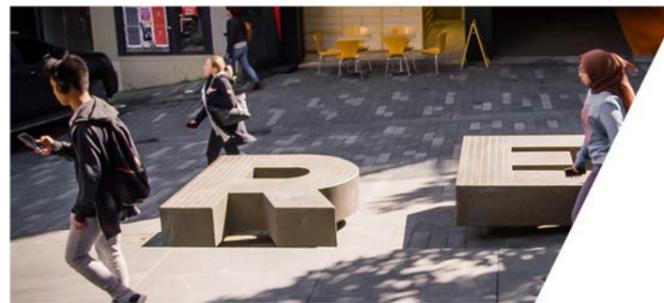


Local Insights Report

December 2020



TOP REGIONAL IMPACTS

- Border restrictions continue to be a concern to employers** who are unable to source skilled overseas workers to fill vacancies while locals complete multi-year training.
- Auckland is tracking behind the New Zealand average on key labour market measures after the September quarter.** The August COVID-19 resurgence has impacted the September measures, as in previous quarters of 2020 the Participation rate and Employment rate in Auckland were nearly equal to the New Zealand rates.
- Construction and Infrastructure sectors are responding to uncertain demand by increasing their proportion of casual workers.** Recent restructures by some large businesses moving staff from contracted hours to casual contracts is impacting staff confidence and having flow on reductions in take home pay.
- Businesses are changing practice in efforts to attract domestic workers.** This includes engaging with existing agencies to implement pastoral care support such as accommodation or transport assistance.
- The horticulture sector has significant concerns they are unable to source sufficient staff for the current season.** Shortages have been exacerbated by a long-term reliance on overseas seasonal workers.
- Mental health concerns are being raised by both business owners and workers,** with reported increases in the use of services such as the Employee Assistance Programme, and the incidence of accidents/near misses on business sites.
- Disadvantaged groups such as Māori, Pacific people, young people and women who were disadvantaged in the labour market prior to COVID, are more disadvantaged now.** They have incurred the most job losses, and Māori and Pacific Peoples have the highest rates of jobseeker support in the region.

SPOTLIGHT— HEALTH WORKFORCE

Challenges (existing)

- Shortage of clinical workforce and public health staff, particularly in the aged care, disability, and home and community care areas
- Workforce doesn't reflect population base – particularly Māori and Pacific peoples
- Pay disparities across the sector
- Lack of understanding of the range of career opportunities
- Qualification pathways are confusing
- Developing new community based health delivery models

Opportunities

- ◆ Improving Māori and Pacific participation in the health workforce
- ◆ Developing a workforce to support the vaccination roll out
- ◆ Promoting Occupations outside those commonly associated with the sector
- ◆ Promoting Occupations supporting digital and tele health
- ◆ Train and earn employment models

Challenges (COVID impact)

- Dependency on international staff – impacted by border closures
- Mental health and burnout
- Shortage of contact tracing capability and advice
- Managing surge workforce; Workers need new skill sets so can easily redeploy in different roles
- Supporting and keeping staff (and their families) safe
- IT capability to operate in virtual environment

LABOUR MARKET OPPORTUNITIES

- The infrastructure sector can be a catalyst for employment in other sectors** by promotion of the up and downstream supply chains.
- The Tāmaki initiative '10,000 jobs for Maori' was agreed to at a recent regional Whanau Ora collective hui.** The initiative has the goal of creating 10,000 jobs for Māori through a collaboration of iwi, and private businesses.
- Auckland is experiencing shortages in the trades, education, and health and social services and screen industry.** New Zealand's screen sector supports 14,000 jobs and contributes about \$3.5 billion annually to the economy.
- There is an opportunity to curb unemployment amongst South and West residents with diversion to training or on-the-job learning.** Many residents will likely need upskilling, especially those who are Māori and Pasifika.
- Enrolments in tertiary training are increasing,** with a noticeable increase in enrolments from an older cohort than traditionally seen.

LABOUR MARKET CHALLENGES

- Border closures and reduction in air traffic are hampering the service industries** (tourism, accommodation, retail, airport and hospitality sectors). This is changing flow on business practices, such as the need to adjust to increased use of road freight.
- Future changes in alert levels (which is more likely for Auckland) is causing nervousness in hospitality businesses.** The Restaurant Association surveyed it's members and 70% of the Auckland respondents reported revenue was down compared to November 2019. This is more than other regions, and suggests Hospitality in other regions has rebounded more than Auckland.
- Job losses have been dominated by those working full time.** Since March 2020 there has been a decline in employment amongst people working 30 hours a week or more, and an increase in part-time employment.
- Displaced workers in low-skill and low-pay jobs make up a disproportionate amount of those who have lost employment.** This is not easily addressed as those sectors most affected by COVID-19 are also those with the highest proportion of low-skill low-pay roles.
- The existing education and training system is insufficient to respond to current challenges.** It is difficult to identify where there are skills shortages as the system does not map which skills are required for which roles.

SPOTLIGHT— HORTICULTURE

Between 2015 to 2019, on an annual average, this industry exported \$5.2B of goods. They have a high reliance on foreign labour, and Employers faced with COVID-19 restrictions are having to develop new business models and a better way of attracting a domestic workforce.

Challenges

- Training gaps in the sector, lack of Micro-credentials, and qualification stair casing is sought rather than long duration courses
- Better relationships needed between high schools and industry to promote career pathways
- Industry often offers labour intensive roles, and employs high numbers of casual workers. It commonly pays piece rate wages and uses flat management structures that restrict career progression opportunities for FTE's
- Employers expected 16,000 foreign workers this season, but only 2,000 have been approved to enter New Zealand.

Opportunities

- Diversification of crops, extending supply chain to create sustainable employment
- Other pipelines to attract workers such as Corrections, or international students (currently 21,000 in Auckland)
- Current demand for Pickers, Packers, Dispatch, Pruning, Planting, Nursery worker, Crop harvester. Highest demand in South Auckland

Our focus for the next two months

Workers with disabilities to understand the current situation, issues and strategic opportunities
Construction and health sector workforce opportunities