

TOP REGIONAL INSIGHTS

Businesses are currently reporting acute staff shortages across the region. Wellington's unemployment rate for the June 2022 quarter was only 2.7 percent. Access to skilled talent "or anyone reliable" is the single biggest issue reported in employer surveys, dwarfing all others, and some local businesses have recently gone offshore to recruit. Staff shortages, rising salary levels and the rising business costs are putting heavy pressure on the business sector.

Ministry of Education data shows that regular school attendance (ie over 90 percent attendance) has dropped significantly in the Wellington region. Regular attendance fell to 48.4 percent across the region in Term 1, from 70.7 percent at the same time last year. Regular attendance ranged from 55.7 percent in Wellington City, to 35.4 percent in Carterton. At secondary school, regular attendance was lowest among year 12 and 13 students, and the rate of chronic and moderate absences in Term 1 2022 is at its highest point in the last six years. In part this may be due to the impact of COVID-19 on families and households. Students may also be missing school to take on part-time employment or leaving school for unskilled employment in a tight labour market. There is a risk that low school achievement will affect the long-term future of these young people, especially in the case of economic down-turn.

Wairarapa and Kāpiti communities are concerned about the uncertainty surrounding Te Pūkenga, its significant debt and the delay in introducing the new funding system. Community and business leaders are worried this will have an impact on the provision and development of local tertiary education services. Good quality local training that matches the region's needs is critically important to these communities, their businesses and their prospective learners. With smaller populations and smaller potential class sizes there is concern that local needs won't be met.

Funding for Iwi and Māori health and community organisations set-up to provide support through COVID-19 is due to end later this year. Their closure would end employment for many, including new entrants into the health sector. There is a challenge to support employment pathways for people that build on the skills gained through COVID-19 support.



TOP LABOUR MARKET OPPORTUNITIES

- 1. The region's construction and infrastructure industry is increasingly interested in diversity in the workforce,** potentially prompted by the need to look beyond the traditional labour pool to fill labour shortages. There is more discussion of workplace diversity at industry meetings and forums, and people are "dipping their toes in the water" and employing diverse groups. As people see more people like them at work, they are far more likely to take up work with companies they may not have approached.
- 2. Wellington city still has skilled migrants available for work, despite staff shortages in the region.** Many are degree-level qualified and experienced in administration. Although more are being shortlisted, few are making it to selection. There is an opportunity for HR departments and recruitment teams to scrutinise selection processes. Some government agency recruitment teams are actively working with local community organisations to address barriers and ensure recruitment practices are inclusive of ethnic communities.
- 3. Kāpiti values its older population as a local strength.** It is developing an Intergenerational Strategy that will make it easier for older people to use their skills and experience in the workforce, in local business, and in community and economic development.

TOP LABOUR MARKET CHALLENGES

- 1. Crown efforts to partner with Iwi and gather Iwi Māori views on new plans and initiatives is putting Iwi under increasing pressure** to engage, exhausting time and capacity. As more skilled Iwi staff are attracted to work in government, there are not enough people to allocate to the work.
- 2. There are long waiting lists for childcare places** at the moment. People are waiting for up to six months for places. This, along with the high cost of care, is stopping people from taking up paid work at a time that employers report great difficulty in finding available staff.
- 3. Wellington's screen sector is worried the Government review of the screen rebate will damage our industry position** and reduce our attractiveness as a location if New Zealand's rebates do not remain internationally competitive. This could risk local employment in the screen sector and limit an important area of regional economic growth.
- 4. Efforts to overcome delays in plumbing apprenticeship programme delivery are continuing but there is still a way to go.** Some apprenticeships have stretched to over six years due to systemic problems. Local advocates have been putting pressure on Skills Org and TEC and to find solutions, with some progress being made.

THE WELLINGTON REGION

Some major employers are raising the bar locally with pastoral care and development initiatives for staff, such as pairing new employees with a mentor, introducing cadetships, providing literacy and leadership programmes, and tailoring work opportunities to skills and interests

Short-staffed farming businesses are managing increasing demand on their resources of growing regulatory requirements. Farming leaders have been called on heavily for consultation processes, alongside their farming work and many are burnt out.

The air was buzzing with career conversations at two very successful jobs expos in Hutt Valley in June. Over 70 employers connected with 1200 students. There was unanimous positive feedback from families, schools and employers.

Stress levels are very high in the construction sector at the moment and there is a lot of concern about the mental health of construction workers.

OUR FOCUS FOR THE NEXT 2 MONTHS:

The RSLG is beginning to implement the Regional Workforce Plan. In the next two months it will focus on social procurement (Action 3), sector advisory groups in health and infrastructure (Action 1), and extension of successful programmes (Action 6).