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Committee Wellington Regional Strategy
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Update on the Wellington Regional Labour Market Strategy

1. Purpose

To update the committee on Wellington Regional Labour Market Strategy activities, including:

- The establishment of the WRLMS Operational Governance Group
- Planning for the Regional Economic Summit on the 8 April
- The WRLMS work stream activities
- Work activity planned for the future
- Labour market information and statistics for Greater Wellington Region.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The Ministry of Social Development (MSD) and Department of Labour (DoL) sponsor and facilitate the Wellington Regional Labour Market Strategy (WRLMS). This is a complementary strategy to the Wellington Regional Strategy.

Matters relating to the WRLMS were last reported to the WRS Committee at its meeting on 13 August 2008 (**Report 08.574**). At that meeting the committee endorsed a governance structure for the WRLMS. The role of the

WRS Committee was confirmed as receiving Wellington Regional Labour Market Strategy information, and offering support, leadership and advocacy where it appropriately can.

4. Update

4.1 WRLMS operational governance group

On the 29 January 2009, MSD organised a meeting with agencies from local and central government and the private sector to gauge interest in being part of the WRLMS Operational Governance Group and discuss thoughts for the planning of a Regional Economic Summit, following the Prime Minister's Job Summit in Auckland on 27 February. The outcome of the meeting was support for the governance group to be established.

The first meeting of the Operational Governance Group will be held on the 18 March 2009 with interest indicated to date from senior management/executives from:

- MSD (Chair, Regional Commissioner for MSD)
- Ministry of Economic Development
- Grow Wellington
- Employers and Manufacturers Association (Central)
- Career Services
- Tertiary Education Commission
- WelTec
- Whitireia Polytechnic
- Hui Taumata Trust
- Te Puni Kokiri
- Tourism NZ
- Hutt City Council
- Department of Labour
- Ministry of Education

Terms of Reference and focus of the group will be discussed at the first meeting with the intent that the Operational Group will provide leadership and support for the WRLMS Advisory Group in terms of cross sector resources and prioritisation of existing projects.

4.2 Regional economic summit

MSD has been tasked with the role of leading and co-ordinating a Regional Economic Summit in partnership with key stakeholders. A meeting was held on the 2 March with Greater Wellington, central government and the private sector to assist with the planning of the Regional Summit that is scheduled for 8 April 2009 at the Overseas Terminal, Wellington.

An invitation will be extended to the WRS Committee with the primary audience being employers/business and industry groups.

The Regional Economic Summit aims to:

- build on the initiatives and actions arising from the National Jobs Summit held on the 27 February 2009
- bring together employers, business leaders and other stakeholders to allow them to gain an understanding of the current economic situation and possible impacts in the region
- build and maintain the confidence of employers to make decisions that may include retaining their staff or employing new staff
- help those employers who are experiencing difficulties to know what options are open to them and what services are available to assist them
- emphasise the need for employers and businesses to build the skills capacity of their staff to maximise productivity
- provide an opportunity for interaction and dialogue between stakeholders
- establish an agreed action points for the way forward.

The WRLMS Operational Governance Group will be the conduit for influencing a co-ordinated response to supporting businesses/employers and industry during the economic downturn. Key speakers are yet to be confirmed with the programme to be finalised in early March.

Separately MSD has also been working closely with EMA Central and Grow Wellington in holding a 'cash' workshop that will involve a variety of banks, chartered accountants and the IRD on practical solutions so that businesses can manage their cash more effectively. This workshop will be followed up with specific support for businesses coordinated by Grow Wellington.

The workshop will be held following the Economic Summit on April 8th and it is only intended for businesses to attend.

4.3 WRLMS workstream activities

4.3.1 Labour force and skills development

Hui Taumata Trust

DoL and the MSD have partnered with the Hui Taumata Trust to develop a strategy to improve the outcomes for Maori in the Wellington region. A partnership agreement will be developed with an action plan that links to the WRLMS focus areas. This will identify key job creation opportunities by maximising the use of iwi assets across the region.

Workplace literacy initiatives

Workplace literacy is an enabler and a fundamental prerequisite for skill development in the workplace. The government provides extensive funding for workplace literacy programmes, because those programmes have the potential to contribute significantly to productivity. A lot of effort has gone into developing the regional capability to provide effective programmes. A federation of workplace literacy providers has been set up, and a number of workplace literacy programmes has resulted. More are planned.

The Gold Awards

DoL and the MSD jointly funded a category award at the 2008 Wellington Gold Awards, under the banner of the Wellington Regional Labour Market Strategy. The award was called the “Investing in People Award” and acknowledged companies that had programmes to develop staff and employ under-represented groups. Discussions continue regarding funding this year’s Gold Awards.

Workforce retention

MSD is working closely with Grow Wellington on two potential projects that will assist with the retention of workers.. The first involves working with companies to explore possibilities of working with host companies to share the ‘employee’ and offer on-the-job training and upskilling. The second project aims to increase the capability of management working in the manufacturing sector. This will be achieved by providing a mechanism to place graduates into manufacturing companies where they will gain industry experience and at the same time receive relevant professional development in management and specific manufacturing disciplines.

4.3.2 Business performance - productivity

The productivity project

DoL’s Workplace Productivity Agenda office, the Employers and Manufacturers Association and the MSD have funded phases 1 and 2 of the productivity project in three manufacturing companies in the region. The independently evaluated results are due shortly. MSD and DoL have

contributed funding support for phase 2 of the project that will look at developing tools targeted at the manufacturing sector, alongside a career development pathway plan for existing and new employees within this sector.

Innovation cluster for Hutt Valley and Porirua

Provisional agreement has been given to fund an innovation cluster in the region based on the document called “Innovation from Everyone and Everywhere”. The cluster will be hosted by Business Hutt Valley and Business Porirua. It is anticipated that this cluster will be up and running by May 2009.

4.3.3 Integrated labour market response by the tertiary sector

The tertiary education reforms provided for regional facilitation, a process where the regional polytechnics consult with regional stakeholders to more accurately determine regional tertiary education needs. The process was conducted in 2007 and 2008 and will occur again in 2009. WRLMS partners were extensively involved in regional facilitation in both years.

4.3.4 Promoting work choices

Regional hui

A successful hui was held in April 2008 for secondary schools, tertiary providers and others who work in the transition space from secondary education to tertiary education or to work. The hui was jointly funded by the DoL and the MSD. Hutt City Council is leading this work with plans to hold a hui with modern apprenticeship co-ordinators and the ITOs before the end of June 2009.

Wairarapa Workforce Development Trust

The Wairarapa Workforce Development Trust runs a series of innovative programmes to transition young people from secondary school to employment, including:

- 2008 apprentice graduation
- gateway schools forum
- apprenticeship guide for parents
- Education for Enterprise Cluster set up in the Wairarapa.

Research/ science/technology cluster

In October a cluster meeting was held at ESR Porirua to establish a research/ science/technology cluster extending from Palmerston to Wellington. The cluster includes up to 15 organisations and its goal is to promote the science and research sector to young people when they make career choices and subject choices at school and in their tertiary studies.

4.3.5 Regional labour market information collation and dissemination

WRS Website

There is a range of information and information tools sited on the Wellington Regional Strategy website. www.wrs.govt.nz. This information will be added to and updated from time to time. These tools have been developed by the Labour Market Dynamics team within DoL.

Annual reports

DoL has produced two in depth regional reports about the Wellington region. These reports, called the “Annual In-depth Regional Reports” (AIDR) were produced in 2007 and 2008 and are on the WRS website.

Communications and public relations

This work stream has assumed responsibility for communicating the progress of the strategy and is generating good news stories for the media. A feature article about the WRLMS appeared in the Dominion Post on the 20 September 2008.

4.4 Work activity planned for the future

Given the current economic environment the immediate priorities at the moment are:

- retention of workers in employment
- creation of job opportunities across sectors in collaboration with Maori/iwi/growth sectors in maximising existing assets and opportunities
- increasing momentum to implement workplace industry skills training in co-operation with the ITOs and Industry Training Federation/Apprentices for those industry sectors that are vulnerable to redundancies/down sizing , for example building and construction trades.

In light of the National Job Summit held recently it is envisaged that a refresh of the existing WRLMS work streams will occur. This will be on the agenda for the first WRLMS Operational Governance Group meeting in order to better align key priorities. MSD is working with a third party to undertake project management tasks in this area.

5. Labour market information and statistics (supplied by DoL)

5.1 Labour force participation of New Zealanders 65 years and older, 1986 – 2006.

- In 2006, 17% (or one in six) of New Zealand residents aged 65 and over (65+) were in the labour force, up from less than 7% in 1986.

- Among OECD countries, New Zealand has one of the highest 65+ labour force participation rates. Only Japan has greater participation rates.
- Older men are twice as likely as older women to be in paid employment.
- Maori aged 65 years and over are more likely to be in the labour force than their European counterparts. For Maori 24% were in employment, compared to 16% for European, 14% for Pacific peoples and 10% of Asians.
- Education seems to enhance the prospects of working beyond 65. Among older men, one in three with a university qualification was employed, compared to one in five of older men with no qualification.
- Regional differences: Gisborne, Hawkes Bay and Manawatu-Wanganui topped the participation rates, while Wellington was below the New Zealand average for both men and women. Otago and Nelson had the lowest older worker participation.

5.2 Quarterly Regional Labour Market Information for December 2008

- Wellington region unemployment increased from 3.5% in December 2007 to 3.9% in December 2008.
- Labour force participation declined to 70.1% in December 2008 - down from 70.7% in December 2007.
- This compares with the national figure of 68.6% as at December 2008
- In the Wellington region 4,713 people were receiving unemployment benefit in December 2008. The following shows the demographic distribution of the Unemployment Benefit.

	Region Share (%)	Number	New Zealand Share (%)	Number	Region's share of New Zealand
Male	79.2	3,309	68.6	20,928	15.8
Female	29.8	1,404	31.4	9,580	14.7
Maori	28.0	1 320	36.3	11,074	11.9
Pacific	10.7	504	9.3	2,837	17.8
18 – 24 years	29.1	1,371	29.2	8,908	15.4
25 – 39 years	36.4	1,716	33.9	10,342	16.6
40 – 54 years	23.2	1,093	24.3	7,413	14.7
55 – 64 years	11.3	533	12.6	3,844	13.9
Total		4,713		30,508	15.4

Unemployment Benefit Distribution

6. **Communication**

Communications of matters relating to the WRLMS is the responsibility of the Ministry of Social Development and Department of Labour.

7. **Recommendations**

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***

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