



**Workforce Central
Dunedin**

**BUILDING THE CONSTRUCTION WORKFORCE AND
GENERATING LOCAL BENEFITS**

OCTOBER 2025

POWERDIGM

CONTENTS

Executive Summary:

<i>Workforce Central Dunedin is reducing risks for the new hospital build and generating positive impacts for Dunedin</i>	<i>3</i>
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Impact Report:

<i>A Jobs and Skills Hub was established to support workforce needs of the Dunedin Hospital build and increase local benefits of the project</i>	<i>5</i>
<i>WFCD takes a multi-pronged approach to workforce development.....</i>	<i>5</i>
<i> Examples of the WFCD multi-pronged approach</i>	<i>6</i>
<i>WFCD has made a difference and benefited all stakeholders</i>	<i>7</i>
<i>WFCD has delivered on its goals, and then some.....</i>	<i>8</i>
<i> Example of the wider benefits: Delivering benefits to local Māori businesses</i>	<i>10</i>
<i>WFCD has provided a blueprint for future workforce development hubs.....</i>	<i>10</i>
<i>Continued funding for WFCD will contribute to the timely completion of the Dunedin hospital</i>	<i>11</i>
<i>Acknowledgement</i>	<i>12</i>



EXECUTIVE SUMMARY

Workforce Central Dunedin is reducing risks for the new hospital build and generating positive impacts for Dunedin

In June 2020, the Provincial Growth Fund (PGF) funded the establishment and operation a Jobs and Skills Hub in Dunedin to support workforce needs of the Dunedin Hospital build and increase local benefits of the project. The Hub, Workforce Central Dunedin (WFCD), has been working since that time to deliver improved employment and skills outcomes for local people through close collaboration with employers and industry. It has partnered with and received funding from other agencies¹ to deliver against their objectives where they aligned with the goals of the sustained local benefits to the construction and business sector, the workforce and wider Dunedin community. WFCD also received contributions from the private sector, showing their support for the initiative.

By taking a multi-pronged approach to labour force development, WFCD has made a difference and delivered on its goals by providing work brokerage services, growing the workforce, strengthening the sector and building community confidence in the hospital build.

WFCD has provided benefits to government, private sector, workers, and the wider community:

Government benefited from ...

- Reduced risk to the infrastructure build of the Dunedin Hospital with skilled labour locally available for the expanding roles
- Reduction in Work and Income benefits paid by moving job seekers into employment
- Greater efficiencies in government targeting programmes by providing a point of coordination into the workforce, industry and wider business community
- Demonstration of local economic benefits through proactive procurement practices

Construction industry workers and job seekers – from a range of backgrounds –benefited from ...

- Support into employment including orientation, training and matching to employers
- Support to maintain and improve employment, through advanced training and awareness of career pathways
- Improved health and wellbeing through pastoral care and wellbeing programmes

Dunedin businesses & construction sector benefited from ...

- Savings from WFCD providing recruiting, training and worker pastoral care that the individual employers would have otherwise incurred
- Skilled workforce available when they are needed, with orientation and pre-employment training completed in advance
- Longer-term workforce developed, and expected productivity gains from supported workers (i.e. less time off work for injury or prevented illness due to health and safety initiatives)
- Facilitated connections between larger contractors and local businesses and sub-contractors, including Māori businesses

The wider Dunedin community benefited from ...

- Stronger connections to the wider construction sector and the hospital build in particular
- Business opportunities arising from the hospital build
- Greater visibility of and confidence in government initiatives related to the hospital build
- More economic benefit staying in the local community

¹ In addition to the Ministry of Business and Innovation WFCD has received funding from Ministry of Social Development (MSD) and a separate contract from Te Puni Kōkiri. Ministry of Health has provided physical premises.

WFCD has already demonstrated it is good value, by getting local people ready and placed into work opportunities, generating savings to government and providing recruitment and training support to the construction industry. It has exceeded its training target (900) by training 1291 individuals as of October 2025. With 290 already in jobs, WFCD is on track to meet its target of 300 individuals moved into jobs.

WFCD's support has helped 272 job seekers off benefit move off benefits and enabled 18 new apprentices to begin work without needing income support – a combined saving to Work and Income of around \$5.4 million per year.² This is particularly impressive considering WFCD worked with job seekers who are disadvantaged in the labour market, including those in Corrections rehabilitation services and youth not in employment, education or training (NEETs). With wage levels above the benefit rates and upskilled workers able to move to higher earning roles, this gives the region an estimated economic gain of \$10 million per year.³ While the jobs would have existed without the Hub, it is unlikely that local workforce and communities would see the full benefit, as employers often bring in overseas migrant construction teams to fill jobs.

WFCD also contributed to greater efficiency and collaboration among and between government agencies, the private sector and the wider community in Dunedin. While some of these benefits are quantified, others will require further monitoring over a longer period to demonstrate the full extent of the WFCD positive impact.

WFCD is a valuable partner in the local region, described by the positive views expressed by government, private sector and community stakeholders. It also was awarded *Te Tiriti o Waitangi Partnership Award* (2023) for exemplary partnership with Māori businesses and was a finalist in the *SiteSafe Mental Health and Wellbeing Award* (2025) for innovation in pastoral care by providing free nurse services for on-site physical and mental health checks.

By generating wider benefits for Dunedin and the hospital build, WFCD provides a blueprint for future workforce and economic development hubs. Critical elements for success including:

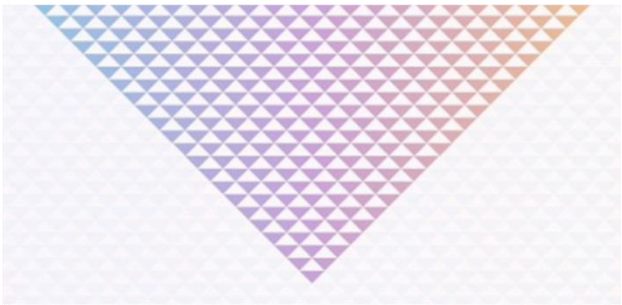
- geographic, sector and major project focus, where the sector and project present employment growth opportunities
- adequate and flexible funding so initiative can adapt and innovate using local knowledge
- independent organisation that can build and broker relationships across government agencies, private sector employers, education, and the wider community.

Continued investment in WFCD Dunedin offers a practical way to sustain workforce capability and maximise public value from the New Dunedin Hospital build. With construction completing in 2030, the WFCD can seamlessly continue to provide recruitment, training and support that is critical to meeting labour demands and preventing costly project delays.

WFCD returns strong value for money for the level of funding, while delivering significant public value and positive impacts and outcomes for the local region.

² Estimated based on 278 individuals moving off benefit of \$18,513pa for a year.

³ Based on "Social Return on Investment Report of Workforce Central Dunedin 2020-2025", June 2025, pp20-21. Sum of impact calculated accounts for difference in earning and deadweight discount.



IMPACT REPORT

This report summarises the economic and social impacts achieved by WFCD to date and demonstrates the case for continued investment.

A Jobs and Skills Hub was established to support workforce needs of the Dunedin Hospital build and increase local benefits of the project

Workforce Central Dunedin (WFCD) is a Jobs and Skills Hub established to support the infrastructure build of the Dunedin Hospital, mitigating the major risk identified of not having adequate supply of labour for the project. There is a significant shortfall in construction and infrastructure workforce, nationally and particularly in regional areas including Dunedin. WFCD was set up in June 2020 with the intention to deliver improved employment and skills outcomes for local people through close collaboration with employers and industry. This would drive sustained local benefits by building the local construction labour force and supporting local contractors.

The project had clear goals to attract, develop and retain a ready workforce with targets for expected training and job matches. There were also goals to improve government and industry partnerships, with expectations of co-funding from other agencies and participation by the construction sector. The initial four-year funding from Ministry of Business and Innovation (MBIE) (under the Provincial Growth Fund) of \$1.85 million was extended to five years (with no additional funds) and Ministry of Social Development (MSD) contributed an additional \$150,000/year from 2023. Te Puni Kōkiri funded \$0.44M in 2023 for separate but aligned work to uplift local Māori business capability. Total funding over the five years is \$2.7M.⁴ In addition, Ministry of Health provided physical premises for the Hub, and the private sector contributed \$100,000 to support of the initiative.

There is clear evidence that all these goals and intentions were met by the project.

WFCD takes a multi-pronged approach to workforce development

The WFCD Jobs and Skills Hub was modelled off previous Work and Income job hubs, but with a targeted focus on the Dunedin Hospital build, providing both geographic and sector focus. The premise is simple – local people for local jobs. People are prepared for work and then matched to jobs and careers to support the development, growth and maintenance of the industry workforce.

WFCD uses its local knowledge, creativity and connections to take a multi-pronged approach to achieving its goals. This means trying new ways of working, adapting to changing conditions and project needs, and looking to generate the greatest benefit for the local Dunedin economy and community. See examples of the range of short, medium and long-term activities in the following text box.

⁴ Based on information provided by WFCD, total funding received from late 2020 to December 2025 includes: MBIE (\$1.85M), Te Puni Kōkiri (\$ 445,500), MSD (\$450,000) for a total of \$2.7M, and averaged across five years comes to \$550,000 per year.

Examples of the WFCD multi-pronged approach

WFCD undertakes a range of short, medium and long-term activities to achieve its objective, as described in the following examples:

Providing work brokerage services:

- ✚ Identifying existing vacancies (especially among Hospital Build contractors) and then matching to known job seekers (including beneficiaries, released offenders, school leavers).
- ✚ Job matching activities, from one-on-one service through to events connecting employers with existing vacancies and pre-screened candidates.
- ✚ Delivering pre-trades training and work experience at workplaces, where employers see candidates in action and can make selections at the end of training.

Strengthening the sector:

- ✚ Coordinating training for groups of employers, thereby encouraging collaboration and improved efficiencies.
- ✚ Facilitating connections between large national contractors with local businesses to build local capability and commercial linkages.
- ✚ Building connections between local Māori business and the wider construction sector.
- ✚ Providing consistent point of contact across various government agencies to local business, community and clients.

Growing and sustaining the workforce:

- ✚ Attracting and growing the local workforce by raising awareness of construction jobs and careers. This includes focus on W&I jobseekers; Corrections clients; school leavers and youth not in education, training or employment (NEETs); trades, polytechnic, PTE and university students.
- ✚ Induction, training and upskilling initiatives to get candidates job-ready – from literacy and numeracy, safety and compliance tickets, to apprenticeships, supervisor, and cultural competency training.
- ✚ Supporting workers to overcome barriers to sustained employment. This includes individual pastoral care as well as group activities such as barber and health checks on site, bike to work and quit smoking campaigns, celebrations and activities to build connections, morale and self-esteem.

Building community confidence in the hospital build:

- ✚ Engaging with the community to promote the hospital build, showcase opportunities for community, workers and businesses, and provide gateway for enquiries and information for anyone in the community.

WFCD has made a difference and benefited all stakeholders

WFCD has delivered a range of short, medium and long-term benefits to the government, the Dunedin construction and business sector, job seekers, and the overall community. The following table summaries impacts, while the text below provides further detail.

Stakeholder Group	Type of Impact	Examples of Outcomes
Government	Fiscal savings	272 jobseekers off benefit; 18 apprentices avoiding benefit entry
Local economy	Economic gain	Increased wages above benefit rates; higher local spend; local businesses accessing contracts
Construction sector	Workforce and productivity, fiscal savings	Recruitment/training savings, fewer delays filling positions, safer/healthier workforce
Workers	Skills, employment, wellbeing	1067 trained; 290 employed; improved health and pastoral care
Community	Local confidence and participation	Engagement, visibility, and business linkages

Government benefited from the reduced risk to the infrastructure build of the Dunedin Hospital with skilled labour locally available for the expanding jobs. Government also benefited from the saving realised by having beneficiaries move into employment. Having one organisation as a single point of coordination into the workforce, industry and wider business community has also enabled more efficient delivery of government programmes. WFCD has demonstrated how greater local benefit can be generated through proactive procurement practices.

Dunedin construction sector benefited from having skilled workforce available when needed, with orientation and pre-employment training completed in advance. This saved the contractors costs of the services as well as avoided costs of delays that may have occurred. The workforce development undertaken will continue to benefit them over time. Contractors also benefit from expected productivity gains from supported workers (i.e. less time off work for injury or prevented illness due to health and safety initiatives). Other local businesses, including Māori businesses, benefited from facilitated connections and capability support that helped them win bids and sub-contracting roles.

Construction industry workers and job seekers – from a range of backgrounds – benefited from being supported into employment including orientation, training and matching to employers. Some already in work were able to upskill to maintain and improve employment, through advanced training and career pathways. And the human-centred approach to workforce development was key to improved worker health and wellbeing through innovative pastoral care and wellbeing programmes.

The wider community benefited from stronger connections to the wider construction sector and the hospital build in particular. Secondary and tertiary training facilities expanded their training and connection to real jobs. Local businesses became more aware of the spin-off opportunities arising from the hospital build and more economic benefit stayed in the local community. Overall, WFCD provided greater visibility of and confidence in government initiatives related to the hospital build.

WFCD delivered on its goals, and then some

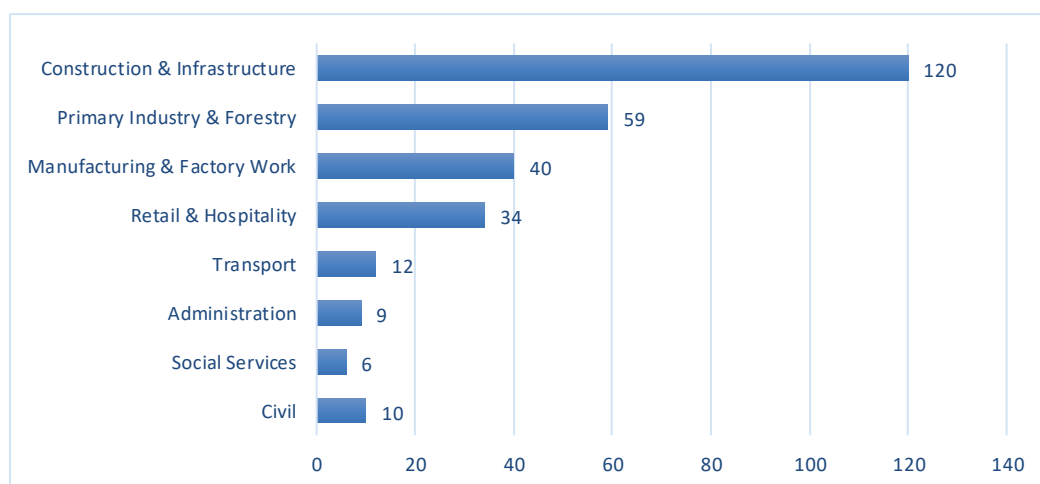
WFCD has already demonstrated it is good value, by getting local people ready and placed into work opportunities, generating savings to government and providing recruitment and training support to the construction industry. It also contributed to greater efficiency and collaboration among and between government agencies, the private sector and the wider community in Dunedin. While some of these benefits are quantified, others will required further monitoring over a longer period to demonstrate the full extent of WFCD's positive impact.

WFCD has met training and job targets

WFCD has helped mitigate the workforce risk to the build by making a substantial contribution to growing the current and future workforce. It has already exceeded its training target of 900 by training 1291 individuals as of October 2025, and 290 individuals in jobs. Some of the trainees are in jobs, with those who received training but who are not yet employed in the project now upskilled and well placed to enter jobs as the project ramps up. Many other people have begun training through school and tertiary institutions as a result of the WFCD efforts to raising awareness of future careers to students, which will also be valuable over the life of the project.

WFCD is on track to meet its employment target of 300 individuals moved into work (290 as of October 2025). The range of job types demonstrates the scale and complexity of workforce needs in an infrastructure project of this nature. This also speaks to the goal to create awareness of the variety of career opportunities the hospital build presents, and the WFCD success in doing so.

Jobseekers employed by industry (n=290)



WFCD as generated saving for the government and economic growth for Dunedin

, and 290 individuals in jobs. WFCD has successfully moved 272 job seekers off benefit and supported 18 new apprentices to gain employment (avoiding going on job seekers benefit). This generated an estimated saving to Work and Income of \$5.4 million per year. This is particularly impressive considering WFCD worked with job seekers often considered the most difficult to move not employment, including those in Corrections rehabilitation services and NEETs.

The initiative also generated additional economic growth, from wage levels above the minimum wage

rates and upskilled workers able to move to higher earning roles. This economic gain is estimated at \$10 million per year. While these jobs may have existed without the Hub, it is unlikely that local workforce and communities would see the full benefit, as employers often bring in overseas migrant construction teams to fill jobs.

Using these rudimentary estimates of economic benefit demonstrates a significant return on the average annual investment of \$550,000 per year from government agencies to WFCD.

Efficiencies and collaboration

With MBIE as the anchor funder, WFCD was able to act as a backbone coordinator for other agencies seeking to support the business sector and workforce in Dunedin. For example:

- MSD wanted the jobs and skills hub to a focus on beneficiaries on the job seekers benefit
- Te Puni Kōkiri used WFCD as a strategic lever to support local Māori business to build their capability and engage in the construction sector.

WFCD was able to leverage off its primary goals and work to efficiently support the goals of the other agencies, meaning separate initiative were not being set up to achieve these goals.

WFCD is also a key connector across the private sector. For example:

- WFCD partnered with the construction sector to deliver workforce related products and services to the industry at no cost to the sector. By coordinating employment and training needs across multiple employers at the site, new collaboration has begun among the major industry employers.
- WFCD have also facilitated connections between local businesses and major contractors, so more local business benefit as sub-contractors and suppliers during the hospital build.

The full impact of WFCD will be apparent over time

Some of the impacts are less visible in the short term but lay the foundations for measurable benefits over time. For example:

- building relationships between the large contractors and local businesses supports local procurement and economic growth by connecting local businesses to contracting opportunities
- getting people started on a career pathway now will ensure continued workforce supply to the hospital build and the construction and infrastructure workforce generally
- supporting health of workers improves their wellbeing and also improves labour productivity (e.g. lower turn-over, less sick time and improved health and safety indicators)

Continued tracking of impacts would be useful to further demonstrate the benefits of leveraging government procurement for greater local benefits, measuring the productivity improvement for business gained from a trained, safe and healthy workforce, and identifying the range of economic, social, environmental and cultural outcomes possible.

WFCD has already been recognised as a valuable partner in the local region. This is evidenced not only in the positive views express by government, private sector, and community stakeholders (see the June 2025 report for details), but also in awards received to date:

- Awarded *Te Tiriti o Waitangi Partnership Award* (2023) for exemplary partnership with Māori businesses
- Finalist in the *SiteSafe Mental Health and Wellbeing Award* (2025) for innovation in pastoral care by providing free nurse services for on-site physical and mental health checks.

As an independent and well-connected organisation, WFCD is well placed to generate a range of economic and social benefits for the local region.

Example of the wider benefits: Delivering benefits to local Māori businesses

As a jobs and skills hub, WFCD is strategically positioned with strong connections to the major contractors on the Dunedin Hospital build and wider business sector. Te Puni Kōkiri recognised how the WFCD position and relationships could potentially benefit local Māori businesses and provided \$100,000 funding in 2023 to enable this additional but related activity.

This on-the-ground support meant WFCD was able to build relationships and address capability gaps with local businesses. Māori businesses were able to access needed grants, training and connections that helped some gain additional work, from small contracts to larger tenders.

WFCD has provided a blueprint for future workforce development hubs

While Work and Income has other Jobs and Skills Hubs, the WFCD Hub has some points of difference that have contributed to its success. WFCD not only has a geographic focus (as do other Hubs), it also has a sector and project focus. The hospital build and construction workforce needs in general mean there are definite employment opportunities to target. This focus provides clear career pathways workers can see, and a service the sector needs.

Throughout its five years in existence WFCD has kept hospital project employment opportunities top of mind for Dunedin by being a strong and effective opportunity broker and promoter, reaching many cohorts of job and career seekers across many communities.

Being funded by but independent from government was seen by many stakeholders as a benefit. WFCD could broker relationships between government agencies and sector partners and also identify opportunities for greater collaboration.

WFCD is knowledgeable of local needs and issues, and has flexibility in regards to how to best achieve its goals. For example, when the project faced delays, WFCD used that time to train potential workers ahead of need, so they were able to be employed as soon as work got back on track. All stakeholders interviewed in a review in June 2025 were supportive of the Hub, and identified many benefits. They noted that WFCD takes a human centred approach to workforce development, and is able to “join many dots” and instigate collaboration on ground.

If WFCD had not been established, the sector would have borne the costs of recruiting and training. Often the least costly approach for employers is to rely on overseas migrant construction teams. This would not have lasting benefits for Dunedin (or the New Zealand workforce in general). Without WFCD, the targeted focus on the hard to employ Dunedin workforce would not have happened, nor would the efforts to raise awareness of construction jobs and careers.

WFCD has undertaken not only workforce development but also leveraged this activity to undertake aspects of local economic development. The WFCD model provides a blueprint for future infrastructure projects — demonstrating how locally led, cross-sector hubs can strengthen regional labour markets, build skills pipelines, and deliver long-term economic and social benefits well beyond a single build.

Elements of the model that appear critical for success include:

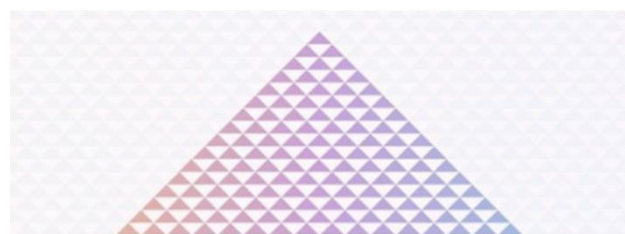
- geographic, sector and major project focus, where the sector and project present employment growth opportunities
- adequate and flexible funding so initiative can adapt and innovate using local knowledge
- independent organisation that can build and broker relationships across government agencies, private sector employers and the wider community.

Continued investment in WFCD will contribute to the timely completion of the Dunedin hospital

The Dunedin hospital build is currently the largest infrastructure project in New Zealand. Still in its early stages, it is estimated the project will continue five more years, requiring a continual stream of skilled workers to fill the more than 1000 full time jobs. The same need exists now as did at the start of the project: to mitigate the risk identified of not having adequate supply of labour for the project. Labour shortages could negatively impact the project with delays or increased labour costs.

Over the next five years, there will be increasing need for the recruitment, training and support that WFCD has demonstrated it can provide. Continued investment in WFCD offers a practical way to sustain workforce capability and maximise public value from the New Dunedin Hospital build. This will capitalise on early investment and success by building on the knowledge and partnerships already in place. This is an effective and efficient means to achieve the multiple goals related to workforce development and generating local benefits beyond the construction of the hospital.

The WFCD demonstrates how government procurement projects can have greater impact by generating local economic benefits.



Acknowledgement

This report was commissioned by Business South to report on the impacts of its jobs and skills hub, Workforce Central Dunedin.

This report relies heavily on information reported and calculated in the “Generating Jobs: Social Return on Investment Report of Workforce Central Dunedin 2020-2025” by Magnifi Limited, completed in June 2025. The fulsome description of the activities and stakeholders’ views of the benefits should be considered alongside this summary of the impacts report.

In undertaking this report, the approach to is calculation of economic benefit from increased wages above benefit rates from the June 2025 report is used, but with the number of people trained and moved into jobs updated to October 2025 figures, as provided by WFCD.