



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

South Island Portfolio - Fortnightly Report

Fortnight ending:	26 May 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0014252

Recipient	Action sought
Hon James Meager Minister for the South Island	Note the contents of this report.

Ministers' and Ministers' Office comments

1. Portfolio Update

1.1 Regional Economic Roundup Report Cory Hagenaaars, South Island Lead Advisor, Strategy, Planning and Performance, Kānoa – Regional Economic Development & Investment Unit (Kānoa)	There are no new Regional Economic Roundup Report updates.
1.2 Social Investment Fund Announcement Cory Hagenaaars, South Island Lead Advisor	On 15 May 2025, the Government announced the establishment of a new \$190.0 million Social Investment Fund as the centrepiece of its \$275.0 million Social Investment Budget package. This initiative aims to transform the delivery of social services by focusing on early, evidence-based interventions to improve outcomes for vulnerable New Zealanders. Key components of the Social Investment Fund: • The total funding package is \$275.0 million over four years, with \$190.0 million dedicated to the Social Investment Fund. • The objective is to invest in programmes that deliver measurable improvements to the lives of children, young people, and families in need. • The fund will be managed by the reinstated Social Investment Agency (SIA). The SIA was disestablished in March 2020 by the previous government, and was reinstated in July 2024 by the current government. The SIA will work in partnership with community organisations, non-government agencies, and Iwi providers to deliver the fund. Specific initiatives include: • Parenting support: \$20.0 million allocated to programmes that strengthen parenting in the first 2,000 days of a child’s life, aiming to reduce harm and set children up for better long-term outcomes. • Prevention of entry into state care: \$25.0 million dedicated to initiatives that help prevent children and vulnerable adults from entering state care. This is part of the Crown’s response to the Royal Commission of Inquiry into Abuse in Care. • Community-based programs: funding for programs such as Emerge Aotearoa’s work with at-risk youth and the He Piringa Whare program, which provides wrap-around services including stable housing, education, and employment support. While specific allocations for the South Island have not been detailed, the Fund’s nationwide scope means that communities across the South Island’s regions are eligible to benefit from these investments. Local service providers and community organisations in the South Island can engage with the Social Investment Agency to develop and propose initiatives aligned with the Fund’s objectives. Source: https://www.beehive.govt.nz/release/social-investment-fund-help-vulnerable-kiwis
1.3 Major events Kylie Hawker-Green,	There are no new Major events updates.

Manager Major Events, Economic Development & Tourism																																																								
1.4 Key messages/statistics and figures Privacy of natural pe Lead Domain Analyst, Data Service Delivery, Data, Insights and Intelligence, Corporate and Digital Shared Services	Workforce/employment update Statistics NZ have released labour market statistics for the March 2025 quarter. The results show a generally stronger labour market in the South Island compared to the North Island. - In the year to March, total employment increased by around 11,000 people in the South Island (up 1.6 per cent) but fell by 32,000 people in the North Island (down 1.5 per cent). - While the North Island’s unemployment rate has increased from 4.8 per cent to 5.8 per cent over the year, the South Island’s unemployment rate has remained unchanged at 4.2 per cent over the same period. - The South Island’s annual employment growth was concentrated in Otago, which now also has the lowest unemployment rate in the country (2.6 per cent, compared to the national rate of 5.1 per cent). Underpinning growth in this region is the strengthening primary sector, and recovery in international tourism. Otago, unlike other regions, has also seen growth in residential building consents over the year which is supporting the construction sector. Tourism sector update MBIE’s Tourism Electronic Card Transactions data for year-end March 2025 showed a softer South Island tourism sector than year-end March 2024. This was largely due to the timing of the Easter break this year, which shifted domestic tourism into April instead. - Total tourism spend was down -1.9 per cent (-\$96.6 million) on March 2024, however international tourist spend was up 6.3 per cent (\$95.1 million). - Visitor arrivals from Australia was up 8 per cent, and from China up 18 per cent year-on-year. <table><tr><th rowspan="2">Region</th><th rowspan="2">Tourism Type</th><th colspan="2">Spend \$NZD</th></tr><tr><th>YE March 2025</th><th>Annual % change</th></tr><tr><td rowspan="2">Canterbury</td><td>Domestic</td><td>\$1,471.8M</td><td>-4.6%</td></tr><tr><td>International</td><td>\$528.9M</td><td>10.0%</td></tr><tr><td rowspan="2">Otago</td><td>Domestic</td><td>\$1,083.0M</td><td>-7.5%</td></tr><tr><td>International</td><td>\$752.3M</td><td>5.0%</td></tr><tr><td rowspan="2">Southland</td><td>Domestic</td><td>\$265.9M</td><td>-3.1%</td></tr><tr><td>International</td><td>\$91.2M</td><td>11.0%</td></tr><tr><td rowspan="2">West Coast</td><td>Domestic</td><td>\$148.7M</td><td>0.8%</td></tr><tr><td>International</td><td>\$85.9M</td><td>-2.4%</td></tr><tr><td rowspan="2">Marlborough</td><td>Domestic</td><td>\$160.4M</td><td>-5.9%</td></tr><tr><td>International</td><td>\$49.9M</td><td>0.6%</td></tr><tr><td rowspan="2">Tasman</td><td>Domestic</td><td>\$131.3M</td><td>-5.7%</td></tr><tr><td>International</td><td>\$45.0M</td><td>5.0%</td></tr><tr><td rowspan="2">Nelson</td><td>Domestic</td><td>\$108.1M</td><td>-6.2%</td></tr><tr><td>International</td><td>\$44.0M</td><td>6.0%</td></tr></table> Source: https://www.stats.govt.nz/information-releases/labour-market-statistics-march-2025-quarter/ https://teic.mbie.govt.nz/teiccategories/datareleases/tects/	Region	Tourism Type	Spend \$NZD		YE March 2025	Annual % change	Canterbury	Domestic	\$1,471.8M	-4.6%	International	\$528.9M	10.0%	Otago	Domestic	\$1,083.0M	-7.5%	International	\$752.3M	5.0%	Southland	Domestic	\$265.9M	-3.1%	International	\$91.2M	11.0%	West Coast	Domestic	\$148.7M	0.8%	International	\$85.9M	-2.4%	Marlborough	Domestic	\$160.4M	-5.9%	International	\$49.9M	0.6%	Tasman	Domestic	\$131.3M	-5.7%	International	\$45.0M	5.0%	Nelson	Domestic	\$108.1M	-6.2%	International	\$44.0M	6.0%
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1.5 Regional Council Updates	There are no new Regional Council Updates.
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2. Hon. James Meager - Upcoming Ministerial Items – Minister for the South Island

2.1 Upcoming Meetings, Events and Ministerial Visits

Event details	Event	Event Details
05/06/2025	Meeting with representatives from Datagrid New Zealand Limited (Parliament, Wellington)	You will be meeting with representatives from Datagrid Data Centre on Thursday 5 June, from noon to 12.45pm at your office in Wellington. Datagrid is an information technology company, specialising in Artificial Intelligence, that is developing a 50-hectare sustainable data centre park in Invercargill. The objective of this meeting is to discuss the opportunities that the new Datagrid Data Centre could bring to New Zealand. You will be discussing multiple topics, including the benefits to New Zealand's economy, regional development and Commercial Information A briefing is being prepared for you.
10/06/2025	Attending the Queenstown Business Chamber of Commerce 'Westpac Smarts Seminar' (Queenstown)	You will be attending the Queenstown Business Chamber of Commerce (QBCC) on Tuesday 10 June, from noon to 1.30pm in Queenstown. The QBCC is a non-for-profit membership association with over 1,800 members representing nearly 620 businesses. The QBCC supports Queenstown businesses to grow and succeed sustainably and profitably. They enable growth through advocacy work, facilitating networking opportunities and providing training, advice, information and support to businesses. The purpose of the Seminar is to bring together yourself and Queenstown business leaders to engage on the current business environment, and your South Island portfolio. A briefing is being prepared for you.

2.2 Upcoming Briefings and Aides Memoire

Due to MO	Tracking Number	Product
29/05/2025	REQ-0013783	Meeting with representatives from Datagrid New Zealand Limited, 5 June 2025
03/06/2025	REQ-0014196	Attending the Queenstown Business Chamber of Commerce 'Westpac Smarts Seminar', 10 June 2025

2.3 New Written Parliamentary Questions

There are no new Written Parliamentary Questions.

2.4 Ministerial correspondence received

There are no new Ministerial correspondences.

2.5 Official Information Act requests received

New items are indicated in red.

Due to MO	Tracking number	Requester	Summary of request	Status
04/06/2025	MOIA-REQ-0014264/JMOIA-32	Privacy of natural persons [REDACTED]	Requests copies of any aides-mémoire, briefings, memos, notes, reports, or any other advice the Minister or their Office received related to the South Island portfolio during the week of 5 May 2025.	In Progress
06/06/2025	MOIA-REQ-0014491/JMOIA-33	Privacy of natural persons [REDACTED]	Can I please request the following briefings under the OIA: - Fortnightly Report: South Island fortnightly report for week ending 28 April 2025 (28/04/2025) - Briefing: South Island Councils – Water Service Delivery Plan Update, April 2025 (28/04/2025)	In Progress
12/06/2025	MOIA-REQ-0014593/JMOIA-35	Privacy of natural persons [REDACTED]	Requests copies of any aides-mémoire, briefings, memos, notes, reports, or any other advice the Minister or their Office received related to the South Island portfolio during the week of 12 May 2025.	In Progress

2.6 Meeting advice requested

There are no outstanding Meeting advice requests.