

TOP REGIONAL INSIGHTS

Underutilisation has increased and remains high compared to Marlborough's historically low underutilisation rate. In March 2020 Marlborough had the country's lowest underutilisation rate at 7.2%. This grew by 77% in September to 13.9% and remained relatively high in December at 11.5% - inline with the national average of 11.9%. Part time work is prevalent for women and Maori in the region and they are more likely to be underemployed. Marlborough also has a relatively high level of unskilled workers, a group more likely to be underemployed.

Five of the top-10 industries in Marlborough are substantially more likely to have underemployed workers and employ a third of all filled jobs. Retail, health care and social assistance, accommodation and food services, education and training, and administrative and support services industries are all more likely to have underemployed than full-time workers. For example, many aged care workers are rostered for 32-hours per week on 8-hour shifts, working 4-days-on and 4-days-off. This suits many workers, however others need to work 40-hours to cover living costs.

Pre-vintage survey shows wineries filled 89% of vacancies, a substantial improvement from what many expected. For many workers it will be their first experience in the industry, and there will likely be a significant skill gap. To manage this wineries are increasing induction and training and do not anticipate this will affect wine quality. Anecdotally wineries have never had so many New Zealanders and there is optimism this will be an ongoing trend. The Ministry for Primary Industries (MPI) and wineries put a lot of resource into recruitment and showcasing opportunities. For example, Wine Marlborough and Nelson Marlborough Institute of Technology (NMIT) held a cellar hand taster course with funding from MPI. Over 40 people attended, including Ministry of Social Development (MSD) clients, and seven wineries recruited attendees to work vintage. Pay and conditions are increasing as wineries compete for vintage staff. The grape harvest is expected to be smaller than 2020 - which coupled with increased wages, induction timeframes and implementation of COVID-19 protocols means 2021 will be an expensive vintage.

Blenheim Business Association retailers reported strong summer trading and increased sales compared to the previous year. Blenheim was busy with customers appearing less price conscious and more relaxed about their spending. However Retailers have on-going concerns around sourcing stock.

SPOTLIGHT: EAST COAST DROUGHT

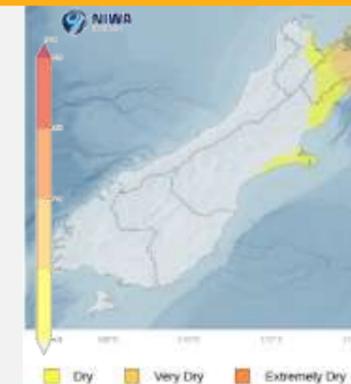
A second year of drought is impacting communities especially on Marlborough's East coast.

Last year's drought was classified as a large-scale adverse event for Marlborough, and badly effected some Eastern and Southern parts of Marlborough.

These areas are traditionally dry so farmers have good coping strategies, however most farmers had used up their reserves before winter and fairly large scale de-stocking occurred.

This year a similar 'dry' has hit Eastern Marlborough and winter reserves are again being depleted. Winter feed will need to be purchased and their stock numbers will need reducing.

The Rural Support Trust are monitoring the situation through the MPI led 'Top Of The South Drought Committee', particularly any adverse Mental Health effects.



The New Zealand Drought Index (NZDI) map shows dry-to-very dry soils across Marlborough [NIWA Hotspot Watch 19 February 2021].

TOP LABOUR MARKET OPPORTUNITIES

- Te Tau Ihu iwi appointed an operations manager for COVID-19 response to address the impacts of underemployment and unemployment.** A Trust has been established to cement partnerships formed in the ongoing response to COVID-19. The Trust will feed and house whanau in need, and ensure there are opportunities for training and meaningful work. An example of holistic wellness co-ordination across organisations, delivered to where it is most needed.
- NMIT started 2021 Viticulture and Winemaking programmes early to provide over 100 students to assist with vintage.** NMIT has seen a huge swing in enrolments toward certificate level study and in-work learning, and away from their three-year degree. This is partly due to lower level programmes being fees free, but also many employers are short staffed and not permitting their workers to study in more intensive courses.
- Employers, industry bodies and the iRSLG are trialling joining up periods of seasonal work to provide year round employment.** Three employers in various aspects of the wine industry are collaborating to provide year round employment. Other employers will retain winery vintage staff to prune vineyards this Winter. MSD is working with employers to develop cadetship models that offer 12-18 months of employment and training in viticulture and horticulture.

TOP LABOUR MARKET CHALLENGES

- Wine grape growers and viticulture contractors are forecasting a significant shortage of skilled labour for Winter pruning.** Many of the usual skilled workers who prune the majority of Marlborough's vines under the Recognised Seasonal Employer (RSE) scheme are not in the country due to COVID-19 restrictions. Industry is working on attraction and training solutions with government and other providers. The wine sector is the largest industry in Marlborough contributing 18% of Marlborough's GDP, 6,000+ jobs and \$482 million in wages.
- Winter 2021 will mean hibernation or closure for some businesses in the visitor economy without additional support.** Many businesses have changed to service domestic visitors, but the different travel and spending patterns of domestic visitors does not suit all businesses. Easter forward bookings are strong, but peak demands over long weekends and school holidays, interspersed with long quiet periods, make it challenging to operate and staff many businesses.
- Maximising opportunities for the people in the region (both young and old) by developing their skills in a way which results in meaningful jobs.** This is a long-term goal to lift incomes so locals can afford to rent and hopefully buy a home here in Marlborough, as well as meeting the regions labour needs.

THE MARLBOROUGH REGION



OUR FOCUS FOR THE NEXT 4 MONTHS:

Underemployment will be the overarching focus for the group over the next 4 months including related issues such as 'sunshine wages', the casualisation of jobs, and seasonality.