



Report 08.574
Date 08 July 2008
File WRS/09/01/01

Committee Wellington Regional Strategy
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Wellington Regional Labour Market Strategy – Next Steps

1. Purpose

This report focuses on governance and implementation proposals for Wellington Regional Labour Market Strategy (WRLMS) development and implementation.

Key points:

- Propose the establishment of a central government senior officials steering group for WRLMS to ensure ongoing engagement and ownership of the WRLMS
- Take steps to ensure WRLMS issues are regularly considered at governance and senior management levels across all the relevant stakeholders.
- Confirm that the appropriate role for the WRS Committee is to receive WRLMS information and offer support, leadership and advocacy where appropriate.

A background report on the WRLMS was presented to the WRS Committee in July 2007.

A draft of this report was considered by the Chief Executives Group on 1 August 2008. The Chief Executives endorsed this report's recommendations.

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

Scoping work undertaken in the beginning phases of the WRS identified the importance of human and social capital (key ingredients of labour markets) to successful, prosperous regions (Infometrics 2005, Arnold & Co. 2005, Martin Jenkins & Associates 2006).

Concurrent with this research, local and central government officers and officials had also convened to look at labour market issues. In late 2005 an opportunity was identified to partner, not only between local and central government, but also with private sector and N.G.O. entities on labour market issues in the Wellington region.

The Department of Labour and Ministry of Social Development had an existing mandate to develop a regional labour market strategy. It was agreed timing of this work could be linked to WRS objectives.

The result was an agreement (endorsed by the WRS Forum) for the Ministry of Social Development and Department of Labour to sponsor and facilitate the WRLMS development process with WRS stakeholder input.

Important to this process was significant support offered by entities such as the Employers & Manufacturers Association (Central), tertiary education providers, and other private sector and N.G.O. organisations interested in economic development. In total over 80 stakeholder organisation participated.

4. Current WRLMS Workstreams

The WRS acknowledges and promotes actions supporting a robust and appropriately skilled labour market within the region. Page 31 of the WRS sets out a suite of actions under the auspices of the WRLMS. These address the breadth of issues affecting labour market performance. The five main workstreams and lead agencies in brackets are:

- Collation and Dissemination of Labour Market Information and Initiatives (Department of Labour).
- Labour Force and Skills (Ministry of Social Development)
- Promoting Work Choices (Trade Start)
- Business Performance – Productivity (Employers & Manufacturers Association (Central))
- Integrated Labour Market Responses by the Tertiary Sector (WelTec)

Operational level support for the above is currently provided via officials at the Ministry of Social Development and Department of Labour. In addition a funding arrangement is in place through to 1st quarter of 2009 for the WRS Office to contribute to WRLMS implementation set-up and delivery of objectives. This is via Ministry of Social Development funding of Employers & Manufacturers Association (Central) who have engaged the WRS Office for defined elements.

5. Current WRLMS Governance Arrangements

For each workstream of WRLMS a ‘workstream leader’ led by the agencies above, is in place to progress their specific WRLMS actions. Workstream leaders have been largely reliant on existing budgets and access to resources to progress WRLMS matters.

In terms of governance-level reporting, only a limited amount has occurred to date with presentations made on two occasions by WRLMS officials to the WRS Committee (in 2007 and early 2008). These explained in general terms the nature of activities being pursued.

From a regional perspective it has been identified that there is no clear ‘home’ for the WRLMS to be progressed across all aspects of labour market activity. There has been no clear governance structure formalised with a mandate and mana for promoting an agenda for action. The WRS Committee is a candidate for this given its focus on sustainable prosperity and quality of life issues. However, there are issues with the Committee taking on the governance role.

Major resources and budgets for labour market initiatives are held by central government agencies, so the ability of the WRS Committee to oversee and progress a plan of action when budgets are held elsewhere could cause problems. It is therefore more appropriate that the governance (and therefore accountability) responsibility lies with the central government agencies involved.

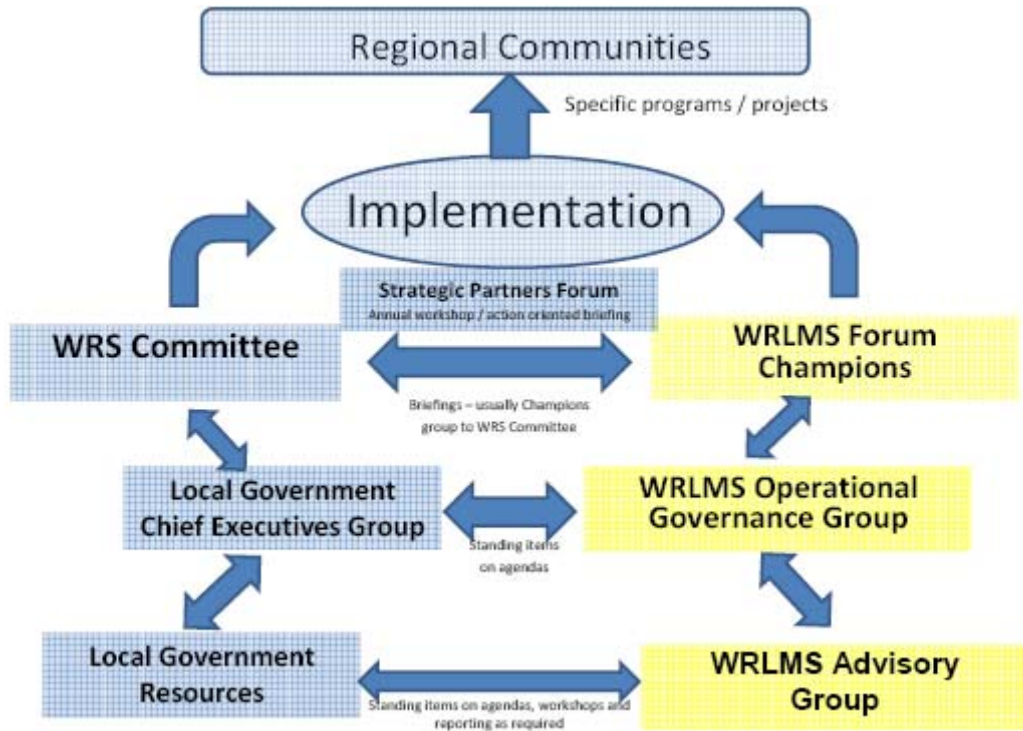
The WRS Committee does still have an important mandate in the WRLMS process by providing:

- A regional scale and breadth of oversight not otherwise available for labour market issues.
- Explicit recognition in the WRS of the underpinning importance of well functioning labour markets to the region.
- An integrated context for looking at labour market development against regional priorities for investment and business development.
- Significant ‘mana’ in terms of local government representation and the status in the business and wider community of WRS Committee appointees.
- A strong platform for interaction, support, and if necessary, advocacy with central government at governance and senior official level.
- A strong platform for engaging private sector organisations around labour market matters.
- A mechanism to connect and align with councils and their resources and networks to facilitate, support or directly contribute to WRLMS initiatives.

5. Proposed Governance and Management Arrangements

Given the range of organisations and entities affecting progress on WRLMS objectives, it is important to have a reasonable degree of structure around

engagement, consultation and agreeing agendas for action. The diagram below sets out a proposed approach to how the linkages between the parties could work.



The key elements of the structure are:

4.1 WRLMS Advisory Group

This would oversee five WRLMS workstreams with a focus on delivering the outputs of those projects. The joint chair arrangement currently in operation is proposed to continue between Ministry of Social Development and Employers & Manufacturers Association (Central) to oversee progress on the WRLMS and implementation plan. The WRS Office is committed to supporting where possible the links between WRLMS and local government.

4.2 WRLMS Operational Governance Group

This would comprise senior officials from the Department of Labour, Ministry of Social Development and Ministry of Economic Development and representatives from Employers & Manufacturers Association (Central), Chamber of Commerce and Grow Wellington as well as local government Chief Executives when necessary. Inclusion of private sector and local government representatives is suggested to assist in ensuring shared understanding, integration and co-ordination with their own sectors. This group would have equivalent standing to the local government Chief Executives Group.

Given Ministry of Social Development's mandate and central role in labour market matters it is suggested that the Regional Commissioner would be well-placed to undertake the chairperson role for this group. This is to ensure ongoing engagement and ownership of the WRLMS by those holding the significant budgets, resources and access to networks to effect change.

4.3 WRLMS Forum Champions

The purpose of this group would be to represent WRLMS issues to the WRS Committee (through the Ministry of Social Development Regional Commissioner) and promote/advocate the strategy within the wider stakeholder communities. The forum could comprise private sector, N.G.O and government leaders with specific portfolios relating to WRLMS activities.

4.4 Role of WRS Committee

The WRS Committee would continue to receive reports, offer support, leadership and advocacy where appropriate. Reports on the WRLMS workstreams would go to the Senior Officers Resource Team (SORT), Chief Executives Group and then the WRS Committee.

The proposed governance arrangements above aim to

- strengthen the linkages between central, local government and private sector labour market initiatives
- provide a mechanism for clearer reporting lines.
- help clarify the responsibilities for implementing the WRLMS actions

5. Communication

No matters in this report require communicating to the general public. The decision of the Committee will form the basis of discussions with the WRLMS partners.

6. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Confirms the WRS Committee role to receive Wellington Regional Labour Market Strategy information, and offer support, leadership and advocacy where it appropriately can.***
4. ***Agrees that a Wellington Regional Labour Market Strategy Operational Governance Group should be established and instructs officers to work***

with the Wellington Regional Labour Market Strategy partners to establish the group.

Report prepared by:

Report approved by:

A handwritten signature in purple ink, appearing to be 'Jane Davis', written over a faint grid background.

Graham Spargo

Jane Davis
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