

TOP REGIONAL INSIGHTS

The forestry industry is facing major challenges, due to roading access problems and instability in the market. The forestry sector faces severe infrastructural challenges with 16 roads and 9 bridges closed, and another 13 bridges restricted for heavy vehicles. Despite aspirations to diversify their staff into civil construction, forestry contractors have been informed of a halt in civil work pending additional funding for roading repairs. While log prices have seen a modest increase, they remain unsustainable, casting uncertainty over the industry's future. The industry reports that no harvest crew has had more than three uninterrupted weeks of work since the North Island weather events hit. As a result, there has been a notable reduction in workforce numbers. Only forestry maintenance teams have secured any type of ongoing work. Anecdotally, local estimates are that approximately twenty crews have either left the region, left logging altogether, or transitioned to another industry. Historically, forestry was a major contributor to the region's economy, offering around 1,000 full-time jobs so these impacts represent a major threat to the economy and communities. Eastland Port has observed a 26% decline in forestry harvest volumes since 2021, indicating a reduction in local processing activities. Export volumes have also dropped by 8%, translating to a 200,000-tonne reduction in harvest volumes.



The agricultural sector is also experiencing challenges. Extended winter conditions and additional weather disturbances have resulted in low stock levels. In addition to this there has been a decline in prices for meat and wool. Such changes are causing increased anxiety among farmers. To cope, they are curtailing costs, and new investments seem unlikely for the foreseeable future. Local agencies led by the Ministry for Social Development are actively collaborating with growers, aiming to retain and upskill staff. Some areas, regrettably, are isolated due to inaccessible roads, which adds to planning challenges. The extent of crop damage remains uncertain, further complicating predictions for the future. Farmers have been forced to reduce worker hours, shorten work seasons, and even temporarily shut down operations. As recovery efforts commence, there will be a pronounced demand for restoring fences and road access. Unfortunately, some parts of the region might remain inaccessible for another six months, complicating staff retention and recruitment.

Currently, there are between 650-700 temporary visa holders in Tairāwhiti. The largest group works in agriculture, followed by administration, manufacturing, healthcare, accommodation, transport, retail, and construction. Horticulture workers are still in demand, for example one large local employer (fruit producer) is on a recruitment drive, looking to employ around one hundred staff.

The wellbeing of whanau because of the condition of their homes continues to be a concern. So far, 36 properties have been red-stickered and 200 yellow-stickered. These figures are predicted to increase, with many homes on watch as the land continues to move. Around 20 homes are flagged as future flood or landslide risks. Making matters worse, insurance companies have been slow to address claims, amplifying stress for homeowners. In response, Enhanced Task Force Green has a team that has successfully worked on 16 properties.

REGIONAL ACTIVITIES

The impacts of Cyclone Gabrielle on the Labour Market means that Tairāwhiti needs to take a coordinated approach to the infrastructure rebuild. The current challenges faced by the forestry sector, coupled with the opportunities in civil construction, require a strategic, coordinated response from government, industries, and local communities. The recently held workshops and events, and the establishment of the Jobs & Skills Hub, represent important steps toward ensuring a resilient and sustainable future for Tairāwhiti's workforce.

- **On July 6th, a workshop was facilitated by Downer, in partnership with MSD, Trust Tairāwhiti, and CARE-RSLG secretariat, to aid forestry contractors affected by the recent weather events.** The workshop aimed to encourage contractors to seek accreditation to undertake subcontracting work in the civil sector, particularly roading. Around 20 forestry contractors attended the event. This initiative is not exclusive to Downer and can be extended to other civil companies such as Fulton Hogan and Higgins across various regions.
- **The "Girls in Hi-Vis," took place on July 18th at Waerenga-o-Kuri quarry.** Hosted by Downer, Connexis, and Trust Tairāwhiti, this event aimed to familiarize nearly 30 Year 12/13 female students with the civil construction sector. The successful event sparked interest among students, and similar future events could be a crucial part of industry awareness.

Minister Robertson recently signed a commitment to support the Transport Rebuild East Coast (TREC). The proposed contract involves Waka Kotahi, KiwiRail, and tier one companies in the civil industry, including Fulton-Hogan, Downer, and Higgins. TREC work will be awarded primarily to local contractors, demonstrating the commitment to prioritize local workforce opportunities. It is estimated that the current roading workforce will need to double. The TREC is committed to constructing new resilient roads, not just replacing roads on a like-for-like basis.



REGIONAL WORKFORCE INITIATIVES

Steering Group for the Jobs & Skills Hub:



- CARE-RSLG will act as the Steering Group for the Tairāwhiti Jobs & Skills Hub. This role will allow them to provide strategic advice and guidance from a Tairāwhiti perspective.
- The Steering Group will convene at the end of every CARE-RSLG meeting on a quarterly basis. This proposal is expected to boost local influence over the Hub's operations.
- The Jobs & Skills Hub, funded for two years, aims to facilitate training requirements, recruitment, retention, or redeployment within the construction work in Tairāwhiti.
- The Hub will start by identifying cohorts of people and meeting their training needs to match them with available opportunities.
- The Operations Manager has been appointed with announcements due to be made soon regarding the various other roles at the Hub, including a recruitment facilitator, training facilitator, and a youth and community facilitator. The Hub is not dependent on a fixed location with reach into some of the more remote communities on the East Coast a priority.