

The 2022
**South Island Business
& Employers Survey**



February 25, 2022



Thank you to all the businesses and employers that completed the survey.

South Island Prosperity Partnership was proud to work through partners such as the Urban Development Institute (UDI) - Capital Region, the Greater Victoria Chamber of Commerce, Westshore Chamber of Commerce, Esquimalt Chamber of Commerce, Sooke Region Chamber of Commerce, the Victoria Innovation Advanced Technology and Entrepreneurship Council (VIATEC), Downtown Victoria Business Association (DVBA), Sidney Business Improvement Association (BIA), Sidney Breakfast Club and Harbour Digital Media, along with the City of Victoria Business Hub and many

of our municipal partners who shared the survey and are eager to receive the input.

The survey captured some of the top issues, constraints and opportunities employers face going into 2022. With this being a municipal election year and also a key time in the recovery from the COVID-19 pandemic, SIPP and its partners want to ensure various governments and organizations have these issues top of mind as we strive towards a more resilient, innovative, sustainable and equitable South Island regional economy.



Respondent Profile

Our small sample of 56 employers represents 16,449 total employees throughout the South Island region.

These employers currently have 574 open and unfilled positions.

The average number of employees from each employer was 277. These employers ranged from single-employee businesses to businesses with 4950 employees. Overall, 14 respondents had over 100 employees, and 42 respondents had under 100.

Respondents represented a range of sectors from the economy, including:



Technology



Manufacturing



Transportation



Not-for-profit



Retail



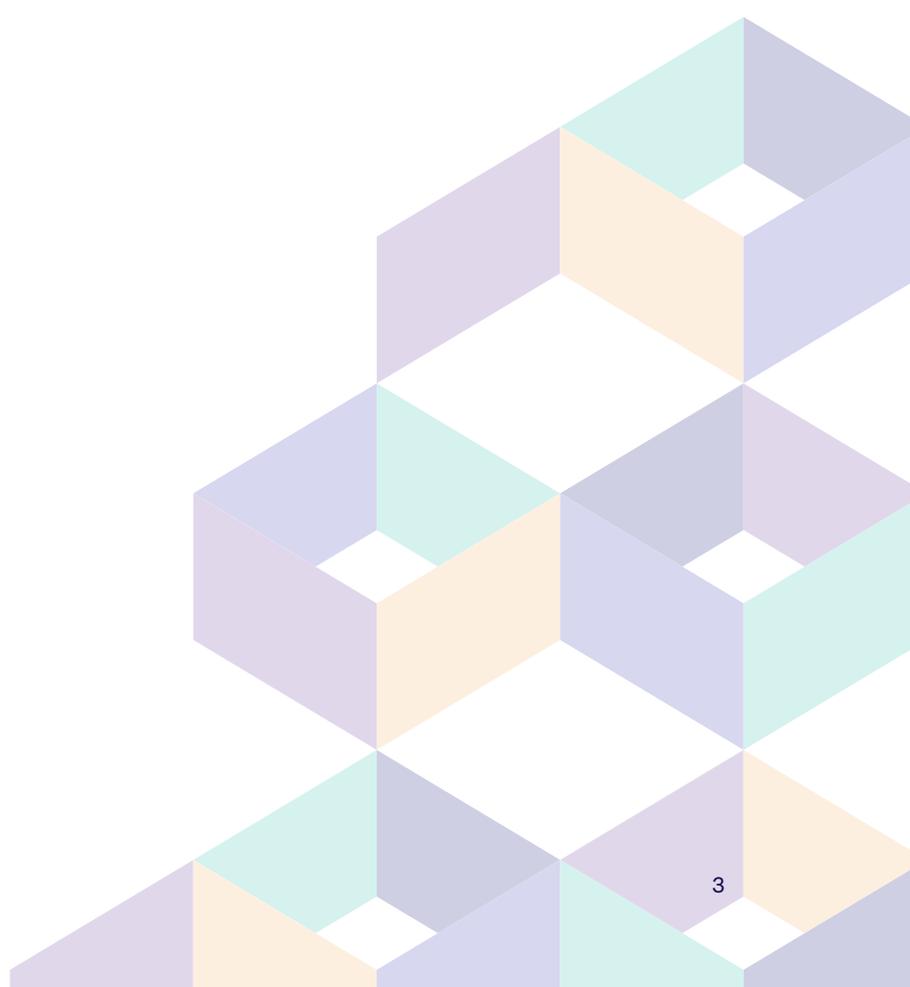
Tourism



Business services and support organizations



Consumer Services (fitness, childcare, real estate)



Hiring

Employers are reporting a very constrained labour market, with the most difficulty filling experienced non-management mid-range or mid-career personnel. 29% said it was a challenge to find candidates, and 21% said they can't find candidates or have had difficulty time and time again.

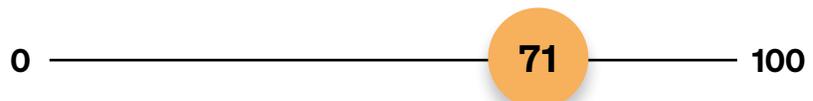
Employers reported that the second most difficult-to-fill positions were experienced middle management or specialised management. 29% said it was a challenge to find candidates for open positions. 16% responded that they can't find candidates or have had difficulty time and time again. Over 60% of respondents noted that the most significant change for the hiring process were job listings remaining open longer. For difficult to fill positions, 20% of employers said they were hiring from outside the region and allowing remote working.

However, employer respondents were still optimistic about workforce growth. 64% responded that they were expecting to either slightly or substantially increase the size of their company's workforce. 34% responded that they were staying the same size. Only 2% anticipated decreasing.

Support for Affordability

Respondents were asked about their level of support for policy changes that would facilitate increased density. This would include increased "gentle density" in neighbourhoods, smaller lot sizes, more townhouse-style developments and other types.

Respondents were asked to rank their support from 0 (don't support these policies) to 100 (support aggressive policy reforms across all neighbourhoods).



The responses averaged 71, with very few below the 50% mark. This implies respondents have a strong desire to address affordability and housing across all neighbourhoods in the region with a range of policies that support density.

Supply Chain Issues

How are businesses addressing supply chain challenges?

Respondents were asked how the recent supply-chain issues impacted them and how they adapted. These were the three most common approaches:

| Strategy | Respondents |
|--|-------------|
| Increase prices to absorb some of the increased cost (to retain profit margin) | 33% |
| Increase prices to absorb some of the increased input cost (at reduced profit margin) | 32% |
| Delay or reduce production/sales volumes to accommodate the delays in receiving supplies | 27% |

What long-term solutions could address supply-chain issues?

Respondents ranked a variety of possible solutions to address supply-chain issues. The top 3 solutions included:

| Solution | Respondents |
|--|-------------|
| Programs to build or increase domestic options for packaging and containers (food containers, blow-molding facilities for glass containers, injection molding facilities for plastic containers, etc.) | 19% |
| Incentives for reshoring manufacturing companies from overseas | 15% |
| Investments in circular economy initiatives that would encourage re-use of output materials into new production streams (e.g. materials recycling within domestic supply-chains) | 13% |

Other ideas to address these issues included:

- funding for local organizations pooling resources in a cooperative structure
- logistics improvements at ports and hubs
- improving shipping speed for items
- market and expand access to western domestic ports

Barriers to Success in 2022

Respondents ranked the most significant barriers to growth from 1 to 6, with 1 representing the most impactful barriers and 6 representing the least impactful.

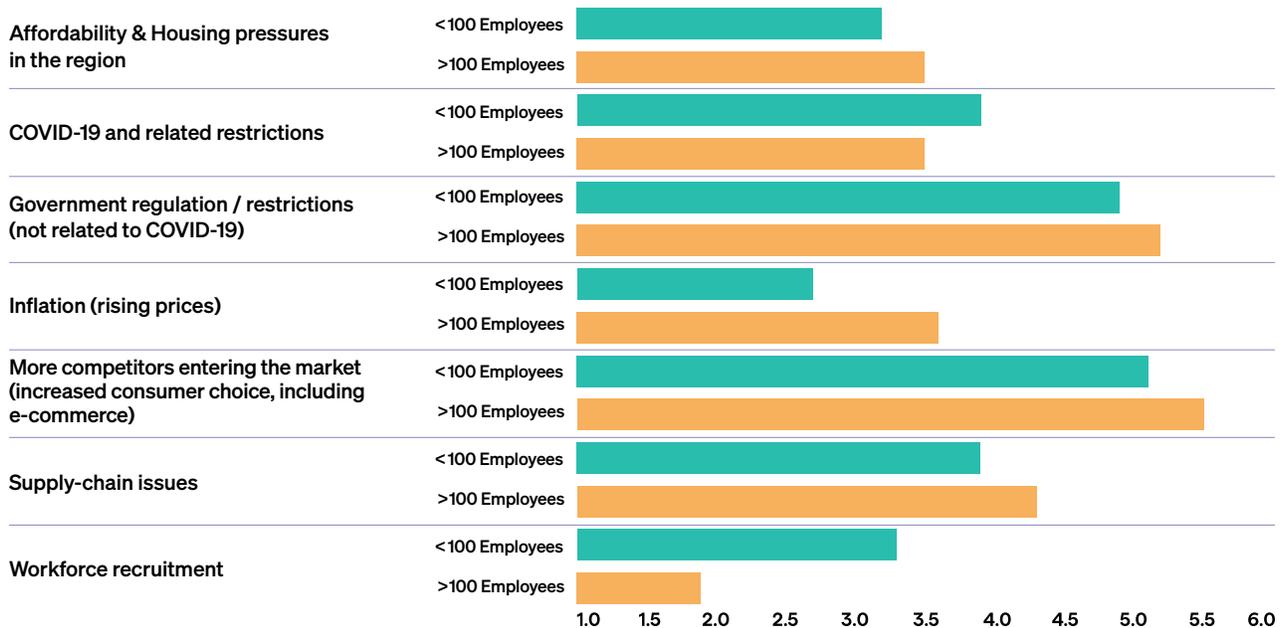
Respondents said “Inflation and Rising Costs” and “Workforce Recruitment” were tied for the biggest issues, followed closely by “Housing and Affordability”.

While opportunities for growth were relatively similar regardless of employer size, barriers for growth varied depending on the size of the company. The biggest difference was in Workforce Recruitment. Employers with over 100 employees ranked this as the most impactful barrier to growth on their business. For employers under 100 employees, inflation ranked as the most impactful barrier of growth, whereas larger employers ranked this lower.

Other Issues Mentioned

- Access to childcare spaces
- Lengthy municipal development processes
- Solutions to homelessness issues
- Public transportation between downtown and Westshore
- Lack of family medical services and doctors
- Immigration processing and credentialing issues

Ranked Barriers to Growth by Company Size



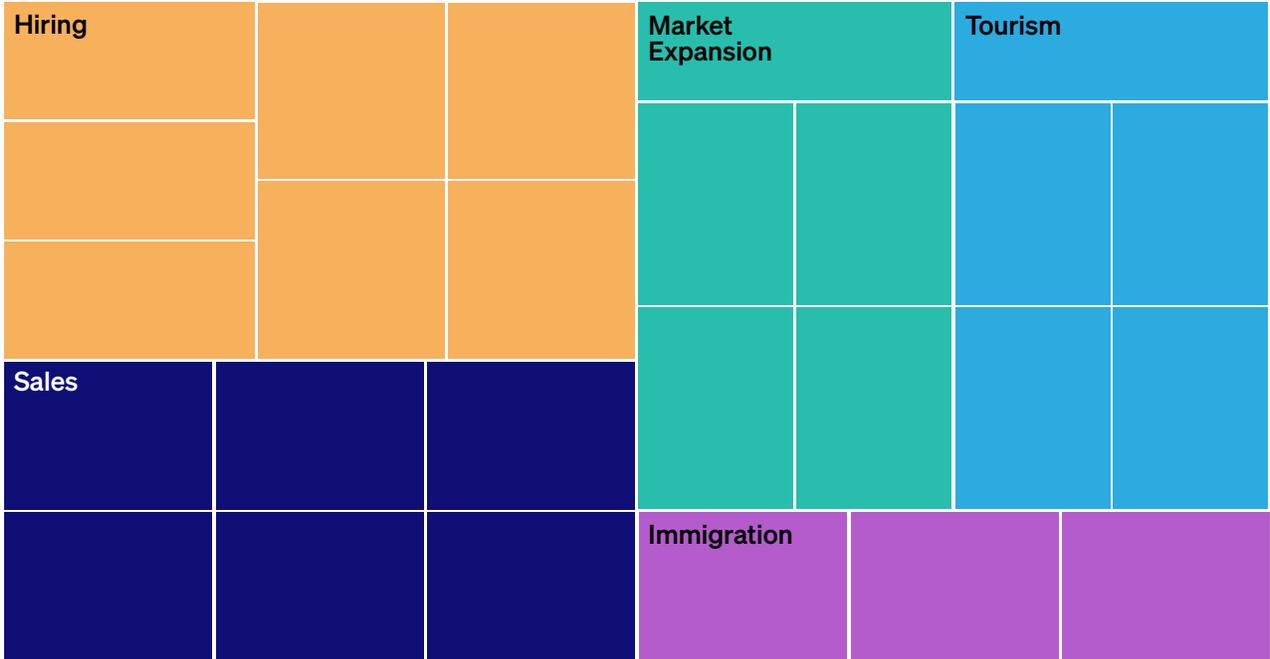
Growth Opportunities

Respondents largely were optimistic about growth opportunities. The themes of improved hiring, market expansion, tourism and sales appeared frequently in the respondent's answers. They expressed the value of focusing on economic development that promotes social wellbeing.

Some of the top opportunities for growth included:

- build a film studio on the South Island
- open Canada to more immigrants and reduce constraints on housing of all types
- help brick and mortar businesses embrace e-commerce
- retain students and young families through diverse housing types and good jobs
- embrace rapid transit (BRT and eventually LRT for the future of our region's growth)
- promote the region and help businesses enter new export markets
- reconciliation with Indigenous peoples and growing the Indigenous economy
- take advantage of easing of travel restrictions
- take advantage of the remote working trend

Top 5 Mentioned Growth Opportunities by Theme



Conclusion

With a sample size of just **56 respondents**, this survey captured some of the top barriers and issues facing the employers of **16,449 local residents** across the South Island region. The results show a constrained labour market where employers are finding it difficult to find employees (with currently **574** positions open across the 56 respondents). This means service levels will decrease while the price of goods and services will continue to increase as employers compete for workers and deal with inflationary and other pressures like supply-chain issues.

Respondents offered a range of solutions to these issues, notably strong support for policies that enable more housing being built across the region, including the use of gentle density in neighbourhoods. Respondents offered ideas for various initiatives involving all levels of governments: a range of supports needed to address supply-chain challenges (like encouraging domestic production and others), support for the film and tourism sectors, increasing immigration levels, embracing reconciliation with Indigenous peoples, helping small businesses sell abroad or get into e-commerce, to name just a few.