>Michael Weuston</td>
<td>Engineering South</td>
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<tr>
<td>Dave McKissock</td>
<td>Southern Directionz</td>
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<tr>
<td>Paul Crack</td>
<td>Department of Labour</td>
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<tr>
<td>Justine Greig</td>
<td>Southland DHB</td>
</tr>
</tbody>
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### Workforce Strategy Liaison Group

Jeff Troon, Steve Canny, Alistair Adam (Venture Southland); Ian Baldwin (SBHS); Kay Day (Aparima College); Penny Simmonds (SIT); Fred Tullet; Gareth Codd (Southland Times); Wayne Harper (Rayners).
Appendix 3: What makes a good workforce strategy: OECD findings

Overview

The OECD is examining a range of best practice examples from different countries in developing local skills strategies. An interim report released in November 2007 highlights a number of key points. The summary of findings so far reflects the questions currently facing Southland, and the focus of its workforce strategy:

“With limited resources, local actors\(^1\) need to establish priorities to ensure that concerted local action can have a real impact on the labour market. However, what should local priorities be? The attraction and integration of new talent? The retention of existing skilled workers? The education and training of future generations of youth in the needs of the local labour market? The integration of disadvantaged groups who are currently outside the labour force? Or up-skilling the current labour force and working with employers to move towards more knowledge intensive forms of production? While national policy will have a role to play, much of the responsibility for a number of these actions will fall squarely on the shoulders of local and regional actors\(^2\)

The interim report identifies a three-stage process to designing a strategy which answers these questions:

- **Identifying the local context**, including skills demand and gaps
- **Deciding what weight to give the different areas of the strategy**: once localities have placed themselves on the ‘skills map’ the next stage is developing strategic priorities to address emerging issues – agreeing shared priorities and objectives, and the balance of effort between different areas of the strategy, and
- **Deciding which instruments to use.**

Specific learnings

**Identifying the local context**

**Understanding the local labour market** is a prerequisite for targeting actions towards the regional context. This highlights the need for agencies in Southland to develop and maintain an effective, shared regional labour market picture as input to strategic decision-making. The development of forecasts and drawing upon a range of surveys provides a good evidence base for strategy development. This picture will need to be reviewed and updated at reasonable intervals.

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1. “Actors” in this context refers to “key stakeholders”
Links between national and regional approaches: Regional and national agencies need to work together to ensure that ‘bottom-up’ and ‘top-down’ assessments of shortages are consistent and inform each other. This means that Southland agencies will need to be well connected to central government agencies, particularly the Department of Labour, to ensure that national skills shortages lists accurately reflect the Southland picture, and to keep the Department informed of immigration-related barriers to attracting skilled workers.

Establishing strategic objectives and priorities

Deciding shared priorities and objectives: Local organisations need to decide on shared priorities and objectives for workforce strategy. A review of local practice in OECD countries reveals that priorities are often to be grouped under three lines of action:

- Attracting and retaining talent
- Upgrading the skills of the existing workforce
- Integrating disadvantaged groups into the labour market.

Taking a balanced approach: effective local skills strategies consider these three areas together as part of a balanced approach. For Southland, this means deciding where the appropriate balance lies between activities aimed at attraction, retention, education/training and improving participation of the current population. (Note Southland’s labour-force participation rate is currently the highest in the country on 72.8 percent)

Focusing on areas that matter: Some ‘skills alliances’ mentioned in the case studies have involved a business-led approach with strategic aims and objectives developed locally in consultation with local employers, covering the different areas of attraction, retention, upgrading skills and integrating disadvantaged groups. In each case these objectives have focused on a particular sector of importance for the local economy. This strategy adopts this approach as a way forward.

Investing in the longer term: Investing in the longer term is important to avoid reliance on ‘quick fixes’ to meet current acute needs. Experience suggests that demand-led approaches risk focusing on short-term solutions rather than longer term goals.

Implementation and review

Working together on delivery: Local stakeholders need to work together to deliver relevant policies. However, effective joint working at local level requires sufficient flexibility within the implementation of policies by local stakeholders to support integrated decision-making at the local level. This may pose challenges in some
areas around immigration and education decisions, which may be made nationally with limited local flexibility.

**Public/private sector partnerships:** Private sector partners (employers, business representatives and brokers) can be invaluable in implementing skills strategies.

**Regular review:** Skills strategies need to be regularly reviewed and adjusted according to new and evolving analysis of the regional, national and global economy.

**Proactive approach:** institutions and partnerships responsible for delivering local skills strategies should not remain reactive but continually assess how the region can build on its comparative advantages to respond to changing needs and opportunities.
Appendix 4: Terms of Reference for the Workforce Strategy Document

Development of a Workforce Strategy

Description and scope of the strategy document

The workforce strategy will essentially address two questions:

What are the current and potential medium-long term labour market constraints and skill requirements in Southland?

Given this context, what is the best medium-term strategy to meet current and future needs and support the region’s growth strategy?

Examining these questions in more depth, the strategy document is envisaged to cover the following:

Current and future workforce requirements in Southland

A description of the current labour demand and supply conditions in the Southland region, including critical constraints, pressure points and skills requirements.

An assessment of the possible future labour constraints and skill requirements, based on:

- an analysis of the contextual (e.g. social and economic) factors, trends and drivers that may affect supply of, and demand for, labour in the Southland region over the next 15-20 years. These include perspectives on labour participation and productivity and an assessment of sectoral and geographical trends and drivers.

- recognition of path-dependency in short-medium term workforce composition and the circular relationship between availability of certain skills and the pattern of growth in particular sectors of the regional economy.

A conclusion on what skills (and in what quantity) will be required to achieve the region’s medium to long-term economic development vision.

A view on the critical uncertainties affecting labour supply/demand projections and the possible impact on the workforce requirements and desired approach if these uncertainties were to play out in different ways.
**Focus and priorities for action**

A recommended approach to addressing current issues identified above, and for meeting current and projected future labour requirements over time, based on the above assessment. Potential areas for focus could include:

- Labour market information
- Career choice
- Skill development
- Immigration approaches
- Workplace practices
- Regional / industry problem solving on skill shortages.

An outline of suggested priorities and an outline of key areas for action to address issues, including broad phasing that takes into account the differing lead times for different types of initiatives (for example, skill development compared with immigration). The outline may include identifying priorities within existing programmes and approaches, in addition to any new priorities for action that emerge from the project. It will describe how existing programmes and approaches fit together alongside new initiatives to form an integrated and coherent whole.

A description of the respective roles of key players in relation to the strategy.

An overall approach to thinking about any key strategic questions and choices about the implementation of the workforce strategy. Questions may include:

- The balance of ‘make or buy’ in relation to supplying skills to meet short and long term needs.
- The relationship between workforce strategy and economic development strategy.

**What the strategy will not cover**

While the strategy will specify recommended actions in the priority areas identified, it will not specify detailed plans or implementation tasks. Development and implementation of detailed project plans will be a task for Venture Southland and stakeholders to manage and negotiate following the completion of the overall strategy.
## Appendix 5: Settlement Support and Migrant Liaison Officer Roles

<table>
<thead>
<tr>
<th>Settlement Support Co-ordinator:</th>
<th>Migrant Liaison Officer:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The development of clear point of contact for migrants to access information</td>
<td>• Migrant Introduction to settlement services</td>
</tr>
<tr>
<td>• Develop network of agencies/parties involved in settlement.</td>
<td>• Ensure that migrant welfare and wellbeing are being achieved ensuring:</td>
</tr>
<tr>
<td>• Contribution to Settlement Planning locally and nationally</td>
<td>o adequate accommodation is provided</td>
</tr>
<tr>
<td>• Undertake mapping of migrant and refugee groups and settlement services</td>
<td>o appropriate work environment and employer support</td>
</tr>
<tr>
<td></td>
<td>o ability to access essential services</td>
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<tr>
<td></td>
<td>• Provide out-reach services throughout the Southland geographical area</td>
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<tr>
<td></td>
<td>• Provide feedback for settlement planning</td>
</tr>
<tr>
<td></td>
<td>• Labour Market compliance</td>
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</tbody>
</table>