

Service IQ

SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR — Christchurch —



2016/2017

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Introduction

Christchurch is transforming. Every day it is recovering from the 2010/2011 earthquakes and it is now regenerating with new opportunities for the people of Christchurch.

The service sector gives vibrancy and colour to a city. Services that are familiar, yet innovative; friendly, but efficient, will help Christchurch move beyond repaired to renewed. This will ensure that Christchurch is rejuvenated as a great place to live, work and visit.

#servicesuccessnz

ServiceIQ

ServiceIQ is the industry training organisation for the aviation, hospitality, retail and retail supply chain, travel, tourism and museums sectors – the service sector. We are recognised by government to set skill standards in the service sector and to arrange training in the workplace.

ServiceIQ is owned by industry. We work to empower and motivate people to provide great service to help businesses remain competitive, and for New Zealand to be internationally recognised as a great place to live or visit.

ServiceIQ advocates on behalf of industry for workforce development, and provides a national perspective and leadership for the service sector.

All employment, occupation, demographic and business data underpinning our regional and national work is supplied by Infometrics.

ServiceIQ developed the Service Sector Workforce Development Plan 2015 following extensive industry consultation over a two-year period. The Plan has been agreed by industry and is owned by industry. The Plan articulates a shared vision for the sector to respond to the challenges and changes it is facing, and a framework for workforce development.

The framework encapsulates the three primary levers a sector can use to develop the skills of the workforce; that is: attraction and retention, skill development, and skill utilisation. This framework has six priority actions and these underpin our workforce development activities. The priority actions are:

- ▶ Attract and retain people with the right attitude and aptitude
- ▶ Increase the number of able school leavers transitioning into the sector
- ▶ Increase access to and engagement with training
- ▶ Develop and maintain high quality qualifications and programmes that meet the needs of industry
- ▶ Increase productivity by developing core skills
- ▶ Improve business and management capability.

These priorities have been chosen because they are the most likely to have a significant impact on increasing business productivity and growth, and closely align to the primary levers.

Service sector regional workforce roadmap for Christchurch

The Workforce Development Plan highlighted the need for service sector workforce development at a regional level. A service sector regional workforce roadmap will provide a regional orientation and focus point for the six priorities, and provide a means for creating concrete, detailed actions for realising the vision for the service sector.

A regional roadmap is a plan to meet forecast workforce growth in a region over the next five years. The plan's demand side will include detailed forecasts of workforce changes including changes in workers, changes in occupations, and changes in skill levels. The supply side will outline how we can harness regional knowledge and innovation to create industry led solutions that best meet those workforce needs.

Pivotal to the success of these plans is collaboration with key organisations in the region, including city councils, regional tourism organisations, iwi, major companies, and tertiary education organisations.

The roadmaps will link supply and demand for skills, better connect different parts of the tertiary sector, provide information to young people about where there are likely to be opportunities, and ensure that there is a pipeline to meet future sector needs.

Developing a regional roadmap for Christchurch

ServiceIQ hosted three workshop meetings in Christchurch in June, September and December 2016. Representatives from local businesses, membership bodies, government, tertiary and compulsory education providers, and business groups were in attendance in the meetings. In the workshops, the groups developed a vision for the service sector in Christchurch and established a range of strategies for achieving this vision, which formed the basis of the roadmap. A first draft of the roadmap was developed at the beginning of 2017 and tested with members of the workshop groups for coherency and accuracy.

Critical success factors

The success of the Regional Roadmap action plan is dependent on the Christchurch service sector taking leadership and regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Christchurch Regional Roadmap action plan.



Current position

In 2015, there were 586,000 people living in Canterbury and close to 80 per cent of Cantabrians living in the wider Christchurch area. 367,800 people (62 per cent) live in Christchurch City and a further 95,000 (16 per cent) live in the fast growing districts of Waimakariri and Selwyn. 75,000 people live in Timaru and Ashburton and the remaining population resides mostly in small towns and rural areas.

New patterns of population, transport, and work are continuing to emerge in Christchurch, and the relationship the city has to the broader Canterbury region is increasingly important. The 'villages' that grew across the wider Christchurch area following the earthquakes will continue to prosper. Businesses will be considering how best to respond to these shifts away from a single town centre towards a series of service hubs servicing large suburban populations.

- ▶ **586,000 people in Canterbury**
- ▶ **Close to 80 per cent in the wider Christchurch area.**
- ▶ **Selwyn is the fastest growing District in the country**

The service sector covers:

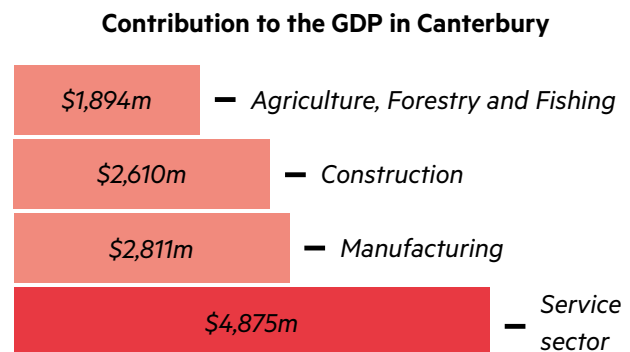
- ▶ Accommodation
- ▶ Aviation
- ▶ Cafés, Bars and Restaurants
- ▶ Catering
- ▶ Clubs
- ▶ Museums
- ▶ Quick Service Restaurants
- ▶ Retail and Retail Supply Chain
- ▶ Tourism
- ▶ Travel

This hub concept is already apparent in Rolleston and Rangiora, and there is potential for growth in Hornby and Lincoln.

The service sector has a key role to play in the rebuild of Christchurch City. The reshape of the inner city will also create large service sector staffing requirements as the hospitality industry gears up. For many within the industry, the customer base is shifting back to business-based, rather than trade-based, enterprises.

Service sector in Christchurch

The service sector brings together industries covering retail, hospitality, museums, aviation, travel and tourism. In 2015, the service sector contributed \$3,630 million (in 2010 prices) to GDP in Christchurch City and \$4,875 million to GDP in the Canterbury region. This equates to 19 per cent of total GDP for the city and 17 per cent for the region. By way of comparison, Manufacturing contributes \$2,811 million to GDP in Canterbury (11 per cent of GDP), Construction \$2,610 million (10 per cent), and Agriculture, Forestry and Fishing contributes \$1,894 million (7.3 per cent).

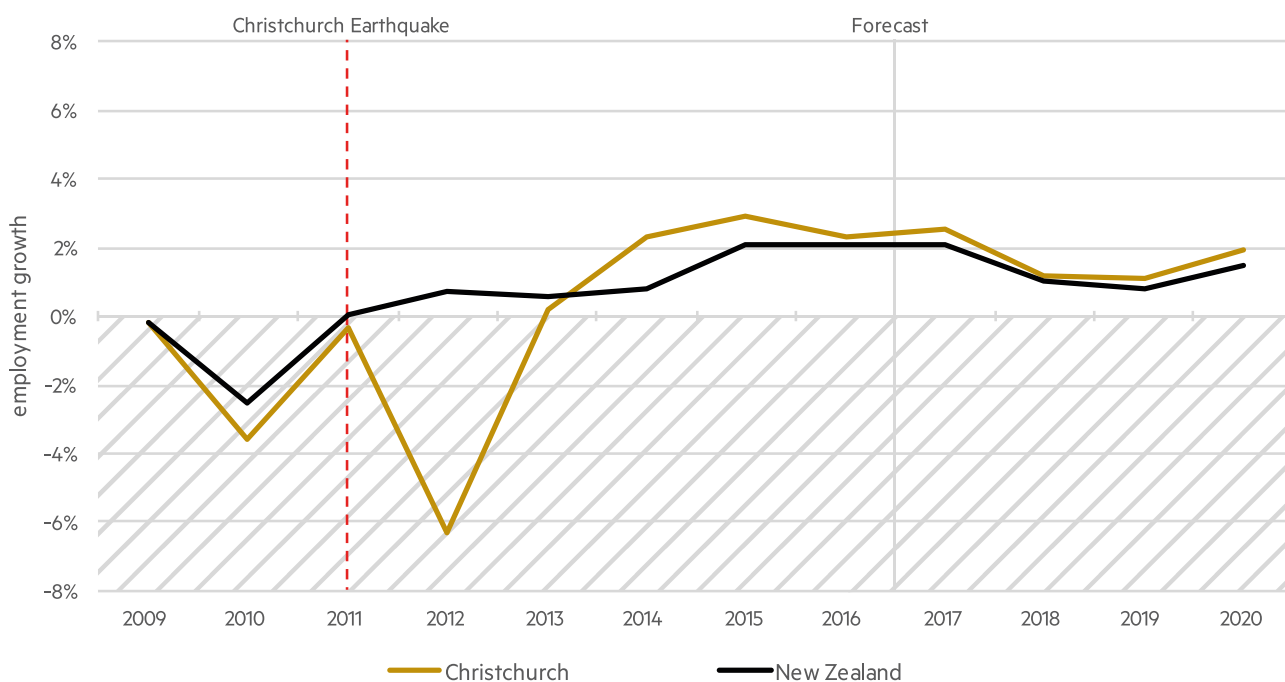


Employment in Christchurch has grown strongly alongside rebuild activities and remains high (71.1 per cent), likewise compared to the rest of the country rates of unemployment are low (3.2 per cent). While certain sectors experienced massive growth in the ensuing months and years following the earthquakes (2011 onwards), between 2009 and 2013 the number of service sector workers in Christchurch fell by 5,000; from 61,593 workers to 55,583.

The most significant decline was in the accommodation sector, due to the decline in tourism, business travel, and the limited availability of hotels and motels, especially in the central city.

Over the next three years, the number of service sector workers in Christchurch will return to peak 2008 levels and continue to grow further. The proportion of employment across the service sectors has changed, however, and will continue to do so. All sectors are expected to grow over this time (except travel) and some sectors are currently operating with shortages in medium-high to highly-skilled roles. Many skill needs run across more than one sector, for example catering, cafés, bars and restaurants, accommodation and quick service restaurants share a need for chefs and cooks, kitchenhands and café/restaurant managers. At the current and forecast rate of employment growth, by 2020 these sectors will collectively need almost 1000 more people to fill these four roles by 2020.

Employment growth in the service sector



While the current service sector workforce in Christchurch is younger than the national service sector, it is ageing in line with the national trend. Between 2006 and 2013, the per centage of the workforce between 55 and 64 years old has increased from 11.3 to 14.3 per cent and the per centage 65 years and over has nearly doubled from 2.2 to 4.2 per cent. Service sector workers in Christchurch are less qualified than their service sector counterparts across the rest of the country (56 per cent have no post-school qualification compared with 53 per cent nationally). It should be noted that the higher number of workers in the 15-19 year age group (compared to the national workforce) will be contributing to this, as most will still be in school or tertiary-level education or training and the optimal qualification level for the majority of work in the service sector is in Levels 1 to 3 (on the ten-level New Zealand Qualifications Framework.)

At 84 per cent, the majority of service sector workers in Christchurch are of European descent, 11 per cent are Asian, six per cent Māori and two per cent Pasifika. This is considerably different to the service sector nationally where 74 per cent of workers are European, 16 per cent Asian, 10 per cent Māori, and five per cent Pasifika. The number of workers identifying as Māori, Pasifika and Asian in the Christchurch service sector has increased since 2006 and the sector will become increasingly diverse. The number of people born outside New Zealand is also steadily increasing; 24.2 per cent of the Christchurch service sector workforce was born outside New Zealand in 2013, compared to 21 per cent in 2006, and Asia has now overtaken Europe as the largest source of overseas born workers (9.4 per cent of the service workforce was born in Asia while 8.1 per cent was born in Europe.)

Challenges to supply and demand facing Christchurch

Nationally, the changing characteristics and expectations of the sector's workforce and customers are likely to be influencing and shaping the sector over the next five to ten years. Advancing technology is also offering new ways for the sector to engage with its customers, and in turn, this is offering new ways for engaging service sector professionals in skill development.

By 2020, the Christchurch service sector workforce is forecast to grow by close to 20,000 people. The rate of total job openings within Christchurch's service sector, including new jobs, voluntary attrition and retirement, is less than five per cent.

Employee turnover costs between 50 to 300 per cent base salary per person. Retail workers, on average, earn \$47,690, and based on this estimate the cost to the business of replacing staff is at least \$23,845¹.

*Canterbury's average household income is one of the highest in the country at **\$94,000**. Average incomes vary across the region; in Christchurch this ranges from **\$42,100 (Linwood)** to **\$128,300 (Holmwood)**.*

New Zealand is competing for workers in a global marketplace, and Christchurch is no different. Even before the global financial crisis and the earthquakes, Christchurch was experiencing skill and labour shortages. Christchurch is experiencing strong growth across a range sectors and with that comes an increasing need for workers.

(A review of forecast supply for each sector is included as an appendix.)

Strong competition for entry-level workers

In Christchurch, the competition for entry-level workers has been heated. Young people have traditionally filled the entry-level ranks within the service sector and they are well represented in the service sector in Christchurch. Young people are more likely to be working part-time, however, and the churn rate is high. While the rates are high in comparison to the rest of the country, fewer people under 25 are working in the service sector in Christchurch than before 2006. The entry-level work opportunities, and better pay, in other sectors have done a lot to attract young people away from the service sector.

Availability of skilled workers

While many highly skilled people were attracted into the service sector after the global financial crisis, people were quick to move into other sectors following the earthquakes in 2010/2011 and the numbers of highly skilled people entering the service sector in Christchurch is still lower than the national workforce. Hospitality has particular difficulty attracting and retaining skilled workers, but the service sector more broadly in Christchurch is crying out for more people.

High rates of staff turnover

Many parts of the service sector are characterised by relatively high staff turnover based on the structure of the industry. In Christchurch, the drop in the availability of work subsequently led to a reduction in available workers, and the city is recovering from this as well as the strong growth and high wages in sectors closely linked to the rebuild.

Youth are more likely to consider work in the service sector as a stepping stone to other sectors, rather than a career option. Factors that may contribute to a high turnover rate include higher wages in other industries, the expectations of some workers regarding work environments and advancement opportunities, and possible attitudes towards work.

The service sector is labour intensive, and in this environment, good human resource practices and leadership competencies are critical to supporting and managing the workforce. The continuous flow of workers is also impacting on the capacity of businesses for training their staff, and this in turn is likely to be impacting on levels of retention.

¹ New Zealand Turnover Survey (April 2016)

Changing technology

Technology advances continue to reshape the service sector. Businesses are gaining better access to customers, which has enabled the sector to know better what customers want and need. The Internet and social media has had a huge impact on the service sector, and will continue to do so.

Businesses need to be able to adapt to behavioural changes brought about by technology to ensure customers are receiving a consistently high quality service that reflects well on the business. Successful retail businesses are increasingly offering omni-channel options for seamlessly interacting with customers – combining face-to-face interactions with online and social media to enable people to purchase products in-store, online and through emerging channels such as click-and-collect and in-store kiosks.

Changing customers

After the earthquakes, a huge number of would-be visitors bypassed Christchurch, and Christchurch has yet to recover from this loss.

Customers are demanding high quality products and services. Social and technological advances have altered views about what it means for service to be timely. For many customers, this means access to products and services on demand, anytime, anywhere. Customers also have access to growing sources of information to guide their decisions on where to visit, stay, or eat, and on what to buy.

Customers are seeking more personalised and authentic experiences. This changing customer demand is fuelled by increased knowledge and the increased range of options. Customers are also increasingly interested in the wider implications of their purchasing decisions, and the impact businesses are having on the environment and the sustainability of their practices.

Other issues

Other issues of note include general infrastructure, including housing, transport, healthcare and water, and the community life (town centre and regional orientations).

————— 2017 —————

The service sector is seen as a
growth sector
and recognised as having a
key role
in the rebuild of Christchurch.

————— 2021 —————

Christchurch will have
resumed its position as the
gateway
to the South Island

By 2021:

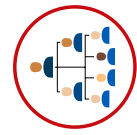
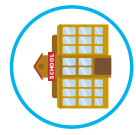
- ▶ The key service sector players are cohesive and integrated, taking a united approach across the different sub-sectors.
- ▶ Customer service in Christchurch is on the front-line. People working in the service sector are passionate; passionate about delivering great customer experience, and a great Christchurch experience.

Initiatives for the Christchurch service sector



	2016				2017				Future				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Attract and retain people with the right attitude and aptitude	1.1 Create and share success stories of the Christchurch service sector												
	1.2 Identify and coordinate regional initiatives												
Increase the number of school leavers transitioning into the sector	1.3 Mobilise a regional sector lead group to advocate to local and national government bodies												
	1.4 Develop understanding of supply and demand				1.5 Explore options for skills/resource sharing between organisations								
Increase access to and engagement with training	2.1 Increase the number of Gateway programmes operating with schools in Christchurch				2.2 Deliver ServiceIQ Tourism camp								
	2.3 Explore Youth Guarantee innovations				2.4 Support roll-out of Vocational Pathways in schools								
Develop and maintain high quality qualifications and programmes that meet the needs of industry	2.5 Explore options for strengthening process for migrants moving into permanent work				3.1 Develop insights into return on investment in training.								
	3.2 Develop 'learning and training' organisations concept				4.1 Work with Christchurch service sector to review service sector career pathways				4.2 Raise the profile of service sector career pathways and the associated qualifications				
Improve business and management capability	4.3 Increase the number of Christchurch businesses with staff engaged in training				6.1 Coordinate a central pool of business and management resources								
	6.2 Identify and develop a service sector management-oriented career pathway												

Mobilise resources, assign owners, and agree to action plans





Attract and retain people with the right attitude and aptitude

To help the sector thrive, effort must be put into attracting the right people and retaining them.

The right people have strong core skills, a good work ethic, and a customer-focused attitude.

Attracting the right people involves raising the profile of the services sector and persuading prospective workers of the potential career and lifestyle possibilities.

To maximise utilisation of skills, and generate a return on investment in training and reduce the cost of turnover, people need to continue working in the sector for longer.

Creating incentives for people to stay in the sector through developing clear career pathways and offering realistic progression opportunities will keep valuable skills in the sector

#	Initiative	Description
1.1	Create and share success stories of the Christchurch service sector	People working in and contributing to the service sector in Christchurch have great stories to share.
1.2	Identify and coordinate regional initiatives	A number of different and intersecting initiatives are underway already seeking to address issues associated with attracting and retaining people in the service sector.
1.3	Mobilise a regional sector lead group to advocate local and national government bodies	The sum of the Christchurch service sector is bigger than its parts, and it is important for the service sector to mobilise and advocate for itself at a regional and national level (see also 6.1).
1.4	Develop understanding of supply and demand	The service sector needs to agree what the priority issues are for Christchurch. Government needs evidence-based advice on the outlook for the service sector and the vital role it has in the rebuild of Christchurch.
1.5	Explore options for skills/resource sharing between organisations	The service sector in Christchurch is impacted by seasonal visitor fluctuations, which impacts on when staff are required and for how long. Skilled and talented staff may not be attracted to seasonal or short-term work. If a group of organisations can share skills and resources they require at different points throughout the year, this could create an environment for the continuous employment of staff.

Increase the numbers of able people transitioning to work



Young people bring energy and new ideas into the service sector.

Ensuring strong connections between schools and tertiary providers, schools and workplaces, helps to create and sustain a pipeline into service sector careers.

#	Initiative	Description
2.1	Increase the number of Gateway programmes operating with Christchurch schools	A continued focus on schools to challenge people into the service sector is important. Gateway training helps students gain skills, experience, and kick-start a career in the service sector. Students attain unit standards and make professional contacts that can help open doors to future jobs in the sector.
2.2	Deliver ServiceIQ Tourism camp	Young people can gain a better understanding of working in the service sector through participating in a tourism-focused programme that meets the requirements for NCEA and offers real-life service sector experience.
2.3	Explore Youth Guarantee innovations	Youth Guarantee innovations allow students to study towards NCEA and work. Pathway options allow students who are ready to work, but who have not reached NCEA Level 2, to study and work during the school week. These pathways are referred to as 3+2 and 4+1, and offer flexibility to students to study 60 per cent of time, and work 40 per cent (e.g. three days/two days), or to study 80 per cent and work 20 per cent (four days/one day).
2.4	Support the roll out of Vocational Pathways in schools	Vocational Pathways provide a way to achieve NCEA Level 2. Vocational Pathways are aligned to 'real world' industries, and the Service Industries is one of the six pathways.
2.5	Explore options for strengthening processes for migrants moving into permanent work	Migrants have a vital role in filling identified skills shortages and create a much needed diversity in the Christchurch service sector. Where effort has been placed on creating opportunities for New Zealanders, and gaps still remain, it needs to be attractive for migrants to come to New Zealand and transition into working and living in Christchurch.

Increase access to and engagement with training



One of the biggest issues limiting skills development is access to training.

The reasons for this are various, such as workers having limited access to training materials and resources, or limited time for undertaking training, or a lack of support from within the workplace for accessing training.

#	Initiative	Description
3.1	Develop insights into return on investment in training	Many organisations see an inherent value to investing in the training of their staff, but it is often seen as having a social, rather than business, value. We need better information on how an investment in training can have a real and measurable impact on the bottom line. ServiceIQ is undertaking research in 2017 looking at the value training can add to a business.
3.2	Develop "learning and training" organisations concept	Many businesses are looking for ways to increase the skills levels of their staff. Formal qualifications help to increase the credibility of the sector. A lot of businesses do, however, place more weight on workplace-based training. It is important therefore for organisations to understand what fits their business needs.

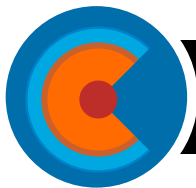


Develop and maintain high quality qualifications and programmes that meet the needs of industry

Education and training that does not meet industry's current or future needs is counterproductive.

Businesses need access to quality qualifications and training programmes tailored to the service sector if they are to attract and retain skilled workers who best meet their needs.

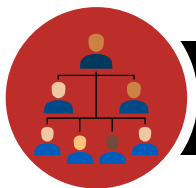
#	Initiative	Description
4.1	Work with the Christchurch service sector to review service sector career pathways	Clearly expressing what skills and knowledge are most critical to business will ensure these are captured in relevant and successful training programmes. ServiceIQ identified and developed 16 service sector career pathways in consultation with industry. In 2017, ServiceIQ will review these career pathways with industry.
4.2	Raise the profile of service sector career pathways and the associated qualifications	The service sector, particularly tourism, would benefit from structured and clear career pathways, including the associated qualifications, to become a more credible career option. Massey University's Degree in Retail and Business Management, for example, has raised the profile of retail as a career option.
4.3	Increase the number of Christchurch businesses with staff undertaking courses and/or qualified in qualifications designed for the service sector.	ServiceIQ fully reviewed and redeveloped its qualifications over a three-year period beginning in 2012 to ensure the qualifications are meeting the needs of industry. Good managers develop their staff; and people seek out employers who will develop them. If Christchurch businesses are engaging more of their staff in training, and/or employing well-qualified people, this will raise the skill levels of the sector.



Increase productivity by developing core skills

Core skills are the 'glue' that binds vocational skills together. The service sector has a significant opportunity to increase its productivity and profitability if it lifts the core skills of the people it employs.

Not identified as a priority issue by the Christchurch group.



Improve business and management capability

Business and management capability is fundamental to the success of any business and the service sector.

Quality management can make a business profitable, enable it to make better use of resources, and contribute to its sustainability. A good manager can ensure that worker skills are effectively utilised and best contribute to business objectives. Given the limited supply of skilled workers, effective skill utilisation is becoming more important.

#	Initiative	Description
6.1	Coordinate a central pool of business and management resources	Christchurch needs to develop and grow the business and management capability of the service sector
6.2	Identify and develop service sector management-oriented career pathway	The service sector comprises both front-of-house and back-of-house roles; the service sector also offers extensive professional-level roles and career paths for getting there.



ServiceIQ sector coverage

Aviation

Aeronautical engineering and aircraft operation. Includes pilots, cabin crew, and aircrew; safety management; air traffic services; airline and airport operations; customer check-in; air cargo; and aviation ground support operations.

Museums

Includes all collections, art galleries, historical societies, and science centres – either volunteer or permanently staffed.

Tourism

Includes all aspects of visitor services; attractions; adventure providers; tourism guiding.

Travel

Including the management and operation of all forms of retail, wholesale and corporate based sales, packaging or brokering of inbound and outbound travel and tourism products – including store-based, online and travel reservation centres.

Accommodation

Includes all hotels, motels and other commercial accommodation establishments such as backpackers, hostels, holiday accommodation parks, bed and breakfasts, lodges, resorts, halls of residence and apartments.

Cafés, Bars, Restaurants

Includes licensed or unlicensed cafés, bars, taverns, pubs and restaurants.

Catering

Includes food service premises, on-premises catering and food services carried out in hospitals, residential, prisons, education facilities, offices, airports, factories and other workplaces, stadium and event catering, and off-premises catering.

Clubs

Includes licensed or unlicensed clubs such as sport and recreation clubs, social clubs, working men's clubs, cosmopolitan clubs, chartered clubs, town and country clubs, community clubs and Returned and Services' Associations.

Quick Service Restaurants

Includes fast-food and take-away national and regional chains, franchises and independent outlets.

Retail and Retail Supply Chain

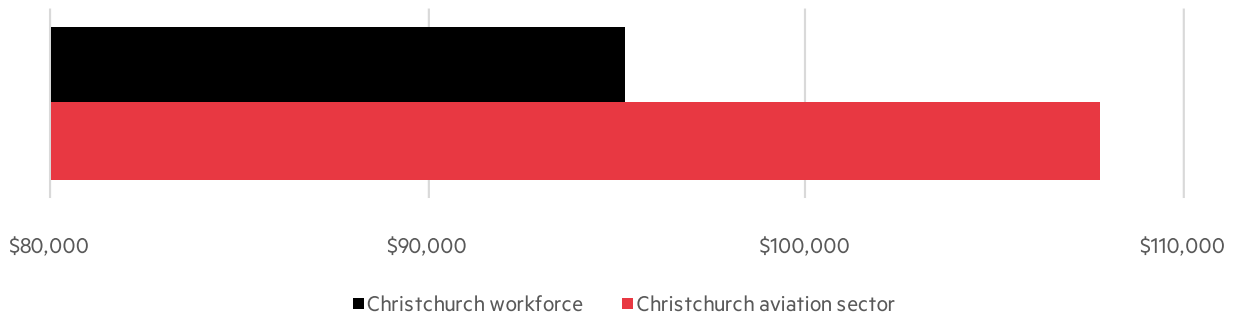
Includes the operation of all forms of consumer based sales of goods and services including store-based, online, national and regional chains, franchises and independent outlets.

Aviation

The aviation sector in Christchurch accounted for over 4,000 jobs in 2015 (3,806 FTE) and grew by 2.4 per cent.

Aviation in Christchurch contributes \$410m to GDP, and this grew 2.5 per cent in 2015. Aviation makes a significant GDP per FTE contribution of \$107,766.

GDP per FTE contribution



The 102 aviation businesses in Christchurch grew 9.4 per cent in 2015.

Of people working in aviation, 91 per cent are working full-time, and 64.1 per cent work between 40 and 49 hours a week. Only 8.7 per cent work fewer than 30 hours.

The sector is predominately European (89 per cent or 3,297 people) and predominately male (76 per cent or 3,072 people).

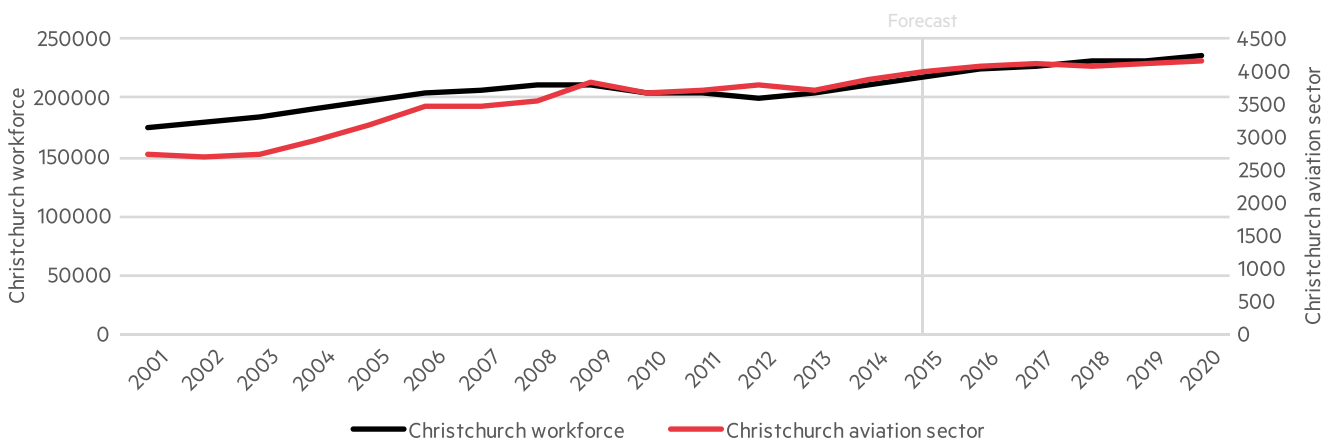
Most of the people working in the sector are born in New Zealand (77.6 per cent) or Europe (11 per cent).

The sector is older than most of the other service sectors in Christchurch with the most common range group being 50-54 years (17.7 per cent or 633 people).

91% of people working in aviation are working full-time

Employment in the aviation sector had strong growth in 2014 and 2015. This was real growth over and above the replacement of staff. The sector will continue to grow but at much slower rates, and as the aviation workforce ages, the majority of employment will be replacement openings, rather than new jobs.

Forecast employment



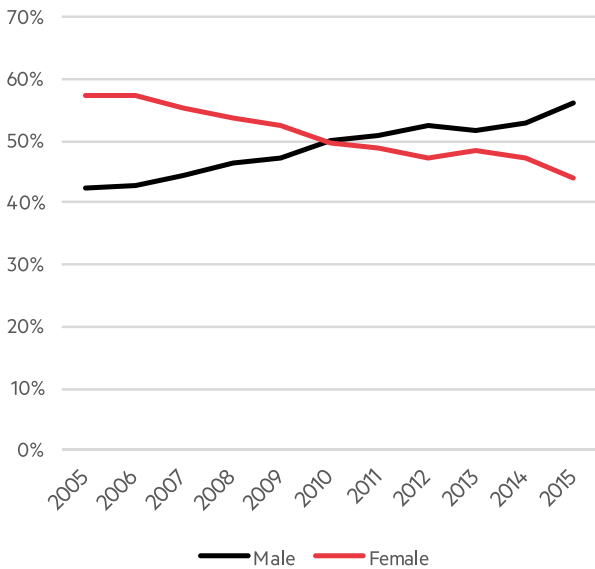
Museums

The museum sector in Christchurch accounted for 234 jobs in 2015 (200 FTE) and grew by 8.0 per cent.

The museum sector in Christchurch contributes \$15.8m to GDP, and this grew 8.7 per cent in 2015. Museums contribute \$79,091 per FTE.

In 2015, there were 19 museum businesses in Christchurch, which was a 15.2 per cent decline on the previous year.

Share of employment by gender



The sector is mostly European (93.6 per cent). Since the earthquakes, the gender distribution of workers has reversed and there are now more males than females working in the museum sector (56 per cent versus 44 per cent).

Most of the people working in the sector are born in New Zealand (80.4 per cent) or Europe (11.5 per cent).

The sector is older than most of the other service sectors with the most common range group being 45-49 years (16.2 per cent or 33 people).

Seventy-five per cent of people working in the museum sector are working full-time. Over half work 40 or more hours a week (58.1 per cent or 118 people), but almost a quarter work less than 30 hours a week (24.4 per cent or 50 people).

Employment in the museum sector grew strongly in 2014 and 2015 (6.5 per cent and 8 per cent) following three years of decline. While employment will continue to grow over the next five years, this will largely be replacement of existing roles, and the sector is unlikely to recover to its 2010 peak levels of employment over this time.

Employment by age, 2013



Tourism

The tourism sector is strategically important to New Zealand. Tourism overlaps with the wider service sectors, and both are reliant on each other's success. The tourism sector in Christchurch accounted for 12,381 jobs in 2015 (10,576 FTE) and had growth of 4.2 per cent in 2015. The number of tourism businesses in Christchurch increased from 1,516 in 2014 to 1,551 in 2015 (up 2.3 per cent).

The Christchurch tourism sector contributed \$702 million to GDP in 2015, which was an increase of five per cent on the previous year. The sector contributed \$66,384 to GDP per FTE.

The largest age group employed in the tourism sector in Christchurch is 20-24 years old (13.4 per cent). Since 2006 there have been decreases in all age groups under 50 and increases in the proportion of all age groups aged 50 years and over.

The majority of the people working in the tourism sector identify as European (81.9 per cent) followed by Asian (12.4 per cent) and Māori (6.5 per cent). An increasing per centage of the sector was born outside New Zealand (26.9 per cent in 2013 compared with 23.9 per cent in 2006.) There are more females than males in the sector (52 per cent female), and the gap has been narrowing over the past five years as more males are employed.

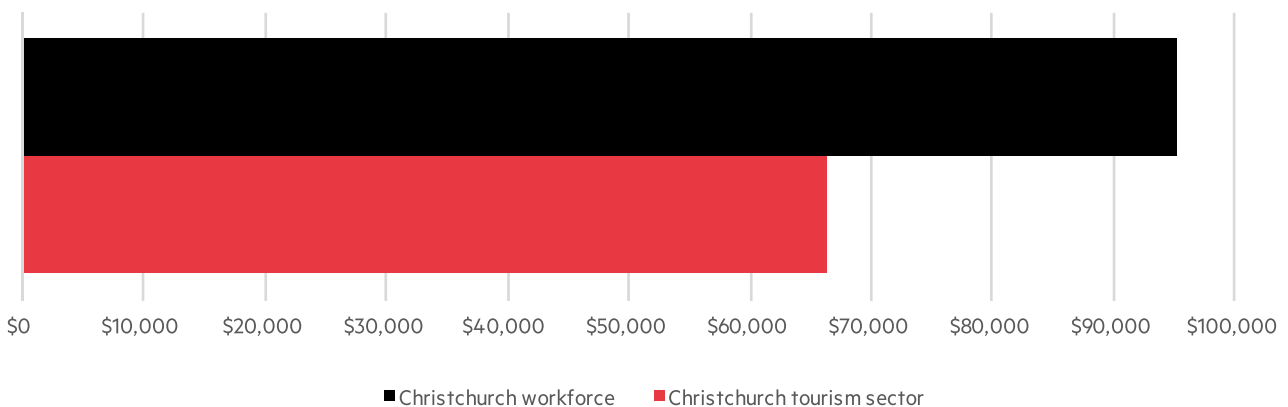
Almost half of the sector workforce has no post school qualification (49.5 per cent) but this is gradually decreasing. Only 12 per cent of the tourism workforce has no qualification at all, slightly less than in the total Christchurch workforce at 12.5 per cent.

*The largest age group employed in the tourism sector in Christchurch is **20-24 years old (13.4%)***

Most people work full-time in the sector (69 per cent) and the proportion working 50 hours or more has decreased since 2006 (from 13.9 per cent to 11.5 per cent.)

Employment in the tourism sector declined in 2010 and again, sharply, in 2012. The sector is forecast to continue growing over the next five years – requiring over 4,000 new workers – and will surpass its 2009 peak employment levels by 2017.

GTP per FTE contribution



Travel

The Christchurch travel sector accounted for 744 jobs in 2015 (674 FTE) and declined slightly in 2015 (0.7 per cent).

Travel contributed \$35.4 million to Christchurch's GDP in 2015; a small increase on the previous year (0.8 per cent). Travel contributed \$52,599 to GDP per FTE.

In 2015, there were 203 travel-related businesses in Christchurch, which was a 4.7 per cent decline on the previous year.

The demographics of the sector have changed since 2006.

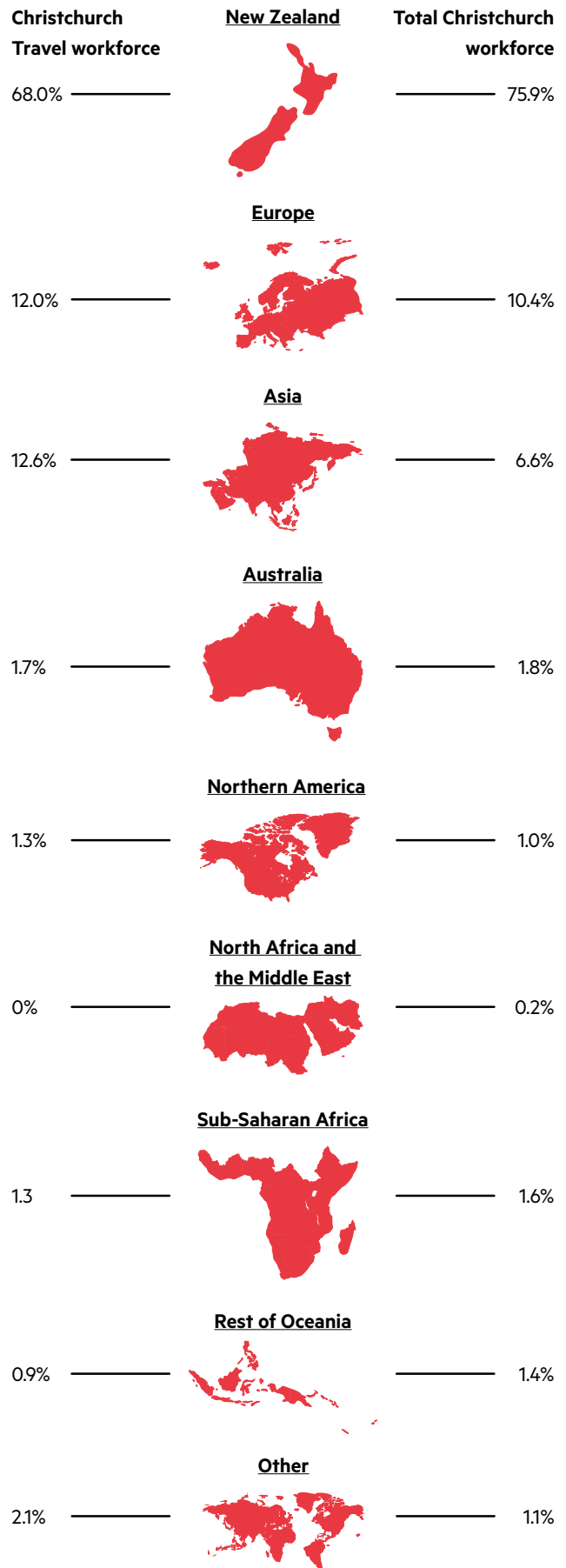
In 2006, 62.2 per cent of the sector identified as European and this is now 82 per cent (619 people). The number of people identifying as Asian and/or born in Asia has decreased since 2006 – down from 17.3 per cent to 13.2 per cent (a difference of 66 people). Given the Asian growth markets and increased focus on Asian tourists, it is surprising that fewer people of Asian descent are entering the travel workforce. The majority of the people working in the sector were born in New Zealand (68 per cent or 513 people), but a reasonable per centage hail from Asia (12.6 per cent) or Europe (12 per cent).

The sector has a 'middling' age range and most people working in it are aged between 25 and 49 years (61.6 per cent or 464 people). The sector is predominately female (64 per cent or 479 people). While the ratio of male to female workers is improving, the overall employment in the sector is declining alongside it. Close to half of people employed in the sector are qualified at Levels 4 or above (47.4 per cent); which is comparable to the rest of the Christchurch workforce (46.8 per cent).

Eighty-one per cent of people working in the travel sector are working full-time. Over 60 per cent are working 40 or more hours a week (366 people).

Since its peak in 2005, employment in the travel sector has declined in Christchurch as fewer new jobs have been created and roles have been disestablished. While the numbers of replacement roles will stay constant, employment will continue to decline over the next five years.

Employment by country/region of birth



Accommodation

The accommodation sector in Christchurch accounted for 2,588 jobs in 2015 (2,137 FTE) and grew 6.1 per cent.

Accommodation contributed \$96.4m to Christchurch's GDP in 2015, which was an increase of 8.9 per cent on 2014. Accommodation contributed \$45,090 to GDP per FTE.

In 2015, there were 437 accommodation businesses in Christchurch, which was a 20.2 per cent increase on the previous year.

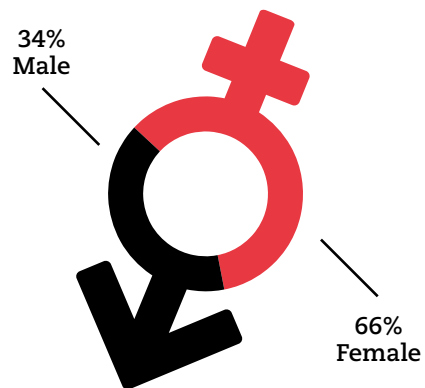
The sector has experienced a long period of decline, which has impacted on the demographic breakdown of the workforce.

The sector is predominately European (80.2 per cent or 1,897 people) and female (66 per cent or 1,706 people), and covers a broad range of ages. While the accommodation sector is predominately female, more males are entering the workforce. The majority of the people working in the sector were born in New Zealand (71 per cent or 1,677), but a reasonable number come from Europe (10 per cent) or Asia (11.9 per cent).

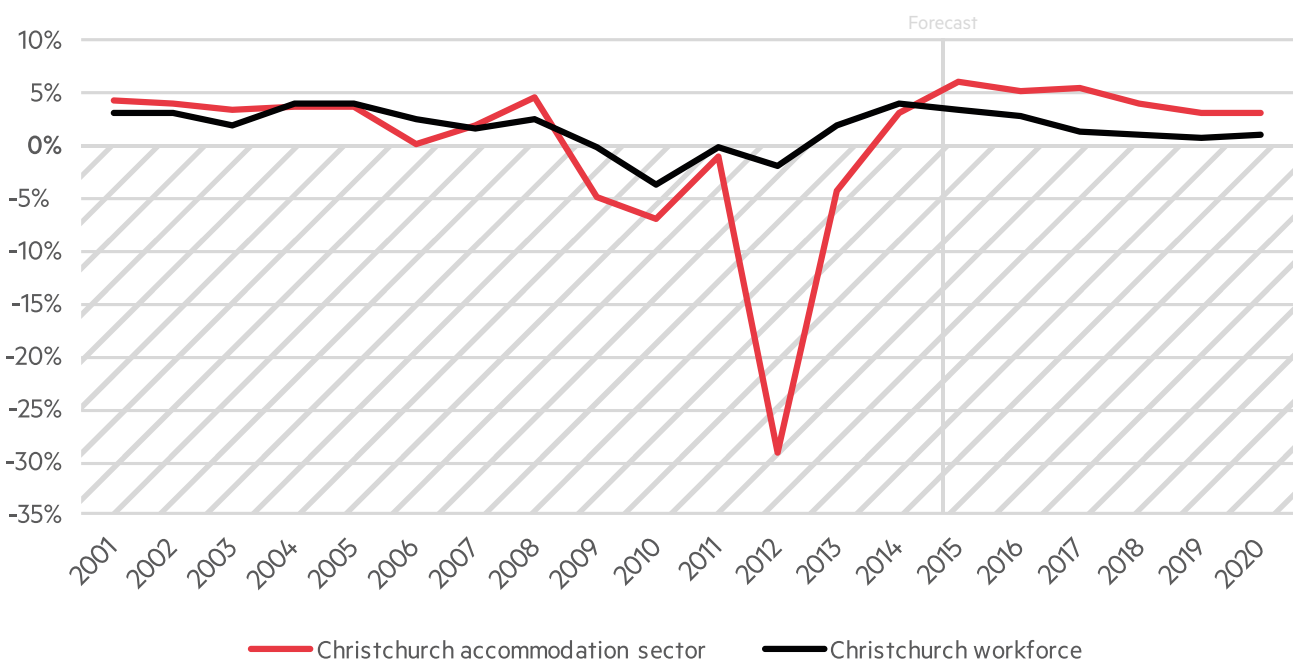
In 2006, 1,947 people working the sector had no post-school qualifications, in 2013, it was 1,243 people – but unlike other sectors, there has been little improvement here as this still represents just over 50 per cent of the workforce. Fifty-eight per cent of people working in the accommodation sector are working fulltime. Most are working less than 40 hours a week (55.5 per cent or 1,310 people) and a three-quarters of these work less than 30 hours.

The accommodation business has been rebuilding since the earthquakes, most particularly in the central city, and has suffered more than other service sectors. The sector declined between 2009 and 2013, with a particularly sharp decline in 2012 (29 per cent). Employment in the sector will continue to grow over the next five years but will remain well short of the 2008 peak employment levels.

Gender balance of the Christchurch accommodation sector



Employment growth



Cafés, bars and restaurants

The cafés, bars and restaurants sector in Christchurch accounted for 7,753 jobs in 2015 (6,248 FTE) and grew 5.1 per cent.

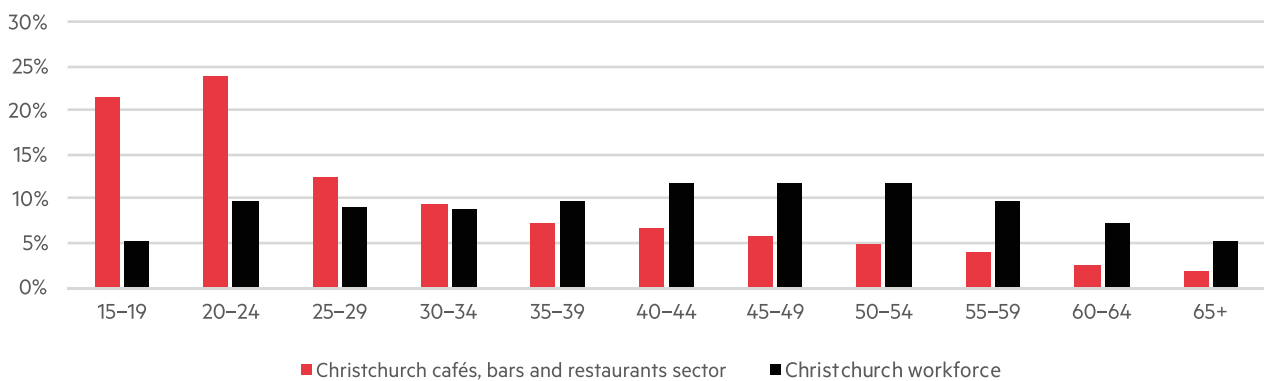
Cafés, bars and restaurants in Christchurch contributed \$262m to GDP in 2015, which was an increase of 8.4 per cent on 2014. Cafés, bars and restaurants contributed \$41,938 GDP per FTE.

In 2015, there were 888 cafés, bars or restaurant businesses in Christchurch, which was a 5.5 per cent drop on the previous year.

The sector is predominately European (75.4 per cent) and female (58 per cent). The majority of the people working in the sector were born in New Zealand (68.2 per cent or 4,728 people) and Asia (17.4 per cent or 1,207 people).

Females outnumber males (58 per cent versus 42 per cent) but the balance is slowly shifting. The sector employs the largest per centage of people under 25 – close to half of the working population is between 15 and 24 years (45.5 per cent or 3,156). The next biggest age group is 25-29 years, which covers 12.5 per cent (866 people).

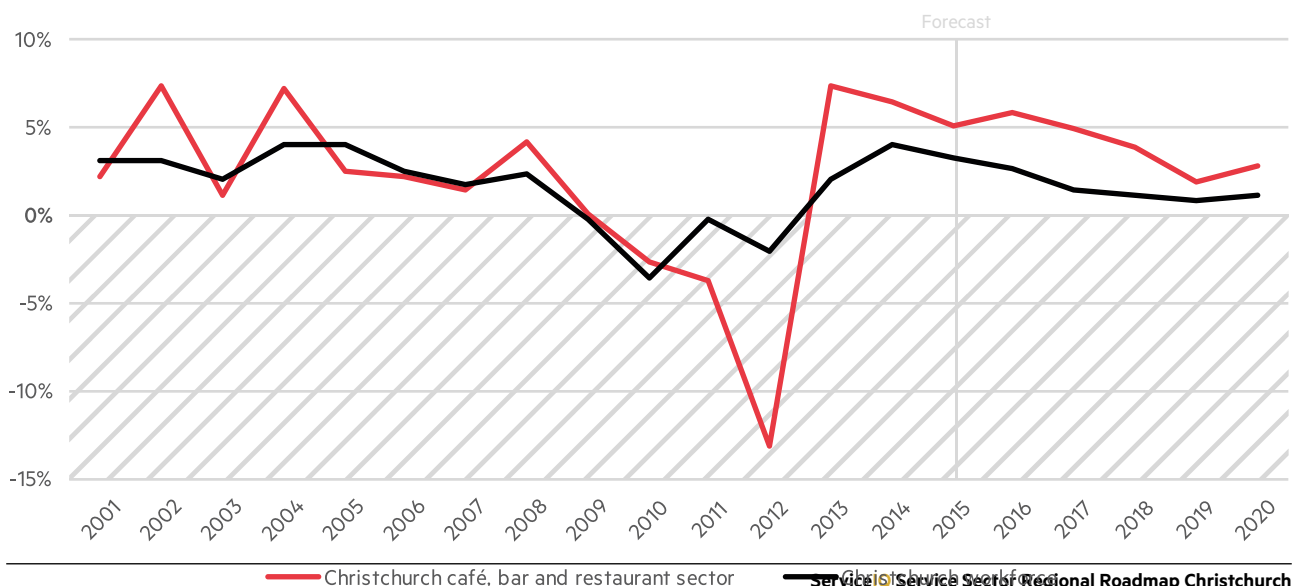
Employment by age, 2013



Fifty-nine per cent of people working in cafés, bars and restaurants are doing so full-time. A significant number are working part-time or casual hours – 40.3 per cent work less than 30 hours a week (2,793 people). Over half of people have no qualifications (59.9 per cent or 4,150 people), 25.8 per cent have a qualification at Level 4 or above and this has remained steady since 2006. This is similar to the café, bar and restaurant workforce throughout New Zealand where 28.2 per cent have a qualification at Level 4 or above.

Employment in the cafés, bars and restaurants sector dropped between 2010 and 2012, but has grown strongly since. The sector will set new peak levels for employment in 2016 and continue growing well into 2020.

Employment growth



Catering

Catering in Christchurch accounted for 1,609 jobs in 2015 (1,335 FTE) and grew 2.3 per cent.

The Christchurch catering sector contributed \$76.5m to GDP in 2015, which was an increase of 3.7 per cent on 2014. The sector contributed \$57,308 to GDP per FTE.

The number of catering businesses in Christchurch grew by 6.1 per cent in 2015 to 198.

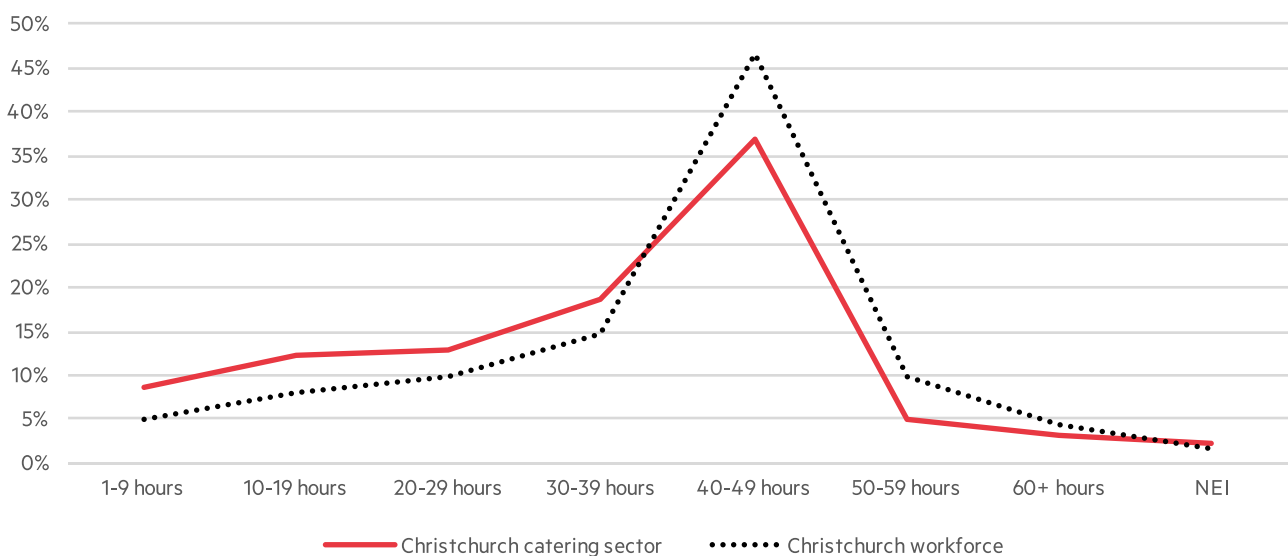
The majority of the people working in the sector were born in New Zealand

The sector is predominately European (79.2 per cent or 1,232 people). Females slightly outnumber males in the catering sector (56 per cent versus 44 per cent) but the number of males employed in the sector has been increasing since 2000.

The sector covers a broad age range; however, more than a third are aged 50 or more years old (37.9 per cent or 589 people). The majority of the people working in the sector were born in New Zealand (71.7 per cent or 1,116 people), but a fair amount are from Asia (11 per cent) and Europe (8.8 per cent).

Sixty-six per cent of people working in the Christchurch catering sector work full-time, with a third of its workers in part-time and casual roles (33.8 per cent work less than 30 hours a week).

Employment by hours worked in main job, 2013



Just under half of people have a post-school qualification (49.3 per cent or 768 people), including 17.3 per cent who have a degree or higher level qualification. Almost a third of roles within the catering sector are classified as medium-high to highly-skilled², which could indicate skills shortages amongst the current employment population, particularly at Levels 5 and above.

The catering sector reached peak employment levels in 2011 and, while it is unlikely to recover to these levels, over the next five years it will experience good employment growth.

²**Highly skilled** occupations typically require a bachelor degree or higher qualification and (NZQF Level 7 or higher) include professionals such as accountants, teachers, and engineers, as well as most managers such as chief executives. **Medium-high skilled** occupations typically require an NZQF Diploma, an Associate Degree or Advanced Diploma (NZQF Level 5-7). The category includes some managers (such as retail managers) and technicians (such as architectural draftspersons, ICT support technicians and dental hygienists). **Medium skilled** occupations typically require an NZQF Level 4 qualification. The category includes tradespersons (such as motor mechanics), skilled service workers (such as firefighters), as well as skilled clerical and sales workers (such as legal secretaries and estate agents). **Low skilled** occupations typically require an NZQF Level 3 qualification or lower (NCEA Level 3 or lower). It includes a range of lower skilled occupations from general clerks, caregivers, and sales assistants, through to cleaners and labourers.

Clubs

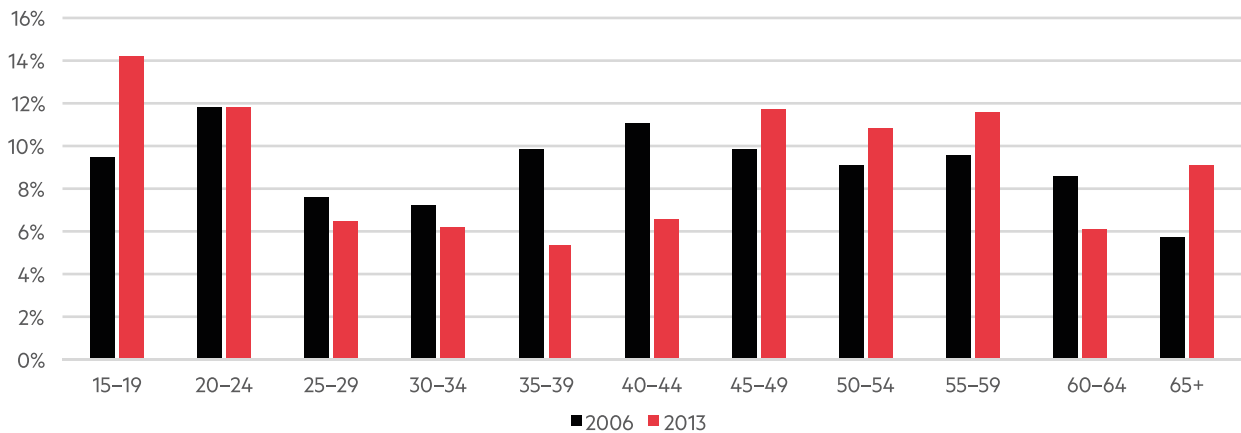
Clubs in Christchurch accounted for 429 jobs in 2015 (335 FTE) and grew 16.4 per cent.

The Christchurch clubs sector GDP contributions increased 17.9 per cent in 2015 to \$15.7m. The sector contributed \$47,068 to GDP per FTE. The number of clubs in Christchurch grew by 7.8 per cent in 2015 to 48.

The sector is predominately European (87.7 per cent or 314 people). The majority of the people working in the sector were born in either New Zealand (78.6 per cent or 281 people) or Europe (10.3 per cent or 37 people). Females slightly outnumber males in clubs (55 per cent versus 45 per cent) and this ratio has stayed fairly constant since 2000.

While the largest age group employed in the clubs sector is aged 15-19 years (14.2 per cent or 51 people), and this share has increased since 2006, close to half are aged 45 or over (49.3 per cent or 176 people).

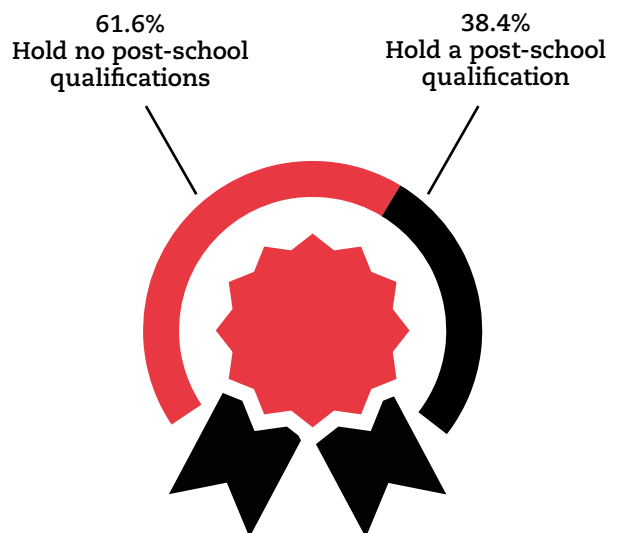
Employment by age, 2006 and 2013



The clubs sector has a significant number of part-time and casual workers (48.7 per cent work less than 30 hours a week), some of which may be accounted for in the relatively high number of young employed who are likely to still be studying. Fifty-five per cent of people working in clubs are doing so full-time.

Over half of people have no post-school qualifications (61.6 per cent or 220 people) and this has tracked upwards since 2006. Again, the high number of young employed, particularly those who are still in secondary school, will be impacting on this figure. Close to a quarter have a qualification at Level 4 or above (88 people). A third of roles within the clubs sector are classified as medium-high to highly-skilled, however, and like the catering sector this could indicate skills shortages amongst the current employment population.

The clubs sector reached peak employment levels in 2002 and, while it is unlikely to recover to these levels, over the next five years it will experience good employment growth and recover the losses resulting from the global financial crisis and earthquakes.



Quick Service Restaurants

Quick Service Restaurants in Christchurch accounted for 2,108 jobs (1,616 FTE) and grew by 11 per cent in 2015.

Quick service restaurants contribute \$65.3m to Christchurch's GDP, and this grew 15.4 per cent in 2015. The sector has one of the lowest GDP per FTE contributions of \$40,392.

In 2015, there were 476 Quick Service Restaurant businesses in Christchurch, which was unchanged on the previous year.

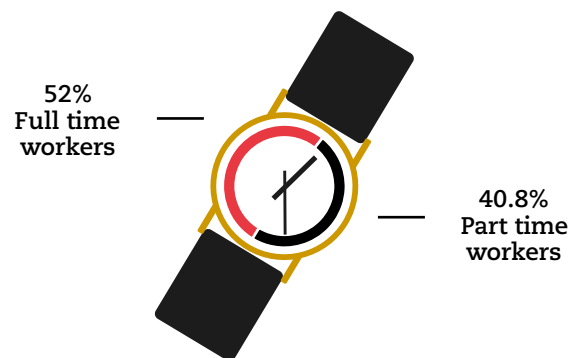
The sector is predominately European (47.4 per cent or 862 people) and Asian (47.4 per cent or 862 people). The majority of the people working in the sector were either born in New Zealand (46.7 per cent) or Asia (43.9 per cent). The number of people working in the sector identifying as Asian and/or born in Asia has increased since 2006.

Slightly more women than men work in quick service restaurants (54 per cent compared with 46 per cent). The sector is younger than most of the other service sectors with over 40 per cent of workers under 25 years old. The majority of people working in quick service restaurants have no post-school qualifications (69.6 per cent or 1,264 people).

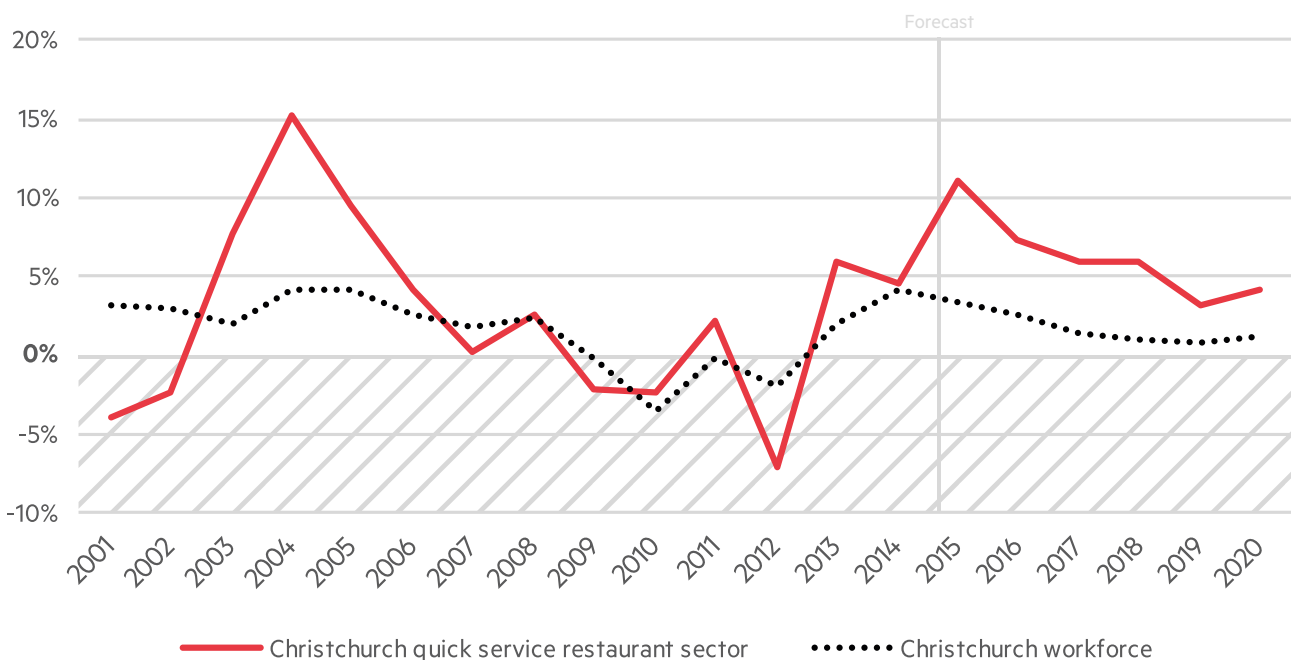
The high number of young people working in the sector, some of which will still be in school or study, will account for some of this (23.9 per cent are aged 15-19 years and 18.8 per cent are aged 20-24 years). However, a third of jobs in the quick service restaurant sector are considered medium-high to highly-skilled, and as with the clubs and catering sectors, this could indicate that there is a potential skill shortfall.

Fifty-two per cent of people working in the quick service restaurants sector are working full-time. Just under half work less than 30 hours a week (823 people), and 40 per cent are working 40 or more hours a week (726 people).

Quick service restaurants recovered its pre-earthquakes employment numbers in 2014. Employment in quick service restaurants grew strongly between 2013 and 2015, and growth in both new jobs and replacement roles will continue.



Forecast growth



Retail and retail supply chain

The retail and retail supply chain is the biggest sector within the service sectors. Retail and retail supply chain accounted for 39,175 jobs in Christchurch in 2015 (34,508 FTE) and had modest growth of 1.7 per cent.

The sector's GDP contributions increased 3.4 per cent in 2015 to \$2,832m. The sector contributed \$82,069 to GDP per FTE.

The number of retail and supply businesses dropped slightly (0.2 per cent) in 2015 to 6,485 (a difference of 11 businesses).

Christchurch's retail and retail supply chain sector is predominately European (86.8 per cent or 32,977 people). Asian, Māori and Pasifika are accounting for a larger share than in 2006 (7.8 per cent, 6.2 per cent, and 1.8 per cent respectively), which corresponds to the composition of the Christchurch workforce, but is still small when compared to the sector nationally. The majority of people were born in New Zealand (79.2 per cent or 30,077 people).

While the largest age group employed in the retail and retail supply chain sector is aged 20-24 years (12.9 per cent or 4,896 people), the sector is employing more people aged 50 and over than it did in 2006. Almost a third of the workforce are aged 40 to 54 years old (31.5 per cent or 11,991 people).

The largest age group employed in retail and retail supply chain is aged 20-24 years

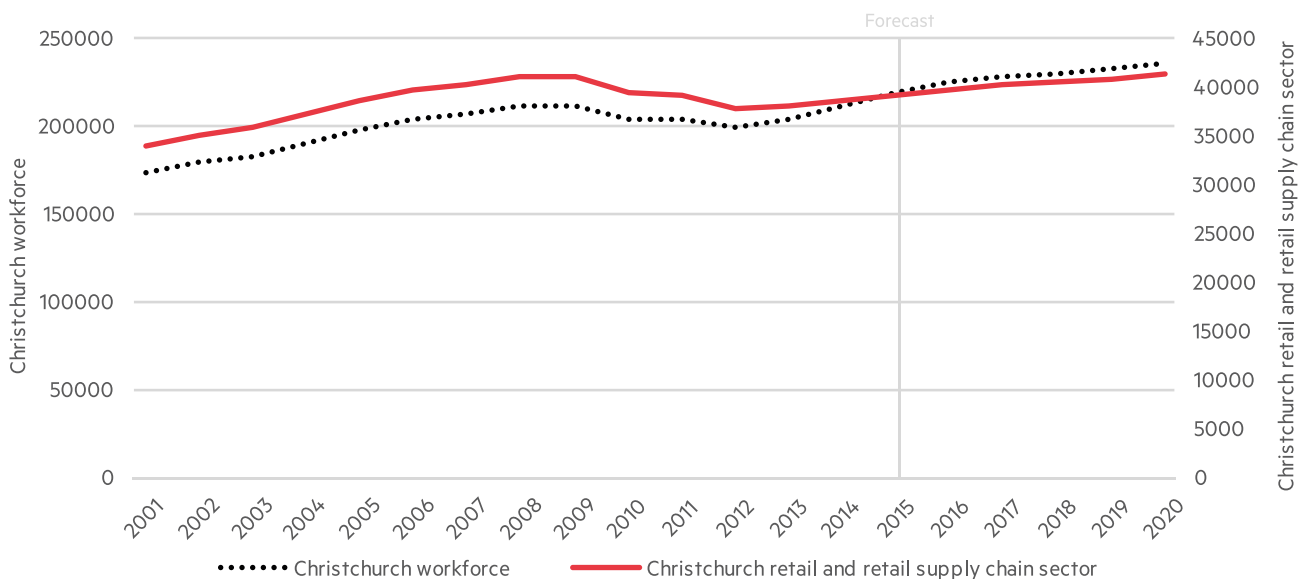
Females slightly outnumber males in the retail and supply chain sector (51 per cent versus 49 per cent).

While the retail and retail supply chain sector accounts for some part-time and casual work, 73 per cent of people in the sector are working fulltime.

Over half of people have no post-school qualifications (56.7 per cent or 21,548), which is an improvement of 9.8 per cent since 2006, although fewer people are now employed in the sector. Close to a quarter (23.3 per cent or 8,850 people) have a qualification at Level 5 or above. A third of roles within the retail and retail supply chain sector are classified as medium-high to highly-skilled and like the quick service restaurants, catering and clubs sectors, this could indicate skills shortages amongst the current employment population.

The retail and retail supply chain sector reached peak employment levels in 2008 and is likely to get close to returning to these levels by 2020. By 2020, the sector will have needed an additional 11,000 people to cover both new positions and replacement roles.

Forecast employment



AVIATION ▲ TOURISM ▲ TRAVEL ▲ MUSEUMS ▲ CATERING
CAFES, BARS, RESTAURANTS ▲ QUICK SERVICE RESTAURANTS
CLUBS ▲ ACCOMMODATION ▲ RETAIL AND RETAIL SUPPLY CHAIN

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