

TOP REGIONAL INSIGHTS



Meat processors across the region are now widely affected by the Omicron outbreak. Most are operating on minimum shifts and changing the kill numbers each day depending on the number of staff available. With the capability of businesses changing daily there is no way to plan production, and this is having flow on effects for local farmers. Farmers with already thin profit margins are now also dealing with the additional cost of holding on to stock longer and facing the increasing risk of a possible over supply of meat later in the year, which would reduce their rates of return.

Infrastructure works continue to be stable despite workforce constraints with staff isolating due to COVID-19. Major projects such as Te Pūwaha Whanganui Port Revitalisation, RNZAF Base Ohakea project, and SH4 Whanganui to Raetihi repairs are signalling that although their workforces are affected by COVID-19, work is still able to continue. Recruitment agencies are working hard to fill workforce gaps created by the tight labour market and heightened by COVID-19.

Uenuku iwi have secured funding to develop the Pōkākā Eco-sanctuary on the North Island Central Plateau, which they have been working towards establishing for six years. They will receive \$1.92m from the Jobs for Nature initiative over three years, and it is anticipated that this native plant and animal sanctuary will generate sustained employment while also restoring a large amount of land, including the Erua Wetlands.

Image: ManawatuNZ.co.nz

TRENDS AT A GLANCE



The number of filled jobs in the region has increased by **9.4% in the last five years**, increasing from 109,900 to 120,300 between 2016 to 2021. This is an average increase of 2,080 jobs per year.



Out of the 120,300 people in employment in Manawatū-Whanganui, **15.4% are self-employed (18,500)**. This is slightly lower than the national self-employment rate of 16.7%.



Rental, Hiring and Real Estate Services saw the largest contribution to GDP growth than any other industry from **2020 to 2021**. It grew from \$815m in 2020 to \$877m in 2021, a growth of \$62 million.

Source: Infometrics, Manawatū-Whanganui Regional Economic Profile

TOP LABOUR MARKET OPPORTUNITIES

- Local Small and Medium-Sized Enterprises (SMEs) are receiving advice on how to weather the current Omicron outbreak.** The Central Economic Development Agency (CEDA), Whanganui & Partners and the Horowhenua Company have been keeping communication flows open and offering advice, encouragement and interpretations to businesses.
- A Tararua District Annual Training Plan is being developed to provide a centralised place to find out about all training in or near the district.** The plan is being prepared by Tararua Rural Education Activities Programme (REAP) and is scheduled to be released in March, in conjunction with the establishment of the Tararua Skills and Talent Advisory Group (T-STAG).
- The Freemasons Wilson Lewis Scholarship allows tradespeople who work in the construction industry to upskill** and two Manawatū builders have been named the 2022 recipients. This scholarship is open to applicants working and living in districts covered by the Manawatū and Whanganui branches of Registered Master Builders New Zealand. Recipients can do subsidised study at UCOL in either the New Zealand diploma in construction, the New Zealand diploma in business, or the New Zealand diploma in architectural technology.

TOP LABOUR MARKET CHALLENGES

- Employee absenteeism is soaring as the COVID-19 Omicron outbreak grows across the region.** It is putting pressure on a number of sectors, for example, in the health sector parts of the critical workforce needing to isolate has meant that volunteer groups have begun assisting with tasks such as issuing rapid antigen tests. The distribution sector is struggling with both employee absenteeism and pre-existing labour shortages. This is creating intense competition for labour, which is driving up wage offers and causing the poaching of workers.
- Expensive fuel prices are creating a barrier for people to get to work in the Ruapehu district.** Transport to employment is an ongoing issue in Ruapehu, with many jobs located geographically distant to accommodation centres and a lack of public transport driving high reliance on personal vehicles to access employment. For example, travel from Taumarunui to places of work such as Ruapehu Alpine Lifts and Chateau Tongariro Hotel can take well over an hour. While the recent announcement to temporarily reduce the fuel excise duty is welcomed, it is seen as a short-term solution to an ongoing issue. If recent inflation trends continue to see petrol and diesel prices climb, then more people will be unable to get to their place of work.

REGIONAL WORKFORCE PLAN

The Manawatū-Whanganui Regional Skills Leadership Group (RSLG) are continuing to work towards publishing the first iteration of the **Regional Workforce Plan (RWP) in June 2022**.

The Health Sector and School Transitions remain the key focuses of this initial RWP. Having engaged with a number of stakeholders across the Health and School Transitions spaces, the RSLG is completing a synthesis of this work to create Actions and Recommendations that will be included in the RWP. These Actions and Recommendations will be further developed in consultation with regional partners.

Case studies are also being developed that will highlight work already underway for Health and School Transitions in the region.

The RSLG are mindful to include representation across all districts in the Manawatū-Whanganui region, and to continue to build upon the existing regional strategies from Accelerate-25 and Te Pae Tawhiti.

OUR FOCUS FOR THE NEXT 2 MONTHS:

- Completing and signing off case studies for the Regional Workforce Plan
- Identifying possible actions and recommendations for inclusion in the Regional Workforce Plan
- Working with stakeholders to confirm commitments to actions that will be raised in the Regional Workforce Plan

People Supply

- **The regional horticulture sector continues to struggle to find workers.** It is hoped that immigration changes will ease some of the stress on major suppliers, as more workers will be allowed into the country. An example of helpful change is that border class exemptions have been approved for 200 mobile plant machinery operators.
- **There are renewed calls in Dannevirke for a programme to aid the smooth transition of students from school into work or further education.** Initial steps are being taken to bring a 'youth to work' type programme to the town after efforts were derailed in 2021 due to COVID-19 disruptions. The traffic light levels also affected student access to training providers and put extra workload on community support organisations.
- **Access to GP services continues to be an issue for rural communities,** particularly in the Rangitikei and Ruapehu districts. The shortage in rural medical professionals is putting a lot of pressure on existing services, especially with the added complexities of Omicron.

People in Workforce

- **More parents are absent from work as numbers of children with Omicron rise.** Parents are having to stay home to look after their tamariki since 97 percent of schools across the Manawatū-Whanganui region have been affected by positive Omicron cases.
- **Concern is growing amongst local workers as the rate of inflation grows faster than wage growth.** While the minimum wage will be increased to \$21.20 per hour on 1 April, household budgets have been hit heavily and ASB estimates that households will spend (on average) an additional \$150 per week this year. Thus, apprehension remains region-wide around how families will deal with the soaring cost of living, especially regarding food and petrol prices.
- **HealthCare NZ workers have been affected by the organisation centralising its contact centre in Auckland,** according to the Public Service Association (PSA). This decision has removed some of their regional expertise and diminished their local footprint.

Jobs

- **There has been an increased demand for on-call casual labourers across the region, notably in the Tararua, Whanganui and Ruapehu districts.** This has been brought on by the onset of Omicron in the community, and in some cases by the increased amount of work available in the districts. For example, in the Tararua district full time experienced labourers, truck drivers and experienced machine operators continue to be in high demand.
- **The Rangitikei Mayors Taskforce for Jobs (MTFJ) saw a decline in numbers of people getting employed in February as the Omicron outbreak grew.** However, placements have since picked back up; while only five people were placed into employment in all of February there were six rangatahi placed into the workforce in the first week of March.

Skills Development

- **The Tararua Skills and Talent Advisory Group (T-STAG) will be convening after a delay in its establishment last year,** due to resources being redirected from Employment and Training Support to the COVID-19 Omicron Community response. T-STAG acknowledge that there is a lot of work to be done despite Tararua district's unemployment rate dropping to 3.2 percent, as the district's underutilisation rate was 9.2 percent in the December 2021 quarter.
- **Training programmes across the region are continuing to run despite the current community outbreak of Omicron.** These include the UCOL building pre-apprenticeship programmes, adult community education classes, Land Based Training, short courses through Industry Training Organisations (ITOs), Kiwi Can Do training (Civil Infrastructure), and Kaitiaki training in Tamarunui. The continuity in delivering these programmes means employers are still provided with a steady pipeline of ready-to-work trainees.

Employers

- **Rangitikei District Council (RDC) have appointed a new Business Advisor.** This role will drive better connections between the RDC and the employers of local businesses.
- **Whanganui/Rangitikei Skills and Talent Action Group (STAG) recently met with organisations and providers that have a direct connection with employers.** The intention is to ensure that employer needs are identified and met through collective efforts, rather than duplicating this.
- **Employers are struggling with COVID-19 related employee absenteeism across the region.** Anecdotally, absenteeism is more prominent amongst younger workers who are more socially mobile. Some employers in the Tararua district have had to temporarily shut their doors or change how they deliver services given their limited staff numbers.

Demand Drivers

- **Bioplant NZ is proposing to build a large waste-to-fuel plant in the Manawatū.** Major benefits will include a reduction in landfill waste and increased local employment. Resource consent has been applied for from Horizons Regional Council and there is an agreement with the Manawatū District Council to build the plant on Kawakawa Road in Feilding. The plant would have the capacity to process up to 40 tonnes of dry waste each day.
- **Waka Kotahi and the Ministry of Social Development (MSD) are partnering to boost employment outcomes on New Zealand Upgrade Programme (NZUP) projects.** Te Ahu a Turanga: Manawatū Tararua Highway project was used as a pilot, wherein people were assisted into work as administrators, builders, labourers, and conservation workers. Ōtaki to North of Levin (O2NL) is another NZUP project in the region.

KEY:

People Supply (School Leavers, Work Transition, People not in the Workforce, Migration)

People in Workforce (Environment, Intentions, Responses, Challenges, Trends)

Employers (Environment, Intentions, Responses, Challenges, Trends)

Skills Development (Tertiary, Apprenticeships, Work Ready, Other Education and Training)

Jobs (Conditions, Standards, Recruitment, Vacancies, Trends)

Demand Drivers (Economic Trends and Development, Project Stimulus, Sector Trends)