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SUMMARY OF GISBORNE EMPLOYMENT SUMMIT – 24TH APRIL 2009

BACKGROUND

The Gisborne Employment Summit was held at the Poverty Bay Golf Club on Friday 24th April 2009 from 9.00am to 12.15pm. This is a summary of the event.

The summit was well attended by approximately 70 people including The Mayor, Mr Meng Foon, electorate MP Anne Tolley and the Labour MP Parekura Horomia.

The summit was partnered by Gisborne Chamber of Commerce, Gisborne branch of EMA, Gisborne District Council and MSD. There was a wide range of speakers from various sectors who presented the impacts of the recession and the challenges and opportunities moving forward.

In the opening address Mayor Meng Foon noted that the indicators in Gisborne are good and that the focus for the future should be on food production and that Gisborne was in a good spot to capitalise on this. The Mayor advised the meeting that Hikurangi Farms were gearing up their production and on completion of the plant will be looking at exporting between 200 – 300 containers per week by 2011.

Dr Ganesh Nana:

Dr Nana spoke about putting things in context - that the media-take on the recession is factually correct but hyped up - and people shouldn't always believe what they hear. The global crunch started in 2004 and by August 2007 firms were publicly admitting difficulty getting cash. In NZ the recession has mainly been in Auckland with employment in the minus. In Gisborne however the new non-residential building consents have increased and although Tourism numbers are down the challenges facing the region hasn't changed in the 30 years.

Dr Nana advised the region to invest in people (skills, network, businesses), Resources (land, water, equipment, buildings) and Systems (technology, innovation, enterprise). He also noted that NZ is one of the best food producers in the world and we should be working to get a slice of the Chinese and Indian market.

Anne Tolley MP for Gisborne:

Minister Tolley stated that this summit was an opportunity for the region to take stock and gain a better understanding of what is happening, and for business to discuss and develop initiatives that could work for us... Minister Tolley talked about the government initiatives that came out of the Prime Ministers summit such as the review of the Resource Management Act and the tax packages for small to medium businesses and the 9 day fortnight. There were new initiatives in the education sector such as the 6-12 weeks stand down period for apprentices laid off by business closure. This enabled them to find new employment. Also Tertiary education for overseas students and holidays work for tertiary students. Currently involved in program looking at youth 16-17 years old who have left school and making available numeracy/literacy programs to make them job or training ready.

James Palmer:

James talked about the economic recovery will be driven by exports and that NZ food based exports will be less affected by the global crisis than other sectors. Substantial government funding needed to increase investment in primary growth.

James advised NZ was the 2nd biggest supplier of beef to McDonald's chain and that most Beef and Sheep farmers were back in profit for the year 08/09. However, most farms are holding lower stock levels and this will mean an early season end for meat chains and will affect the volume of meat for export and wool quantities. Vegetable volumes are also down as are Forestry and wood processing. Many contractors are reducing hours and shifts in sawmills and logging gangs due the falling demand of wood. Noted that if shipping rates increase this will affect employment in this sector.

Michael Muir:

Mr Muir presented the Tarawhiti Development Partnership: Regional Economic Development Plan researched by McDermott Miller - Strategies for Gisborne District Council. Mr Muir advised that funding would be required to achieve the recommendations of the plan.

Prue Younger: Horticulture and Viticulture

140 Grape growers and 15 Wineries in region. Diverse growers who tend to grow citrus etc as well as grapes. Not experiencing immediate issues in regards to workforce availability. Admitted that this is lower skilled and irregular work- however noted that if growers were good employers then it is easier to recruit. Viticulture is part of the seasonal vineyard worker guide. In this district there were less RSE workers than HB or Nelson and more local contractors. Looking to setting up Labour Governance Group following the HB model and approaching National Governance Group for funding for Regional Seasonal Co-ordinator. Investing in upskilling of local contractors and work needed on understanding the markets (local, national and export).

Trevor Helsen: Forestry

1450 workers currently employed in Forestry nationally with 4,000 people dependant on Forestry and Wood industries in Gisborne region. Mr Helsen noted that land and shipping costs have increased although log prices have held firm. Market demand remains solid with no long term certainties. Mr Helsen advised a sensible approach to labour and not layoff in reaction to the recession. Moving forward Mr Helsen suggested greater local processing with the Hikurangi sawmill creating 240 jobs when it opens in 2-3 years. Forestry has the ability to absorb more people with skills however should focus on maintaining its workforce during the recession.

Graham Breckell: Tourism

325k visitors to Gisborne region with an average stay of 3 nights. Domestic visitors make up 80% of market. Trend is down nationally but has not been felt significantly in Gisborne. The number of Conferences coming to Gisborne is picking up and event bookings are strong. Future direction is looking to cruise ships, steam train and being a part of the national cycle way. He does not expect Gisborne Tourism to be adversely affected by the recession. New Zealanders who did not take overseas holidays this year will look within NZ for their holiday venue and Gisborne is well placed to take that advantage.

Francis Yates: Master Builders

Houses today require high level of skill. 103 apprentices in Building sector with 94 in building. 35 apprentices have been laid off with only 8 currently not re-employed. Working with the polytechnic to ensure apprentices in their 3rd year can complete their training. Noted that local commercial contract are going to external contractors, would like to see this trend reversed. Requirement to keep training, less legislation and suggested it will be up to the employees (not only the employers) for the industry to succeed.

Neville Parkinson – Retailers Association

Large "box" businesses are setting up in Gisborne (Bunnings, Wendy's, enlargement of McDonalds). Occupancy rates have been high in side street retailers. Retail has grown in last years with increase seen

in food with more supermarkets and fewer restaurants - - however decrease in the flooring sector. Upgrading the central business district is part of the future planning for this sector.

Mere Pohatu and Deanne Harrison: Maori Development

20,000 Maori in Gisborne region with 8,000 under the age of 25 years. Investment required in these 8,000. 27% of land acre is in Maori ownership with over 550,000 owners. There are 1472 trust made up of 10 people each and 100 Maraes in the region. 2 major tribal groups are in the process of settlement (Turanganui collation and Ngati Porou) within the next 10 years. The majority of Maori small business has 0-5 employees with an average turnover between \$50-\$100k. Education and training is needed to prepare the young people for the hard times, and moving forward.

Summation:

Matt Todd: Eastland Council

Matt noted that the region should not focus on trying to cure the “recession disease”. The region should improve investment in its people and increase skill levels. He called for less Government, more market and less inflation.

Lindsay McKenzie: Gisborne District Council

Gisborne is in a good place. The region is experiencing nothing new therefore response should same as normal. Gisborne District Council will continue to invest in infrastructure, people and a sense of place. Region should look to community wealth. Summit highlighted the lack of good information relevant to Gisborne. One requirement we need to work with Statistics NZ is having statistics that are relevant to our district instead of being included in the Hawkes Bay figures. Suggestion we meet again within the next 6 months to take stock.

Malcolm MacLean: Gisborne Chamber of Commerce

Investment required in people, training and in education of our youth. The Chamber of Commerce is working with education along these lines.

MOVING FORWARD

The partnering agencies will meet to discuss the key themes taken from the Summit.

In Partnership with:

