

## TOP REGIONAL INSIGHTS



**Level 3 lockdown cost hospitality businesses in Auckland \$70m per week.** “Lack of tourists, Level 3 lockdowns, Level 2 restrictions, and lack of skilled & willing staff in this region have made it impossible to grow, as costs grow”. (Restaurant Association NZ survey, February 2021)

**“Auckland needs specific attention” says ‘Whāriki’ the regional Māori Business Network.** It’s Māori Small and Medium Enterprise membership are at various stages of stress due to lockdowns - ranging from critical and rapidly trying to pivot, to hoping for the best and staying positive.

**“Its not business as usual” says a prominent community organisation.** More work is being devolved from central government to community organisations. This highlights the need for government contracting to keep up with the evolving socio-economic needs and demands imposed from COVID-19 conditions.

**Increases of up to 241% in the cost of shipping are having a significant impact on supply chain confidence and future business operations.** Employers in the Quick Service Food Industries report they are unable to open or expand due to delays in raw materials and plant equipment.

## TRENDS AT A GLANCE



**70%** The increase in enrolments for some local Industry Training courses (including polytechnics). Much of this increase is in the fees-free courses.

**300** The number of highly educated talent who signed up to a voluntary leaving package from Auckland University as a result of falling international student enrolments.



**88%** The proportion of the Hospitality industry saying revenue is down compared to February 2020.

**35%** The amount the average monthly revenue declined compared to February 2020.



**58%** The increase in the number of people on the Jobseeker Support Benefit ending December 2020 quarter compared to end of December 2019 quarter.

**38%** The proportion of those on the Jobseeker Support Benefit who have Health Condition or Disability characteristics in the December 2020 quarter.

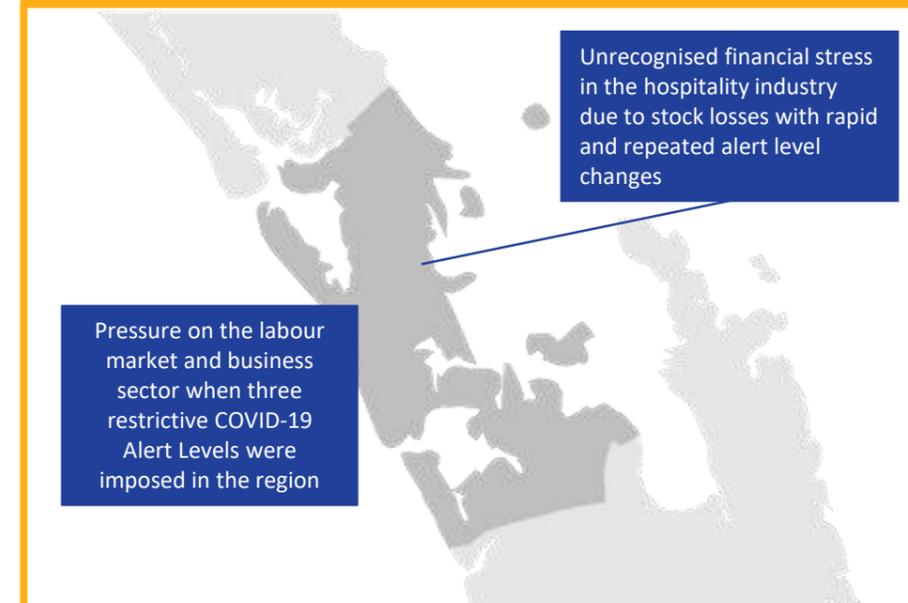
## TOP LABOUR MARKET OPPORTUNITIES

- The demand for ‘technology’ workers continues as border restrictions slow down international recruitment.** Auckland Unlimited (EDA) is facilitating ‘Go Hard on Tech’, an industry-led 5-year strategy. Auckland Business Chamber is also supporting tech businesses.
- Demand for skilled and entry level Construction workers continues to grow.** Estimates show over 100 construction projects valued at over \$100m are underway or planned for the region.
- Demand for workers with disabilities has outstripped available funding for the ‘Supported Employment’ sector.** Employer demand exists if additional funding such as wage subsidy approvals for disabled individuals can be found.
- Competitors are working together for support and knowledge sharing, which was uncommon prior to COVID-19.** Sectors such as the ‘Quick Service Restaurant’ are embracing collaboration and an industry ‘Future of Hospitality Roadmap’ is being developed. It will promote the hospitality sector as a whole, its interests and strategic future.
- Invested stakeholders and central government** must work together to develop and identify innovative labour market and business support solutions that are bespoke for the Auckland region.

## TOP LABOUR MARKET CHALLENGES

- Health and social related sectors are struggling to respond to the increased work load in response to COVID-19.** Increased Government contracting for community focussed organisations is increasing the need for more skilled workers.
- Workers need support to transition from industries heavily impacted with border closures.** Workers need help to identify the growing employment industries in the region, and assistance in utilising their transferrable skills to gain jobs.
- Auckland is at risk of regularly imposed COVID-19 restrictions.** Having a large population and being a major international/domestic travel hub makes the labour market/business economy vulnerable and sensitive to the continuing ‘open and closing’ that impacts heavily on hospitality related businesses.
- Criteria to qualify for the Wage Subsidy is hampering employers ability to operate with flexibility.** Some struggling businesses are holding sales in order to remain operable. However, if they make a profit this makes them unable to access wage subsidy support due to the eligibility criteria being inflexible.
- A resolution is required to the length of time it takes to issue a new visa to high skilled migrant workers who are made redundant and immediately obtain other employment.** Many are waiting up to 40 days for new employers to be quality assured by Immigration New Zealand (and sometimes drawing an emergency benefit), while future employers are desperate for this skilled labour.

## THE TĀMAKI MAKĀURAU REGION



## OUR FOCUS FOR THE NEXT 2 MONTHS:

- Ongoing focus on the ‘construction and infrastructure’ sector and the ‘health and related’ sectors.
- Deep dives into the Pacific Peoples and Disability workforce.
- Continue to work with Te Pae Herenga o Tāmaki in support of the ‘Tāmaki 10,000’ movement, adopted as a sector analysis of regional Māori employment, insights into prosperity solutions and a Māori labour market strategy.
- Sub-regional labour markets such as Auckland north to explore labour market opportunities and challenges.