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Committee Wellington Regional Strategy Committee
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Wellington Regional Labour Market Strategy Overview and Update

1. Purpose

A presentation is to be provided at the WRS Committee meeting on 6th August on the Wellington Regional Labour Market Strategy (WRLMS).

Addressing the committee will be the co-chairs of the WRLMS initiative, Mr Paul Winter (Employers and Manufacturers Association (Central)) and Ms Felicity Bollen (Ministry of Social Development).

This report sets out background information providing context on the WRLMS and presentation.

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 Wellington Regional Strategy (WRS) recognises labour market operation, and development as a key contributor to achieving sustained prosperity for our region.

Consideration of a range of background sources, including research commissioned for the WRS process, identified the importance of human and social capital to successful, prosperous communities (Infometrics 2005, Arnold & Co. 2005, Martin Jenkins & Associates 2006).

The Wellington Regional Labour Market Strategy (WRLMS) addresses these matters and forms a sub-component of the overall WRS (page 31 of the WRS).

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The emphasis of the Wellington Regional Labour Market Strategy actions is on:

- Promotion and leadership
- Productivity
- Participation
- Skills development
- Business and Regional Capability
- Sector Diversification

Attachment 1 sets out more detail on the goals for these.

4. Wellington Regional Labour Market Strategy

4.1 Development Process

The initial piece of work undertaken with regards to the Labour Market was a stocktake of the regional labour market. This was led by a group made up of representatives from central government agencies (DOL and Ministry of Social Development), local government, WRS and the PWB. This group collectively funded the stocktake and managed the project including final acceptance of the stocktake report.

The next piece of work was the Wellington Regional Labour Market Strategy (WRLMS) culminating in the strategy and implementation plan. WRLMS project leadership has been via central government agencies, local government and the private sector, with input from WRS officers. The Ministry of Social Development and Department of Labour sponsored and facilitated the WRLMS process. Significant support has also come from entities such as the Employers & Manufactures and other private sector and NGO organisations interested in economic development.

A major stakeholder engagement process took place around development of the Wellington Regional Labour Market Strategy (see **attachment 2** for details).

The engagement process involved over 80 stakeholder interests across the private, public and N.G.O. sectors. This began in late 2005 and ran through 2006 culminating in delivery of both a labour market strategy (considered by the WRS Forum in July 2006) and implementation action plan. (attached as **attachment 3**).

The WRLMS implementation action plan highlights the range of actions required, the number of agencies involved in labour market activities and the roles that they will undertake.

An advisory and steering group (made up of central government, local government and WRS representatives) is in place to progress the implementation of the WRLMS. The working relationship with the WRS Committee and new regional economic development agency are important facets of the long term implementation arrangements. The intent is to share

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information and to seek to align efforts and allocation of resources for maximum effect.

In many cases it is a matter of improved co-ordination and use of existing resources of agencies mandated and successfully delivering elements of the WRLMS. The key in such cases is to embed and continue to operate mechanisms for sharing information, avoiding duplication, linking programmes and maximising use of these resources.

It is envisaged that updates and briefing will take place each year with the WRS Committee as the WRLMS progresses.

From an implementation perspective, the WRLMS is more advanced than many other WRS work streams and is not reliant on WRS rates funding to a significant degree to initiate many of the activities suggested as priority actions.

4.2 WRLMS role in the WRS

Having the right labour market skills available at the right time in the right amount are critical to enable the WRS to be implemented. Other areas of the WRLMS such as productivity improvements are also vital to ensure that the aims of the WRS are achieved, given the low level of productivity Wellington (and NZ) has compared to other countries.

As an example Centres of Excellence will require tertiary and other education providers to provide training and education that supports them to ensure that not only that skills are available for businesses and research entities in the Centre of Excellence but also that Wellington is seen as the place to study for a particular centre of excellence, thus ensuring an ongoing workforce.

Another example is that during the WRS process businesses identified lack of skills in certain areas (i.e. international sales and marketing) as a key drawback in entering or expanding into international markets. The WRLMS will assist with other activities and providers in solving these issues, therefore ensuring that businesses are more export ready.

5. Communication

A co-ordinated and aligned approach to communication around the Wellington Regional Labour Market Strategy is desirable between the key entities involved.

While stakeholders such as the Employers & Manufacturers Association, Ministry of Social Development, Department of Labour will continue to exercise a free hand around communications addressing their specific mandates, the local government Chief Executive Group and WRS office will seek to promote 'common messages' and wherever possible alignment of communication message to WRS goals.

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6. Recommendations

That the Committee:

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

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Report approved by:

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Attachment 1: Development of the Wellington Regional Labour Market Strategy

Attachment 2: Wellington Regional Labour Market Strategy Process

Attachment 3: Wellington Regional Labour Market Implementation Framework

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