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Southland Workforce Strategy 2014-2031

REPORT COMMISSIONED BY VENTURE SOUTHLAND – MARCH 2015

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Southland Workforce Strategy – 2014-2031

Referencing information:

Jackson, N.O. (2015). Southland Workforce Strategy 2014-2031. Report Commissioned by Venture Southland. March 2015. Natalie Jackson Demographics Ltd as a sub-contract to the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato.

Acknowledgement:

The author acknowledges the verbatim uplifting of large sections of the accompanying Southland LMA Report (Roskruge & Pawar 2014) and the previous 2008 Workforce Strategy prepared by MartinJenkins. This has been done to ensure continuity and inter-linkage of essential information whilst reducing interference to the flow through excessive referencing.

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Executive Summary

Workforce factors continue to be one of the most significant areas of economic limitation for the Southland region. The Labour Market Assessment (LMA) undertaken by NIDEA[2] for Venture Southland in 2014, shows that Southland faces significant labour market contraction, forecast to begin in 2018 and quickly deepen, due primarily to structural aging within the population. This will be compounded by changing skill requirements in the workforce.

Southland already has very high labour force participation, nevertheless there is potential to increase participation amongst particular groups, including younger people, older people and women, in order to increase labour supply. However, the LMA modeling clearly shows that increased migration will also be required merely to keep the workforce stable and allow for a modest 1% per annum growth in GDP.

This Workforce Strategy, outlines a plan of action for the Southland Region, 2015 – 2031. It has been developed following stakeholder workshops held with local employers and policy makers, as well as review of the 2008 Workforce Strategy, undertaken for Venture Southland, by Martin Jenkins. Many of the proposed actions remain relevant and have been incorporated within this document. A review of progress made since 2008 can be found in the appendix.

The strategy includes targets to increase workforce numbers across four main groups: **Younger workers, Older workers, Female workers and Migrant workers**. Recommended actions to achieve each of these targets fall into four areas: **Attraction, Retention, Upskilling and Utilisation**.

While all four target demographic groups are important, it is recommended that focus should be particularly placed on initiatives to increase numbers of young people and migrants in the workforce. Inclusion of greater numbers of young people will have a significant social impact as well as long term pay off as those young people settle and have families. A focus on migration is essential in order to lift absolute numbers of the workforce while limiting the impact of increased participation. It should be noted that participation rates amongst older people and women are already high, and with increased participation, there is a trade off in terms of reduced volunteerism and

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participation in the sport and social activities which form an essential part of the local community.

The 2015 Workforce Strategy thus reaffirms the major objectives and action points of its 2008 predecessor, but proposes that four overarching targets should be adopted and that actions should be operationalised at two distinct levels: that of Venture Southland and its key Stakeholders in whom the main governance, lobbying, monitoring and evaluation roles are currently vested (a **'Tactical' level**), and that of Employers anticipating future labour supply (a **'Workplace' level**). The 2015 Strategy also proposes the development of benchmarks against which progress can be more readily evaluated.

The inclusion of the **Employer Level Workforce Strategy** is primary significant innovation in the 2015 Strategy. It provides a list of 'Utilisation/Upskilling/Attraction/Retention' action points for consideration and adoption by employers which mirror those at the Tactical (Governance and Review) level, reflect the many successes (and some frustrations) achieved under the 2008 Strategy, and incorporate feedback from Stakeholder consultation, and best practice in international workforce planning.

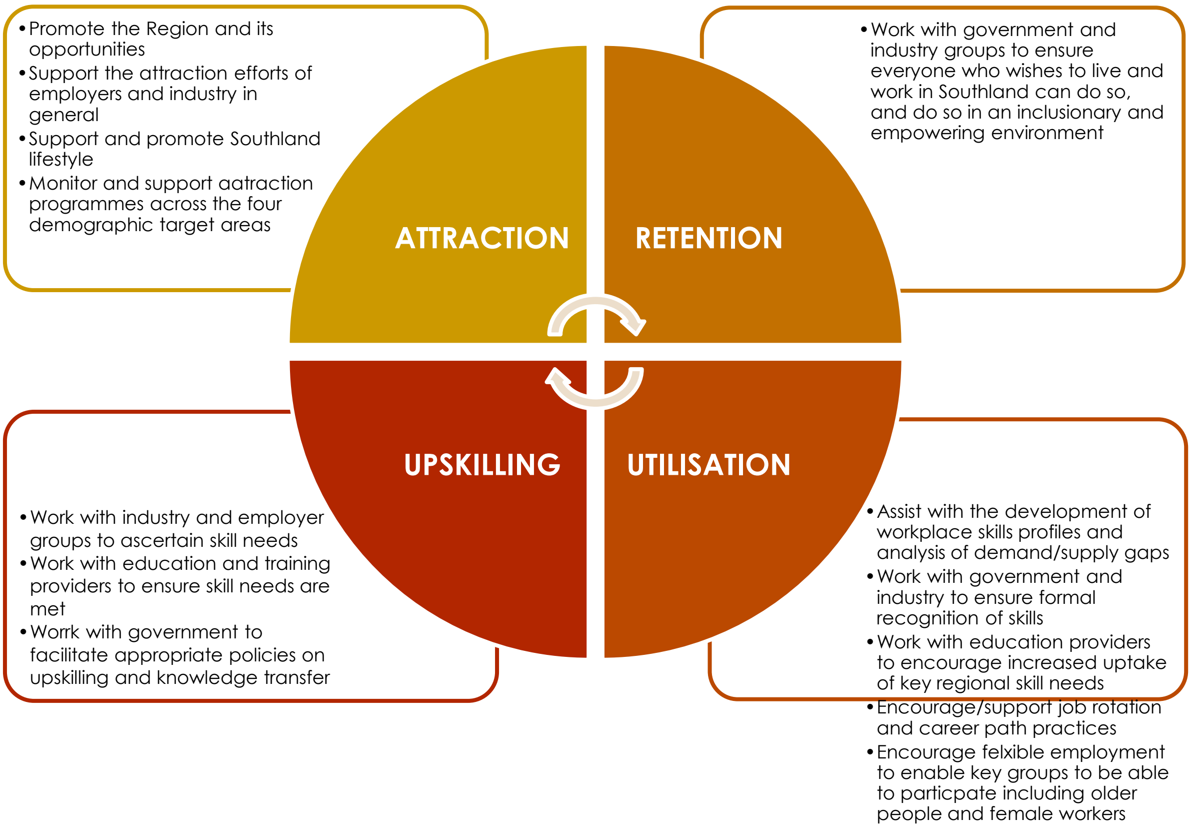
Notably the employer level strategy includes a **three-tiered operational approach** to implementing workforce planning, based on the development of workforce demographic and skills profiles, the introduction of environmental scanning of the workplace to assess its capacity to accommodate workforce ageing, and the accompanying introduction of the Work Ability index via which the strengths and limitations of employees to carry out current tasks, roles and responsibilities can be self-assessed and workplace level responses developed.

Governance structure will be critical to the success of the implementation of this Strategy. The suggested approach to developing an effective governance structure for the implementation of the Workforce Strategy is to utilize, wherever possible, an existing structure which already has a clear focus on regional labour market issues. The labour market challenge is critical to the region and is important enough to have a specific Governance group solely focused on this issue. Venture Southland has already initiated work under the Youth stream and has brought together a regional taskforce. This group has the mandate and representation to drive real change across the region and may be adapted to wider labour issues.

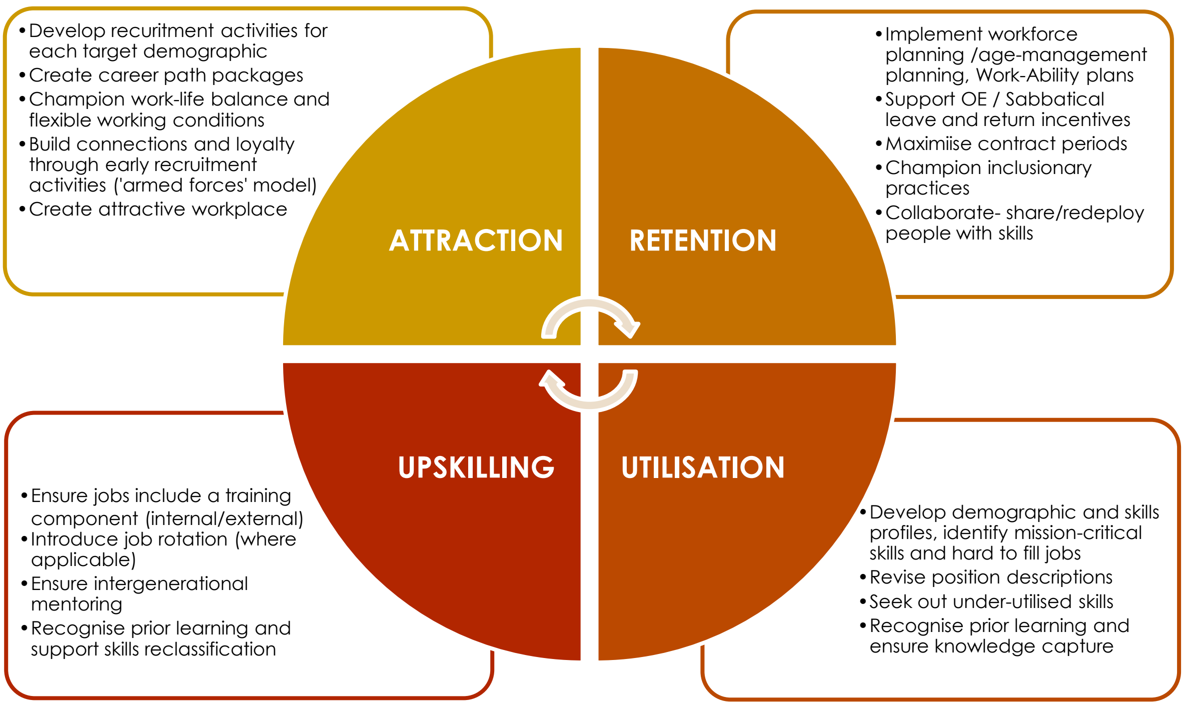
Southland should be applauded for taking a proactive approach to regional labour market challenges. Central Government agencies should support and recognize the long term impact of labour market shortages within producing regions. If the implications of structural aging for the Southland workforce are to be addressed successfully then a meaningful partnership between Central Government and regional leadership will be required.

> *"Regardless of the scenario, the rapidly aging Southland population and shrinking workforce continued to result in a shortage of labour. It is likely that a combined approach, using a range of policy tools and initiatives with local government, communities and stakeholders will be required to maintain or grow the Southland economy and prevent the closure of businesses and restraints on growth due to employee shortages. In particular, there is a clear need to find strategies to activate the latent youth workforce, which is not only important for replacing workers exiting the labour market but also to begin developing those specialist skills which will be required as experienced workers exit. There is also a role for attracting and retaining both domestic and international migrants to Southland, with this strategy showing the most promise of those modelled. The growing and strengthening Filipino community in Southland is a good example of how this strategy can be realised. Overall, there is a clear need for the Southland Region to develop plans collaboratively to facilitate greater labour supply to meet the labour demand required to continue to experience economic growth. This is particularly urgent as other regions and countries are also facing similar challenges to the Southland Region, and many strategies will be increasingly difficult to implement in a global environment of high competition for labour."*

Governance and Review



Workplace level – Employers

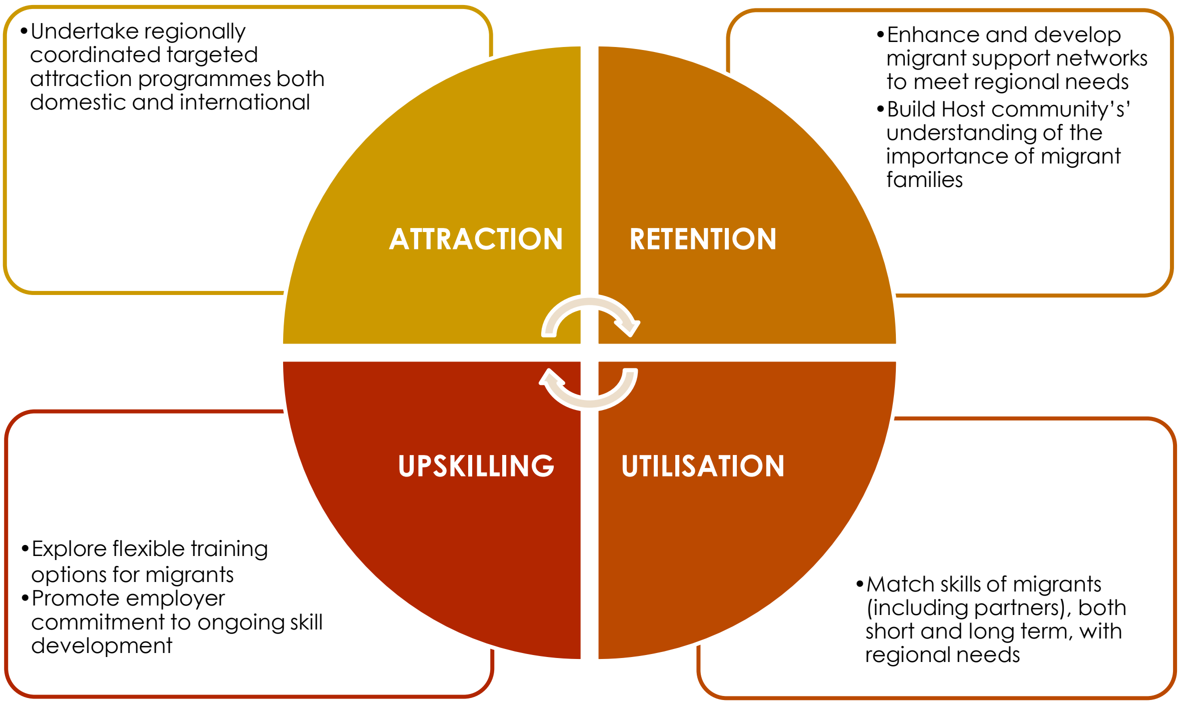


Action Area: Migration

Target: Gain an additional 300+ working age individual migrants per annum for the next 15 years

Of the four scenarios modelled, **Migration** is the only one which increases the absolute size of the Southland population. The findings suggest that approximately 220 additional people would be added to the Southland Region's labour force annually if net migration was increased by 300 working age individuals. This results in a near linear climb in additional labour supply but does not offset the countering decrease driven by structural ageing. While migration, both internal and external, has played an increasingly critical role in fulfilling regional labour market needs over the past 10 years and this needs to continue if Southland is to maintain a stable labour market.

Southland will work as a region to attract, retain and utilise the skills of both domestic and international migrants.

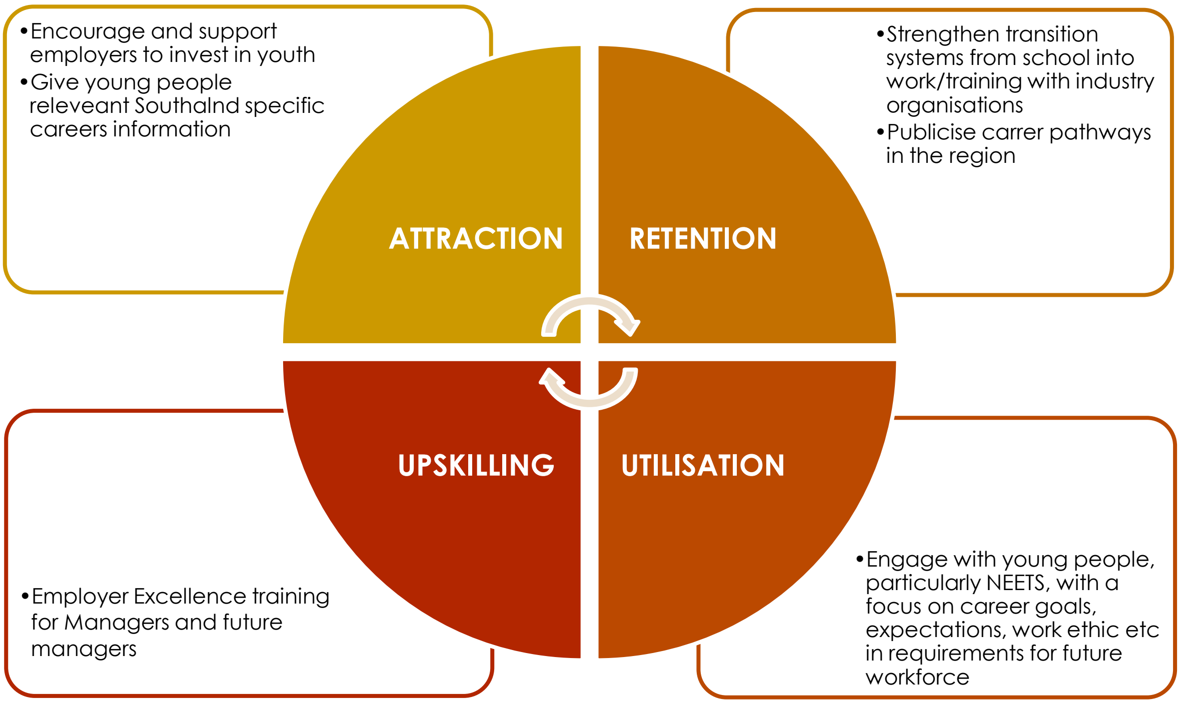


Action Area: Youth Engagement

Target: A 12% Increase in Youth 15-24 age range participation rate of youth aged 15 - 24

There is a clear need to find strategies to activate the **latent youth market** but also to begin developing those specialist skills which will be required as experienced workers exit. While Southland has a relatively low level of unemployment, young people are overrepresented. This scenario would see an additional 220 youthful participants in 2016, peaking at an additional 649 participants by 2026 before declining slightly. Although having a relatively small impact numerically, the longer term workforce participation of these youths as they gain early career skills and have families of their own should be taken into account. The long-term social and economic impacts of youth disengagement means youth should be an area of focus.

Southland is committed to utilising and developing all available young people by having available training and mentoring support enabling all to reach their potential.

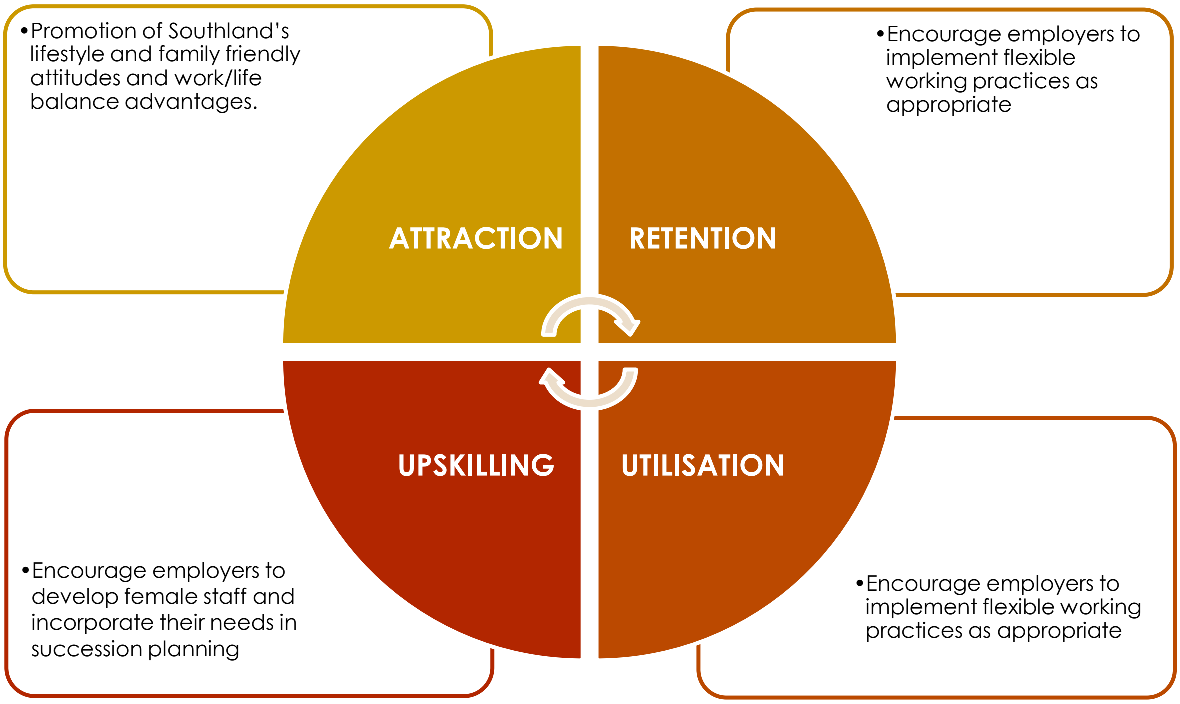


Action Area: Women Participation

Target: A 25% increase in Women's participation in the workforce, closing the participation rates between men and women.

Adopting this target, will see an additional 1,000 women participate in the workforce by 2020. Increasing female participation is an existing trend within national and regional labour markets. However it needs to be noted that any increased participation may impact on family and social life and will impact on the volunteer workforce. Southland already has a high level of workforce participation rate which may make this target difficult to achieve.

Southland recognises the value and contribution of women in the workforce and supports employers to implement flexible work practices.

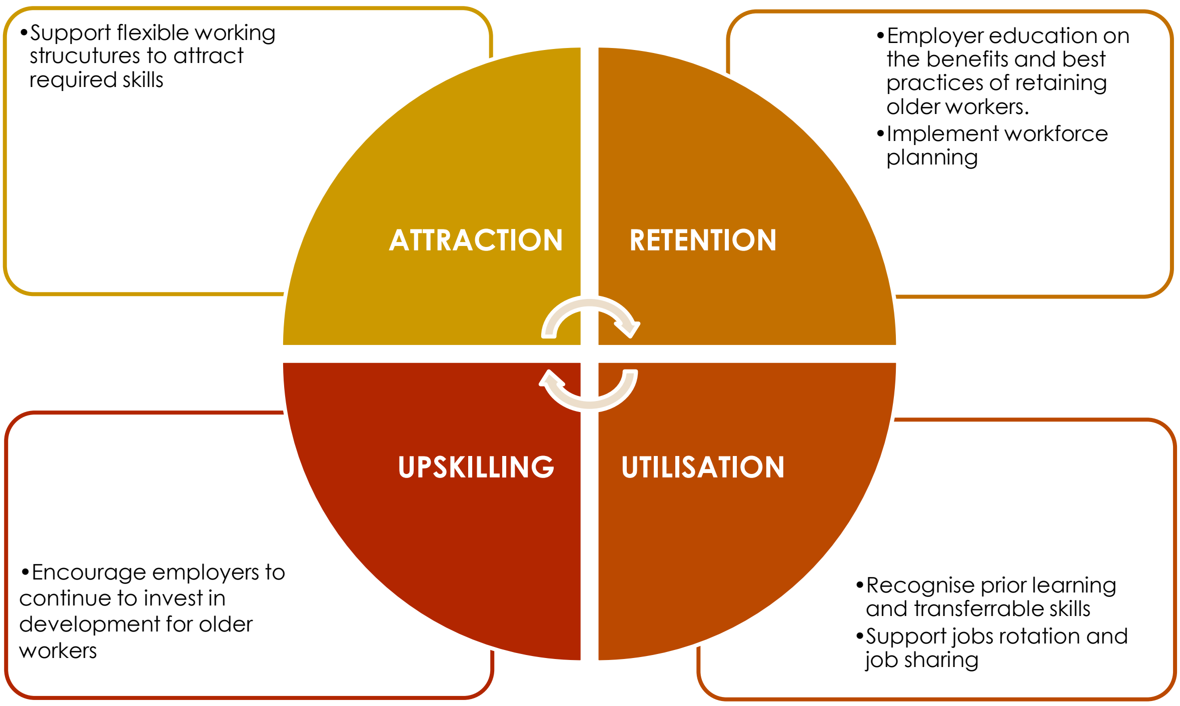


Action Area: 55+ Participation

Target: An increase in the labour force participation rate of people aged fifty five and over

An increase in participation at 55+ years will generate a somewhat greater increase in labour supply, and will stabilise labour supply between 2016 and 2021. After 2021, continued structural ageing will quickly begin to offset these gains, suggesting further changes in participation at older ages would require radical policy change such as an increase in the pension eligibility age to about 70. There is likely to be a potential impact on volunteerism. While this action area helps relieve immediate labour market pressures, its long-term impact is minimal and it therefore needs to be a part of the overall solution rather than a sole focus area.

Southland be an age positive region supporting employers to adopt working practices to retain older people's skills and experience beyond traditional retirement.



Preamble

This Southland Workforce Strategy (2015) has been prepared by Natalie Jackson of Natalie Jackson Demographics Ltd. For background it draws on two main documents: the Southland Region Labour Market Assessment 2014-2031 prepared by Mathew Roskruge and Shefali Pawar of the National Institute of Demographic and Economic Analysis, University of Waikato; and the previous Southland Workforce Strategy (May 2008) prepared by MartinJenkins. It also draws on three stakeholder consultation workshops held in Invercargill on the 18th and 19th February 2015 (see Section 2; participants listed at Appendix A), feedback on actions taken under the 2008 Strategy (Section 3), and a range of workforce planning strategies and associated documents accessed via the internet (Section 4 and Appendix B).

This 'revised' Strategy does not seek to reinvent the 2008 Strategy developed by MartinJenkins. In my opinion—and as will be demonstrated here—the 2008 Strategy's four key objectives and 31 action points remain sound and sufficiently comprehensive to cover iterative developments. Rather, this revision provides a reality check of the 2008 Strategy's key messages against trends occurring in the ensuing seven years, identifies four target action areas and further develops its action points, progressing it from a document which articulates an overarching workforce strategy to one which provides additional implementation guidance at the employer level.

When interpreting the information provided in this report it is important to remember that neither demographic projections nor workforce projections are forecasts in the sense that they incorporate interventions to bring about that future. Rather, they indicate what the situation will be if the underlying assumptions regarding demographic change (births, deaths and migration) and economic development prevail. Nevertheless, the scenarios which have been modeled, provide a basis from which to form key targets to focus actions around. While incorporating local and national patterns and trends of both demographic and economic nature, they also take account of global evidence that population and workforce ageing are significantly further advanced in similar nations and regions; they thus provide as sound as possible a basis for local workforce planning.

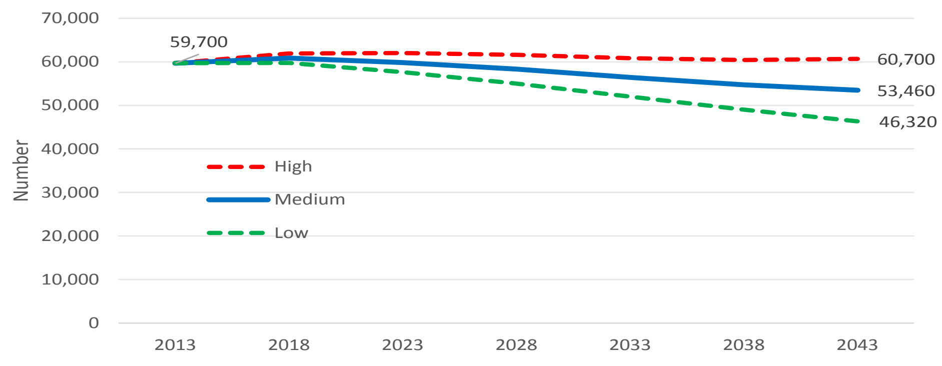
1. Overview and Update

The Southland Region Population

The Southland Region Labour Market Assessment (LMA) Report (Roskruge & Pawar 2014) showed that between 2006 and 2013 the Southland region's population grew by almost three per cent, somewhat above the period 2001-2006 when there was minor negative growth, and substantially above the 1996-2001 period when the population declined by 5.8 per cent. Overall population growth has thus resumed, the corner being turned around the year 2000. At the same time, as elsewhere, the population is ageing. Between both, 2001-2006 and 2006-2013, the prime working age population (currently 15-64 years) grew by just 1.0 per cent, while those aged 65 years and above increased by 7.0 then 15.0 per cent respectively.

Population projections indicate around 2.5 per cent growth between 2013 and 2018, with growth then slowing and becoming negative after 2028. The primary cause of projected negative growth under the medium assumptions is a return to net migration loss (see Appendix C) as regions increasingly compete for migrants in the context of advanced structural ageing. However structural ageing will also see natural increase reduce across the period, removing the buffer to periodic net migration loss that Southland—and New Zealand more generally—has come to take for granted. By 2033 Southland Region is projected to have one-quarter of its population aged 65+ years, up from its present 15.6 per cent, while after 2023 the population aged 20-69 years (allowing for an older modal working age) is projected to fall both numerically and as a proportion. Notably figure 1.1 shows that over the next few decades there will be minimal difference in numbers available under the high, medium and low assumptions.

Figure 1.1: Projected population aged 20-69 years by projection series, Southland Region 2013-2043



Statistics New Zealand (2015) Subnational projections by age and sex 2013(base)-2043

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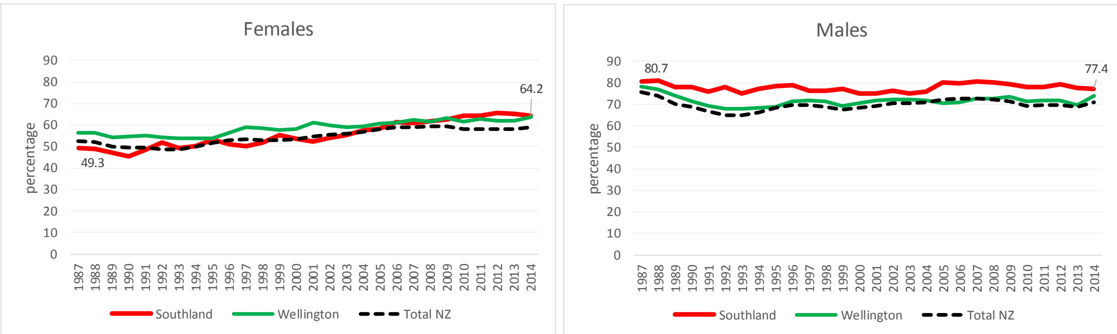
Workforce

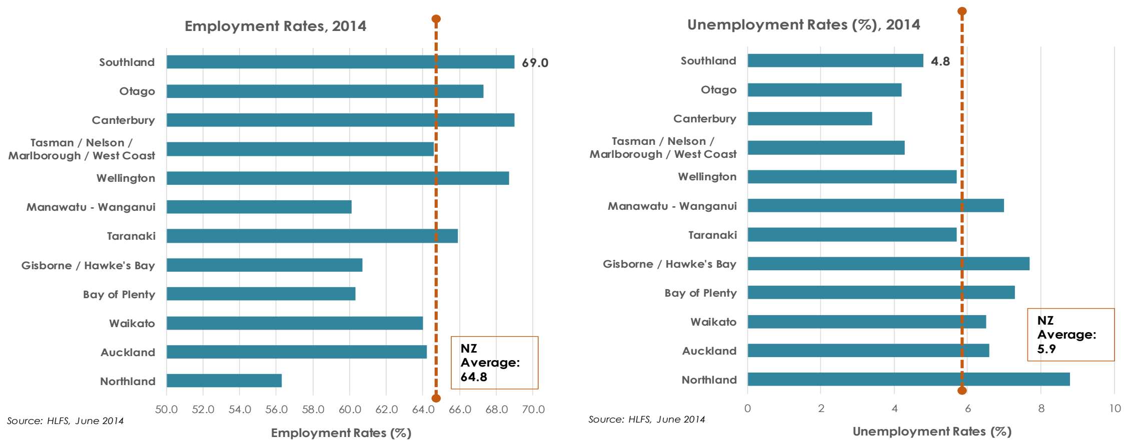
The projected numbers at prime working age must also be seen in relation to the fact that the Southland Region already has the second-highest workforce participation rates in New Zealand, and the highest employment rates, irrespective of sex (heading off even Wellington – see Figures 1.2 and 1.3). These trends are accompanied by unemployment rates that are well below the national average, and moreover already include a relatively high proportion of people aged 55 years or more, with one in every five people in Southland's labour force belonging to this age group. Southland's labour market 'entry:exit' ratios tell a similar story: in 2001, there were just on two people at labour market entry age in the general population for each person in the 'retirement zone'. By 2013, this ratio had declined to just on one entrant per 'exit', and is projected to fall below one for one by 2018, as natural attrition from retirement increases and youthful replacements decline. All of these indicators suggest the arrival of a demographically-tight labour market with minimal elasticity that will be sustained for at least a decade.

Figure 1.2: Employment rates by sex for the population aged 15+ years, Southland Region 1987-2014.



*Source: Statistics NZ (various years) Table reference: HLF053AA *as percentage of all females/males aged 15+ years*

Figure 1.3: Employment and unemployment rates for the population aged 15+ years, Southland Region, June 2014.



Source: Roskruge & Pawar, Southland Labour Market Assessment Report 2015, Appendix Figures 2 and 3.

Industry and Occupation

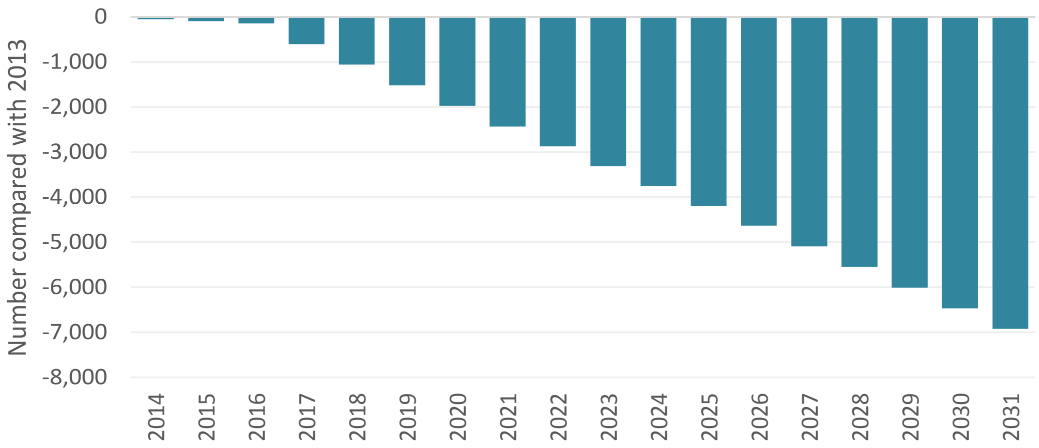
According to Roskruge and Pawar (2014), the Southland Region has recently seen a significant transition in its industry and occupation mix. Although Grain, Sheep & Beef Farming and Meat & Meat Product Manufacturing remain the region's largest and 3rd-largest industries at 3-digit level, together accounting for 12.5 per cent of the region's employed workforce, they have seen significant downsizing. Also seen is a clear shift from meat and wool production to dairy, with Dairy Farm Worker rising from fifth position in 2006 to become the most common occupation in Southland in 2013. Services to Agriculture has also seen an appreciable increase in numbers employed. Outside of agriculture there has been particularly strong growth in the interlinked health care industries: Community Care Services, Hospitals & Nursing Homes, and Other Health Services, increasing from 4.5 to 7.8 per cent of the employed workforce. Building & Construction related occupations have also grown. Overall numbers employed in the region remained stable at around 48,000 between 2006 and 2013, but almost 3,000 above numbers in 2001.

Alongside these trends almost all industries and occupations across the Southland Region (as well as nationally) are experiencing workforce ageing, with declining entry: exit ratios and increasing proportions aged 55 years or more, as noted above. Some of these entry: exit ratios are extreme, with currently just on four people employed at age 15-29 years per 10 people employed aged 55+ years in the region's now 5th largest industry, Community Care Services, compared with 14 per 10 in 1996 (data for industries employing more than 300 people between 2001 and 2013 are included at Appendix D). As a general rule, all health and professional service industries have extremely low entry:exit ratios, while the retail and hospitality industries have relatively high ratios. The problem for employers facing labour and/or skill shortages is that people are not perfect substitutes; an excess in some occupations will do little to resolve deficits in others.

The future

As indicated above the overall population of the Southland Region is projected to remain relatively constant over the next sixteen years. However, while the population will stay around the same size, structural ageing will result in a shrinking workforce. Compared with 2014, labour supply of people aged 15-64 years (the 'prime' working age population) is likely to fall by 2,000 by 2020, 4,000 by 2025 and 6,000 by 2030, a 12 per cent reduction over 16 years (see Southland LMA Report, 2014, Section 3 for detail).

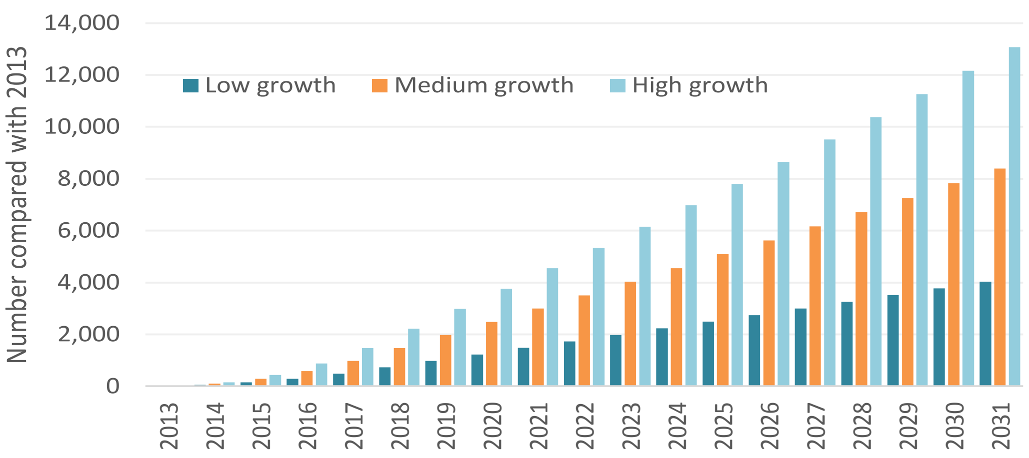
Figure 1.4: Absolute change in projected labour supply compared to baseline scenario, 2013 to 2031



Source: Roskruge & Pawar, Southland Labour Market Assessment Report 2015, Fig E1

While the supply of labour is projected to decrease in Southland, economic growth including increased demand in key industries such as health care would see overall demand for labour increase, as shown in Figure 1.5. Economic growth is projected to add between 1,000 and 4,000 new positions by 2020, rising to between 4,000 and 12,000 new positions by 2030.

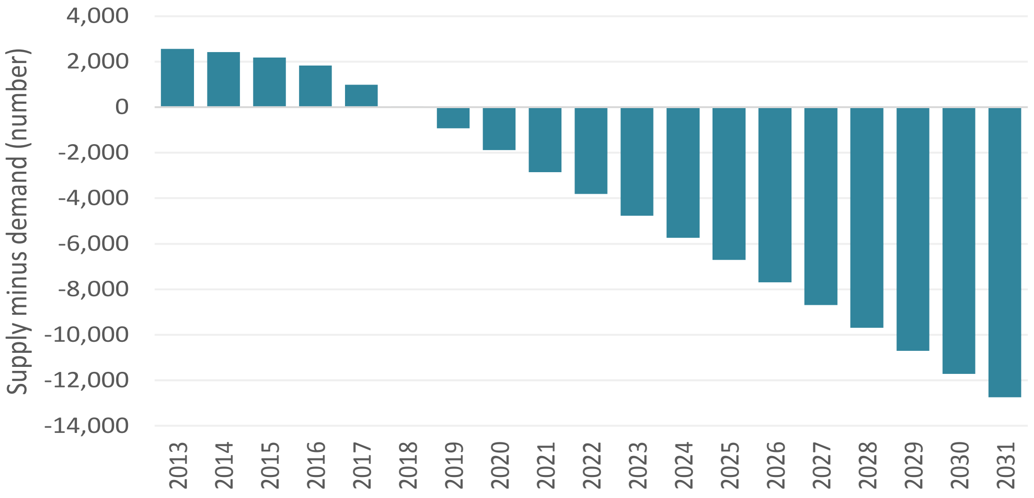
Figure 1.5: Projected growth in labour demand by projection scenario, 2014-2031.



Source: Roskruge & Pawar, Southland Labour Market Assessment Report 2015, Fig E2

Placing medium projections of labour supply alongside medium projections of demand suggests that by 2023, Southland is likely to have a labour force shortage of approximately 5,000 people, rising to over 12,000 by 2031 (Figure 1.6). From 2016 this shortage will begin to be generalised across industries and occupations as individuals leaving the labour force through structural ageing will increasingly not be replaced by younger workers moving into the labour force.

Figure 1.6: Projected labour supply less projected labour demand, medium case scenario, 2013-2031.



Source: Roskruge & Pawar, Southland Labour Market Assessment Report 2015, Fig E3

The authors of the Southland LMA Report (2015) tested several scenarios on the supply side (increased migration, increased labour force participation by older workers, younger workers and among women) as well as both increased greenfield development and a negative scenario on the demand side (closure of the Tiwai Point Aluminium smelter). They concluded that:

> *Regardless of the scenario, the rapidly aging Southland population and shrinking workforce continued to result in a shortage of labour. It is likely that a combined approach, using a range of policy tools and initiatives with local government, communities and stakeholders will be required to maintain or grow the Southland economy and prevent the closure of businesses and restraints on growth due to employee shortages. In particular, there is a clear need to find strategies to activate the latent youth workforce, which is not only important for replacing workers exiting the labour market but also to begin developing those specialist skills which will be required as experienced workers exit. There is also a role for attracting and retaining*

both domestic and international migrants to Southland, with this strategy showing the most promise of those modelled. The growing and strengthening Filipino community in Southland is a good example of how this strategy can be realised. Overall, there is a clear need for the Southland Region to develop plans collaboratively to facilitate greater labour supply to meet the labour demand required to continue to experience economic growth. This is particularly urgent as other regions and countries are also facing similar challenges to the Southland Region, and many strategies will be increasingly difficult to implement in a global environment of high competition for labour.

Modelling future workforce demand and supply

As might be expected, the 2014 LMA Report showed that future labour demand will almost certainly differ by industry and occupation (data included at Appendices E and F). Drawing on recent economic trends, taking account of workforce ageing and natural attrition to retirement, and applying scenarios of 0.5, 1.0 and 1.5 per cent per annum growth, the Report shows that labour demand to 2023 is likely to increase in the Construction and Health & Community Services industries in excess of 1,000 positions under each scenario (for Construction: 1,031, 1,205 and 1,384 under the low, medium and high scenarios respectively; and for Health and Community Services, 1,184, 1,412 and 1,648 respectively). Agriculture, Forestry & Fishing, Retail Trade, and Property & Business Services can also anticipate notable increased demand. In contrast the Report indicates declining demand in just two industries, Manufacturing, and Communication Services, although only in Manufacturing is the reduction likely to be significant (-1,878, -1679, and -1,509 positions under the low, medium and high scenarios respectively).

These industry differences are reflected in projected occupational demand, with substantial increased demand likely for Legislators, Administrators & Managers, Professionals, Technicians & Associate Professionals, and Labourers & Elementary Occupations. In contrast, notable declines are likely in the number of Plant & Machine Operators needed (-1,314, -1,143, and -966 positions under the low, medium and high scenarios respectively), and a somewhat smaller reduction in demand for Clerks.

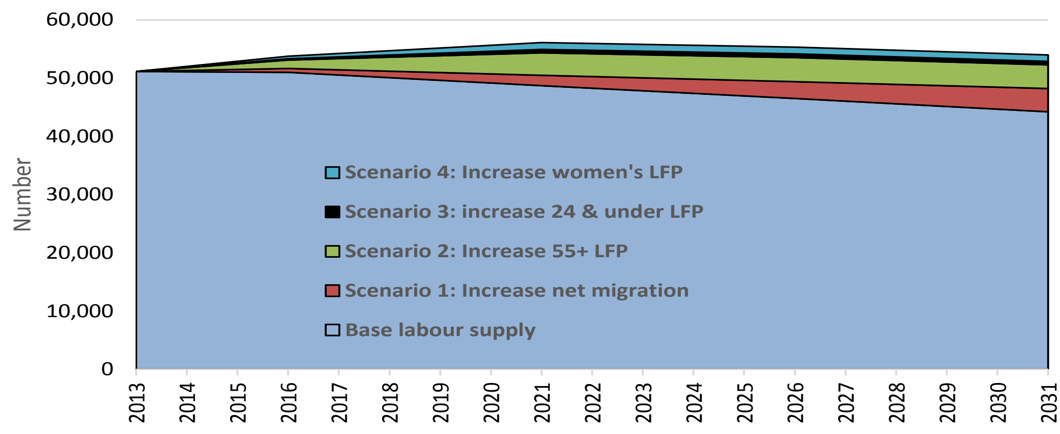
These industry and occupation differences should be kept in mind when interpreting the following graph, which outlines the impact of four differing projection scenarios on overall labour supply, and leads toward possible targets for the 2015 Strategy.

The 2014 LMA Report tested the following four scenarios on future labour supply (see Section 3 of the Report for additional detail):

- **Scenario 1: An increase in net migration** by 300 working-age individuals per annum. Similar to that observed 2008-2013 through decreased out-migration, and discussed at the Labour Market and Stakeholder Consultation Workshops as potentially arising from the large increase in migrants from the Philippines into the Southland Region.
- **Scenario 2: An increase in the labour force participation rate of people aged fifty five and over** by 2021 to match the preceding five-year age groups labour force participation (a change not dissimilar to that observed between 2001 and 2013).
- **Scenario 3: A 12 per cent increase in the labour force participation rate of youth aged 24 and under by 2021** (rising youth employment near 2001 levels).
- **Scenario 4: An increase in the labour force participation of women** by 2021, closing the participation rates between men and women by 25 per cent (slightly less than the approximate 30 per cent gap closure between men and women in the Southland Region between 2001 and 2013).

The net impact of achieving all four scenarios simultaneously is shown in Figure 1.7 (see Section 3 of the 2014 LMA Report for the impact of each individual scenario). The scenarios should not be interpreted as suggesting exact value contributions; their purpose is to illustrate the relative impact that pursuing each individual scenario could have on overall labour supply and thereby assist policy makers prioritise initiatives. They also illustrate the nature of the challenge, in that it would require all four scenarios to be achieved to see labour supply grow appreciably, and even then it would peak in 2021

Figure 1.7: Impact of scenario modelling on labour force supply, Southland, 2013-2031.



Source: Roskruge & Pawar, Southland Labour Market Assessment Report 2015, based on Fig 3.5

Of the four scenarios modelled, **scenario 1, increased net migration,** is the only one which increases the absolute size of the Southland population. The findings suggest that approximately 220 additional people would be added to the Southland Region's labour force annually if net migration was increased by 300 working age individuals. This results in a near linear climb in additional labour supply but does not offset the countering decrease driven by structural ageing. Under this scenario, labour supply would fall to 48,225 in 2031 (as opposed to 42,225 under the baseline scenario only), a 40 per cent decrease in the reduction of labour supply compared to the baseline.

Scenario 2, **an increase in participation at 55+ years**, generates a somewhat greater increase in labour supply, and by itself results in more stable supply between 2016 and 2021. However, continued structural ageing quickly begins to offset the gains, which are modelled as complete by 2021, suggesting further changes in participation at older ages would require radical policy change such as an increase in the pension eligibility age to about 70. From 2021, structural ageing drives both the additional labour supply and labour supply generally, downward. Of some importance, Scenario 2 does not make any adjustments for a possible decrease in the volunteer workforce, should more older people remain in the paid workforce.

Scenario 3, **an increase in participation at less than 24 years of age** of around 12 per cent by 2021 (reflecting levels observed in 2001), has the smallest impact of the four scenarios, primarily because of the relatively small absolute numbers involved, alongside the fact that many are not available because they are undertaking tertiary education and training. This scenario would see an additional 220 youthful participants in 2016, peaking at an additional 649 participants by 2026 before declining slightly. Although having a relatively small impact, the longer term workforce participation of these youths as they gain early career skills should of course be taken into account.

The final scenario, **scenario 4**, **models the impact of a further 25 per cent reduction in the labour force participation gap between men and women by 2021**, continuing recent trends. This scenario generates a greater increase in labour supply than scenario 3 but not as much as scenarios 1 or 2. Under this scenario an additional 1,000 women are participating in the workforce each year by 2020, and this remains fairly stable across the remaining projection period, varying between 1,100 and 1,200 additional women each year. However the above caution for scenario 2 regarding the lateral impact of increased participation on the volunteer workforce should be especially noted. If both scenarios 2 and 4 were achieved, there would be substantial negative impact on the volunteer workforce, which is itself likely to experience increased demand as numbers at older-old age increase.

The potential for significant growth in labour supply for the Southland Region is thus constrained by a number of factors, uppermost among them that participation among both older age groups and women is already high, while for those aged 15-24 years, education and training are equally important considerations. Increased migration, while seemingly an obvious solution, will also be increasingly challenged as other regions—and countries—compete for migrants.

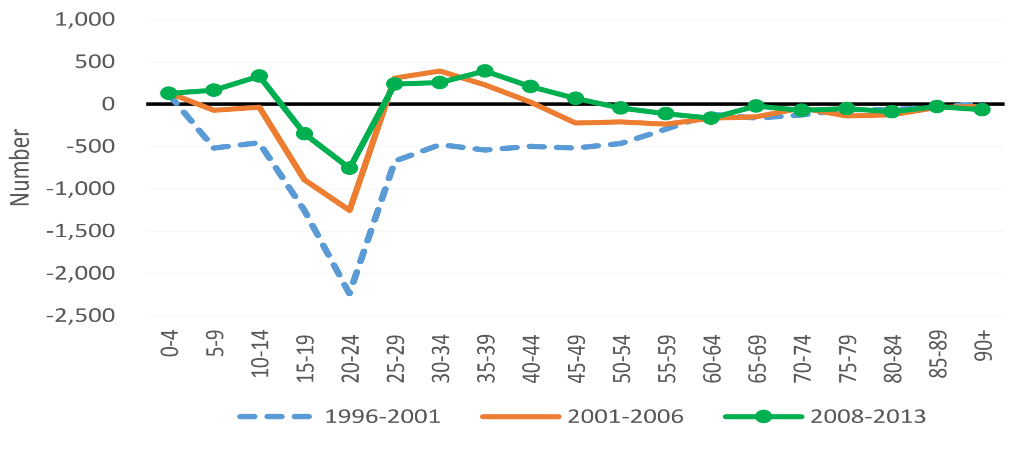
Comparison of 2014 LMA Report findings with the 2008 Workforce Strategy

The 2014 LMA Report findings accord closely with those of the MartinJenkins Southland Workforce Strategy 2008. In terms of population change, its main points were that while the region had been experiencing slow/negative growth over the period 2001-2006, natural increase had generally offset net internal and net international migration loss. Both net internal and net international migration had nevertheless been trending upwards, with the losses reducing, and natural increase was strong and growing—a factor that in hindsight can be seen as a short-term echo of the baby boom and occurred across most of New Zealand and counterpart countries. (Importantly this short term increase will deliver a welcome respite in numbers at labour market entry age around the mid-2020s, and should be the attention of education and training providers and future employers as it passes through its schooling years. The cohort is currently at upper primary school.)

The 2008 Workforce Strategy also drew attention to the Southland region's overall highest labour force participation rates, lowest unemployment rates, and improving economic performance, in part related to changing patterns of agricultural production, but driven overall by increases in Wholesale Trade, Cultural & Recreational Services, Construction, and Health and Community Services. The faster than average structural ageing of the Southland population and workforce was also noted.

Drawing on somewhat different modelling methodology and significantly more positive assumptions regarding economic growth (between 2.0 and 3.5 per cent annually), the 2008 Workforce Strategy proposed a shortfall of labour supply between 2007 and 2016 in the vicinity of 11,000 to 16,000 aggregate jobs (an average -1,222 to -1,778 jobs annually). From this position the 2008 Strategy proposed the need for annual net gains of between 1,800 and 2,500 working age people to meet future demand, the majority necessarily being migrants. This level of shortfall is the only aspect of the 2008 Workforce Strategy that disagrees with ours, but we centrally acknowledge that the work was undertaken before the Global Financial Crisis (GFC) of 2008. The Strategy's overall findings that "*Southland will need people to fill jobs across a range of occupations, but particularly those within retail trade, health, community services, agriculture [dairy] and trades*" (pp.17) precisely reflect our own findings and are based on a very similar modelled distribution of occupational job openings and [retirement] replacement ratios. The 'delay' in onset of labour shortage between the 2008 Strategy and the Southland LMA (2014) has a number of explanations, among them, as noted above, the more positive economic growth scenarios in the former Report. Relatedly, it is likely that external shocks like the GFC can influence the timing of exit from the labour market (ie retirement) and thus (perversely) assist in sustaining labour supply for a little longer, but not delay it permanently; another is that some of the 2008 Strategy's actions to increase local population and labour supply have worked. Certainly the sustained return to population growth since 2000, and the accompanying reduction in net migration loss, particularly at 15-24 years, attests to the influence of intervention (Figure 1.8). Efforts to retain young people in the region, such as the Southern Institute of Technology's zero tuition fees initiative, may have played a role, whilst at the same time potentially implicated in the small decline in numbers employed at those ages. A 152 per cent increase in the proportion of new migrants to the region whose birthplace is an Asian country (from 19 per cent in 2006 to 48 per cent in 2013) also attests to the plausible success of attraction and retention activities (see Southland LMA Report 2015, Table 2.2).

Figure 1.8: Net migration by age, 1996-2001, 2001-2006 and 2008-2013, Southland Region



Source: Jackson & Pawar 2014

2. Incorporating Stakeholder Feedback

The three stakeholder consultation workshops held across February 18th and 19th elicited important information that has assisted in informing the 2015 Workforce Strategy. Summarised feedback is included at Appendix G. Feedback was gathered from both comments made in relation to the accompanying PowerPoint presentation, and general and group discussion.

Most workshop participants knew about the 2008 Workforce Strategy; however it was noted that a small number of participants were relatively recent arrivals to the Region—and/or to their current roles—identifying the need for ongoing promotion of the Strategy, its rationale, structure, and key objectives.

Several participants noted either dealing with skills shortages themselves, or being increasingly aware of them. Participants readily related to distinctions between 'mission-critical' skills, 'hard to fill' positions, and general labour shortages. Most current shortages appear to be of the mission-critical and hard to fill categories (such as dairy farm workers and aged care workers), as opposed to generalised labour shortages. This accords with the 2014 LMA Report's findings.

Some concerns were voiced regarding the issue of flexible workforce conditions, particularly administrative and time-tabling problems associated with having a number of part-time employees. The need for some assistance in finding solutions was raised. However the potentially negative impact on the Region's volunteer workforce of not having sufficient flexibility in working arrangements was also noted.

A gap between specific skills needed (demand) and skills available (supply) was noted by many participants, with discussion eliciting some concerns about the current educational /training curriculum and related careers advisory services for meeting future skill needs. Some questions were posed regarding the extent to which education providers and careers advisors were 'on the same page' as industry and employers. A recurring concern was that young people are given the wrong messages about what constitutes success and failure—such as leaving school without going on to tertiary education, or entering a trade rather than a professional occupation being to 'fail'. Similarly the accepted idea of taking a 'gap year' gives the message that young people should not yet be entering the workforce. There was an agreed need to pursue the idea of early labour force participation combined with ongoing study opportunities.

Comments regarding efforts being made to ensure migrants were valued and being integrated in the community (and seen to be valued by migrants themselves) were very positive. There was a general perception that there had been significant improvement in both community and employer attitudes towards migrants, with the fact that some employers had previously been cautioned with regard to negative treatment of migrant employees noted by participants at each workshop.

Perhaps reflecting their general familiarity with the 2008 Strategy, workshop participants had more thoughts about how to attract, retain, upskill and utilise older people (65+ years) and youth in the workforce than either migrants or women *per se*—although older women are readily 'visible' under thoughts about utilising older people, and migrants more generally under concerns that current support levels may be insufficient—and Department of Immigration responses too slow to prevent migrants moving on (Appendix G). Prolonged residency application periods (by comparison with other countries competing for international migrants) were mentioned by several participants. The issue of recent immigration department policy changes being counter-productive to regional efforts to retain migrants was also a recurring theme, with one change in particular—the moving of Temporary Work Visa Renewals to Auckland—criticised as having potential to see migrants leave the region, if there is any requirement for applicants to physically attend interviews.

A range of policies and practices largely beyond the Strategy to address were noted, such as the age at which people can access superannuation potentially removing them from the workforce earlier than if access was at an older age; access to unemployment benefit being given without the specific requirement to undertake training; and the need for more apprenticeships. Generally participants saw that in many cases it was the policy dimension that needed attention, rather than on-the-ground efforts in the Region.

The idea of workplace level guidance in approaching contemporary workforce planning was positively responded to, participants seeking additional information regarding the introduction of 'work ability' practices (assessing the workplace for its capacity to respond to workforce ageing, and employees for their capacity to undertake all of their prescribed tasks and roles). The need to communicate with employees as to the 'whole-of-workplace' approach to forthcoming labour shortages was stressed, with participants agreeing that the sudden introduction of work-ability discussions with employees could be misinterpreted.

The need for more information at the workplace level in general was also broadly discussed, with several participants suggesting that many employers remain unaware of (or as yet disinterested in) the need for workplace attitudes and culture to change. Prevalent among comments were that many employers have not yet been confronted with either skill or labour shortages and that entrenched attitudes regarding their ability to readily replace workers are unlikely to change until they do (experience shortages).

The related need for small businesses to have access to Human Resource training and/or information was also raised, as was the idea that important skills and information (corporate knowledge) held by older/retiree age employees should be retained by ensuring mentoring or buddying processes were in place in a timely manner. Similarly the need for companies to be enabled to assess and transfer skills [between employers] rather than potentially lose them outside the region was seen as having particular merit.

Importantly, much of the workshop discussion identified that if anything was lacking in the 2008 Strategy it was guidance for employers at the level of the workplace, with most of the Strategy's original objectives and action points pertaining to the establishment of an over-arching structure within which strategic *regional and community* level policies and arrangements, *and their interaction with Central Government*, could be pursued and implemented. From the many actions achieved under the Strategy it would appear that many of these objectives have been met, although this should not be taken to imply that they have been concluded. There remains a critical need to ensure the overarching/tactical level of the Workforce Strategy continues, as individual workplace initiatives will have little chance of success in the absence of appropriate support, and as employers, managers etc., come and go.

This feedback was very similar to that obtained at the Labour Force workshop held in December by Dr Mathew Roskruge of NIDEA, prior to preparing the 2014 LMA Report. Specific propositions emerging from that workshop also included the need for:

- an employers' show day (as opposed to training providers) (Attraction)
- targeting of unemployed people in other regions (Attraction)
- central Government to stop the centralisation of services (Retention)
- succession planning, and agricultural training for 16 year olds (Utilisation)
- processes to better identify the skills of partners of migrants (Utlilisation)

- agreed rules for job candidates between SIT and employers (Upskilling)
- a future workforce-needs orientation (Upskilling)

This revised Strategy (hereafter the 2015 Strategy) thus reaffirms the objectives and action points of the 2008 Strategy, but proposes they now be operationalized at two distinct levels: that of Venture Southland and its key Stakeholders in whom the main governance, lobbying, monitoring and evaluation roles are currently vested (a 'Tactical' level), and that of Employers anticipating future labour supply (a 'Workplace' level). The 2015 Strategy also proposes the development of specific targets and benchmarks against which progress can be more readily evaluated.

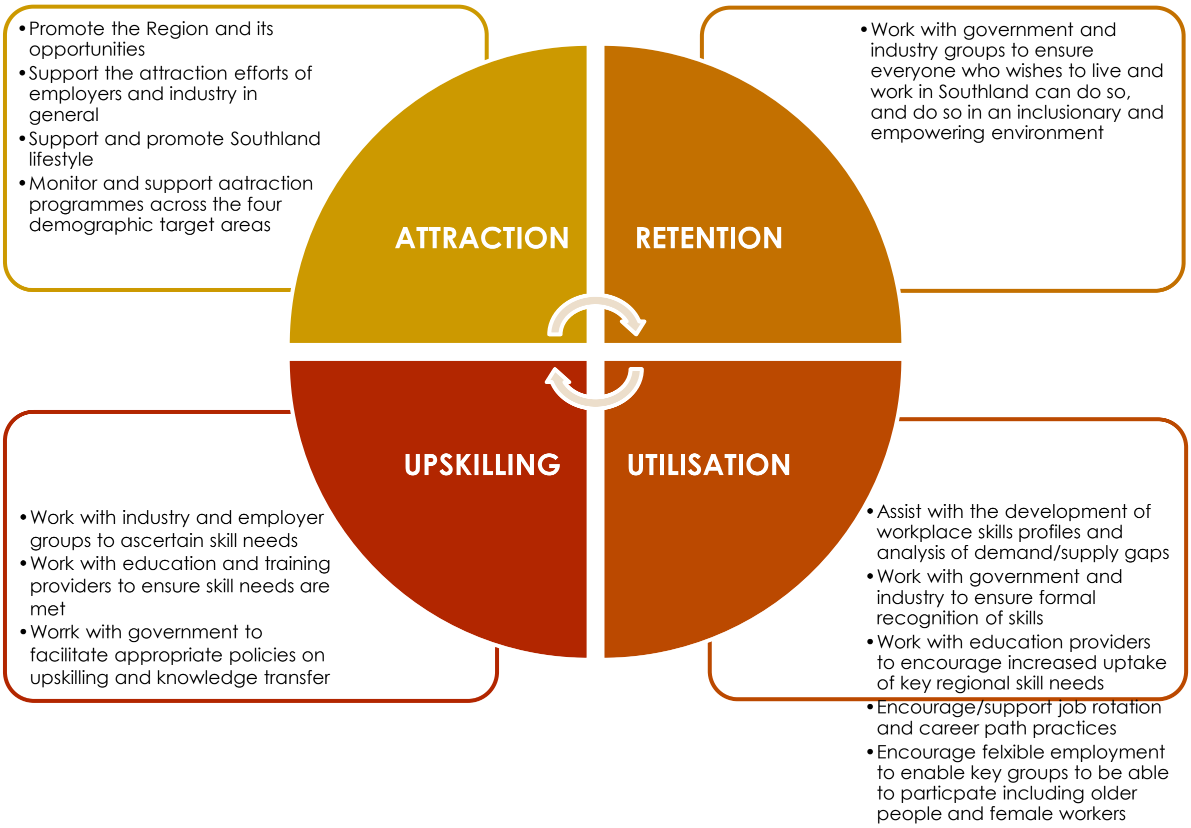
3. The Southland Workforce Strategy 2014-2031

The 2015 Strategy is depicted in the two following diagrams and four "Action areas". The first summarises (and reaffirms) the key roles and responsibilities assumed at the Tactical 'Governance and Review' level; the second summarises (but is not limited to) a series of practical implementation strategies at the level of the Workplace. Both centrally retain and link those activities under the 'Attraction, Retention, Utilisation and Upskilling' objectives of the 2008 Strategy.

The four "action areas" have been used as areas that both governance and business can focus attention on. They provide key target areas and help focus work-streams and direction onto areas that the region is most likely to benefit from. It is anticipated that the governance group and businesses will be able to identify these target areas easily providing a simple direction and focus for all regional stakeholders.

At the Tactical level, those tasked with Governance and Review should continue to pursue the objectives laid out in the 2008 Strategy.

Governance and Review



Governance and review

1. ***Maintain*** a governance group to:

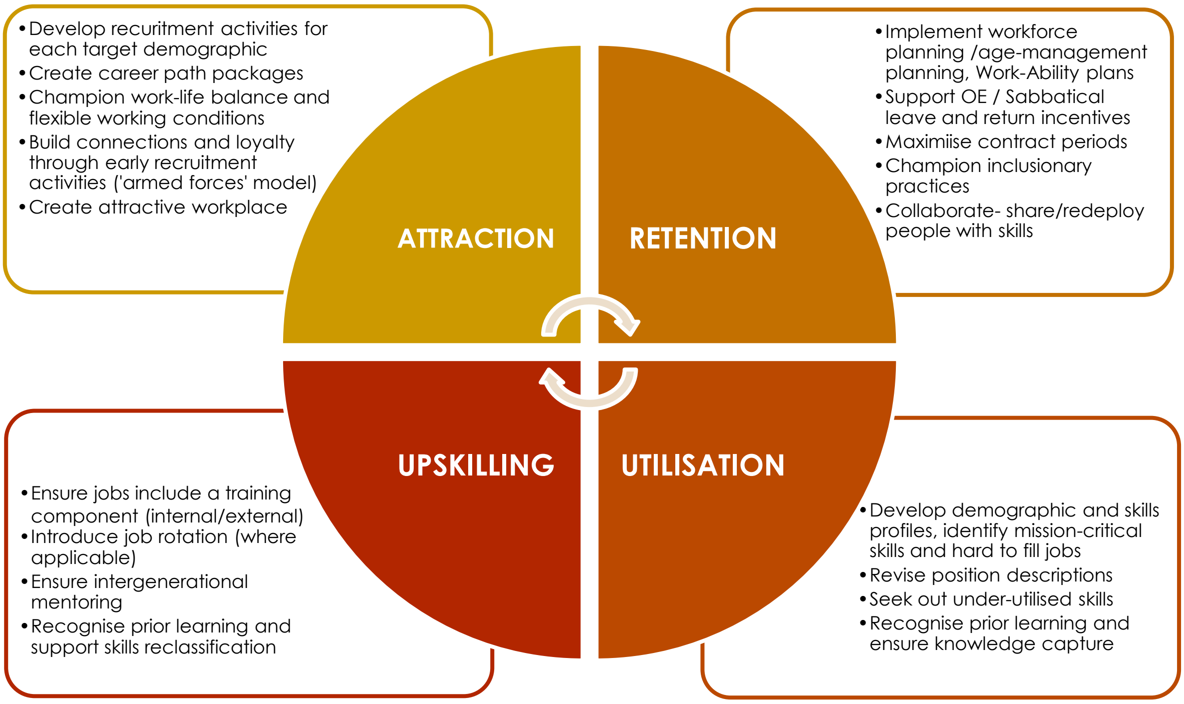
   - Monitor implementation of the strategy
   - Review and update the strategy at suitable intervals, taking into account the changing labour environment, emerging issues, the effectiveness of the initiatives against key indicators over time, ***and policy constraints to local efforts***.
   - Oversee co-ordination of relevant generic and sector approaches to determine the effectiveness and delivery of programmes.

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

3. ***Continue to work with, and increase lobbying of,*** Central Government to identify ***policy constraints*** and identify and agree on options to address issues of particular concern to Southland.

Workplace level – Employers

At the Workforce level, the *general* approach to workforce planning should be seen as representative of the many models of good practice that are available, rather than prescriptive. Most companies and employers will need to develop company-specific approaches which relate to the specific nature of their business and their workforce.



Utilisation – employer level

- **Develop demographic and skills profiles**, distinguish between and identify 'mission-critical' skills and hard-to-fill positions, and likely losses to retirement. This should be accompanied by demographic profiling of the industry/occupation within which your business or organisation is located, at both regional and national level. From this evidence base, potential supply/demand gaps can be identified.
- **Revise position descriptions** to accommodate the needs of different demographic groups (workers transitioning to retirement, parents/carers, workforce entrants who may also be studying); don't discharge workers because they can't do something.
- **Seek out under-utilised skills**. Many people temporarily out of the workforce hold the skills you need – investigate tele-working (from home).
- **Recognise prior learning** (formal accreditation does not always acknowledge skills and capabilities); ensure knowledge capture; keep an eye on changing skills demand; undertake regular scenario planning to conceptualise future demand.

Upskilling – employer level

- **Ensure jobs include a formal training component**, whether internal or external. Increasingly, employers will benefit from ensuring staff are continuously upskilled.
- **Introduce jobs rotation** (and job sharing) – expose as many people as possible to as many aspects of the business as possible (the 'graduate career path' model).
- **Ensure intergenerational mentoring** and skills transference (via 'buddying').
- **Recognise prior learning** and support skills reclassification.

Attraction – employer level

- **Develop target-specific recruitment activities**. Learn how to attract youth by enlisting youth in the process, migrants by enlisting migrant assistance etc.
- **Explore/create career-path packages.** These also encourage retention.
- **Champion work-life balance** and flexible working conditions.
- **Build loyalty**; consider the 'armed forces' model of recruitment via which employers seek out potential employees at a relatively young age and play a hands-on role in their career development (including scholarship provision).
- **Create an attractive workplace**. Increasingly your employees will be competed for, and training investment in them risks being lost.

Retention – employer level

- **Implement workforce planning**/age-management planning and work ability plans; pursue work redesign and succession planning
- **Support OE (and sabbatical) leave** and incentivise return
- **Maximise contract periods**; re-engage [also check/revise your own re-hiring policies for hidden constraints]
- **Champion inclusionary practices** (especially for migrants)
- **Collaborate**/share/redeploy between organisations

4.1 Strategy Targets and Benchmarks

The Southland LMA (2014) outlined the projected impact on the Southland Region's labour supply of four different scenarios:

- an additional 300 working age **migrants** per year
- an increase in labour force participation of people aged **55+ years** by 2021, to match the participation rates of the preceding five-year age group
- a 12 per cent increase in the labour market participation rate of **youth** aged 15-24 years by 2021
- an increase in **female labour force participation** leading to a 25 per cent closure of the 2013 gap between male and female participation rates, by 2021.

These targets can serve as empirically-measurable benchmarks, against their respective levels in 2013. Additionally, a number of the action points at the Governance and Review level could be connected with target benchmarks, if desired. For example, further reduction in net migration loss at 15-24 years would signify the impact of measures directed at youth retention, while the extent of migrant inclusion could be surveyed according to classic qualitative measures of inclusion.

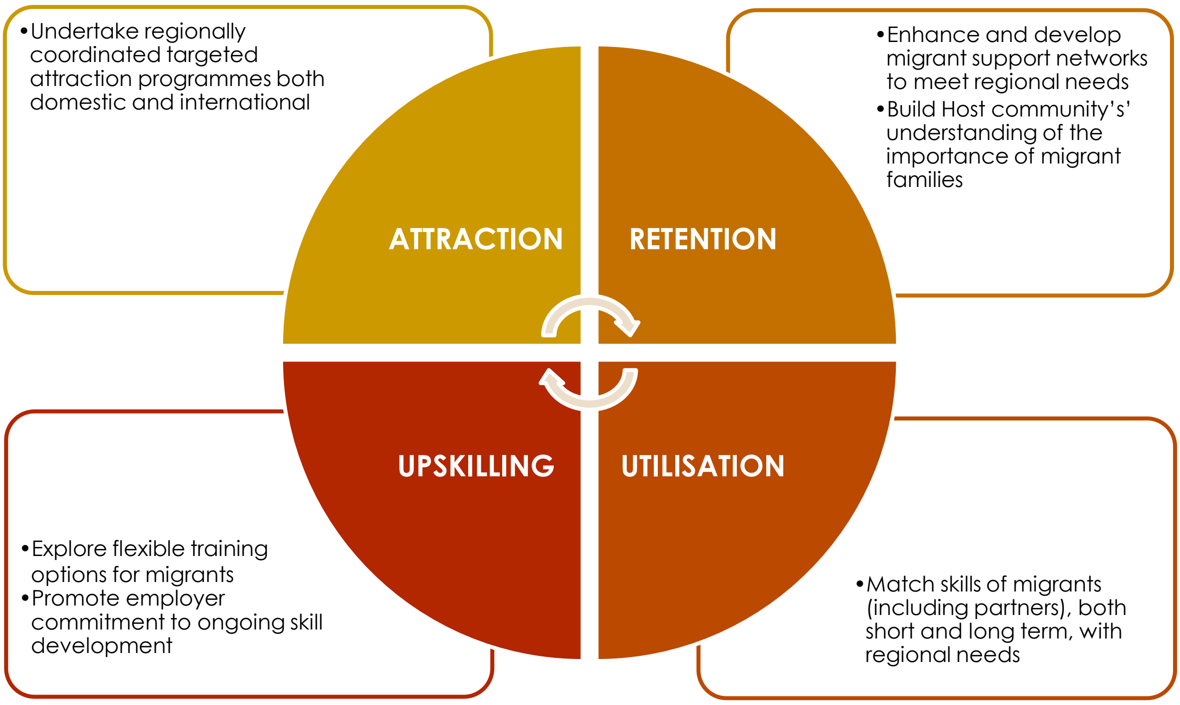
At employer level, targets and benchmarks should be developed that reflect the choice and nature of individual actions pursued, as these will not be the same for each business. However a start could be made at the Governance & Review level by assessing the number of businesses which have a workforce plan in place; this could extend to the number which have specifically undertaken an environmental scan of the workplace, and the number which have implemented work ability planning at employee level.

Action Area: Migration

Target: Gain an additional 300+ working age individual migrants per annum for the next 15 years

Of the four scenarios modelled, **Migration** is the only one which increases the absolute size of the Southland population. The findings suggest that approximately 220 additional people would be added to the Southland Region's labour force annually if net migration was increased by 300 working age individuals. This results in a near linear climb in additional labour supply but does not offset the countering decrease driven by structural ageing. While migration, both internal and external, has played an increasingly critical role in fulfilling regional labour market needs over the past 10 years and this needs to continue if Southland is to maintain a stable labour market.

Southland will work as a region to attract, retain and utilise the skills of both domestic and international migrants.

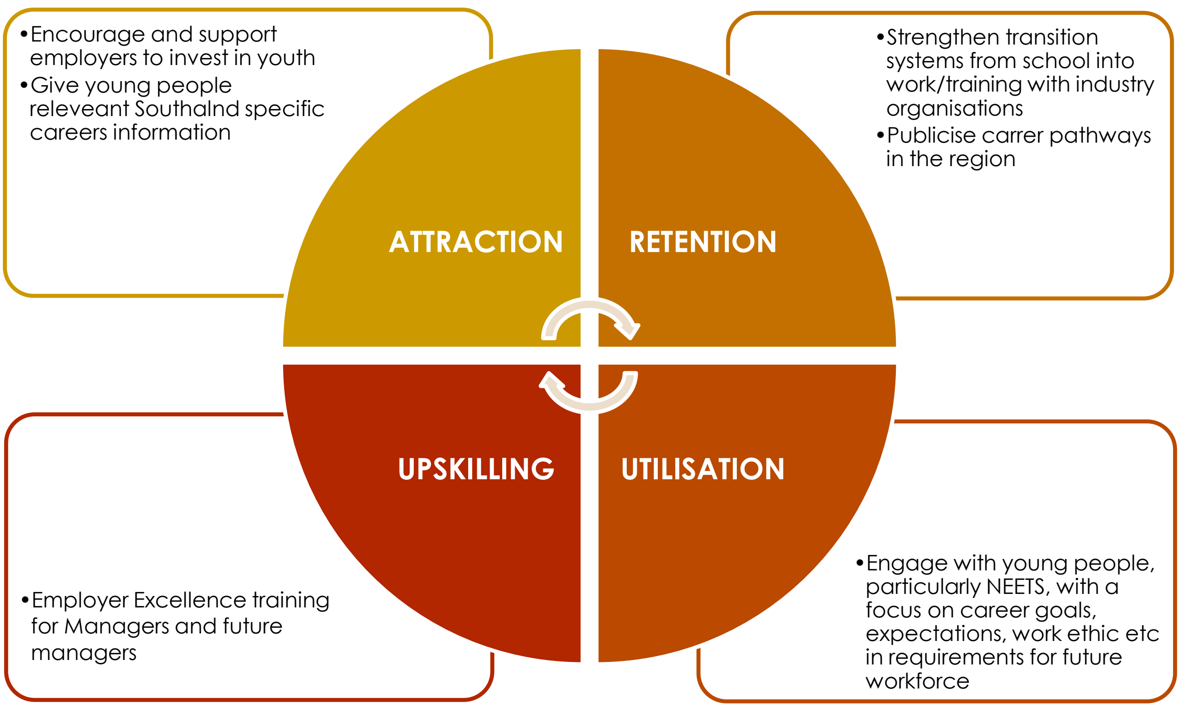


Action Area: Youth Engagement

Target: A 12% Increase in Youth 15-24 age range participation rate of youth aged 15 - 24

There is a clear need to find strategies to activate the **latent youth market** but also to begin developing those specialist skills which will be required as experienced workers exit. While Southland has a relatively low level of unemployment, young people are overrepresented. This scenario would see an additional 220 youthful participants in 2016, peaking at an additional 649 participants by 2026 before declining slightly. Although having a relatively small impact numerically, the longer term workforce participation of these youths as they gain early career skills and have families of their own should be taken into account. The long-term social and economic impacts of youth disengagement means youth should be an area of focus.

Southland is committed to utilising and developing all available young people by having available training and mentoring support enabling all to reach their potential.

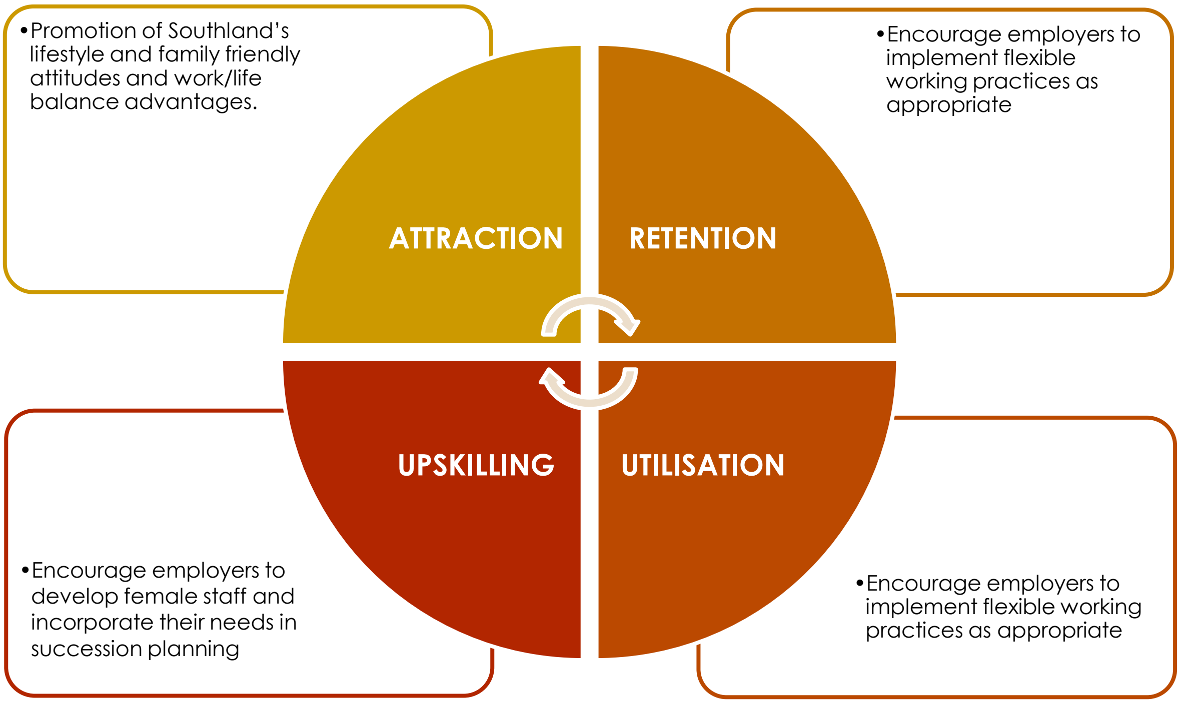


Action Area: Women Participation

Target: A 25% increase in Women's participation in the workforce, closing the participation rates between men and women.

Adopting this target, will see an additional 1,000 women participate in the workforce by 2020. Increasing female participation is an existing trend within national and regional labour markets. However it needs to be noted that any increased participation may impact on family and social life and will impact on the volunteer workforce. Southland already has a high level of workforce participation rate which may make this target difficult to achieve.

Southland recognises the value and contribution of women in the workforce and supports employers to implement flexible work practices.

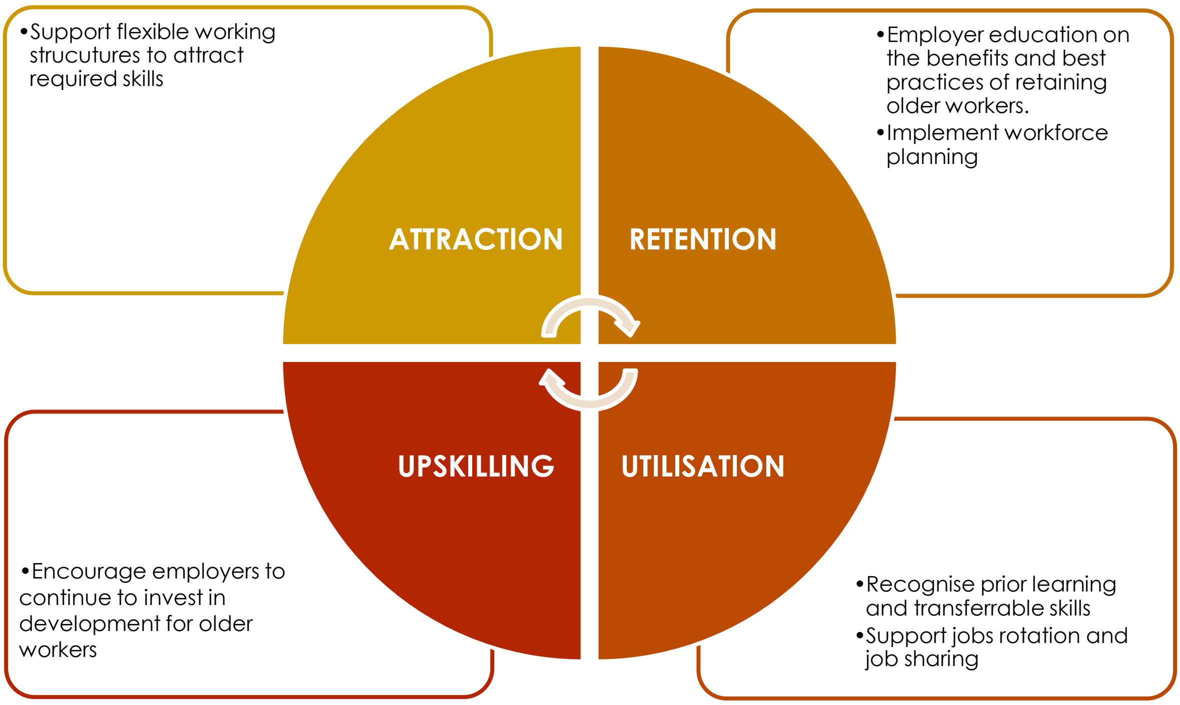


Action Area: 55+ Participation

Target: An increase in the labour force participation rate of people aged fifty five and over

An increase in participation at 55+ years will generate a somewhat greater increase in labour supply, and will stabilise labour supply between 2016 and 2021. After 2021, continued structural ageing will quickly begin to offset these gains, suggesting further changes in participation at older ages would require radical policy change such as an increase in the pension eligibility age to about 70. There is likely to be a potential impact on volunteerism. While this action area helps relieve immediate labour market pressures, its long-term impact is minimal and it therefore needs to be a part of the overall solution rather than a sole focus area.

Southland be an age positive region supporting employers to adopt working practices to retain older people's skills and experience beyond traditional retirement.



Appendices

Appendix A: Stakeholder engagement

Wednesday 18th Feb - 9.00am -12.00pm	
Name	**Organisation**
Chris O'Connor	Crowe Howarth (NZ) Ltd
Cr Rebecca (Becs) Amundsen	Invercargill City Council
Fi McKay	MBIE - Migrant Skills Retention
Jamie Priemus	Dongwha New Zealand
Karen Rabbitt	Spark/Gen I
Mary Napper	Invercargill City Council
Nick Round Turner	Venture Southland - Business
Paul Casson	Chief Executive Venture Southland
Rhiannon Slater	Venture Southland Business
Richard Gray	Fonterra - Southern Region Manager
Sarah Hannan	Southland Chamber of Commerce
Shane Norton	Stabicraft
Steve Canny	Venture Southland Group Manager Business and Strategic Projects
Trish Lindsay	Southern Institute of Technology

Wednesday 18th February - 1.00pm - 4.00pm	
Name	**Organisation**
Auriette Gilmour	Environment Southland
Barry Simmonds	NZ Aluminium Smelters
Dave McKissock	Southern Directionz
Deborah Odonnell	Environment Southland
Dorothy Hawkins	Filippino Community Centre - President
Geralda Fogerty	Southern Directionz
Glenys McKenize	Southern Group Training
Grant Isaacs	South Roads
Janet Ellis	Southland District Council
John Rigby	Otago Southland Employers Assoc
Johnny Mauchline	EIS
Karen Rabbitt	Spark/Gen I
Kari Graber	Invercargill City Council
Mary Napper	Invercargill City Council
Melanie Luke	representing Sarah Dowie

Thursday 19th - Stakeholder Meeting 9.00am - 12.00pm	
Name	**Organisation**
Alistair Adams	Venture Southland Strategic Projects Manager
Cr Darren Ludlow	Invercargill City Councillor
Cr John Douglas	Southland District Councillor
Cr Neil Boniface	Invercargill City Councillor
Cr Rebecca (Becs) Amundsen	Invercargill CityCouncillor
Maureen Slow	Workbridge
Mayor Gary Tong	Mayor of Southland District Council
Paul Casson	Venture Southland Chief Executive
Penny Simmonds	Southern Institute of Technology
Rhiannon Slater	Venture Southland Business Projects Coordinator
Robin Campbell	Venture Southland Joint Committee
Stephen Day	Workbridge
Steve Canny	Venture Southland Group Manager Business and Strategic Projects
Steve Ruru	CEO of Southland District Council

Appendix B: Revisiting the 2008 Workforce Strategy

The 2008 Workforce Strategy articulated four key objectives and 31 action points, supported by a governance structure. Actions undertaken by Venture Southland and the region's industry and community bodies are included at Appendix G under their relevant objectives (it should also be noted that many actions cover multiple objectives); Table 2.1 provides an abridged overview.

- The Southland LMA Report (2008) found that the Southland Region faced imminent labour shortages, primarily due to ongoing net migration losses and the structural ageing of the population reducing labour supply, *vis-à-vis* projected economic growth and labour demand. The accompanying Workforce Strategy (2008) proposed a comprehensive community-level response consisting of the development of a Governance & Review Group and four operational objectives (Attraction, Retention, Utilisation, Upskilling) underpinned by 31 action points.
- The new Southland LMA Report (Roskruge & Pawar 2014) has confirmed that Southland is facing an imminent labour shortage of substantial magnitude, but it is appearing slightly later and is not quite as severe as that projected by MartinJenkins in 2008. Among explanations for the delay in the onset of the region's labour market shortage is likely to be the timing of the 2008 research, undertaken before the Global Financial Crisis unfolded, leading to more positive economic assumptions than those that subsequently prevailed. A second factor may have been various actions taken under the guidance of the 2008 Strategy, which have duly assisted in maintaining labour market supply *vis-à-vis* no notable increase in employment demand—employment numbers for the Southland Region at the 2006 and 2013 Censuses remaining almost identical at just over 48,000.
- Among evidence that actions taken in respect of the 2008 Strategy may have contributed to maintaining labour supply is a) the continuation of modest population growth that began in 2000, reversing a decade of decline, b) a shift from negative to positive net migration, involving a notable influx of overseas-born workers, particularly from Asia, and a substantial reduction of net loss at 15-24 years, and c) increasing labour market participation at older ages.
- The structural ageing that is proposed to reduce future labour supply has, however, continued unabated. Projections of labour supply and demand that take into account moderate levels of economic growth indicate that labour shortages will appear from 2018 and will quickly deepen.

- Feedback from three Stakeholder consultation workshops also attests to the increasing presence of skill shortages; a growing gap between demand for and supply of specific skills; difficulties in managing an increasingly part-time workforce; and lack of awareness of the situation among some as-yet unaffected employers.

Table 0.1: Southland Workforce Strategy 2008 – Implementation of Action Points

Governance and Review		**Action/s undertaken**
1	Establish a governance group	**Southland Futures Governance Group** established in 2013 for developing Youth focused initiatives. Stakeholders to be involved in Southland Workforce Strategy 2015-2030
2	Establish an evaluation framework	**Evidence** is regularly compiled and **evaluated** against the objectives and action points; **Mapping of public and social capital assets** undertaken to locate/avoid duplication; the 2014 Southland LMA Report and 2015 Strategy **commissioned**
3	Work with Central Government to identify and agree options to address issues of particular concern to Southland	**Working relationships** have been established with all key government agencies - WINZ/MSD/ Inland Revenue/MBIE/ NZ IMMIGRATION
A focused approach – key sectors and skills		
4	Establish sector project groups in key areas	Several **sector project groups** and **community groups** have been established and pre-existing groups contacted
Information on the regional context		
5	Scope options for a regional jobs portal	**Southlandjobstoday.com portal** established in 2008 in conjunction with local newspaper but superseded by Auckland-based **New Kiwis Network**. Locally there is Fiordland Employment (Te Anau), Southland Mature Employment Service (Invercargill), also four Invercargill recruitment companies and Fencepost for dairy jobs. Online sites Trade Me and Seek
6	Consolidate data and establish an agreed process for integrating information	**Statistics NZ and BERL Economics quarterly reports** on Southland's economy and labour force are received. Each month an electronic newsletter is sent out to 2500 businesses to provide updates on business and labour market information
7	Continue to work with the New Zealand Immigration Service	**Govt. seminars provided**. **Settlement Support** project developed for 8 years contract then CAB funded to provide an information service only. **Immigration NZ** has now moved the majority of its services online or centralised them.
Utilisation		
8	Develop initiatives to increase participation in the workforce	**Southland Youth Futures Project** - linking young people with agricultural focused careers – was formulated in 2013 and due to start 2015
9	Promote effective processes	**Registration for nurses** has been streamlined with

	that ensure migrants' skills are well-matched to the region's requirements	a 6 week orientation at University of Otago. Some Filipinos have also made the move into **retirement care**.
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	**Use of European systems** of housing cows and robotic milking technology increasing in the region; costs are dropping and more farms will likely utilise; may encourage succession in farm ownership. Robotics will not drastically impact on farm worker numbers but have implications for related technical skills. In 2013 VS started providing the **Lean Business programme** targeting manufacturing businesses and dairy farms
11	Develop an approach to redeploying workers	2008-2010 VS tried getting off-season freezing workers into dairying **- worked with WINZ in upskilling** them for the dairy industry. Also an attempt to move seasonal workers into bulb harvesting. WINZ supported seasonal workers to undertake additional licenses for truck driving
Building Southland's skill base and productivity		
12	Provide regional information which allows the regional education and training organisations to respond to changing needs	**Welcome to Southland** Documents created to support employers and new arrivals into the region in 2009 and updated 2011. Key **websites** were created which focused on Visit, Live, Work and Study www.southlandnz.com **. Education Southland** set up in 2013 to target overseas students.
13	Development of a Southland model for the Schools Plus initiative	
14	Explore the further development of flexible training opportunities in Southland	In 2013 S.I.T. developed a **study at home programme** called sit2lrn using local Cue TV originally offered DIP Tourism/Hospitality. In 2013, 3,000 students were registered and 32 different qualifications offered over internet streaming by tutors
15	Review the level of demand for English as a second language support for migrants and ensure adequate training is available	**English Language Classes** - now held in 3 regional centres twice a year or as requested, with several different interests supported
16	Explore establishment of professional or trade supervision to verify competency of skills/utilise skilled workers within their vocation	**ongoing**
17	Work with appropriate government departments to develop funding and monitoring systems that reward schools on successful student outcomes	**ongoing**
18	Identify innovative ways to promote to young people,	Since 2011, **Career Fest Southland** - 2 days organised by Secondary Schools Principals and

	careers advisors and parents, the job opportunities in Southland	Southern Directionz (career guidance/employment) where industry and corporate exhibitors showcase opportunities. **Career change and pre-employment Seminars** begun.
Attraction		
19	Build an understanding of patterns of domestic migration into Southland	**Undertaken as part of the 2014 LMA Report**
20	Evaluate the changing status of key attractors for the current population and target migrants	Growing awareness of climate change, **cheaper housing and the building of key community assets** is enhancing the region's appeal to families. Zero Fees for some courses at SIT also a draw-card, especially for the migrant community
21	Continue to positively promote the benefits of living in Southland and address negative perceptions	2007/2008 **VS representation at U.K. Job Expos** resulted in several employer match ups but the subsequent economic downturn meant keen migrants were unable to sell their homes and migrate
22	Target information on Southland at key influencers of migrants	Since 2008 Venture Southland has **rebranded** and invested heavily on website and social media. Over the past year Southland has hosted 10 **film production companies**
23	Review the approach to targeted attraction	**Increased use of social media**, Instagram, Twitter and **Southland Facebook**.
Retention		
24	Initiate a destination management programme	**Recognition that this is needed, as exodus to Australia** by the region's overseas immigrants due to prolonged application processes to gain residency in NZ is apparent.
25	Develop and implement an active and tailored approach to migrant settlement	**The all-encompassing role of Settlement Support** has continually brought issues into the public arena and built awareness for communities
26	Consider development of bridging course for migrants	Dairy industry / Fonterra migrants are **required to undertake qualifications** to ensure International standards of manufacturing are upheld. Skilled workers required to undertake NZ registration for their trades to comply with NZ laws. Qualifications gained also provide more points towards residency.
27	Initiate analysis of the funding levels for voluntary agencies such as the Multi Nations Council and other volunteer agencies involved in settlement	**Government contribution has been reduced to the minimum** and other volunteer agencies struggle on due to local funders. After 8 years of operation of the Settlement Support project the **cutting of funding has completely fragmented the support structures and networks** that had been in place across the region.
28	Explore ways to more effectively attract work permit holders and foreign students into longer term jobs in Southland	**SIT works with the Southland Chamber of Commerce** to hold Employer Nights, Employer Lunches. **SIT also hosts orientation sessions**, student employment and in 2013/2014 it started a 'Moving On Expo' to provide localised opportunities for students to stay in the region.

		English Language Partners has a Business English course. **VS operates training** for business start-ups.
29	Work with community boards, community development committees and community workers in sub0regions to develop effective community awareness of the positive role of migration in community development	As part of the Settlement Support programme, in 2010/11 Southland's 25 **Community Boards and Community Development Areas were visited** and the importance of involving and communicating with local migrant workers was reinforced.
30	Explore the establishment of good employer standards to enhance workplace practices	**Promotion of Good Employer Standards** through information provision to local businesses and employers through community presentations, conferences, seminars and training programmes.
31	Explore establishment of bonded scholarships for Southlanders who undertake tertiary study	**$1million+ per year** is now provided in scholarships to local students by local Community and Licencing Trusts.

The review of actions undertaken/achieved under the 2008 Workforce Strategy show that most action points have been duly acted upon—despite activities reportedly slowing in the wake of the 2008 GFC. Retention-related activities appear to have received the greatest attention, followed by Attraction, then Upskilling (Building the Skill Base and Productivity) and Utilisation. However as noted above, many actions have an impact on more than one objective. The 'Welcome to Southland' documents listed under 'Building Skills and Productivity' action point 12, for example, would clearly assist in making newcomers feel welcome—and potentially lead to both their retention and to better utilization of their skills and potential labour force supply. Similarly actions listed under Retention, such as action point 26 (the requirement that migrant's skills comply with both New Zealand laws and, in the case of dairying, Fonterra's international standards) not only assists migrants to gain more points towards residency but has an obvious spin-off for the 'Skill Base and Productivity' objective. Particularly heartening are the many attraction and retention actions directed at the integration of migrants into the local community. It is sobering therefore to see related retention strategies such as settlement support for migrants undermined by the cutting of funding to voluntary agencies by central government.

Summarised, it appears that the Southland Region's industries, employers, communities and local government bodies have joined with Venture Southland in a broad-based, proactive and energetic response to the challenges posed by future labour shortages. However those attempts may themselves be challenged if the underlying imperative of migrant settlement is not appreciated and supported by Central Government. In the context of structural ageing, migrants will be increasingly competed for, both nationally and internationally—particularly across the Tasman, and particularly if they have locally-honed and New Zealand-compliant skills. The potential for loss of investment from efforts made to gain those skills for the region, against the potential for their holders to use them to meet Australian (and other) residency requirements (noted under action point 24), was a salient point also noted by stakeholders and the consultation workshops, which are turned to below. In fact many actions to attract and upskill migrants have the potential to generate investment losses for both local employers and the region, if those efforts are not accompanied by counterpart measures supported at Central Government level to retain them. The consultation workshops suggested that similar risks pertain to local people in whom training investment might be made. Similarly the consultation workshops identified other risks which may mitigate against employers adopting certain actions to increase labour supply, such as flexible working conditions causing additional administrative pressures.

Appendix C: Key Documents and Resources

Ilmarinen, Juhani. (2005) *Towards a Longer Workflife! Ageing and the Quality of Worklife in the European Union*, Finnish Institute of Occupational Health: Ministry of Social Affairs and Health. Helsinki.

Morschhäuser, Martina & Sochert, Reinhold. (2006) *Healthy Work in an Ageing Europe. Strategies and Instruments for prolonging the Working Life*. European Network for Workplace Health Promotion: Federal Association of Company Health Insurance Funds, Germany.

Roskruge, Matt & Pawar, Shefali. (2015) *Southland Region Labour Market Assessment 2014-2031*. National Institute of Demographic and Economic Analysis. University of Waikato. Hamilton. January.

Sloan, Julie. (2008) *An Introduction to Workforce Planning - Are You Ready For Crunch Time?* Julie Sloan Management Pty Ltd. Adelaide.

Tait, Richard & Cowey, Lis. (2008) *Southland Workforce Strategy – May 2008*. Report Commissioned by Venture Southland in Partnership with the Southern Institute of Technology. MartinJenkins. Martin, Jenkins & Associates Ltd. May.

Zivkovic, Anglea & Kats, Alex. (2013) *Future-Proofing Local Government: National Workforce Strategy 2013-2020*. Prepared by the Local Government Practice Unit of Local Government Managers Australia (LGMA) on behalf of the Australian Centre of Excellence for Local Government (ACELG) Workforce Development Program. April.

Workforce Planning:

http://www.workforceplanningglobal.com (Julie Sloan)

http://www.calhr.ca.gov/state-hr-professionals/Pages/Workforce-Planning-Toolkit.aspx

http://www.workforceplanning.com.au/

https://tools.skillsforhealth.org.uk/nursing_planning/

The Work Ability Index:

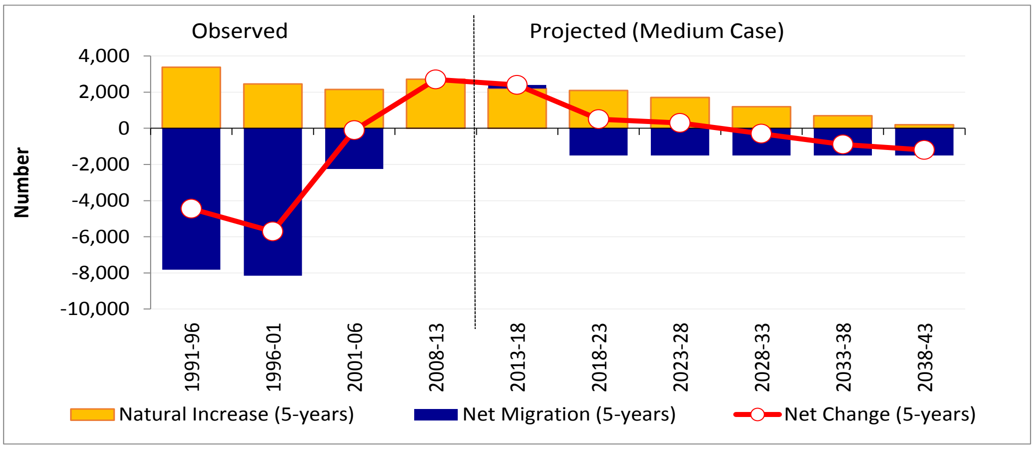
http://www.ttl.fi/en/health/wai/pages/default.aspx

http://www.ageingatwork.eu/?i=ageingatwork.en.tools.4

http://www.arbeitsfaehigkeit.uni-wuppertal.de/index.php?wai-online-en

http://mines.industry.qld.gov.au/safety-and-health/work-ability-index.htm

Appendix C: Observed (1996-2013) and Projected (2013-2043) Components of Change, Medium Case, Southland Region



Appendix D: Industries in the Southland region employing more than 300 people across the region in 2013

Southland Region	Number employed			% Change 2001-2013	Average age (in years)			% Change 2001-2013	Entry(15-29yrs): Exit(55+ yrs) Ratio			% Change 2001-2013
	2001	2006	2013		2001	2006	2013		2001	2006	2013	
Grain, Sheep & Beef Cattle Farming	4,338	4,257	3,504	**-19.2**	45.1	46.6	48.2	**+6.9**	0.6	0.4	0.4	**-31.1**
Dairy Cattle Farming	1,695	2,022	3,096	**+82.7**	36.0	36.6	37.5	**+4.2**	4.2	3.7	3.1	**-24.5**
Meat & Meat Product Manufacturing	3,003	2,655	2,124	**-29.3**	40.0	41.4	43.7	**+9.3**	2.1	1.4	0.9	**-58.9**
School Education	1,983	1,968	1,929	**-2.7**	43.7	43.9	46.3	**+6.0**	0.9	0.8	0.4	**-53.9**
Community Care Services	969	1,269	1,452	**+49.8**	45.3	46.0	47.5	**+4.9**	0.6	0.5	0.4	**-31.9**
Supermarket & Grocery Stores	1,296	1,317	1,401	**+8.1**	32.3	34.4	37.5	**+16.2**	8.2	3.9	2.2	**-72.9**
Services to Agriculture	933	1,092	1,221	**+30.9**	36.9	38.2	40.2	**+9.0**	3.1	2.2	1.6	**-50.4**
Hospitals & Nursing Homes	813	822	1,047	**+28.8**	42.7	44.4	46.5	**+8.8**	1.1	0.7	0.5	**-56.0**
Government Administration	984	1,035	1,038	**+5.5**	43.6	43.8	46.9	**+7.5**	0.7	0.8	0.4	**-36.2**
Other Health Services	915	864	999	**+9.2**	44.0	45.5	48.7	**+10.6**	0.8	0.5	0.3	**-65.8**
Motor Vehicle Services	867	999	939	**+8.3**	37.3	38.5	41.0	**+9.9**	3.1	2.2	1.5	**-51.3**
Road Freight Transport	888	894	870	**-2.0**	40.9	43.0	45.6	**+11.4**	1.7	0.8	0.5	**-68.2**
Accommodation	798	942	858	**+7.5**	40.1	41.5	43.1	**+7.6**	1.8	1.2	0.9	**-47.5**
Building Construction	522	891	837	**+60.3**	40.6	38.8	39.9	**-1.8**	1.5	2.3	1.7	**+11.5**
Cafes & Restaurants	744	831	774	**+4.0**	30.7	32.0	32.7	**+6.4**	10.6	7.5	5.5	**-48.0**
Other Personal Services	645	756	756	**+17.2**	36.8	40.0	41.5	**+12.9**	3.4	1.6	1.4	**-59.6**
Legal & Accounting Services	660	723	750	**+13.6**	38.5	39.4	42.3	**+9.9**	3.0	2.0	1.1	**-62.7**
Installation Trade Services	537	648	708	**+31.8**	40.3	40.2	41.9	**+4.0**	1.8	2.0	1.2	**-32.7**
Other Business Services	564	654	651	**+15.4**	42.7	44.7	44.6	**+4.5**	1.0	0.6	0.8	**-26.6**
Specialised Food Retailing	543	648	633	**+16.6**	35.2	35.7	36.2	**+3.1**	4.2	3.6	2.8	**-32.0**
Basic Non-Ferrous Metal Manufacturing	810	762	618	**-23.7**	42.6	44.6	48.2	**+13.2**	1.2	0.6	0.2	**-84.8**
Other Personal & Household Good Retailin	657	774	588	**-10.5**	40.0	40.3	42.9	**+7.1**	1.6	1.5	1.0	**-35.7**
Non-Building Construction	504	519	552	**+9.5**	41.8	42.7	44.1	**+5.6**	1.2	1.0	0.8	**-35.2**
Other Livestock Farming	909	675	534	**-41.3**	45.3	47.5	48.8	**+7.7**	0.5	0.4	0.4	**-28.0**
Public Order & Safety Services	387	429	501	**+29.5**	42.0	42.7	44.9	**+6.9**	1.0	0.8	0.5	**-48.6**
Property Operators & Developers	486	405	495	**+1.9**	43.4	44.6	44.8	**+3.1**	0.9	0.7	0.7	**-21.0**
Marketing & Business Management Service	408	624	465	**+14.0**	39.0	42.5	43.8	**+12.1**	2.1	1.1	0.8	**-59.8**
Deposit Taking Financiers	516	474	465	**-9.9**	39.5	39.1	42.1	**+6.4**	2.4	3.5	1.2	**-47.9**
Machinery & Equipment Wholesaling	399	414	459	**+15.0**	39.0	40.9	41.3	**+5.8**	2.1	1.6	1.4	**-33.4**
Department Stores	543	450	459	**-15.5**	34.8	36.6	38.9	**+11.7**	4.8	3.2	1.9	**-59.9**
Furniture, Houseware & Appliance Retailing	366	444	420	**+14.8**	41.4	38.8	43.4	**+4.8**	1.4	2.5	0.8	**-38.2**
Industrial Machinery & Equipment M/fg	327	408	417	**+27.5**	40.0	38.9	43.0	**+7.4**	1.8	2.1	0.9	**-47.6**
Dairy Product Manufacturing	339	300	408	**+20.4**	36.6	40.6	44.0	**+20.3**	6.2	1.7	0.8	**-87.9**
Medical & Dental Services	330	333	381	**+15.5**	43.6	45.9	49.4	**+13.2**	0.7	0.5	0.3	**-62.7**
Sport	273	324	378	**+38.5**	37.3	39.7	40.1	**+7.5**	2.7	1.9	1.6	**-38.9**
Building Completion Services	318	435	378	**+18.9**	40.7	41.0	42.5	**+4.6**	1.6	1.5	1.0	**-34.8**
Post School Education	264	291	375	**+42.0**	44.3	46.0	47.2	**+6.6**	0.6	0.4	0.4	**-37.3**
Pubs, Taverns & Bars	348	345	354	**+1.7**	36.6	34.7	34.2	**-6.7**	3.1	3.9	5.1	**+62.0**
Motor Vehicle Retailing	369	348	342	**-7.3**	37.8	38.9	44.0	**+16.3**	3.8	2.4	0.7	**-80.4**
Food, Drink & Tobacco Wholesaling	471	375	333	**-29.3**	40.4	42.6	45.4	**+12.5**	2.0	1.0	0.5	**-74.0**
Farm Produce Wholesaling	273	258	330	**+20.9**	40.6	42.6	44.8	**+10.2**	1.5	1.0	0.7	**-53.4**
Other Food Manufacturing	366	303	324	**-11.5**	38.1	42.6	44.4	**+16.5**	3.1	0.9	0.8	**-75.7**
Preschool Education	138	204	318	**+130.4**	40.5	40.1	40.3	**-0.6**	2.0	2.5	1.4	**-28.1**
Industries employing over 300 persons in 2013	33,498	35,181	35,481	**+5.9**								
Southland Region: Total Employed Labour Force	45,264	48,219	48,081	**+6.2**	40.8	41.7	43.7	**+7.1**	1.5	1.2	0.9	**-42.9**

Source: Roskruge & Pawar (2014) Southland Region Labour Market Assessment 2014-2031

Appendix E: Projected Labour Demand by Industry

Appendix E1: Projected labour demand by industry (Number), 2013-2023

Industry	Employment	Employment 2023		
ANZSIC96 lvl1	2013	Low	Medium	High
Agriculture, Forestry and Fishing	9422	9,705	10,098	10,506
Mining	179	232	241	251
Manufacturing	6351	4,473	4,654	4,842
Electricity, Gas and Water Supply	130	164	171	178
Construction	3247	4,278	4,451	4,631
Wholesale Trade	1867	1,886	1,963	2,042
Retail Trade	5502	5,668	5,898	6,136
Accommodation, Cafes and Restaurants	2122	2,205	2,295	2,387
Transport and Storage	1949	2,093	2,178	2,266
Communication Services	288	251	261	272
Finance and Insurance	1109	1,254	1,305	1,357
Property and Business Services	3283	3,831	3,986	4,147
Government Administration and Defence	1122	1,172	1,219	1,268
Education	2989	3,216	3,346	3,481
Health and Community Services	4444	5,628	5,856	6,092
Cultural and Recreational Services	903	1,039	1,081	1,125
Personal and Other Services	1743	1,989	2,070	2,154
Unallocated	1934	1,479	1,539	1,601
Total	**48584**	**50562**	**52612**	**54734**

Appendix E2: Projected growth in labour demand by broad industry, 2013-2023

Industry	Employment growth (% p.a.)			Employment growth (persons)		
ANZSIC96 lvl1	Low	Medium	High	Low	Medium	High
Agriculture, Forestry and Fishing	0.3%	0.7%	1.2%	283	677	1,084
Mining	2.9%	3.5%	4.0%	53	62	72
Manufacturing	-3.0%	-2.7%	-2.4%	-1,878	-1,697	-1,509
Electricity, Gas and Water Supply	2.6%	3.1%	3.6%	34	40	47
Construction	3.2%	3.7%	4.3%	1,031	1,205	1,384
Wholesale Trade	0.1%	0.5%	0.9%	19	95	175
Retail Trade	0.3%	0.7%	1.2%	166	396	634
Accommodation, Cafes and Restaurants	0.4%	0.8%	1.2%	83	173	265
Transport and Storage	0.7%	1.2%	1.6%	144	229	317
Communication Services	-1.3%	-0.9%	-0.6%	-37	-27	-16
Finance and Insurance	1.3%	1.8%	2.2%	144	195	248
Property and Business Services	1.7%	2.1%	2.6%	548	703	864
Government Administration and Defence	0.4%	0.9%	1.3%	50	98	147
Education	0.8%	1.2%	1.6%	227	357	492
Health and Community Services	2.7%	3.2%	3.7%	1,184	1,412	1,648
Cultural and Recreational Services	1.5%	2.0%	2.5%	136	178	222
Personal and Other Services	1.4%	1.9%	2.4%	246	327	411
Unallocated	-2.4%	-2.0%	-1.7%	-455	-395	-333
Total	**0.4%**	**0.8%**	**1.3%**	**1978**	**4028**	**6150**

Source: Roskruge & Pawar (2014) Southland Region Labour Market Assessment 2014-2031, tables 3.5 and 3.6

Appendix F: Projected Labour Demand by Occupation

Appendix F1: Projected labour demand by occupation, 2013-2023

Occupation	Employment	Employment 2023		
ANZSCO lvl1	**2013**	**Low**	**Medium**	**High**
Legislators, Administrators and Managers	5086	6,105	6,353	6,609
Professionals	5332	6,459	6,721	6,992
Technicians and Associate Professionals	4598	5,856	6,094	6,339
Clerks	3751	3,297	3,431	3,570
Service and Sales Workers	6448	6,530	6,794	7,069
Agriculture and Fishery Workers	8006	7,613	7,921	8,241
Trade Workers	3949	4,227	4,399	4,576
Plant/Machine Operators	5520	4,206	4,376	4,553
Labourers/Elementary occupations	3494	4,108	4,275	4,447
Other	2402	2,161	2,248	2,339
Total	**48584**	**50562**	**52612**	**54734**

Source: NIDEA estimates

Appendix F2: Projected growth in labour demand by broad occupation, 2014-2023

Occupation	Employment growth (% p.a.)			Employment growth (persons)		
ANZSCO lvl1	**Low**	**Medium**	**High**	**Low**	**Medium**	**High**
Legislators, Administrators and Managers	2.0%	2.5%	3.0%	1,019	1,267	1,523
Professionals	2.1%	2.6%	3.1%	1,127	1,389	1,660
Technicians and Associate Professionals	2.7%	3.3%	3.8%	1,259	1,496	1,742
Clerks	-1.2%	-0.9%	-0.5%	-454	-320	-182
Service and Sales Workers	0.1%	0.5%	1.0%	82	347	621
Agriculture and Fishery Workers	-0.5%	-0.1%	0.3%	-394	-85	234
Trade Workers	0.7%	1.1%	1.6%	279	450	627
Plant/Machine Operators	-2.4%	-2.1%	-1.8%	-1,314	-1,143	-966
Labourers/Elementary occupations	1.8%	2.2%	2.7%	614	781	953
Other	-1.0%	-0.6%	-0.3%	-241	-154	-63
Total	**0.4%**	**0.8%**	**1.3%**	**1977**	**4028**	**6149**

Source: NIDEA estimates

Source: Roskruge & Pawar (2014) Southland Region Labour Market Assessment 2014-2031, tables 3.7 and 3.8

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Appendix G: Stakeholder Consultation Workshops – Summary of Feedback

		65+ Age group	Young People 15-24	Migrants - International/domestic	Women
Attraction	**Actions (needed)**	Provision of resources to sell region to new arrivals/retirees selling up	Provision of a wider variety of night life, youth-focused activities	NZ Residency workshops and succession planning	Target partners of 'Canterbury Build' skilled workers - as the rebuild project slows down
Attraction	**Resources (needed)**	Job Expos/Lifstyle Shows/ domestic and International/ Promotional brochures/ facebook page/use social media	Invercargill Licensing Trust	Immigration Advisors/Primary ITO/Dairy NZ	Canterbury South contacts
Attraction	**Risks**			Region is too slow to provide support, migrants are departing for Australia and Canada	
Attraction	**Actions (needed)**	Encouraging early retirees back into the workforce	Information to young people (and careers advisors, and iwi) about the changing work supply environment	Encouraging migrant families to come by having local councils support housing/work	Flexible work practices are encouraged
Attraction	**Resources (needed)**	Positive incentives. (A negative incentive would be later access to Universal Superannuation but this is outside VS jurisdiction)	Communication	Funding of marketing campaign/support staff	Education of employers regarding future labour shortages
Attraction	**Risks**	Potential loss of key volunteer group	They may start looking elsewhere	Unable to acclimatise/settle here due to lack of support	Co-ordination of part time staff critical for work flow
Retention	**Actions (needed)**	Experienced employees, mentor younger employees	Employers Show Day - Not training institutes; this could be followed up with an open day at the business to turn potential into actual.	Regional financial scholarships for migrant students to under take Trade Training or University study in return for returning to jobs in region.	
Retention	**Resources**	HR training for small businesses	Chamber of Commerce/ Rotary Clubs	Funders of scholarships and grants	
Retention	**Risks**	Older workers not (necessarily) interested in the responsibility	Lack of drive to be employed/low wages paid	If solution not found fast will result in families leaving or students returning to homelands	
Retention	**Actions (needed)**	Create an age friendly workplace - use Work Ability Index - assess staff capability as well as capacity - all employees not just older ones	Employers need to consider armed forces model of recruitment - targeting young students, building loyalty, consider bonding	Explore establishment of supervision or apprentice pilot programmes to address qualification regcognition issues for migrants	Train people for mentoring and nurturing people back into the workplace
Retention	**Resources**	Employer training undertaken to retain staff	Get in early and play a hands-on role	Need government funding	
Retention	**Risks**	Many businesses unaware of the need to adjust workplace culture	Bonding (1980s version) may be seen as intrusive	Skills that are not recognised as transferrable could be wasted	

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Appendix G (cont.): Stakeholder Consultation Workshops – Summary of Feedback

		65+ Age group	Young People 15-24	Migrants - International/domestic	Women
Skill Development	**Actions (needed)**	Industry collaboration with careers advisors	Southland Youth Futures Programme	Explore further development of flexible training options	
	Resources (needed)	Communication opportunities	Venture Southland Initative	Training Establishments - expansion of hours of operation and courses provided	
	Risks	some roles require specific qualifications, eg teaching degree		Utilise Migrant Levy to ensure residency gained	
	Actions (needed)	Ongoing training/upskilling needs to be available to lder employees	Identify essential workability skills - Communication, people skills, computer skills, motivation, numeracy etc		
	Resources (needed)	Willing employers	Combined part time work and study		
	Risks	Loss of investment if people get trained then leave	Disengaged Youth not interested		
	Actions (needed)	Felxible working conditions	People need to be in work or training (and/or work and training)		
	Resources (needed)	Willing employers	Employers to see the benefits of jobs having a training component		
	Risks	Can be problems if too many part-time staff, can create administrative pressures	Loss of investment if people get trained then leave		
Utilisation	**Actions (needed)**	Investigate automation of business - for succession planning; family farms are finding the attraction of more challenging and non traditional equipment.	Induction/Transition/buddy system in place from Day one		
	Resources (needed)	For dairying, drones/milking systems/cleaning systems	Mentoring/Business systems in place		
	Risks	Lack of technicians to service the new systems	No support currently in place		
	Actions (needed)	Create a Contemporary Workforce - Know and ensure your 'mission-critical' skills and skill needs	Workability Plan/discussion instead of retirement plan		
	Resources (needed)	Skilled companies enabled to assess and transfer skills	HR training for small businesses		
	Risks	Stresses associated with time-tabling too many part time staff	Many businesses unaware of the need to adjust workplace culture		

Appendix H: Getting started – workforce planning in three steps

Getting started - workforce planning in three steps

As indicated above there are now many different and now well-trialed approaches to employer-level workforce planning available, and each organization or enterprise needs to adapt or develop their own approach in light of their own needs. By way of illustration, this section provides an overview of a useful 'three-tiered' approach.

Four simple questions[3] can serve to start the ball rolling:

1. Do I know the age profile of my workforce and that of the industry or occupation in which my business is located?
2. Am I experiencing difficulties in recruiting new/skilled employees?
3. Are there elements of work in my business that are 'age-critical' (e.g., physically demanding) and/or experience-critical (in-house knowledge-based)?
4. Are any problems already apparent among my older employees, what might I therefore expect in the future, and how can the work ability, employability and productivity of my older employees be maintained?

These questions can be answered in three ways:

1. ***By undertaking an age-structure analysis.*** This analysis depicts the age structure of the workforce, both your own and that at regional and national level. Comparative data for Southland Region and New Zealand are available from the National Institute of Demographic and Economic Analysis (NIDEA) and/or through Venture Southland. Projections of the future age structure of your workforce can be developed from these data, and possible 'supply/demand' gaps identified, along the lines presented in the accompanying Southland LMA Report (2015). This process should include an assessment of 'mission critical' skills (skills without which your business may not be able to function); hard-to-fill positions, and likely future positions that will become vacant due to retirement.
2. ***By undertaking an 'environmental scan' of your workplace*** in terms of the extent to which working and employment conditions in your organisation are conducive to workforce ageing. This level is focused on the structures, policies and practices of the working environment. Its main objective is to identify possible risks (particularly to

[3] Adapted from Morschhäuser & Reinhold (2006)

Appendix H (cont): Getting started – workforce planning in three steps

3. skilled labour supply) and potential approaches to accommodate change and mitigate risk arising from workforce ageing (yours, and your competitors).
4. ***By undertaking 'work ability' assessments with your employees***. This level involves self-assessment of each employee's ability to continue current tasks, roles and responsibilities, with the objective of revising Position Descriptions to accommodate employee needs, redeploying staff or creating job 'teams' to meet employer needs, and/or reclassifying some tasks and roles.

Undertaking an age structure analysis is relatively straightforward. If your workforce data include employee age or birthdate and sex, it is simply a matter of ascertaining the number and proportion at each age (aggregate the data into broad age groups). A simple check of 'vulnerability' to workforce ageing is then to calculate the ratio of those in the 'entry' age groups (e.g., 15-29 years) to those in the 'retirement zone' (55+ years). The Southland Region's employed workforce already has fewer than nine people aged 15-29 years for every 10 aged 55+ years. However ratios are considerably lower in a sizeable number of individually large industries and occupations, such as just four 'entrants' per 10 'exits' in the Grain, Sheep and Beef Cattle Farming industry, Community Care Services industry, and School Education industry (see Appendix D). Ratios are even lower in Other Health Care Services and Medical and Dental Services, indicating imminent labour shortages due to forthcoming retirement. Projecting the gap between supply and demand is a little more complicated, but such services are readily available.

Undertaking an environmental scan of your workplace can be achieved by accessing and modifying for your own needs a number of HR planning tools. A useful tool is included at Appendix I, and summarized below. When using the environmental scanning tool at Appendix I, be sure to note the instructions at the top of each sheet.

Appendix H (cont): Getting started – workforce planning in three steps

Quick check for a future-oriented HR policy	Tends to apply	Tends not to apply
Our age structure consists of equal proportions of young, middle-age and older employees	☐	☐
Our work activities are designed so that employees can perform them at all ages	☐	☐
Our employees are actively involved in the design of their working conditions	☐	☐
Our company regularly succeeds in training or recruiting enough young skilled workers	☐	☐
All employees irrespective of age are given the opportunity to obtain qualifications and expand their competencies	☐	☐
The exchange of knowledge between our older/experienced employees and younger employees is systematically promoted.	☐	☐
The prospect of career development is offered to all employees irrespective of age	☐	☐

Source: Martina Morschhäuser & Reinhold Sochert (2006) Healthy Work in an Ageing Europe. Strategies and Instruments for prolonging the Working Life. European Network for Workplace Health Promotion. Federal Association of Company Health Insurance Funds, Germany, p.33.

Undertaking a Work Ability assessment of (or with) your employees should only be done after a good communication strategy has first been employed, otherwise your good intentions may be misinterpreted. Again there are now several work ability tools (or questionnaires) available, and you should choose/adapt one that is suitable to your workforce needs (see Appendix B). In general the approach is to ascertain self-assessed ability to continue undertaking certain tasks, roles and responsibilities. Some work ability tools have usefully used a traffic light approach (red for 'no', orange for 'still ok' and green for 'no problems'). As indicated below, some work ability tools include questions regarding physical and psychological health; such questions should be very carefully developed with professional workforce planning advice. Following are three classic work ability index questions:

a. **Current work ability compared with lifetime best**.

Assume that your work ability at its best has a value of 10 points. How many points would you give your current work ability in respect of …. task?

(0 means that you cannot undertake this task at all)

completely unable to work at this task	0	1	2	3	4	5	6	7	8	9	10	current work ability excellent

Appendix H (cont): Getting started – workforce planning in three steps

b. Current work ability in relation to the demands of the job.

b1: How do you rate your current work ability with respect to the **physical** demands of your job?

Very good	5
Rather good	4
Moderate	3
Rather poor	2
Very poor	1

b2: How do you rate your current work ability with respect to the **mental** demands of your job?

Very good	5
Rather good	4
Moderate	3
Rather poor	2
Very poor	1

Bridging these three tiers of analysis is the need to have in place an overarching workforce planning business case that supports and is central to your operations, not 'additional' to them. One of Australia's leading workforce planners, Julie Sloan, has developed the check list on the following page. It can be used as a guide to the process, but the accompanying detail and rationale for each step should also be accessed. See http://www.workforceplanningglobal.com for Julie Sloan's website. Overwhelmingly, Sloan shows that success in implementing workforce planning involves:

- a high level of long-term commitment from senior decision makers (there are no 'quick fix' answers),
- access to knowledge and skills in contemporary workforce planning (old strategies will not work in a demographically-tight labour market),

Appendix H (cont): Getting started – workforce planning in three steps

- up-to-date quality workforce evidence-base (payroll data has many limitations and doesn't extend to the outside world),
- good open communication with and the involvement of all levels of employees,

- commitment to adequate resourcing, and
- recognition of all workforce segments and supply chains that contribute to your outcomes.

A Workforce Panning Progress Report Checklist (Sloan 2008)

Steps	Task	Ready to proceed	Not ready to proceed	Associated task/s	Time Frame	Person with responsibility for implementing task
Step 1	Build business case for workforce planning					
Step 2	Secure authority to proceed					
Step 3	Establish team of workforce planning champions					
Step 4	Consider external workforce planning advice					
Step 5	Implement the communication strategy					
Step 6	Undertake a workforce profile survey					
Step 7	Verify critical job groups and time frames					
Step 8	Analyse and report on workforce profile					
Step 9	Identify workforce development strategies					
Step 10	Identify support services for critical job groups					
Step 11	Undertake risk assessment and identify mitigation strategies					
Step 12	Monitor, map and measure					
Step 13	Integrate workforce planning into normal business					

Appendix I: Example Company-Level Environmental Scan

Important: The answers on yellow fields refer on the one hand to risks. On the other hand they indicate possible approaches to cope with changes in the age structure which have not yet been put in place. Here you are advised to examine the question in more detail to see whether it is expedient and feasible to pursue related actions and strategies in your company.

The answers on blue fields refer to approaches which your company is already pursuing. Here you are advised to ensure related strategies are continued, and where necessary, strengthened.

Recruitment of staff

We are increasingly finding fewer young specialists		yes / no
It must be assumed that the demographic change on our regional labour market will in future result in difficulties in recruiting staff		yes / no
When we recruit staff at our company, we pay attention to certain age limits		yes / no
We also recruit older applicants at our company		yes / no
We formulate vacancy advertisements so that older skilled workers are also targeted		yes / no

Qualifications

We offer the employees in our company further training programmes so they can increase their qualifications		yes / no
We regularly examine whether our older workers participate in further in-house training programmes just as frequently as the younger workers		yes / no
We actively support our older workers so that they also take part in further training courses		yes / no
We use teaching methods in in-house further training courses which suit older and adult workers		yes / no
Our employees of middle age and older master new technologies just as competently as our younger employees		yes / no
We have sufficient information on future qualification needs in the company and possible needs for qualifications of the employees		yes / no

Source: Martina Morschhäuser & Reinhold Sochert (2006) Healthy Work in an Ageing Europe. Strategies and Instruments for prolonging the Working Life. European Network for Workplace Health Promotion. Federal Association of Company Health Insurance Funds, Germany, p.33.

Appendix I (cont.): Example Company-Level Environmental Scan

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Work organisation

We make sure that our older employees are deployed just as frequently as the younger ones at workplaces where new processes and developments play a role and we promote this policy		yes no
Our objective is for our workers to frequently change their work activities and workplace and therefore train their learning skills		yes no
The employees in our company generally work together in groups of teams		yes no
We organise work and group tasks in such a way that they are relevant to learning and therefore permit on-the-job training		yes no
The deployment range of our older workers is just as large as that of our younger ones		yes no

Staff development plans

We regularly conduct staff appraisal talks with all workers to determine their qualification needs and discuss questions of their further careers		yes no
We support the stragtegy of our employees actively planning their further careers and we support them in this		yes no
We hold staff development programmes for all employees, also [separately] for those 'over 50'		yes no
We define age-appropriate workplaces and use these selectively for the deployment of older workers		yes no
We promote our employees working in different areas and fields in the company over the course of their working lives so they can further develop their vocational skills		yes no
We intentionally make sure that our employees do not perform routine work over prolonged periods (10 years and longer)		yes no
We pay attention to a 'limited staying time' of employees in age-critical work areas and offer them the opportunity of changing to physically and mentally less demanding workplaces after pursuing one activity for a long time		yes no

Source: Martina Morschhäuser & Reinhold Sochert (2006) Healthy Work in an Ageing Europe. Strategies and Instruments for prolonging the Working Life. European Network for Workplace Health Promotion. Federal Association of Company Health Insurance Funds, Germany, p.33.

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Work health promotion and integration

Certain workplaces and work areas in our company are 'age-critical' (e.g., physically demanding work, cycle-dictated work, activities with high levels of pollution in the working environment)		yes no
We take positive action to reduce working exposures and to promote the health of employees (e.g., ergonomic workplace design, organisation of health workshops, back school).		yes no
Work is perfromed at our company in shifts in some cases (alternating or night shifts)		yes no
We enable older workers, after doing night shift for many years, to stop working shifts		yes no
We organise the shift work to create as little impact on health as possible (planning shift sequences, location, duration and distribution of the working time according to health criteria).		yes no
We organise the workflows and work deployent in such a way that older workers schedule their work themselves and can therefore dictate their work rhythm themselves		yes no
We have sufficient information on the state of the health of our workforce and possible approaches to promote health at the company		yes no
Our company has a systematic in-house integration and case management system (existence of an integration team, regularly applied tools, systematic data surveys, case management, deduction of preventive action).		yes no

Know-how transfer

We discuss with our employees approaching retirement in good time when and in what form they want to leave the company		yes no
Our older employees have specific (empirical) knowledge which is essential for maintaining the company work processes		yes no
We specifically form work groups of mixed ages in order to promote the exchange of knowledge between the generations		yes no
We maintain special systems for transferring knowledge between the generations (e.g., sponsoring systems, mentoring, tandems or mixed-age project teams).		yes no
We promote models of sliding transition into retirement in order to maintain the efficiency of our older workers and support the handover of knowledge from old to young.		yes no

Source: Martina Morschhäuser & Reinhold Sochert (2006) Healthy Work in an Ageing Europe. Strategies and Instruments for prolonging the Working Life. European Network for Workplace Health Promotion. Federal Association of Company Health Insurance Funds, Germany, p.33.

Appendix I (cont.): Example Company-Level Environmental Scan

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The answers on blue fields refer to approaches which your company is already pursuing. Here you are advised to ensure related strategies are continued, and where necessary, strengthened.

Organisation of working hours

We offer our employees different working time models (e.g., part-time, free time en bloc, job sharing).		yes no
We enable our workers to organise their working time flexibly.		yes no
We offer our employees long-term working time accounts.		yes no
We enable our workers to take time-out or sabbaticals in order to undergo further vocational training or to 'rest and recuperate'.		yes no
We offer our older workers - depending on the individual and company interests - different models for going into retirement (e.g., working part-time, flexible transition into retirement).		yes no

Corporate culture

We have stratgeies to counter prejudices about poorer efficiency of older employees		yes no
We make sure that our older employees as well as younger ones experience recognition and respect in their work		yes no
We aim to achieve a co-operative leadership style and make every effort to ensure that our employees are involved in major issues affecting their work and develop their own initiatives.		yes no
Our executives and workforce representatives have already examined the issue of 'age and ageing workforces' in detail.		yes no
We have developed corporate guidelines for an intergenerational HR policy.		yes no
Diversity concepts are discussed and promoted at our company.		yes no

Source: Martina Morschhäuser & Reinhold Sochert (2006) Healthy Work in an Ageing Europe. Strategies and Instruments for prolonging the Working Life. European Network for Workplace Health Promotion. Federal Association of Company Health Insurance Funds, Germany, p.29-32.