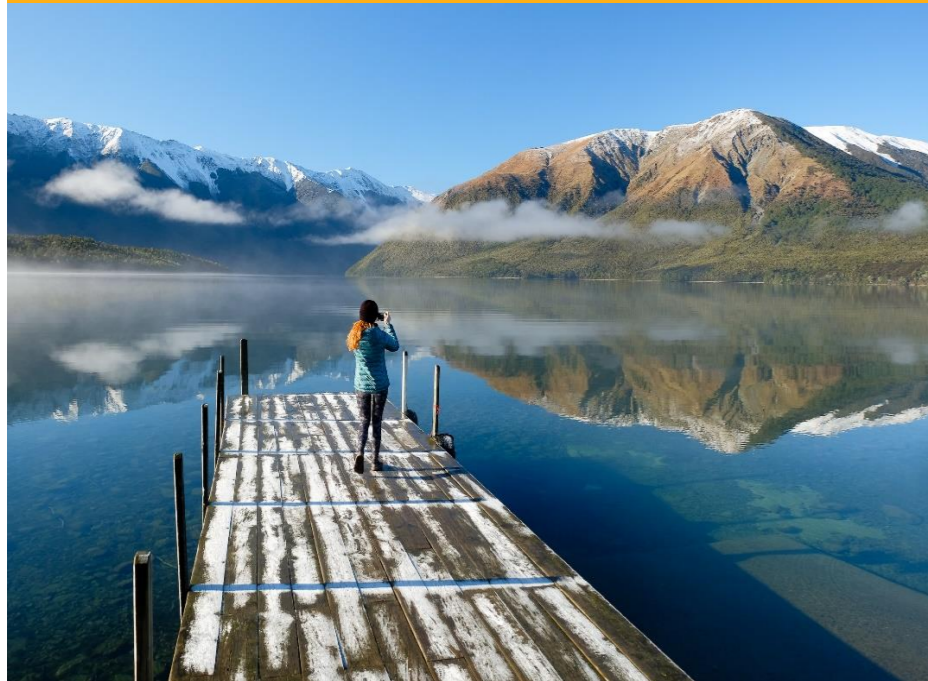


TOP REGIONAL INSIGHTS



COVID-19 is an ongoing and immediate issue for all sectors in the region, including the tertiary sector, and people returning to study. The constant changes in isolation requirements and testing has made it difficult for our people and businesses to know the right thing to do. Feedback from industry groups is their legal representatives have also struggled to interpret the rules.

The Nelson Tasman hospitality industry is in particular crisis. The industry is currently experiencing staff shortages, due to isolation requirements, and also a reduction in customers. Whilst the recent border reopening is positively received, it also increases the possibility of staff moving overseas, due to local challenges (such as low wages and high house prices), and better opportunities off shore. The industry is working to look at ways of recruiting and retaining staff.

Nelson Tasman's productivity is low. Updated regional reporting has reconfirmed that both productivity and average household earnings in Nelson Tasman sit at more than 20% under national averages. Nelson Tasman has identified a \$1.67bn 'productivity gap' (Nelson Tasman Productivity Report – Benje Patterson; Nelson Tasman Regional Economic Briefing, March 2022) The biggest gains for closing this gap, and raising wages, have been identified as coming from strengthening firm-level behaviour and the ecosystems surrounding them. This is focussing the RSLG's thinking in regard to developing regional actions and national recommendations.

TRENDS AT A GLANCE



The eight iwi of Te Taihū are key investors in the region, and have grown their post-settlement net asset bases to about \$800 million. Much of this capital is invested locally into projects which enhance the region's economic, cultural and environmental wellbeing.



Self-employed people in Nelson-Tasman have increased to 18.3% of employment (higher than the national rate of 16.7%). Self employment is concentrated in construction and agriculture but is also growing in professional services reflecting Nelson-Tasman's strong lifestyle attraction and the rising prevalence of remote working.



Tourism spending on cultural, recreation and transport services in Nelson-Tasman has fallen 34% between 2020 and 2022.

Sources: Nelson Tasman Productivity Report – Benje Patterson; Nelson Tasman Regional Economic Briefing, March 2022

TOP LABOUR MARKET OPPORTUNITIES

- Primary industry is big for our region** – the Nelson Tasman region has three key production and processing focuses – oceans economy, forestry, and horticulture. This is an opportunity for future growth, as all of these sectors have expanded strongly over the past decade, have been resilient in the pandemic, and are well aligned to longer term shifts in global demand.
- The 'Pick Nelson Tasman' campaign is being run for the second time.** Industry groups reported satisfaction with this shared promotion and recruitment tool, especially in recognition of the tight labour market conditions. This year, industry is making a significant final contribution to this campaign.
- Māori Business/Māori economy is growing** – there are at least 156 Māori-owned businesses and a further 498 self-employed Māori across the Te Taihū rohe. Māori models of business offer many lessons in fostering innovation. Creating career opportunities for Māori in key sectors will also help alleviate skills shortages, given the Māori population is younger and growing faster than average.
- The changes in MIQ settings are positively received by local businesses,** as international business trips that are crucial to business progress can now resume.

TOP LABOUR MARKET CHALLENGES

- Whilst the impacts of COVID-19 are immediate, sectors and local businesses are trying not to lose sight of their BAU and long-term needs.** This is proving to be difficult to balance, as we've heard anecdotally, it's *"hard to think long term when I don't know if my business will be running in two weeks"*.
- Many organisations (including local government) are struggling to recruit and retain staff,** due to the changing nature of job flexibility due to COVID-19. This creates a challenge, as people who work in computer based roles are now able to live in our region, but work for companies or organisations based elsewhere. This further reduces available housing stock for the region's workforce, but does grow the consumer base for existing businesses.
- Our wages are significantly lower than other regions,** and when combined with significantly higher houses prices, are creating a challenge for recruitment and retention of workforce for many sectors.
- Borders reopening may mean the return of international tourists,** but the region is also clear there is a high likelihood of losing talented people from our workforce to more lucrative opportunities abroad. This has been specifically raised anecdotally in regard to the construction and healthcare workforces.

THE NELSON-TASMAN REGION

The growth in the regions population has been in the 15+ age group with the under 15 age group remaining static.

Nelson-Tasman's population growth over the past two years has averaged 2%, however, sub regionally growth was stronger in Tasman (2.7%) than in Nelson (1.2%) over the same time period.

Over the three years to 2021 population growth was 72% from international migration, 20% from internal migration from other parts of New Zealand, and just 8% from natural increase.

Looking at the working age population, the older age bracket were strong contributors with ages 65+ making up 50% of the growth (21% in Tasman and 69% in Nelson).

OUR FOCUS FOR THE NEXT 2 MONTHS:

- Finalising and consulting on the draft Regional Workforce Plan