

## TOP REGIONAL IMPACTS



**The Wellington region is experiencing labour shortages, especially for seasonal, qualified and technical work.** In some sectors, such as healthcare, the burden of shortages is being carried by workers on increased hours. Many employers are looking for new solutions, such as hiring recent school leavers and providing on-the-job training. Employers are using flexible work arrangements, casual and contract work to manage business risk posed by lockdown. Employees are beginning to negotiate higher rates of pay.

**Constraints on the international movement of supplies and goods through our ports is threatening normal business operations.** Some businesses are concerned material shortages may halt their business, risking lay-offs and apprenticeships, especially in construction and manufacturing. On the other hand, shortages of materials are opening new markets for local manufacturing.

**Bottlenecks in apprenticeship training are an ongoing issue.** In some sectors, COVID-19 disrupted the training pipeline in 2020, resulting in a bottleneck in apprenticeship training that has not been cleared.

**Businesses are coming under increasing cost pressure across the board.** Although many of the regions business sectors are strong, increasing cost may have a negative impact on the region's economy in the medium term.

## TRENDS AT A GLANCE



**73.4% - labour force participation rate.** This is a measure of the number of people who are either working or actively seeking work

There are 3,300 fewer people in Wellington's labour force since last year (75.2% in Dec 2019). Despite this reduction, Wellington's participation rate remains amongst the highest in the country.



**11.7% - underutilisation rate** This rate includes people who are unemployed, people who'd like to work more hours and people who would like to work but are not currently looking.

This is a slight increase since last year (10.8% in Dec 19), and means fewer people are working as much as they would like to be.



**10.5% - youth NEET rate.** People aged 15-24 who are not involved in employment, education or training.

500 more young people are not in employment, education or training compared to last year (9.5 % in Dec 2019).

## TOP 5 LABOUR MARKET OPPORTUNITIES

- Large construction and infrastructure projects drive growth and fuel demand for staff.** Projects such as RiverLink in Lower Hutt and Transmission Gully, are set to drive growth increase demand for labour.
- Employers are trying to manage staff shortages by seeking work-ready entrants and providing work-based training** to upskill existing staff, but skilled workers are needed to do the training. Employers are also showing strong support for apprenticeships in the construction sector.
- There is opportunity for employers to more actively support and develop potential workers** from groups that traditionally struggle to find full employment (eg. Māori, Pasifika, people who speak English as a second language, people who have a disability).
- Existing services have potential to expand.** There is an important role for services which ensure local job providers and prospective employees have the best chance to connect and stay connected.
- Wages have increased for some sectors.** The pay equity settlement may account for fewer shortages in the aged care sector in some areas.

## TOP 5 LABOUR MARKET CHALLENGES

- Employers are struggling to fill vacancies for people with technical skills and qualifications in most sectors.** This includes construction and infrastructure, hospitality, transport and driving, the primary sector, manufacturing and engineering, health care technology and gaming. Competition for staff and "poaching" is driving upward wage pressure at a time when many businesses are stretched.
- Lack of a suitable drivers licence is impacting employment opportunities.** Many people cannot take up employment opportunities due to the lack of a suitable drivers licence to travel to work or for the work itself, such as in freight, forestry, civil construction, heavy machine or forklift operation.
- Some employers are reporting a growth in absenteeism,** especially on Fridays or Mondays.
- Housing shortages are limiting domestic migration as a solution.**
- Healthcare and some other sectors continue to require staff with highly specialised skills from offshore.** Employers are reporting that the cost of flights and quarantine is extremely high.

## THE WELLINGTON REGION



## OUR FOCUS FOR THE NEXT 2 MONTHS:

The Wellington interim Regional Skills Group is preparing the foundations of the draft Regional Workforce Plan. Over the next two months the Group will hear from a leader of Te Matarau a Māui - the region's Māori Economic Development Strategy. It will agree principles, its stakeholder engagement plan and a description of the regional context. It will focus on the characteristics of workforce demand and on the makeup of the region's potential workforce.