

Service IQ
SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR

Nelson-Marlborough-Tasman-West Coast



2018/2019

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Introduction

The unique experiences and natural scenery found in Nelson, Marlborough, Tasman and the West Coast are some of the most stunning in New Zealand. Visitors and locals alike enjoy a relaxed lifestyle, a wide range of outdoor activities, good food and wine, a vibrant arts scene and friendly people.

There is good potential to increase visitors to the region, particularly international visitors during shoulder seasons. Success as a destination relies on developing a workforce that is capable of providing an exceptional customer experience for both locals and visitors to the region.

#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 workforce roadmap for Nelson-Marlborough-Tasman-West Coast

The Workforce Development Plan highlighted the need for service sector workforce development at a regional level. The service sector workforce roadmap provides a Nelson, Marlborough, Tasman and West Coast orientation and focus point for the six priorities; and provides a means for creating concrete, detailed actions for realising the vision for the service sector.

A service sector workforce roadmap is a plan to meet forecast workforce growth in a region over the next five years. The demand side of the plan 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 knowledge and innovation within Nelson, Marlborough, Tasman and the West Coast 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, businesses, schools and tertiary education organisations.

The roadmap 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 service sector roadmap for Nelson-Marlborough-Tasman-West Coast

ServiceIQ surveyed local businesses and organisations, and hosted workshops in Blenheim and Nelson in August 2017. Representatives from local businesses, membership bodies, government, education providers, and business groups attended the workshops.

The group developed a vision for the service sector in Nelson, Marlborough, Tasman and the West Coast; 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 in late 2017 and tested with members of the group for coherency and accuracy.

Critical success factors

The success of the regional roadmap action plan is dependent on the Nelson, Marlborough, Tasman and West Coast service industry taking leadership, with regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Nelson, Marlborough, Tasman and West Coast service sector workforce roadmap action plan.



Current position

In 2016, Nelson, Marlborough, Tasman and the West Coast had a combined population of 179,000 people. This was made up of 50,600 people in Nelson, 45,500 in Marlborough, 50,300 in Tasman and 32,600 on the West Coast¹. By 2023 the total population of the region is expected to increase almost four per cent to 186,100 based on medium projections².

The population is ageing, with the number of people aged over 65 years forecast to grow 44 per cent from 31,500 in 2013 to 45,300 by 2023; while a 2.1 per cent decrease is forecast in those aged 14 years and under, from 33,300 to 32,600 over that time².

The Nelson, Marlborough, Tasman and West Coast region is a popular destination for both domestic and international visitors. In the year to April 2017, the annual domestic visitor spend was \$843 million and the international visitor spend was \$705 million, a total of \$1,548 million³. With an abundance of beautiful scenery and tourist attractions, plus the Tourism New Zealand campaign to attract Chinese visitors, the overall visitor spend is expected to continue to increase.

The service sector covers:

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

Service sector in Nelson-Marlborough-Tasman-West Coast

The service sector currently makes a significant contribution to the four regions. In 2016 the service sector accounted for 16.5 per cent of the total GDP (\$1,246 million in 2010 prices); by comparison manufacturing accounted for 14.4 per cent; agriculture, forestry and fishing 10.5 per cent; and construction 6.6 per cent. On the West Coast in 2016, the service sector accounted for \$219 million of the region's GDP compared to mining at \$207 million.

Almost one in five businesses in Nelson, Marlborough, Tasman and the West Coast are in the service sector (19.3 per cent 4,520 businesses) and in 2016 the sector employed 23,964 people (25.4 per cent of the workforce). By comparison, agriculture, forestry and fishing employs 13,256 people; manufacturing 11,353; construction 8,467 and mining 5,617.

25% of jobs are in the Service Sector



Of the 23,964 people employed in the service sector in 2016, 7,855 roles were in the Nelson region, 6,434 in Marlborough, 5,282 in Tasman and 4,393 on the West Coast. It is expected that the Nelson, Marlborough, Tasman and West Coast service sector will have reasonably strong growth to 2021, and combined with forecast replacement jobs, total job openings will average 6.5 per cent per year. This means that the sector will need to fill over 8,000 roles during that time.

¹ MBIE Regional Economic Activity Web Tool

² Statistics New Zealand Subnational Population Projections: 2013(base)-2043 update

³ MBIE Monthly Regional Tourism Estimates (MRTE)

The service sector workforce in Nelson, Marlborough, Tasman and the West Coast is younger than the overall workforce in the region; 21 per cent of the service sector workforce is aged between 15 and 24 years old compared to 12 per cent of the overall workforce. The number of 15 to 24 year olds in the service sector has decreased however, from 5,158 people in 2006 to 4,708 people in 2013. Over the same period the number of people aged 55 and over working in the sector has increased from 3,754 to 5,351, a 42.5 per cent increase. Those aged 55 and over now comprise 23 per cent of the service sector workforce in the region. This is higher than the service sector nationally, but does reflect the ageing population in the Nelson, Marlborough, Tasman and West Coast region.

Fifty-four per cent of the Nelson, Marlborough, Tasman and West Coast workforce are female, compared with 47 per cent of the overall workforce in the region. This is higher than the service sector nationally, which is 51 per cent female.

Service Sector workforce born overseas

2006
14.2%



2013
18.6%

The majority of the Nelson, Marlborough, Tasman and West Coast service sector workforce in 2013 identified as European (89.3 per cent), with 8.1 per cent Māori, 4.4 per cent Asian and 1.2 per cent Pasifika⁴. This is similar to the overall workforce in the region. Most of the service sector workforce were born in New Zealand (80.2 per cent). The percentage of those born overseas in the sector has increased from 14.2 per cent in 2006 to 18.6 per cent in 2013. The percentage born in Europe has increased from 7.8 per cent in 2006 to 9.5 per cent in 2013, and the percentage born in Asia has increased from 1.7 per cent to 4 per cent.

Almost two thirds of the Nelson, Marlborough, Tasman and West Coast workforce (65.5 per cent) work full time. This is slightly lower than the overall workforce in the region (71.3 per cent) and the service sector nationally (69 per cent). Half of the region's service sector workforce work between 30 and 49 hours per week.

Hours worked per week in the Service Sector



Like most regions Nelson, Marlborough, Tasman and West Coast service sector workers are less likely to have a post-school qualification; 57.2 per cent have no post-school qualification compared to 46.8 per cent of the overall Nelson, Marlborough, Tasman and West Coast workforce. However, the percentage of service sector workers that hold a post-school qualification has been increasing; 29.8 per cent now have a qualification at Level 4 or higher. There does appear to be a skill shortage, as 32 per cent of the region's service sector roles are medium-high and high skilled but only 18 per cent are qualified at Level 5 or above, which is the qualification level typically required in these roles.

⁴ Note: Respondents can identify with more than one ethnicity.

Challenges to supply and demand facing Nelson-Marlborough-Tasman-West Coast

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.

Over the next five years, the Nelson, Marlborough, Tasman and West Coast service sector is forecast to have 8,193 job openings. The rate of total job openings, including new jobs and employee turnover, is 6.5 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 \$23,845⁵.

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

Strong competition for entry-level workers

The service sector in Nelson, Marlborough, Tasman and the West Coast is facing strong competition for entry-level workers. The number of young people entering the service sector is falling, in part due to the decreasing number of young people relative to the population. There is also some difficulty reported in attracting people to live and work in the region.

Raising the profile of the service sector, both in terms of the work opportunities available and the enjoyment of living in a region with a thriving service sector, could enhance the attraction of a service sector career and living in the region overall.

Perceptions of the service sector

There is low visibility of careers available in the region's service sector. Service sector roles are often viewed as a "short term" option, with only entry-level roles available. The opportunities for progression in the sector and relative high speed of advancement are overlooked. This perception means parents and influencers are less likely to raise the service sector as a career option or encourage their children to enter the service sector.

With competition from other sectors, it is important for potential workers to have a real understanding of the service sector and whether it is a good fit for them. Students are not always aware of the career pathways in the service sector. Work experience enables young people to understand what service sector roles are really like and provides clarity about the careers available within the sector, but there is currently a lack of connection between schools looking for work experience opportunities and employers who are prepared to provide these opportunities for students.

Work readiness

There is concern from employers that students transitioning to the workforce are not work ready. There are challenges when students lack basic employability skills and when literacy and language skills are not at the level needed to communicate with colleagues and customers effectively.

Employers face problems recognising measures of employability in applicants. A credential for work readiness must be understood and accepted by industry to be of value to job applicants and employers.

Staff training

Training and apprenticeships are a large time commitment for managers and trainers, and can add pressure in a small business environment. Trainees need support and structure to help them complete their training and it needs to be contextualised and tailored to fit the work environment.

Online advancements (particularly in retail), are changing the sector; supporting staff in gaining the skills and knowledge required to work in the sector can be a challenge for small established businesses. It is a balance to meet the cost and time required to support staff with training and assessments, while being flexible enough to fit around the operational needs of the business.

Availability of skilled workers

As is the case throughout New Zealand, the Nelson, Marlborough, Tasman and West Coast region is competing for workers in a global marketplace. Businesses are finding it difficult to fill skilled roles and there has been a lack of succession planning within some businesses. In addition, with proposed changes to work visas, sourcing skilled workers from overseas is likely to become more challenging.

Currently, there appears to be a gap in skills in the medium-high and highly skilled roles; only 18 per cent of the service sector workforce in the region hold qualifications at Level 5 or above, even though 32 per cent of roles typically require qualifications at this level.

A gap in management skills is also reported as an issue, where people may have technical skills in their trade but lack effective management skills and are in need of training.

High rates of staff turnover

Many parts of the service sector are characterised by relatively high staff turnover and since the end of the global financial crisis there has been an increase in voluntary turnover across all industries. Factors that may contribute to a high turnover rate in the service sector include: higher pay rates in other industries, hours of work (nights and weekends), the part-time nature of some roles, job security and the seasonality of work in the region. Workers are more likely to consider work in the service sector as a stepping stone rather than a long-term career option.

The service sector is labour intensive; in this environment good human resource practices and leadership competencies are critical to supporting and managing the workforce effectively. Staff need a reason to come to work other than just pay and are placing increasing importance on job satisfaction. Keeping people engaged in the workplace can help to retain staff. Training, courses and qualifications make a job meaningful and increase job satisfaction; the combination of qualifications and experience is optimal and can lead to higher pay.

Seasonality

Many of the service jobs in the region are seasonal, linked to the high tourism peaks from October to April, the summer months in particular. Seasonal profitability makes it difficult to retain good staff throughout the year. The shortage of staff during peak season affects turnover; there are examples of staff being “poached” and staff may need to be incentivised to stay in a role.

To prepare for and capitalise on tourism opportunities and upcoming big events, the service sector needs to communicate and collaborate.

A diverse workforce

It can be a challenge to integrate a range of people from diverse backgrounds and different age groups; distinct approaches are needed to bring out the best in all staff. Team fit, skills and attributes are all important considerations when taking on new staff.

There is an opportunity for the Nelson, Marlborough, Tasman and West Coast region to retrain or redeploy an increasing number of people aged 50 years and over to enter or advance in the sector. By focusing on school leavers, the sector may be missing out on opportunities to attract people from other age groups.

A diverse workforce can improve a business. Service sector workers need to interact with international cultures, including visitors and an increasingly international workforce. International visitors want to experience New Zealand culture and to have a unique New Zealand experience. Positive outcomes result when diverse staff learn skills from each other.

Other issues

The shortage and high cost of accommodation in Marlborough, access to public transport routes, frequency of service and cost of travel, and a few employers failing to meet the minimum legal requirement of a written employment contract.

5 New Zealand turnover survey (April 2016)

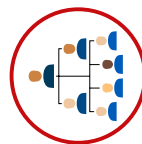
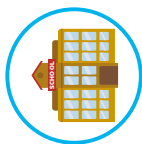
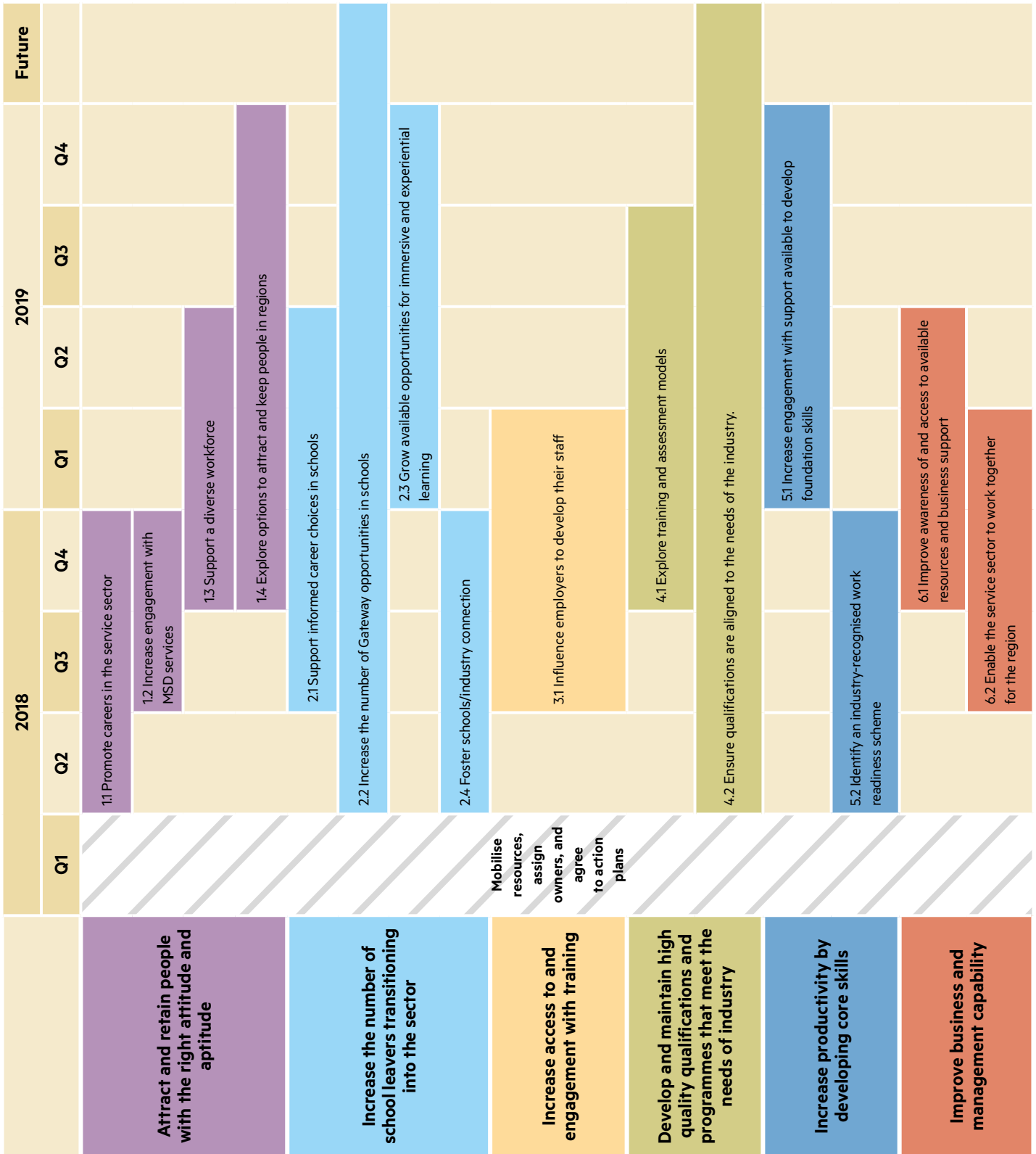


————— *Service in* —————
**Nelson-Marlborough
Tasman-West Coast**
————— *is an* —————
**authentic
New Zealand
experience**
————— *provided by* —————
high calibre staff

By 2021:

- ▶ Pathways for progression in the service sector are visible and careers are valued
- ▶ Inspirational ambassadors create pride in the sector by sharing their positive and authentic experiences
- ▶ Employers access available support and invest in their people to bring out the best in them
- ▶ Service sector qualifications are recognised, respected and valued
- ▶ There is effective collaboration between schools and industry

Initiatives for the Nelson-Marlborough-Tasman-West Coast service sector





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 service sector and persuading prospective workers of the potential career and lifestyle possibilities.

To maximise utilisation of skills, 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	Promote careers in the service sector	<p>The service sector needs to raise the profile of its careers, by promoting the long-term career options available and increasing awareness and understanding of where opportunities are.</p> <p>This can be done by finding and sharing success stories, and celebrating the achievements of people qualified in the sector. Using community networks when recruiting, such as older generations working in the service sector recommending jobs to young people, and locals sharing opportunities via word of mouth, as well as more formal recruitment advertising, could raise awareness of what job opportunities are on offer.</p>
1.2	Increase engagement with MSD employer services	<p>MSD has many initiatives and services to support business. These employer services can be tailored to meet the needs of a specific business and include:</p> <ul style="list-style-type: none"> ▶ Work brokers and recruitment services ▶ Flexi wage – a wage subsidy plus in-work support for eligible new employee appointments ▶ Skills for Industry – training courses tailored to the needs of industry and employers ▶ EmployAbility – enabling businesses to become disability confident employers <p>Employers may not be aware of the range of support available; increasing awareness within our sector and challenging employers to give people a chance will expand the pipeline of workers into the sector and can result in loyal, long-term employees.</p>
1.3	Support an increasingly diverse workforce	<p>The service sector workforce is becoming more diverse; workers come from a widening range of ages, cultures and ethnicities. A diverse workforce can make a workplace flexible and responsive to immediate needs, and caters to a diverse customer base with workers comfortable interacting with different cultures.</p> <p>Businesses need to make the most of the variety of demographics now in the workforce. Managers need support to understand different needs and develop strategies. Diversity training can help people from different backgrounds all flourish in the workplace, and ageing workforce strategies ensure a business can benefit from future trends.</p>
1.4	Explore options to attract and keep people in regions	<p>The service sector has a key role to play in attracting and keeping people in the Nelson, Marlborough, Tasman and West Coast region, through promoting the hospitality and lifestyle that is available in this region and by using job opportunities to attract people.</p> <p>The region can capitalise on the service sector as an ideal “sunset” career and explore ways to retain staff in the region despite the seasonality of certain roles.</p> <p>Regional ambassadors can promote the benefits and opportunities available to young people and to a wider audience to grow the regional service sector workforce.</p>

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	Support informed career choices in schools	<p>Presenting school students with quality advice around choices available for career pathways and learning could direct school leavers to enter the service sector. Independent, professional careers advice, such as through the Careers in Progress company led by Lesley Hooson, could help students identify the service sector as the career path most suited for them.</p> <p>Students can also engage in the service sector in schools offering service sector training, such as Hospitality Levels 1, 2 and 3; Tourism Level 2; and those engaging with Gateway and Youth Guarantee schemes. Supporting schools offering these programmes enables students to consider the service sector as a career early on.</p>
2.2	Increase the number of Gateway opportunities in schools	<p>The Gateway programme provides school students with a work placement experience to gain workplace-based training. Gateway training helps students to gain skills, experience and kick-start their career in the service sector. Students attain unit standards and make professional contacts that can help open doors to future jobs.</p> <p>The existing Gateway programme can be promoted and extended. Ensuring businesses are aware that they can be a part of this programme, and making it easier for them to engage, could bring more employers into the scheme. Exploring higher levels of qualification, such as a Level 3 Gateway in Aviation could increase the skill level of young people entering the sector.</p>
2.3	Grow available opportunities for immersive and experiential learning	<p>Students and young people gain a lot through immersive learning experiences. Increasing engagement with cultural tourism residential programmes run through Whenua Iti, expanding the Schools to Skies initiative to the Woodbourne Airforce Base in Marlborough and using tourism students for projects such as the Nelson Airport survey will offer young people valuable experience and tangible knowledge of the sector.</p>
2.4	Foster connections between schools and industry	<p>Effective relationships between schools and industry result in better outcomes for both students and employers. Better connections between the two enable schools and students to have a good understanding of the opportunities available in the sector and businesses can market a service sector career directly to students, teachers, parents and influencers.</p> <p>Industry ambassadors visiting schools and involvement in events such as careers expos and seminars enables industry leaders and people early in their career to share their experiences and what they enjoy about working in the service sector. A system linking students to potential employment opportunities, something like the Business North Harbour C3 model, could improve outcomes for students and employers alike.</p>



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	Influence employers to develop their staff	<p>Training and developing staff is key to improving retention and increasing productivity. Emphasising the value of attitude over experience, recruiting to train rather than searching for pre-existing ideal candidates, and looking after and developing existing staff is important in today's environment.</p> <p>This could include:</p> <ul style="list-style-type: none">▶ giving staff opportunities to attend training courses▶ recognising national qualifications▶ supporting staff through on-job training▶ regular communication between trainees working towards qualifications and their managers▶ clear induction processes so new employees understand the reality of roles with visible career pathways <p>In this way, businesses can demonstrate their commitment to employees. This will encourage passion in staff, and improve the overall business through succession planning, better staff retention rates, and being recognised as an employer of choice.</p>

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.

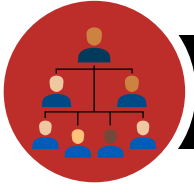
#	Initiative	Description
4.1	Explore training and assessment models	<p>Latest studies and technology offer new models for training and assessment. Making training accessible and functional is vital to its success.</p> <p>Smaller bite-sized training modules and online resources are gaining favour for some businesses and trainees. The relationship with the regional ServiceIQ Training Advisor, basic service and cultural training delivered in-house by external providers (such as that offered by Whenua Iti), local workshops, and access to roving trainers and assessors; all support trainee achievement and raise the standard of service. For retail and tourism in particular, training that targets existing SME businesses to develop the skills and capability to make use of emerging technology would be useful.</p> <p>Technology can make assessments and verification evidence easier to collect and portfolio based assessments can be used by learners to demonstrate their experience to potential employers.</p>
4.2	Ensure qualifications are aligned to the needs of industry	<p>Courses, qualifications and training programmes need to be reviewed regularly, with input from industry; to ensure they align to current and future demands on staff. Qualifications and training need to be flexible and tailored to learner and industry needs.</p> <p>Strong relationships between industry and education providers are key to meaningful qualifications and training. Qualifications that are linked to workplace training, such as the ServiceIQ and i-SITE qual-linked training and assessment model works well, and trusted relationships between employers and educators, such as NMIT's relationship with NRDA/ i-SITE and local retail employers, can lead to positive employment outcomes for students.</p>

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.

#	Initiative	Description
5.1	Increase engagement with support available to develop foundation skills	<p>Strengthening foundation skills improves the productiveness of employees and has a positive effect in a workplace. If issues are identified, employers and managers can access support to address these needs.</p> <p>Increasing employer awareness of foundation skills courses and encouraging their engagement, will help them develop their staff. Trainees can also access additional literacy support to achieve successful training outcomes, such as the provision of reader/writers; if these issues are identified.</p>
5.2	Identify an industry-recognised work readiness scheme	<p>A common concern from industry is that job seekers often lack core employability skills. Employers are looking for a recognised measure of work readiness in job applicants, particularly those entering the workforce.</p> <p>The Employability Skills Framework identifies the common skills employers want in their staff. A measure of employability skills such as a License to Work scheme or a Certificate of Employment, that incorporates work experience elements, could help prepare applicants for the workforce and increase employer confidence when hiring new people.</p>



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	Improve awareness of and access to available resources and business support	<p>There is a variety of support available to build business capability. This includes:</p> <ul style="list-style-type: none"> ▶ Funding to support training through Chamber of Commerce and the NZTE regional business partner programme ▶ Discussions with REAP Marlborough (Rural Education Activities Programme) ▶ MSD Skills for Industry and Flexi-wage schemes ▶ On-job training and workplace assessor models to reduce fees ▶ The Marlborough and the Nelson Tasman Chambers of Commerce ▶ The Business Mentors Programme run by Business Trust Marlborough and Nelson Tasman Business Trust <p>An easily accessible resource that identifies the support and opportunities available would raise awareness and increase engagement with these worthwhile programmes.</p>
6.2	Enable the service sector to work together for the region	<p>The interface between businesses within the service sector, and into the wider community needs to be robust. An effective link could allow for the sharing of useful information and data, such as workforce trends and upcoming regional events, to assist in business planning and strategies.</p> <p>Working together, the service sector can add its voice to issues that affect the service sector workforce, such as the accommodation shortage in Marlborough, infrastructure needs and immigration changes.</p> <p>The linkage across the sector and community could include advice on how schools can approach employers and how employers can engage with MSD. A suitable format should be identified, but may be in the form of a newsletter possibly through Hospitality New Zealand or ServiceIQ etc.</p>



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.

Museum

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

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.

Tourism

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

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 the Nelson, Marlborough, Tasman and West Coast region accounted for 933 jobs in 2016 (899 FTEs) and grew by 5.6 per cent.

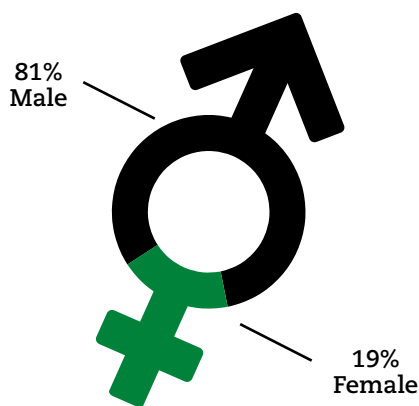
Aviation in the region contributes \$92.7 million to GDP annually and this grew 2.2 per cent in 2016. Aviation makes a significant GDP per FTE contribution of \$103,215.

There were 133 aviation businesses in 2016, three more than in 2015.

The sector is predominantly European (91.9 per cent or 810 people) which reflects the overall workforce in the region. Other ethnicities in the aviation sector workforce are Māori (6.1 per cent), Pasifika (1.6 per cent) and Asian (1.5 per cent)⁶.

Most of the people working in the sector were born in New Zealand (80.1 per cent), although this has decreased from 83.4 per cent in 2006. There has been an increase in employees born in Europe, from 8.3 per cent in 2006 to 11.4 per cent in 2013.

Gender in the Aviation Sector

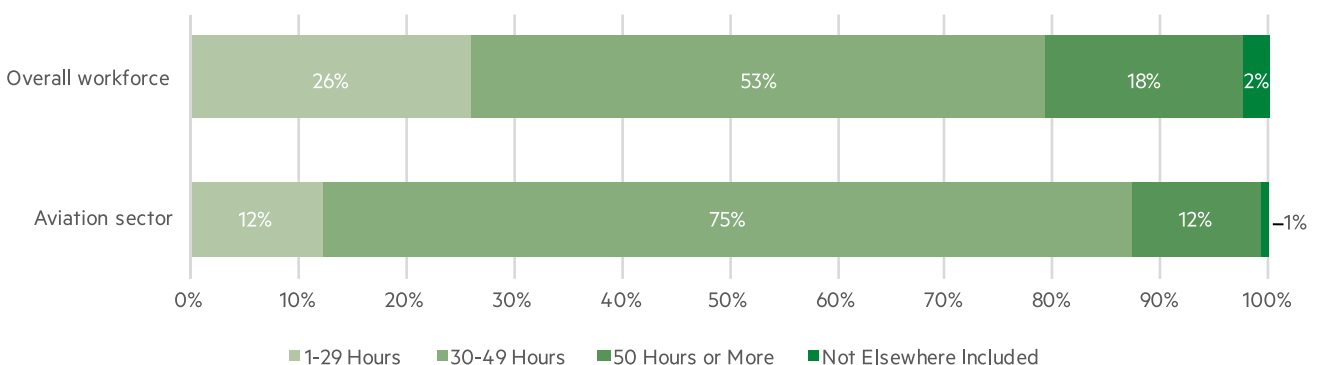


Less than one in five people employed in the aviation sector in the region are female (19 per cent), which is a much lower percentage than the overall workforce (47 per cent female) and the aviation sector nationally (29 per cent).

The average age of those employed in the region's aviation sector has increased from 42.6 years in 2006 to 45.5 years in 2013. There are fewer young people aged 24 years and under working in the sector, from 103 (10.5 per cent) in 2006 to 62 (7.1 per cent) in 2013, and a greater number of people aged 55 years and over, 168 (17 per cent) in 2006 to 226 (25.7 per cent) in 2013.

Of the people working in aviation, 87 per cent are working full time, with 63.6 per cent working 40 to 49 hours per week and 12.3 per cent working less than 30 hours.

Hours worked in the Aviation Sector and Overall Workforce



Almost two thirds of the sector workforce are qualified at Level 4 or higher (64.3 per cent), up from 54.2 per cent in 2006. One in five (19.2 per cent) hold a Level 6 Diploma.

Employment in the aviation sector has been fairly steady since 2011 with strong growth in 2016. Employment numbers are forecast to increase in the next five years with 279 forecast job openings (92 new and 187 replacement jobs). The aviation sector is forecast to employ 1,025 people by 2021.

⁶ Note: Respondents can identify with more than one ethnicity

Museums

The museum sector in Nelson, Marlborough, Tasman and the West Coast accounted for 145 jobs in 2016 (126 FTEs) and grew by 1.9 per cent compared to 2015.

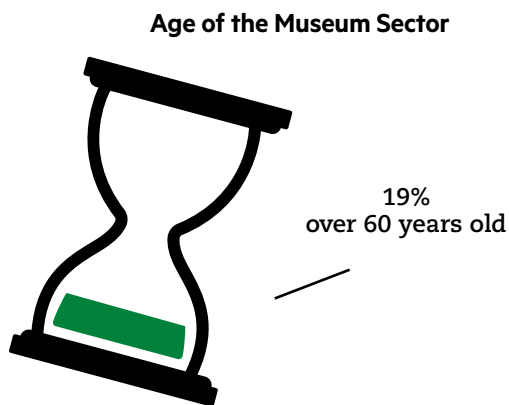
The sector contributes \$6.13 million to GDP and this fell by 2.4 per cent in 2016. Museums contribute \$48,803 to GDP per FTE.

In 2016 there were 37 museum businesses, which is unchanged from 2015.

The sector identifies as 89.3 per cent European, 6.5 per cent Māori and 3.7 per cent Asian. There are considerably more females (66 per cent) than males (34 per cent).

Three quarters of the people working in the museum sector were born in New Zealand (75 per cent), with 13.2 per cent born in Europe, 7.1 per cent in Australia and 4.3 per cent in North America.

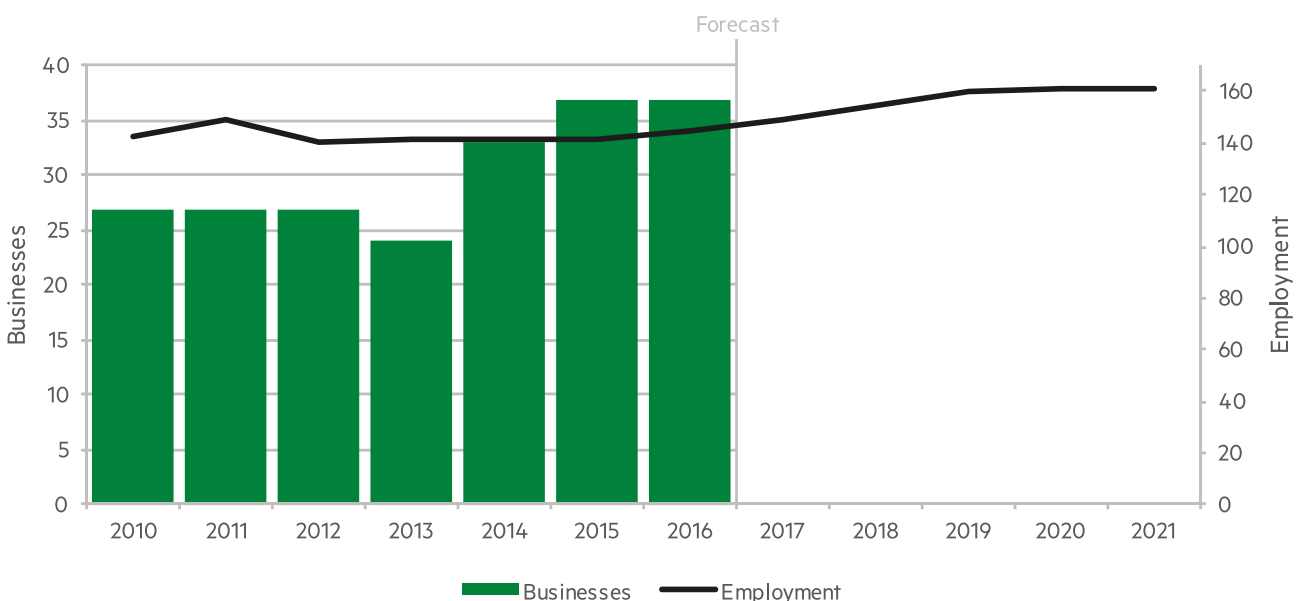
The museum sector is older than the overall service sector in the region, with 63.3 per cent of the museum workforce aged over 40 years compared to 56.1 per cent of the overall service sector workforce. The percentage of people aged over 60 years and working in the museum sector has increased from 15 per cent in 2006 to 18.6 per cent in 2013.



Just over half of the people working in the museum sector are working full time (52.8 per cent) with 28.8 per cent working 40 to 49 hours. 36.6 per cent of the workforce has a qualification at Level 4 or above and 26.6 per cent has a qualification at Bachelor Degree level or higher. This has increased since 2006 when 18.7 per cent had a qualification at Bachelor Degree or higher.

Employment in the museum sector grew 1.9 per cent in 2016; there had been no change in the previous three years. Employment is forecast to continue growing at an average growth rate of 2.1 per cent over the next five years, with 50 job openings forecast (both new and replacement job openings) by 2021.

Employment and Businesses in the Museum sector



Travel

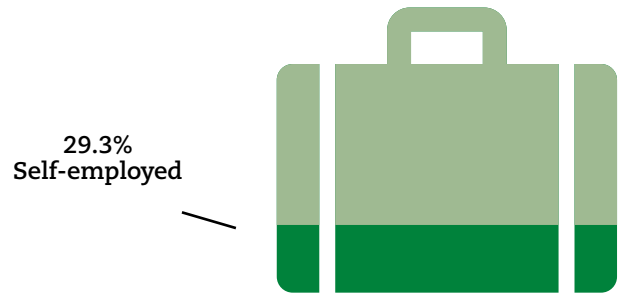
The travel sector accounted for 399 jobs (367 FTEs) in Nelson, Marlborough, Tasman and the West Coast region in 2016 and grew by 1.9 per cent.

The travel sector's contribution to the region's GDP grew by 2.2 per cent in 2016 to \$15.8 million. The GDP per FTE contribution was \$42,990; this has been declining slightly since 2013.

In 2016 there were 111 travel businesses in the region which was a 7.9 per cent decrease (ten businesses) on the previous year. Almost one third of people working in the travel sector are self-employed (117 or 29.3 per cent), which is higher than the overall workforce in the region where 20.5 per cent are self-employed.

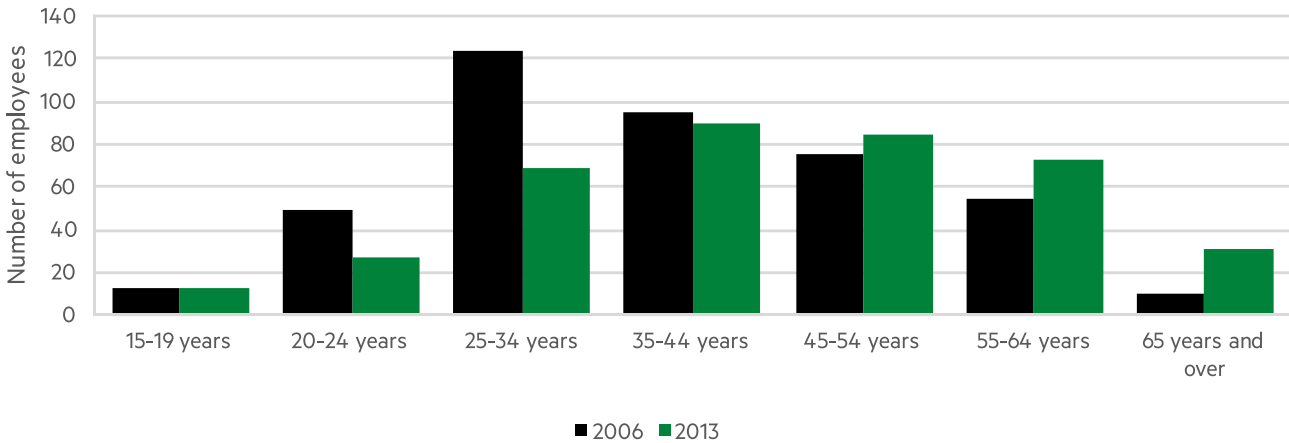
The region's travel sector workforce is predominantly made up of people of European ethnicity (90.9 per cent), with 2.6 per cent Asian, 1.9 per cent Māori and 0.8 per cent Pasifika. Most people working in the sector were born in New Zealand (73.6 per cent); the second largest group were born in Europe (15.4 per cent), with 3.2 per cent each born in Asia and Australia.

Self-employment in the Travel Sector



The travel sector workforce in the region is ageing. In 2006 the 15 to 24 year age group made up 15 per cent of the workforce; in 2013 this had decreased to 10 per cent. In the same period, those aged 55 years and over increased from 15 per cent to 27 per cent. There are more females (61 per cent) than males (39 per cent) working in the sector.

Changing Age of the Travel Sector



Almost half of the region's travel sector are qualified at Level 4 or above (46 per cent) with 17 per cent at Bachelor's degree level or higher; 37.9 per cent have no post-school qualification.

Employment in the travel sector grew for the past two years and this is forecast to continue until 2019 and then remain fairly steady. There are 120 forecast job openings over the next five years, with most being replacement jobs.

Tourism

The tourism sector accounted for 9,424 jobs (7,966 FTEs) and grew by 1.4 per cent in 2016, which is 10 per cent of the total Nelson, Marlborough, Tasman and West Coast workforce.

The tourism sector's contribution to the region's GDP was \$399 million in 2016, which was a 1.1 per cent increase when compared to 2015. The GDP per FTE contribution for the sector was \$50,028.

In 2016 there were 1,782 tourism-related businesses in the region, which was a small decrease of 0.7 per cent (14 businesses) compared to the previous year. On average, these businesses employ more staff than other businesses in the region (5.3 compared to 4 staff). Fifteen per cent of businesses in the tourism sector have 10 or more employees.

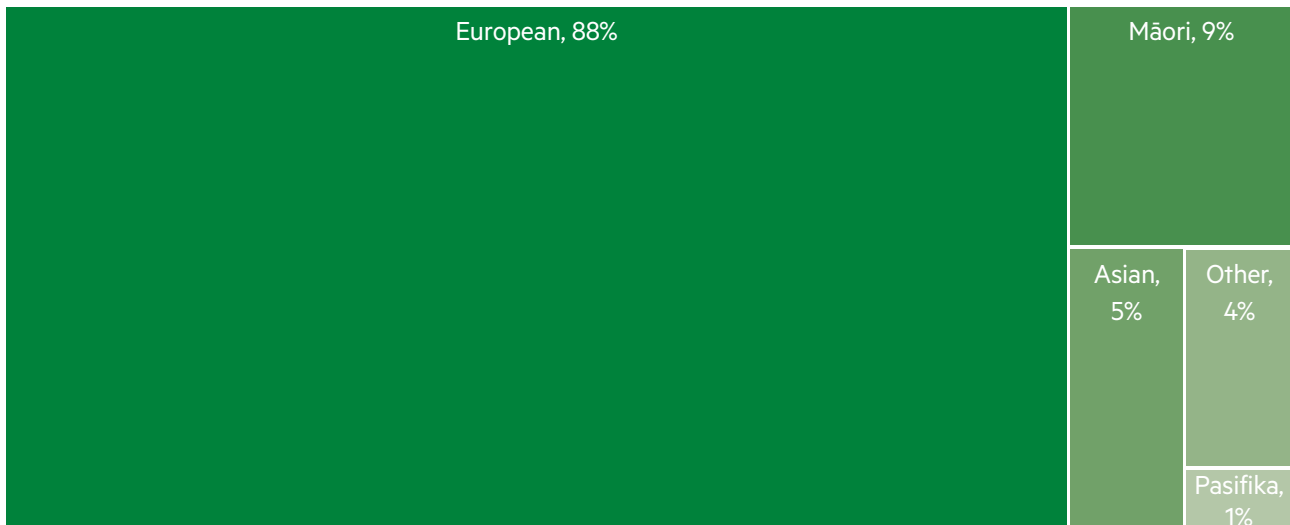
One in five people working in the region's tourism sector are aged under 25 years, which is higher than the overall workforce where 11.8 per cent are under 25 years old. There has been an 80 per cent increase in the number of people aged over 60 years working in this sector, from 777 in 2006 to 1,395 people in 2013. This group now represents 15.3 per cent of the sector.

Most people working in the tourism sector are working full time, while 37.8 per cent work less than 30 hours per week. This is higher than the total workforce in the region where 25.9 per cent work less than 30 hours per week.

The gender make-up of the region's tourism sector has had minor fluctuations in the past decade but remained fairly steady with 58 per cent female and 42 per cent male in the workforce.

Of the people working in the tourism sector, 88.3 per cent identify as European. Other ethnic groups that are represented are those identifying as Māori (8.6 per cent), Asian (5.2 per cent) and Pasifika (1.1 per cent).

Ethnicity of the Tourism Sector Workforce



Most people were born in New Zealand (77.2 per cent), an increasing percentage were born in Europe (11.2 per cent) and Asia (4.6 per cent).

Within the tourism sector, over half (51.8 per cent) hold no post-school qualification but this is gradually decreasing. In 2013, 23.7 per cent had a qualification at Level 5 or above, an increase from 20 per cent in 2006. However, this sector has 37 per cent medium-high and highly skilled jobs which may indicate a skills shortage.

Employment in the region's tourism sector has been growing since 2013 and this is forecast to continue for the next five years. It is forecast that between 2017 and 2021 the sector will need to fill 3,426 job openings, comprising 1,148 new jobs and 2,277 replacement jobs and that there will be over 10,500 jobs in the sector by 2021.

By 2021, the tourism sector will account for over 10,500 jobs

Accommodation

The accommodation sector in Nelson, Marlborough, Tasman and the West Coast accounted for 2,690 jobs in 2016 (2,254 FTEs) and grew by 2.9 per cent (with a 4.5 per cent increase in FTEs).

Accommodation contributed \$85.6 million to the region's GDP in 2016, which was an increase of three per cent on 2015. The accommodation sector in 2016 had one of the lowest GDP per FTE contributions of the service sectors: \$37,980. This is second only to quick service restaurants in the region's service sector.

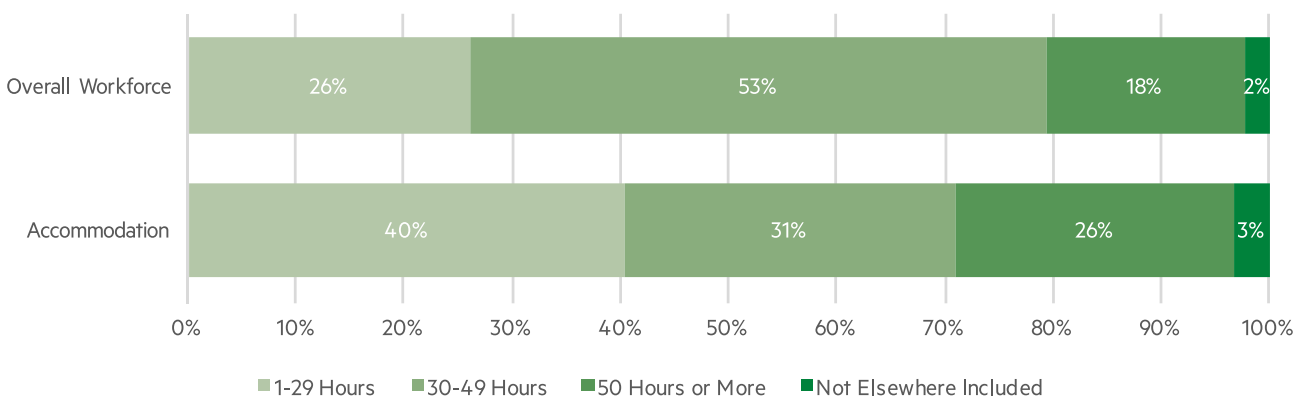
In 2016 there were 648 accommodation businesses in the region, which was a decrease of 3.7 per cent from the previous year (25 businesses).

Most workers in the sector identify as European (86.2 per cent), with 7.5 per cent Māori and 7 per cent Asian; and almost twice as many females (64 per cent) as males (36 per cent) work in the sector. Most of the people working in the region's accommodation sector were born in New Zealand (71.6 per cent) with an increasing percentage from Europe (14.5 per cent) and Asia (6.4 per cent).

The region's accommodation sector workforce is ageing. In 2006, 48.8 per cent were aged 45 years or over; in 2013 this had increased to 57.4 per cent. The number of people aged over 65 years in the sector grew 74 per cent, from 147 people to 256 people.

Over half of the people working in the accommodation sector are working 30 or more hours per week (56 per cent). This is lower than the service sector workforce in the region where 65.5 per cent work 30 hours or more and overall workforce where over 71.3 per cent work more than 30 hours.

Hours worked in Accommodation Sector and Overall Workforce



Worker skill level and role skill requirement in the Accommodation Sector



Just over half of the region's accommodation workforce hold no post-school qualification (54.3 per cent). Only 21.6 per cent hold qualifications at Level 5 Diploma or above which indicates a possible skills shortage, as 42.7 per cent of the roles in the sector are medium-high and highly skilled roles.

The accommodation workforce has been increasing since 2015 after six years in decline. The sector is forecast to grow in the next five years, from 2,690 to over 3,000 jobs in 2021. Including both new and replacement job openings, this equates to more than 1,000 job openings over those five years.

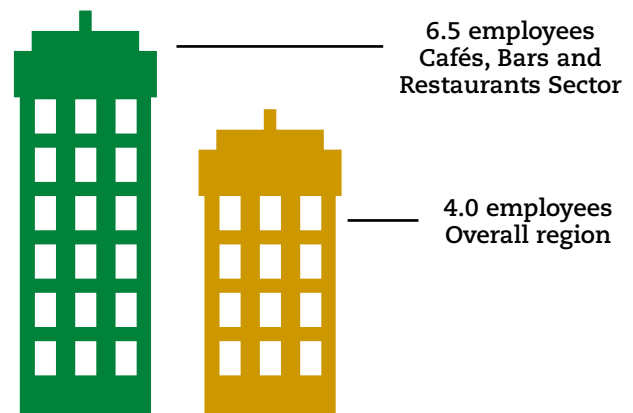
Cafés, Bars and Restaurants

The café, bar and restaurant sector workforce in Nelson, Marlborough, Tasman and the West Coast grew from 3,401 people in 2015 to 3,506 in 2016, a 3.1 per cent increase. The number of FTEs was 2,881 in 2016, an increase of 4.7 per cent.

Cafés, bars and restaurants in the region contributed \$123 million to GDP in 2016, which was an increase of 2.2 per cent on 2015. Cafes, bars and restaurants had a GDP per FTE contribution of \$42,767.

In 2016 there were 540 cafés, bars and restaurants in the region, which was a 1.2 per cent increase (six businesses) on the previous year. The percentage of cafés, bars and restaurants employing 10 or more people is 27.2 per cent, compared to 7.7 per cent of all businesses in the region. 57.5 per cent of the people working in the sector are doing so full time.

Average business employment size



The sector is predominantly of European (86.3 per cent), Māori (10.7 per cent) and Asian (7.2 per cent) ethnicity. The percentage of people in the workforce who were born in New Zealand has declined from 81.6 per cent in 2006 to 76.4 per cent in 2013, with increases in the percentage of the workforce born in Europe (9.7 per cent) and Asia (6.5 per cent).

Gender in the Cafés, Bars and Restaurants Sector



More than half of the people working in cafés, bars and restaurants are aged 35 years or under (53.3 per cent), compared to 26.1 per cent of the overall workforce. In 2006, 17.6 per cent of the sector workforce was 50 years or older; this had increased to 21.5 per cent in 2013.

There has been an increase in the percentage of the workforce with qualifications at Level 4 or above, from 19.8 per cent in 2006 to 24.6 per cent in 2013. However, more than half (59.7 per cent), of the sector hold no post-school qualifications. In part, this will be due to the high number of young workers who are still in school, as 19.7 per cent of the workforce is 15 to 19 years old.

The café, bar and restaurant sector is 60 per cent female and 40 per cent male.

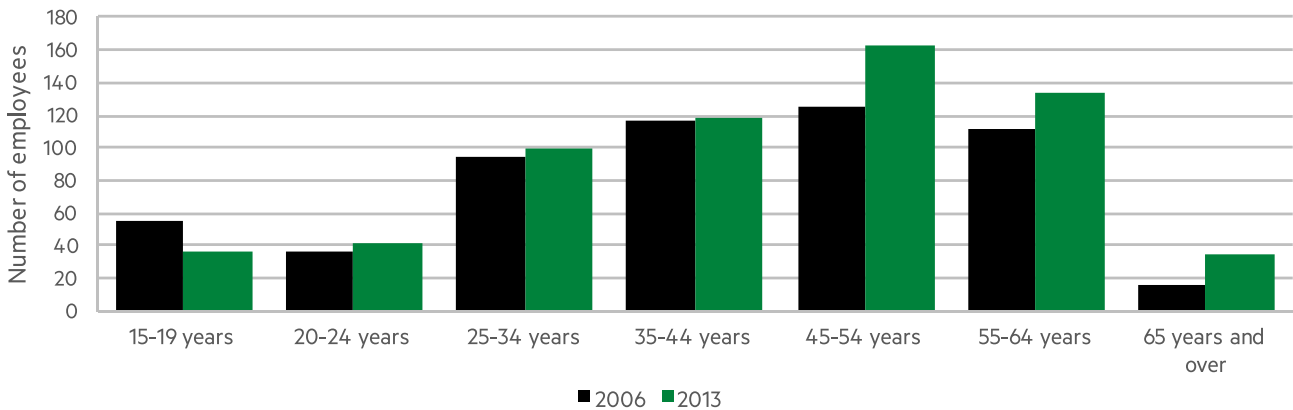
In the café, bar and restaurant sector, employment has been growing over the past three years, after three years in decline. It is forecast that there will be 3,995 people working in the sector by 2021, with over 1,400 job openings over that time.

Catering

The Nelson, Marlborough, Tasman and West Coast catering sector contributed \$37.8 million to GDP in 2016 which was a 2.2 per cent decrease on 2015. The sector contributed \$72,616 to GDP per FTE.

Catering in the region accounted for 602 jobs (520 FTEs) in 2016, which was a decrease of 2.4 per cent on the previous year. The number of catering businesses remained steady at 124 businesses in 2015 and 2016.

Changing Age of the Catering Sector



The region's catering sector has a very similar spread of age groups to the overall workforce with one-third of the workforce aged 40 years and under. The catering workforce is ageing; in 2006 16.5 per cent were aged 24 years and under, in 2013 this had decreased to 12.2 per cent. Over the same period those aged 60 years and over increased from 9.8 per cent to 16 per cent.

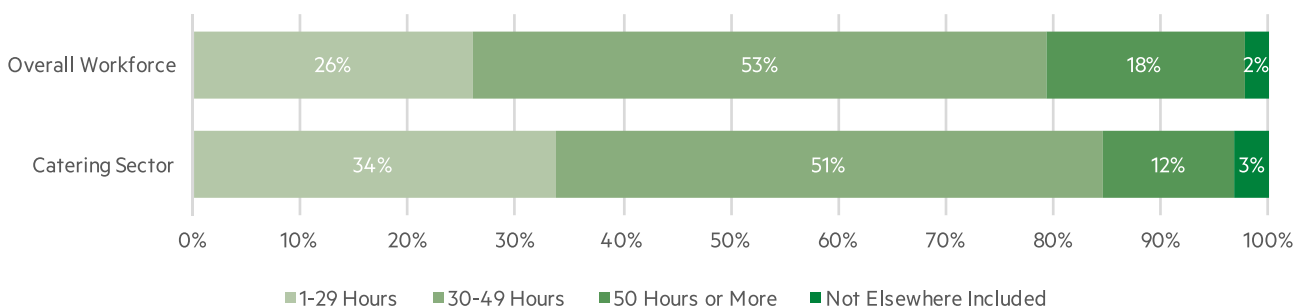
There are almost twice as many females as males working in the region's catering sector with 66 per cent female and 34 per cent male.

The sector is predominantly made up of people identifying as European ethnicity (84.9 per cent) and the workforce also includes Māori (10.2 per cent), Asian (4.6 per cent) and Pasifika (2.6 per cent). Most of the catering sector workforce was born in New Zealand (78.6 per cent) with an increasing number born in Europe (10.1 per cent) and Asia (4.2 per cent).

Half of the catering sector in the region (49.5 per cent) have no post-school qualification, while 35.2 per cent have a qualification at Level 4 or above. This is comparable to the catering sector nationally where 50.4 per cent hold no post-school qualification and 34.8 per cent hold a qualification at Level 4 and above.

The average hours worked in the region's catering sector is 35.3 hours per week with 63.2 per cent working 30 hours or more.

Hours worked in Catering Sector and Overall Workforce

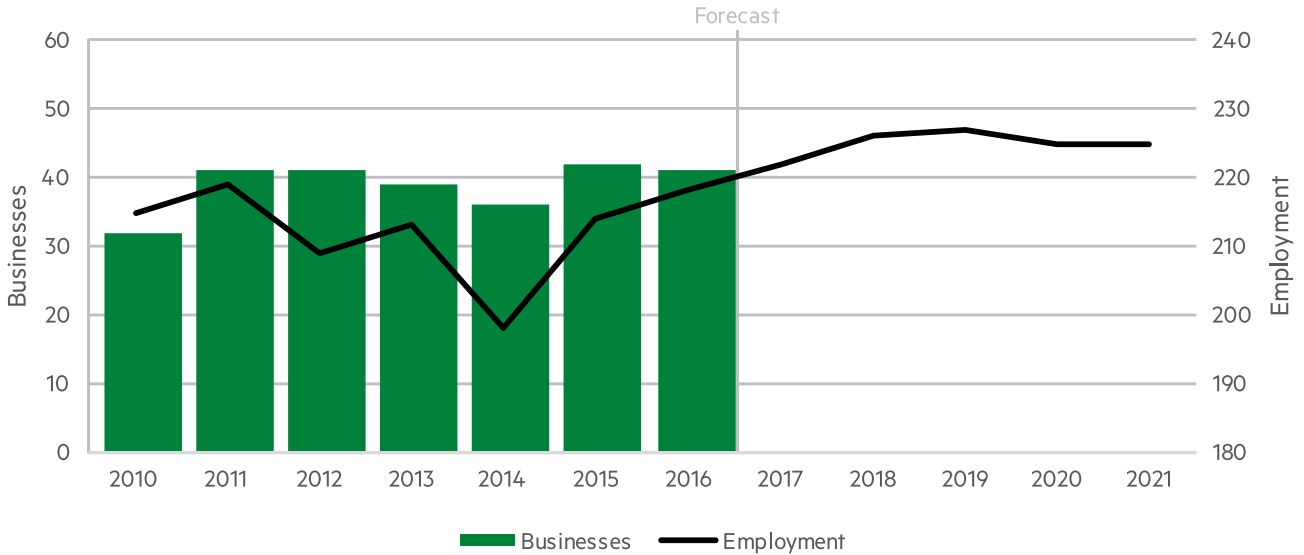


Employment in the catering sector declined in 2015 and 2016 but is forecast to grow in the next five years. It is forecast that the sector will employ 678 people by 2021 and that over that time there will be an average job opening rate of 6.9 per cent per year (new and replacement jobs) which equates to 218 job openings.

Clubs

In 2016 clubs in Nelson, Marlborough, Tasman and the West Coast accounted for 218 jobs (173 FTEs), which was an increase of 2 per cent on the previous year. There were 41 businesses, one less than in 2015.

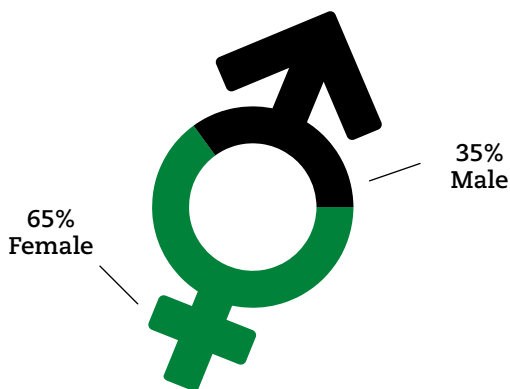
Employment and Businesses in the Clubs Sector



The region’s clubs sector accounted for \$8.1 million of the region’s GDP in 2016 which was a 0.7 per cent increase compared to 2015. The sector contributes \$46,748 to GDP per FTE.

The sector is predominantly made up of those who identify as European (94.6 per cent), Māori (7.2 per cent) and Pasifika (1.9 per cent). The majority of people were born in New Zealand (76.9 per cent) with 9.4 per cent born in Europe, 4.5 per cent born in Australia and 3.3 per cent born in North America.

Gender in the Clubs Sector



In contrast to the overall workforce in the region there has been an increase in young people working in the sector. In 2006, 12 per cent were aged under 24 years; in 2013 this had increased to 19.4 per cent. One quarter of the clubs workforce (27 per cent) are aged between 45 and 54 years. There are almost twice as many females working in the sector (65 per cent) than males (35 per cent).

Less than half of the clubs sector workforce are employed full time (45.7 per cent) with the largest group working 40 to 49 hours (22.3 per cent). The clubs sector does present an opportunity for those looking for part-time work with 48.8 per cent of the roles being less than 30 hours per week.

Half of the people working in the clubs sector hold no post-school qualifications, while 30.9 per cent are qualified at Level 4 or above.

Since 2007 the clubs sector in the region has had eight years of employment growth and two years in decline (2012 and 2014). Employment growth is forecast to continue, peaking at 227 jobs in 2019, then remaining steady. Over the next five years there is an average forecast job opening rate of 5.6 per cent per year, including new and replacement job openings.

Quick Service Restaurants

Quick service restaurants in Nelson, Marlborough, Tasman and the West Coast accounted for 717 jobs (558 FTEs) and grew by five per cent in 2016.

Quick service restaurants contribute \$20.8 million to the region's GDP and this grew 5.3 per cent in 2016. The sector has the lowest GDP per FTE contribution of the 10 service sectors, at \$37,314 per FTE.

In 2016, there were 162 quick service restaurant businesses in the region, which was an increase of 20 per cent (27 businesses) on the previous year.

Ethnicity of the Quick Service Restaurant Sector



Workers in the sector identify predominantly as European (76.9 per cent or 522 people), Asian (14.2 per cent or 96 people) and Māori (13.4 per cent or 91 people). The majority of people were born in New Zealand (72.7 per cent) with increasing numbers born in Asia (14.4 per cent) and Europe (8.6 per cent). The percentage born in Asia is much higher than the overall workforce where 2.9 per cent were born in Asia.

There are more females than males working in the sector (60 per cent female and 40 per cent male). In comparison, the overall workforce is 47 per cent female and 53 per cent male.

The sector is much younger than most of the other service sectors, with over half of the workers aged under 30 years old and more than one quarter (27.9 per cent) aged under 20 years. The number of young people aged under 20 years has declined however, from over 40 per cent of the workforce in 2006.

The majority of people working in quick service restaurants have no post-school qualifications (68.5 per cent or 465 people). The high number of young people working in the sector, some of whom will be still in school or study, will account for some of this. However, almost a quarter of the jobs in the quick service restaurant sector are medium-high to high skilled roles (24 per cent) and with only 13 per cent of the workforce holding a qualification at this level, this indicates a potential skill shortfall.

Forty-seven percent of people working in the quick service restaurants sector are working full time. Just under half (49.7 per cent or 339 people) work less than 30 hours per week and 30.3 per cent are working 40 hours or more (204 people).

Employment in the quick service restaurants sector grew in 2015 and 2016 after three years in decline. Employment growth is forecast to continue over the next five years with over 880 people expected to be working in the sector by 2021. There are 356 forecast job openings over this period due to new job growth and employee turnover.

Retail and Retail Supply Chain

The retail and retail supply chain sector is the largest within the service sectors. The retail and retail supply chain sector in Nelson, Marlborough, Tasman and the West Coast accounted for 14,805 jobs in 2016 (13,088 FTEs) which was a small increase of 0.9 per cent. This sector accounts for 15.7 per cent of the total jobs in the region.

The sector's GDP contributions increased 1.8 per cent in 2016 to \$858 million. The sector contributed \$65,576 to GDP per FTE.

The number of retail and retail supply chain businesses fell slightly (1.6 per cent) in 2016, to 2,735 (a decrease of 44 businesses).

*The retail and retail supply chain sector accounts for **15.7%** of jobs in the region*

Most workers in the region's retail and retail supply chain sector identify as European (91 per cent or 13,013 people), with 7.5 per cent Māori and 3.2 per cent Asian. The majority of people were born in New Zealand and an increasing number were born in Europe (8.2 per cent) and Asia (2.8 per cent).

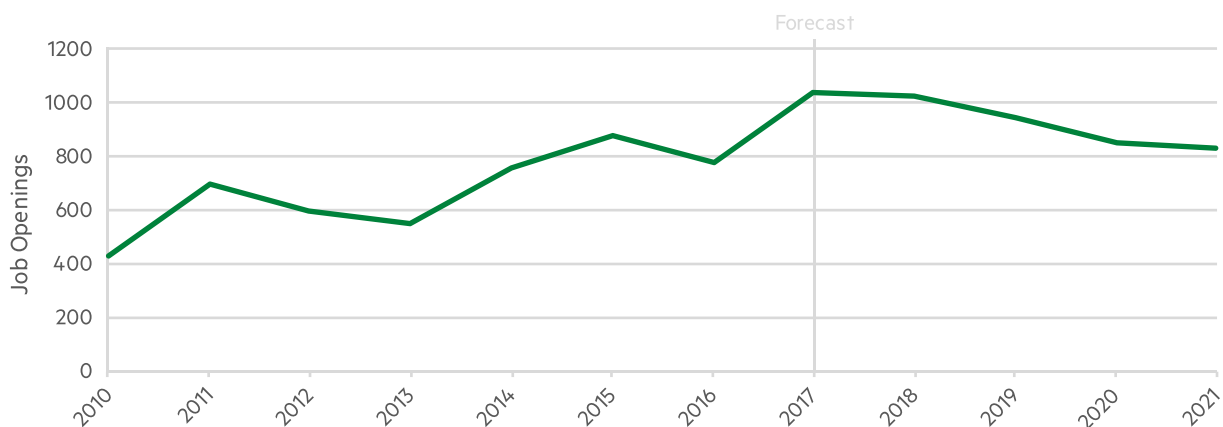
Gender distribution in the retail and retail supply chain sector is fairly even, with 52 per cent female and 48 per cent male.

While 19.2 per cent of people employed in the retail and retail supply chain sector are under 25 years old, there has been a decrease in 15 to 19 year olds working in the sector from 1,948 (14.5 per cent) in 2006 to 1,571 (11 per cent) in 2013. Over the same period, people aged over 50 years increased from 3,554 people (26.6 per cent) to 5,082 people, which is more than a third of the sector's workforce (35.5 per cent).

While the retail and retail supply chain sector accounts for some part-time and casual work, 69.1 per cent of people in the sector are working full time.

Over half of the sector workforce have no post-school qualifications (59.5 per cent or 8,512 people), which is an improvement on 2006 when 64.1 per cent had no post-school qualification. Just over a quarter (28.3 per cent) have a qualification at Level 4 or above which is slightly lower than the retail and retail supply chain nationally (34.2 per cent).

Job Openings in the Retail and Retail Supply Chain Sector



Employment levels in the retail and retail supply chain sector have increased over the past fifteen years with the exception of small declines in 2010 and 2013. The sector is forecast to continue growing over the next five years, with more than 4,500 job openings over this period (new jobs and replacement job openings) and with a total of almost 16,000 jobs forecast in the sector by 2021.

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