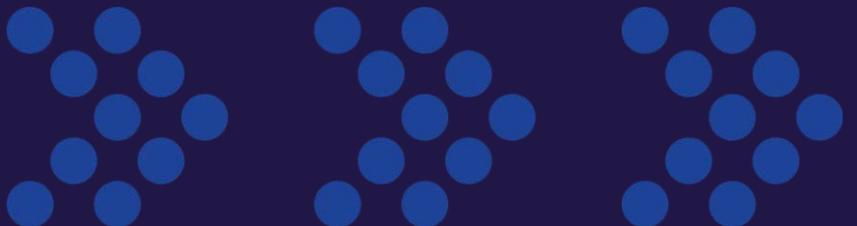
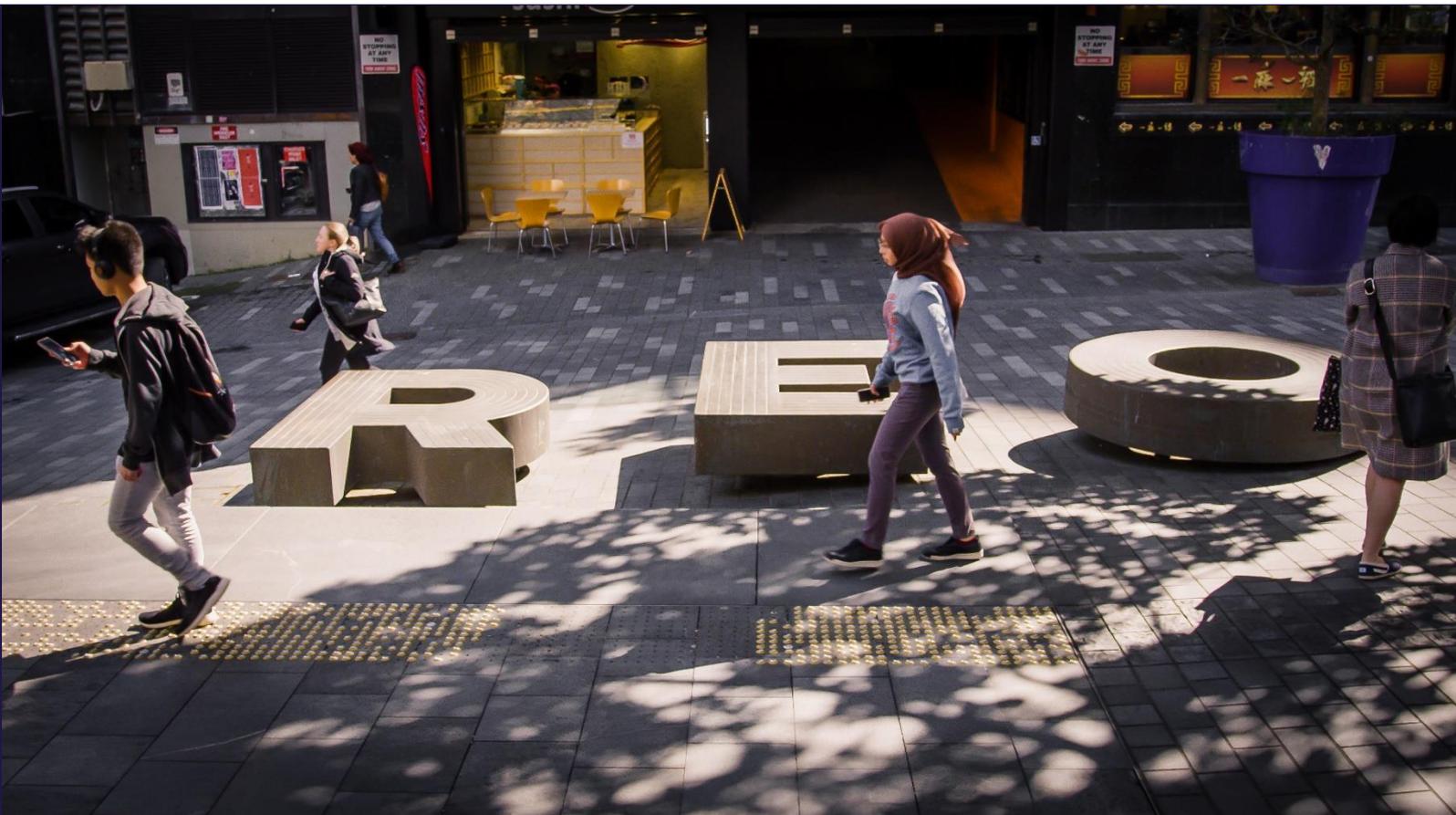




Tāmaki Makaurau
**REGIONAL
SKILLS
LEADERSHIP
GROUP.**

Local Insights Report

Tāmaki Makaurau interim Regional Skills Leadership Group
October 2020



Introduction

This report provides a summary of interviews with members of the Tāmaki Makaurau Interim Regional Skills Leadership Group (IRSLG) that were conducted in September. It is the second Local Insights Report produced by the group.

It provides an overview of current labour market challenges and opportunities in the Auckland region and is intended to assist Government agencies and local stakeholders with planning. The primary focus for Interim RSLGs is the impact of COVID-19 on regional labour markets.

At the time of these interviews, the country was experiencing its second round of COVID-19 restrictions, with Auckland at a higher alert level.

As a group, we welcome comments on this report. Please email feedback to TamakiMakaurauRSLG@mbie.govt.nz.

For more information about the interim Tāmaki Makaurau Regional Skills Leadership Group, visit www.mbie.govt.nz/Tamaki-Makaurau-RSLG.

Purpose of the RSLGs

The Regional Skills Leadership Groups were formed in June 2020 to identify and support better ways of meeting future skills and workforce needs in our regions. They are part of a joined-up approach to labour market planning which will see our workforce, education and immigration systems working together to better meet the differing skills needs across the country.

Functioning independently, the groups are regionally based and regionally led, and supported by a team of data analysts, advisors and workforce specialists at the Ministry of Business, Innovation & Employment.

Key themes

Tāmaki Makaurau continues to experience a number of labour market challenges due to COVID-19 related restrictions:

- The closure of the national border continues to hamper the tourism, accommodation, retail and hospitality sectors.
- Retail businesses in the CBD are experiencing a significant drop in trade due to the lack of international students and people working from home.
- The reinstatement of Alert Level 3 in Auckland (and Level 2 outside of Auckland) put the brakes on the domestic tourism market.
- South Auckland's reliance on the airport precinct means there has been a drop-off in employment in firms that service the airport and the airline industry. This employment drop-off has flowed into other local businesses, with food outlets reducing operating hours here, but not in other locations.
- Growing unemployment and economic insecurity is leading to an increase in mental health issues. Lockdown restrictions also prevented some people from accessing the mental health services they need, which is expected to have downstream impacts on employment readiness for some in future.
- Lockdown restrictions prevented some people from accessing the health services they need. This is expected to have downstream impacts on employment readiness for some in future.

- The full impact of COVID-19 on the region’s labour market is still being cushioned by the wage subsidy. Businesses are expected to more significantly shift their operating models, including the announcement of redundancies, when the subsidy ends in October.
- Smaller construction sector firms are facing difficulties in tendering for ‘shovel ready projects’ may need capability building support to qualify for larger-scale projects. This could be potentially addressed in the social procurement provisions of public construction contracts going forward.
- The horticultural sector is reportedly facing labour market challenges in employing people to pick fruit (such as strawberries) as the critical time for harvesting approaches. The sector has traditionally relied on overseas workers entering the country under the Recognised Seasonal Employer (RSE) work scheme. Growers fear that due to border controls, the supply of RSE workers will be insufficient for them to fully harvest their produce this year, potentially leading to price rises. However a counterview has been publically expressed that this job shortage is exacerbated by the low quality of jobs available for local workers. This highlights the need to develop good jobs for local communities in the horticulture sector within Tāmaki Makaurau.

There are a number of opportunities to be explored:

- Given the possibility that region-specific lockdowns will need to be reinstated, there are a number of lessons that can be learned from the use of ‘regional borders’ due to the implementation of differing alert levels. This is particularly around border management and rules for business operations.
- There has been a significant rise in Māori and Pasifika firms developing their business capability skills by joining business networks that provide training, mentoring and other services such as financial planning and tax requirements. These networks are proving to be useful in supporting businesses to successfully navigate central and local government support areas. It is likely that more businesses could take advantage of such network-based support.
- Partnerships between business agencies such as the Auckland Chamber of Commerce and local industries have been successful in creating training and employment pathways in South Auckland in a range of industries. More collaborative practices such as these are likely to be of mutual benefit to employers and prospective employees.

Next steps

The IRSLG will continue to report on the impacts of COVID-19 on the Tāmaki Makaurau regional economy. It will proceed with a sector focus on the labour market which will initially include job-rich sectors of construction and health.