

TOP REGIONAL INSIGHTS



The construction sector is reporting a general nervousness amongst employers, as businesses come under pressure from the combined effects of skills shortages, constraints on building supplies, rapidly increasing costs, and a slowing residential market. Some well established local construction companies have gone into liquidation in recent months and some are expecting 'more pain to come', particularly in the residential sector. Demand for construction skills remains high, especially in the commercial sector, and displaced workers are snapped up.

Increasing numbers of tertiary students are studying less and working more. Tertiary education enrolments are up, but Full Time Equivalent (FTE) numbers are down for universities, wānanga and polytechnics. Students are taking longer to complete programmes of study and providers are concerned this will affect completion rates in the years ahead - with fewer graduates coming into the labour market as a result.

Wellingtonians are returning to the city and visitor numbers are increasing, but not enough to sustain the hospitality, retail and accommodation sectors. Compared to the same time last year, retail spending is down 12.6 percent and bars are down 46 percent, though suburban bars are doing well. While the accommodation sector is reported to be rebounding, hotel and motel occupancy is still down 43 percent.

The region's screen sector is finding it harder to attract large scale projects. Competition for these projects is growing nationally (especially from Auckland and Christchurch), and internationally.

TRENDS AT A GLANCE



Wellington now has the highest labour force participation rate in the country at 75.9 percent.



Female labour force participation has increased by 4% since the same time last year, compared to a 0.4 percentage point increase in the male rate.



Our region's underutilisation rate has dropped 3% since March 2021, and is now 9%.



Employment rates for Pacific Peoples (72.8 percent), Māori (73.1 percent) and Europeans (73.8 percent) are converging.

Source: RSLG Regional Labour Market Report, March 2022

TOP LABOUR MARKET OPPORTUNITIES

- Māori health providers have led a surge in development of the health workforce in response to COVID-19.** This has attracted many in the Māori and Pacific communities to health related roles. There is now a good opportunity to maintain momentum and develop this workforce for roles in our health sector. A workforce development plan for Māori in health is needed.
- More women are now employed in some traditionally male-dominated industries in Wellington.** Latest figures from the Household Labour Force Survey for the March 2022 quarter show 1,700 more women were employed in manufacturing and 'electricity, gas, water and waste services' than this time last year. There is much opportunity to build on this and continue to create workplaces that embrace and grow diversity.
- There are plentiful opportunities in central and local government for people skilled in te Reo Māori and Mātauranga Māori.** The high level of demand for these skills, and the good remuneration offered, is drawing people away from iwi and community organisations - leaving those remaining thinly spread.
- Focus Futures and WellingtonNZ have established a mentoring programme with industry partners.** It is focussed on high school students interested in engineering professions, and if successful the model could be adapted for other industries.
- Mana College has established the Wellington Trades Academy programme in partnership with Whitireia and Weltec.** Over thirty Year 12 and 13 learners have enrolled and will gain NCEA Level 3 construction standards. They'll build three real houses that will become part of Kāinga Ora housing stock for the region when completed.

TOP LABOUR MARKET CHALLENGES

- Skills shortages in construction, manufacturing and infrastructure are delaying major projects.** In manufacturing, employers report the daily struggle to recruit new staff, and a mismatch between the qualifications young people have gained and the skills that are needed. There is a particular shortage of qualified welders. Hutt Valley Chamber of Commerce is working with local employers to identify and develop in-house training models to fill the gap, however this will take time.
- Workers in the construction and trades sector are under pressure to work long hours to help businesses reach completion dates.** Workers are being asked to work six day weeks to help businesses meet contracted dates, and there is concern about the impact on worker well-being. Family time, sporting activities, and the opportunity to rest and recharge are all being disrupted.
- There is some evidence of digital technology companies being reluctant to invest in the region due to lack of access to talent.** However, companies can (and are) hiring from offshore, and the inverse is true for local talent, who are being hired by overseas companies.
- There is a high level of churn in the region's public service** as pay restrictions encourage people to change jobs to gain higher remuneration, and as young people begin to travel overseas. There is a notable shortage of administrative staff and many government agencies are using temporary contractors to cover gaps. Some specialist roles, such as prison officers, are also in short supply.
- Government reform programmes are creating demand for digital skills.** The health reforms, Three Waters, the Reform of Vocation and Education, and new entities such as Workforce Development Councils all need extensive digital support. People are being sucked out of the region's private digital businesses, and wages are escalating. In spite of this, Wellington's digital sector is growing and positive.

THE WELLINGTON REGION

Efforts to establish a tertiary education hub in Kāpiti are making good progress. A feasibility study is under way and has received good support from potential training providers.

The anticipated closure of Hutt Hospital for earthquake strengthening is creating uncertainty for the Valley's health workforce. People expect they may have to commute to new worksites and rearrange family and living arrangements to suit.

Porirua City Council has voted to become an accredited Living Wage employer.

Opportunities are on the horizon for Wairarapa iwi to work on their whenua, particularly in forestry, as Ngāti Kahungunu nears settlement

MSD is partnering with large digital technology companies to open opportunities in the digital skills domain. It has successfully helped 35 mid-career jobseekers upskill and move into well paid digital roles.

OUR FOCUS FOR THE NEXT 2 MONTHS:

Understanding changes in the immigration system under the Immigration Rebalance and the implications for the region's workforce
 Launching the Regional Workforce Plan around the region
 Preparing to implement the Regional Workforce Plan