



**Benje
Patterson**

People & Places

Queenstown-Lakes labour market snapshot to March 2023



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Council (QLDC)

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2. Introduction and overview

This snapshot gives an overview of current conditions in Queenstown-Lakes' labour market to March 2023. It also puts the spotlight on worker sentiment to highlight the important role which employee wellbeing can play in attracting and retaining workers.

2.1. What are current labour market conditions?

Employment in Queenstown-Lakes has soared over recent months. Almost 2,500 additional jobs have been filled over the past year, with close to 1,000 of these in the hospitality sector. Many employers are still short-staffed, but not nearly as badly as they were not so long ago – hospitality employment is now back to 85% of its pre-covid level, compared to just 67% a year ago. Not surprisingly, this has led to small increases in opening hours.

The substantial lift in employment is likely due to employers being able to tap into previously underutilised parts of the labour market. Workforce participation by women has risen sharply, while youth employment has climbed because of more school students working, as well as an influx of working holidaymakers over summer.

But not all is roses. Signs are mounting of a profit squeeze for businesses, which has led to wages not rising as fast as they were. Retaining staff as we move towards the winter season will now be the big challenge, particularly as it is getting harder to just write bigger pay cheques and housing availability remains tight. Increasingly, businesses are going to need to focus on encouraging people to stay by fostering a great workplace environment.

2.2. Spotlight on employee sentiment

Worker sentiment matters because employees, who are more satisfied, generally stay longer in their job and become advocates to others who are thinking about coming to work in Queenstown-Lakes.

The data on worker sentiment currently available in Queenstown-Lakes only scratches the surface of what is needed to properly understand the experience of workers in our district. At a headline level, worker sentiment in Queenstown-Lakes appears to be slightly better than the national average among a cohort of tourism and hospitality workers, but there is also evidence that sentiment has deteriorated across local workers over recent years.

It is recommended that there is an increased focus put on measuring worker sentiment within Queenstown-Lakes. This recommendation is consistent with the government and tourism industry partnership's commitment to a nationwide monitoring and evaluation framework in the [Better Work Action Plan](#).

Anything employers can do to lift their employment practice is beneficial not just to their own workforce retention, but also to the long-term reputation of Queenstown-Lakes as a desirable place to live and work. Given our high reliance on itinerant labour, we want our workers to not only stick around longer, but to also champion our district and key employers to their mates who might be considering an experience away from home.

3. Labour market data to March 2023

Selected indicators of labour market conditions in Queenstown-Lakes

Stats NZ, MSD, JobFix, and Queenstown Chamber data, available at 30 April 2023

	Mar-23	Mar-22	% change
Overall employment and wages			
Total employment (filled jobs)	24,053	21,588	11.4%
Earnings (average annual wages)	\$66,258	\$61,222	8.2%
Demand for workers			
Job ads (online job ads, weekly average across quarter)	153	110	38.9%
Worker availability			
Jobseekers (number of 'work ready' on this benefit)	114	255	-55.3%
Difficulty in finding workers			
Skilled/specialist (net % of businesses saying hard to find)	39%	56%	-17.0%
Unskilled roles (net % of businesses saying hard to find)	21%	45%	-23.6%

- There were 24,053 filled jobs in Queenstown-Lakes businesses in March 2023. Employment has risen by a rapid 11.4%pa (2,465 jobs) over the past year.
- Jobs growth has been characterised by a sharp lift in youth and female employment:
 - Job numbers by under 25s rose by 29% (666 jobs) over the past year. This lift will be a combination of school students finding part-time work, as well as an influx of working holidaymakers. Immigration New Zealand data shows there were almost 29,000 working holidaymakers in New Zealand in March, up by about 25,000 people over the past year.
 - Female employment grew by 12.6% (1,334 jobs) over the past year. This trend is likely to have been partly induced by the increased cost of living pushing households to seek additional income. Households who purchased the median house one year ago in Queenstown-Lakes are now facing a more than \$400 per week lift in mortgage repayments.
- Hospitality employment has risen by almost 1,000 workers over the past year. Accommodation and hospitality employment is now at 85% of its pre-covid level, compared to just 67% a year ago.
- Higher employment has enabled a net 4% of businesses to expand their operating hours in the past 3 months, compared to a year ago when a net 33% of businesses were reducing their operating hours.
- Demand for workers remains high, as evident by job ads. But given the high levels of youth and female workforce participation, fewer businesses are reporting difficulties finding workers.
- Queenstown-Lakes businesses have fought hard with their cheque books to lift their headcounts, but wage growth is now past its peak. Wage growth has slowed from 11%pa a year ago to 8.2%pa now.
- There are limits to how much more heavy lifting wages can do. Cost pressures are eroding profit margins, with a net 13% of local businesses expecting decreased profitability in the coming months.
- Given that many local businesses are beginning to face the squeeze, retaining and attracting staff for the busy winter season will be as much about non-wage factors as it is pay cheques.
- Worker accommodation is a big part of these non-wage factors (as discussed in previous [labour market updates](#)), but so too is the general workplace environment at a business level.
- Queenstown-Lakes businesses should pay attention to their staff wellbeing. The district has a heavy reliance on itinerant labour that is highly mobile. Anything that supports the district's reputation as a great place to live and work, can not only encourage people to stay in roles a little longer, but it can also create an environment where workers champion the district and key employers to their mates.
- The next section highlights what we currently know about worker sentiment in Queenstown-Lakes.

Employment in Queenstown-Lakes businesses by industry, March 2023 against when Covid first hit
Stats NZ Monthly Employment Indicators, Filled jobs in businesses, available at 30 April 2023

Industry	Mar-23	Mar-20	Change
Accommodation and Food Services	4,592	5,365	-773
Construction	3,375	2,921	454
Retail Trade	2,804	2,623	181
Professional, Scientific and Technical Services	1,832	1,504	328
Administrative and Support Services	1,408	1,391	17
Health Care and Social Assistance	1,251	1,078	173
Education and Training	1,181	1,057	124
Manufacturing	1,138	976	162
Transport, Postal and Warehousing	1,065	1,024	41
Arts and Recreation Services	1,039	1,078	-39
All others	4,368	4,219	149
Total	24,053	23,236	817

Total jobs in Queenstown-Lakes

Source: Stats NZ monthly employment indicators, filled jobs


Wage growth in Queenstown-Lakes businesses by industry

Stats NZ Monthly Employment Indicators, % change in annual wages (12 months to March 2023)

Industry	Wage growth (%pa)	
	Queenstown-Lakes	New Zealand
Transport, Postal and Warehousing	14.7%	9.0%
Administrative and Support Services	13.5%	8.2%
Accommodation and Food Services	11.6%	7.2%
Health Care and Social Assistance	9.6%	8.4%
Manufacturing	9.3%	5.6%
Arts and Recreation Services	8.4%	4.8%
Construction	6.4%	5.9%
Retail Trade	5.4%	3.4%
Professional, Scientific and Technical Services	4.9%	6.0%
Education and Training	4.5%	3.7%
All other	8.4%	6.0%
Total	8.2%	6.2%

4. Spotlight on worker sentiment

This section puts the spotlight on worker sentiment in Queenstown-Lakes. The purpose of this section is to raise awareness as to how satisfied workers in the district are compared to workers elsewhere in New Zealand, and to show how worker sentiment has evolved over recent years.

4.1. Why does worker sentiment matter?

Worker sentiment matters because employees, who are more satisfied, generally stay longer in their job and become advocates to others who are thinking about coming to work in Queenstown-Lakes. At a personal level, satisfied workers are also likely to be happier with their lives than unsatisfied workers.

Anything that employers can do to create a more satisfying workplace could reduce turnover in their workforce. Retaining workers is particularly important given that Queenstown-Lakes already has the highest level of workforce churn in the country¹ and is currently facing acute challenges in recruiting staff. Over the long-term, a focus on ensuring workers in the district are happy will also have reputational benefits that make it easier for businesses to recruit staff in a competitive global marketplace for labour.

4.2. Current data on worker sentiment in Queenstown-Lakes

Data on worker sentiment in Queenstown-Lakes is scant, only two datasets have been identified:

1. Employment conditions in Queenstown-Lakes compared to New Zealand using a survey of tourism and hospitality workers by Auckland University of Technology (AUT).
2. Changes in job satisfaction among residents through time using QLDC's Quality of Life Survey.

4.2.1. Employment conditions compared to New Zealand

Benje Patterson published a report that considered worker sentiment and employment conditions in Queenstown-Lakes compared to New Zealand. The report was based on analysis of Queenstown-Lakes' worker responses within a 2022 nationwide survey of tourism and hospitality workers run by AUT².

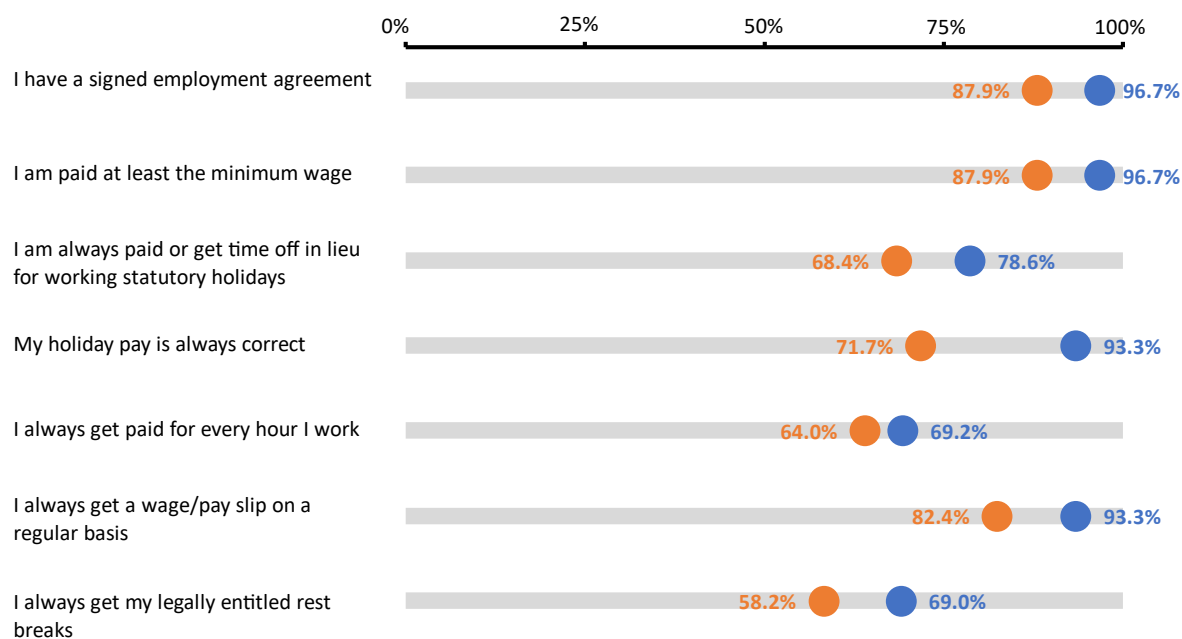
At a national level, AUT had raised red flags about tourism and hospitality employment conditions, particularly a concerning lack of compliance with basic legislative employment requirements and generally low levels of worker sentiment. In a Queenstown-Lakes context, there was concern that the national results did not translate into the local context where many employers have been focussing on improving employment conditions to attract and retain workers amid acute labour shortages.

Key findings of Benje Patterson's report include:

- Tourism and hospitality workers in Queenstown-Lakes consistently report higher levels of workplace satisfaction and better employment conditions than the New Zealand average.
- Queenstown-Lakes' better performance is particularly apparent regarding employers' adherence to statutory obligations surrounding pay and employment agreements, as well as practices surrounding rostering and treating their employees with dignity and respect.

¹ Taxation data from the Linked Employer-Employee Dataset showed that the workforce turnover rate in Queenstown-Lakes each quarter averaged 21% during 2021, compared to 15% nationally. This worker turnover rate is representative of workforce churn.

² Benje Patterson's report, entitled "Tourism and hospitality employment conditions in Queenstown-Lakes compared to New Zealand", is [available here](#). Benje Patterson would like to thank Dr David Williamson of AUT for kindly making available the raw survey data for the purposes of identifying worker sentiment and employment conditions among a Queenstown-Lakes' cohort of survey respondents.

Graph 1 – Employers' adherence to employment obligations, Benje Patterson analysis of AUT survey data**Employers' adherence to employment obligations (% of employees agreeing):****New Zealand vs Queenstown-Lakes**

Despite the survey showing that Queenstown-Lakes' employees report better workplace conditions than elsewhere in New Zealand, there are still some areas of concern where there is room for improvement. Concerns are generally echoed nationally and are particularly concentrated on things such as rest breaks, but there is also some evidence of employees reporting having experienced harassment while at work.

4.2.2. Changes in job satisfaction through time

Changes in job satisfaction among Queenstown-Lakes residents through time is available through QLDC's Quality of Life Survey. The survey shows at a headline level that there has been a deterioration to how fulfilling Queenstown-Lakes' residents find their work:

- In 2019 before the Covid-19 pandemic, 76% of Queenstown-Lakes workers agreed or strongly agreed that their work was fulfilling, while by 2022 this proportion had fallen to 68% of residents.
- Although more workers report having learnt something new recently, many workers express being pigeon-holed in what they are doing. Fewer residents believe their skills are transferable to other jobs and just 50% agree that their skills are being utilised to their full capacity.

Table 1

Job satisfaction of Queenstown-Lakes residents			
<i>Proportion of respondents to QLDC's Quality of Life Survey who agree/strongly disagree</i>			
	2022	2019	% change
I find my work fulfilling	68%	76%	-8%
I have learnt something new in the last 12 months	80%	76%	4%
I have developed skills/qualifications I could apply to other jobs	72%	81%	-9%
My skills are being utilised to full capacity	50%	-	-

4.3. More data on worker sentiment is needed

The data on worker sentiment currently available in Queenstown-Lakes only scratches the surface of what is needed to properly understand the experience of workers in our district.

At a headline level, worker sentiment in Queenstown-Lakes appears to be slightly better than the national average among a cohort of tourism and hospitality workers, but there is also evidence that sentiment has deteriorated across local workers over recent years.

It is recommended that in future there is an increased focus put on measuring worker sentiment within Queenstown-Lakes. These measurements need to be consistent through time so that we can track Queenstown-Lakes' progress on being a great place to work. Measures also need to be layered so that employers can understand which factors contribute to better experiences for workers in the Queenstown-Lakes context.

This recommendation is consistent with the [Better Work Action Plan](#) published as part of the government and tourism industry's Tourism Industry Transformation Plan partnership. The Plan commits to implementing a nationwide monitoring and evaluation framework for tracking employee experiences, within six months of its March 2023 release. There is an opportunity for Queenstown-Lakes to leverage off a national approach to measuring tourism and hospitality worker sentiment by encouraging local participation in any government or industry-led surveys.

Ultimately, anything employers can do to lift their employment practice is beneficial not just to their own workforce retention, but also to the reputation of Queenstown-Lakes as a desirable place to live and work. Amid global shortages for labour, it is more important than ever for Queenstown-Lakes' workers to be ambassadors for our district.

