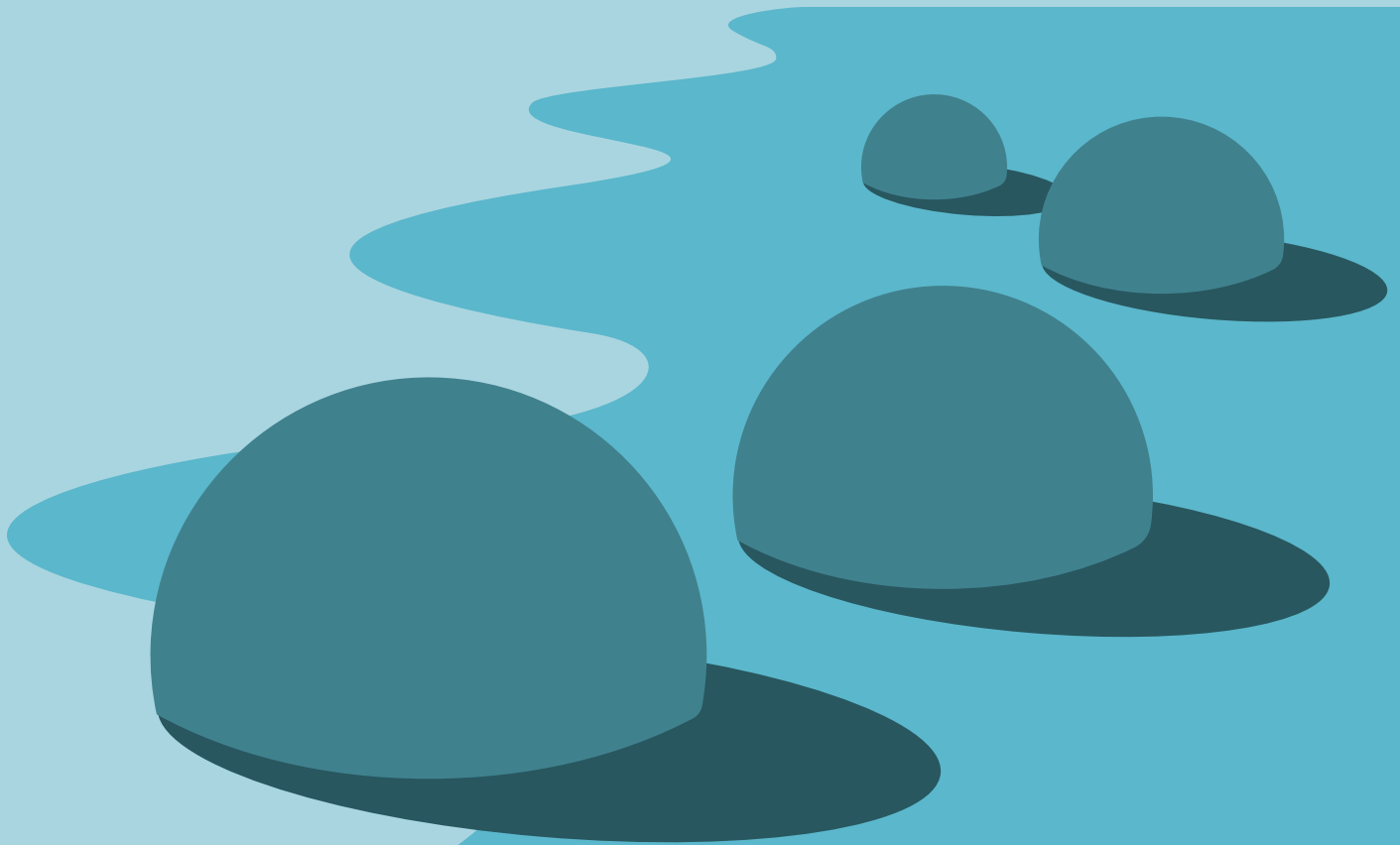


Service IQ
SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR - Otago and Southland -



2017/2018

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Introduction

Otago and Southland, the two southernmost regions in New Zealand, boast spectacular landscapes, ranging from picturesque beaches and lush rainforests to snow-capped mountains and serene lakes. This natural beauty offers a unique and authentic tourism destination and place to live.

Central to appealing to visitors and residents alike is a first-class service industry. At the heart of this is the people in it. Developing a strong service sector workforce is key to attracting tourists and creating a community that people want to live and work in.

[#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 Otago and Southland

The Workforce Development Plan highlighted the need for service sector workforce development at a regional level. The service sector workforce roadmap provides an Otago and Southland 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 workforce 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 knowledge and innovation within Otago and Southland 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 Otago and Southland

ServiceIQ hosted two workshop meetings in Otago and Southland in July and September 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 Otago and Southland 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 2016 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 Otago and Southland service sector taking leadership and regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Otago and Southland regional roadmap action plan.

Otago and Southland have a combined population of 308,100 people. Otago has a population of 211,600 (125,800 in Dunedin) and Southland has 96,500 (54,200 in Invercargill). Otago and Southland account for 6.8 per cent of the New Zealand population and 6.7 per cent of New Zealand's GDP. The two regions have high employment rates, 67.9 per cent and 69.8 per cent respectively, compared to the national average of 64.9 per cent; and low unemployment rates of 3.8 per cent and 3.6 per cent compared to the national average of 5.7 per cent.

The service sector brings life to a community, and a great service sector is what helps make a town or city liveable. The Southland Regional Economic Strategy is focused on attracting more people to live and work in Southland and the Central Otago Labour Market Survey has identified hospitality as one of five growth sectors for the region.

Service sector in Otago and Southland

In 2015, the service sector contributed \$1,711 million (in 2010 prices) to GDP in Otago and \$664 million to GDP in Southland, equating to 19 and 13 per cent of total GDP respectively for the regions. A total of 7,414 businesses are operating in the service sector (5,405 in Otago and 2,009 in Southland) and the sector employs almost 43,000 people or 26 per cent of all Otago and Southland's workers (31,713 in Otago and 11,261 in Southland). After the 2010 decline in employment (due to the global financial crisis), the service sector in Otago grew while Southland has remained steady at best.

The service sector in both regions is forecast to grow in the next three years, and combined with the high attrition rate, there are over 13,000 job openings forecast to 2020 (10,114 in Otago and 2,991 in Southland).

The service sector workforce in Otago and Southland is younger than the total Otago and Southland workforce but has aged since 2006, in keeping with the national trend. The percentage of the workforce aged 15-24 years dropped by five per cent in Otago and three per cent in Southland, while those aged 65 years and over increased by two per cent in both regions.

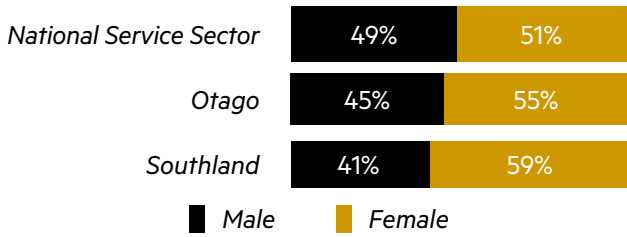
Service sector workers are more likely to have no post-school qualifications than the wider workforce. Very young workers, most of whom will still be in school or tertiary-level training, tend to drive lower qualification levels, and the Otago and Southland service sector has almost twice the proportion of workers aged under 20 years than the total regional workforce. However, 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).

The service sector covers:

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

*In 2015, the service sector contributed **\$1,711 million** (in 2010 prices) to GDP in Otago and **\$664 million** to GDP in Southland, equating to **19 and 13 per cent** of total GDP respectively for the regions.*

Gender in the Service sector workforce



The service sector in Otago and Southland has a higher percentage of females than the national service sector; 55 per cent in Otago and 59 per cent in Southland compared to 51 per cent in the national service sector. The high proportion of female workers has been consistent for the past 15 years.

The service sector nationally is becoming increasingly diverse, Otago and Southland are following this trend

in many respects. The workforce is still strongly European (86.7 per cent), but there has been an increase in the proportion of Māori, Pasifika and Asian workers, in both Otago and Southland, since 2006. A higher percentage of the Southland workforce is Māori compared with Otago (10.3 per cent against 5.8 per cent), and this difference is reflected in the overall workforce for each region.

In addition to this, fewer members of the Otago and Southland service sector workforce were born in New Zealand. In Otago, 25 percent of the service sector workforce in 2013 was born outside New Zealand compared with 19 per cent in 2006, while in Southland 11 per cent of the service sector workforce in 2013 was born outside New Zealand compared with 9 per cent in 2006. The majority of the workforce born overseas came from Europe and Asia; in Otago 41 per cent of the overseas born workforce were from Europe and 27 per cent from Asia, while in Southland Europe and Asia each account for 32 per cent.

*In Southland **11%** of the service sector workforce in **2013** was born outside New Zealand compared with **9%** in **2006**.*

Employment by ethnicity



Challenges to supply and demand facing Otago and Southland

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 combined Otago and Southland service sector is forecast to have over 13,000 job openings. The rate of job openings, including new jobs, voluntary attrition and retirement, averages at 5.2 per cent per annum for Southland and 6.2 per cent for Otago.

Employee turnover costs between 50 to 300 per cent base salary per person¹. Retail workers, on average, earn \$47,690, and based on this estimate the cost to the business of replacing staff is at least \$23,845.

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

Some of the challenges facing Otago and Southland include:

Strong competition for entry-level workers

New Zealand's service sector is facing strong competition for entry-level workers, as the number of young people relative to the population decreases. The working age population in Southland is declining and people are migrating to other regions². However, Southland has a relatively high proportion of young people not in employment, education or training (NEET)³, which represents a possible source of new service sector talent.

The relative proportion of NEETs may also suggest challenges relating to work readiness and capability relevant to the workplace. Southland's service sector also has an opportunity in the potential redeployment or retraining of the existing workforce, as the numbers of people aged 50 and older employed in the service sector has been steadily increasing.

*Southland's service sector also has an opportunity in the potential redeployment or retraining of the existing workforce, as the numbers of people aged **50 and older** employed in the service sector has been steadily increasing.*

Otago is well positioned to attract university students into work, but this also carries risks as students are unlikely to consider a long term career in the service sector.

Accelerating the growth of tourism

Otago has had a particular increase in tourism numbers and by 2020 the service sector is expected to need to fill close to 10,000 positions. A significant proportion of these will be roles outside of the tourism hotspot of Queenstown-Lakes (61 per cent). The numbers of international and domestic tourists are increasing, (as is their spend), and along with this comes higher expectations from tourists as to what their spend will get them.

Availability of skilled workers

New Zealand is competing for workers in a global marketplace, and Otago and Southland are no different. While Otago and Southland attract some high skilled people into the service sector, the numbers of highly skilled people entering the sector in Otago and Southland is significantly lower than the national workforce. The continuous flows of workers out of the service sector also impacts on a business' capacity for training and their ability to provide high quality service.

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. The service sector is dependent on the health of other industries, and this is particularly apparent in Otago and Southland where, economically speaking, the region is underperforming when compared to other regions with similar resources (with the exception of the Queenstown-Lakes area).

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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.

Other issues of note include general infrastructure, and also transport and community life.

¹ New Zealand Turnover Survey (April 2016)

² Southland Mayoral Forum (2015) Southland Regional Development Strategy

³ The Ministry for Business, Innovation and Employment (2015) Regional Economic Activity Report

Otago-Southland ———— *is a* ———— year-round destination

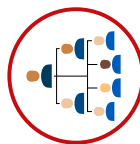
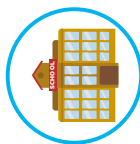
By 2021:

- ▶ The sector works together to extend service demand and reduce seasonality.
- ▶ A diverse service sector workforce combining experience and fresh ideas.
- ▶ People trained in the service sector are well equipped to meet industry needs.
- ▶ People see working in the service sector as a career path.

Initiatives for the Otago and Southland service sector



	2017				Future
	Q1	Q2	Q3	Q4	
Attract and retain people with the right attitude and aptitude	1.1 Explore options for developing an internship programme				
	1.2 Identify, map, and co-ordinate regional initiatives				
Increase the number of school leavers transitioning into the sector	1.3 Promote a community response to addressing service sector skill shortages				
	2.1 Increase the number of Gateway programmes operating with Otago and Southland schools				
	2.2 Collaborate with schools to better support career counselling				
Increase access to and engagement with training	2.3 Explore ways to introduce the license to work concept				
	3.1 Develop insights into return on investment in training.				
Develop and maintain high quality qualifications and programmes that meet the needs of industry	4.1 Work with Otago and Southland service sector to review career pathways				
	4.2 Explore options for developing 3+2 internship programme and related qualification				
Increase productivity by developing core skills	5.1 Develop insights into core skills capability within Otago and Southland service sector businesses				
	6.1 Develop business and management training package targeted to SMEs				
Improve business and management capability	6.2 Explore ways to support employer recruitment processes				
	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	Explore options for developing an internship programme	An internship programme, and related qualification, could potentially put a young person on a service sector career pathway and encourage them to stay in the region. Combining summer work placements or part-time positions with formal study packages is a smart way to transition learners and meet seasonal workforce needs (see also 4.2).
1.2	Identify, map, and co-ordinate regional initiatives	A number of different and intersecting initiatives are underway already seeking to address issues associated with attracting and retaining people in Otago and Southland's service sectors.
1.3	Promote a community response to addressing skill shortages in the service sector	The Southland Youth Futures initiative provides a model to encourage businesses to adopt youth friendly practices, take on young people and invest in their future. These businesses are then recognised as good employers. This approach could be extended into the Otago region and the service industry more particularly.

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 opportunities operating with Otago and Southland schools	The service sector is generally not perceived as a good career destination. A continued focus on schools to encourage 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	Collaborate with schools to better support career counselling	Presenting school students with quality advice around choices available for career pathways and learning, (work-related options, not just university based) could induce more school leavers to enter the workforce directly. By connecting with opportunities in their local area, through schools, the youth of Otago and Southland could find rewarding work.
2.3	Explore ways for introducing the license to work concept, including identifying current successful implementations	The employability passport, or license to work, concept has been developed by a number of different organisations, most notably COMET and Auckland Council. The concept has identified key characteristics for work readiness and competency and a related programme of work that amount to a 'license to work' (or similar). ServiceIQ is piloting a new Gateway initiative in 2017 that will utilise an employability passport concept.

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.

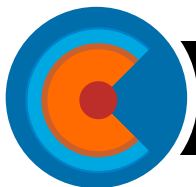


Develop and maintain high quality qualifications and programmes that meet the needs of industry

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 Otago and Southland service sector to review career pathways	Clearly expressing what skills and knowledge are most critical to business will ensure these are captured in relevant and successful training programmes.
4.2	Explore options for developing an integrated internship programme and qualification linked to 3+2 concepts	A number of different service sector workplaces in Otago and Southland that are able to offer on-job training can be brought together to offer a work/study internship integrated to schools to work the 3+2 concept. The 3+2 concept allows students still in school to continuing studying part-time (three days a week), while working part-time (two days a week), and gain NCEA credits under both arrangements (see also 1.1).



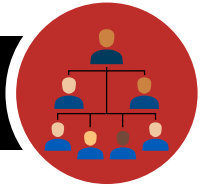
Increase productivity by developing core skills

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	Develop insights into core skills capability within Otago and Southland service sector businesses	Otago and Southland's service sector workforce is increasingly comprised of people born overseas, who speak English as an other language, and if there are any issues with core skills (most notably verbal communications, but also written) this could be impacting on business operations. Capability in core skills may also be an issue with workers born in New Zealand, particularly those leaving school with lower level qualifications (less than NCEA Level 2), and for Southland particularly, NEETs are a significant group. It is not yet clear however, whether there is a capability issue and what the extent of the issue may be.

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	Develop business and management training packages targeted to small-medium sized enterprises	<p>Otago and Southland's service sector is growing and it is important that businesses have the skills and support to grow and thrive along with it.</p> <p>Furthermore, management and recruitment tactics have to meet the needs of the current and future workforce. Making training accessible increases the attractiveness of employers and updated practices will improve the management of young people. Bringing together young people and employers to consider both sides of this issue could result in improved employment outcomes for everyone.</p>
6.2	Explore ways to support employer recruitment processes	<p>Support across the business community for young people, such as mentoring and quality feedback to unsuccessful applicants, would build a talent pool. Providing a set up for quality feedback between employers and potential employees, for example utilising the Youth Employment Success scheme as a trial, with a view to extending this model beyond Dunedin, would provide a 'one-stop-shop' connecting employers with young people.</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.

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

Includes all forms of retail, wholesale and corporate based sales through stores, online and travel reservation centres; and the packaging or brokering of inbound and outbound travel and tourism products.

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

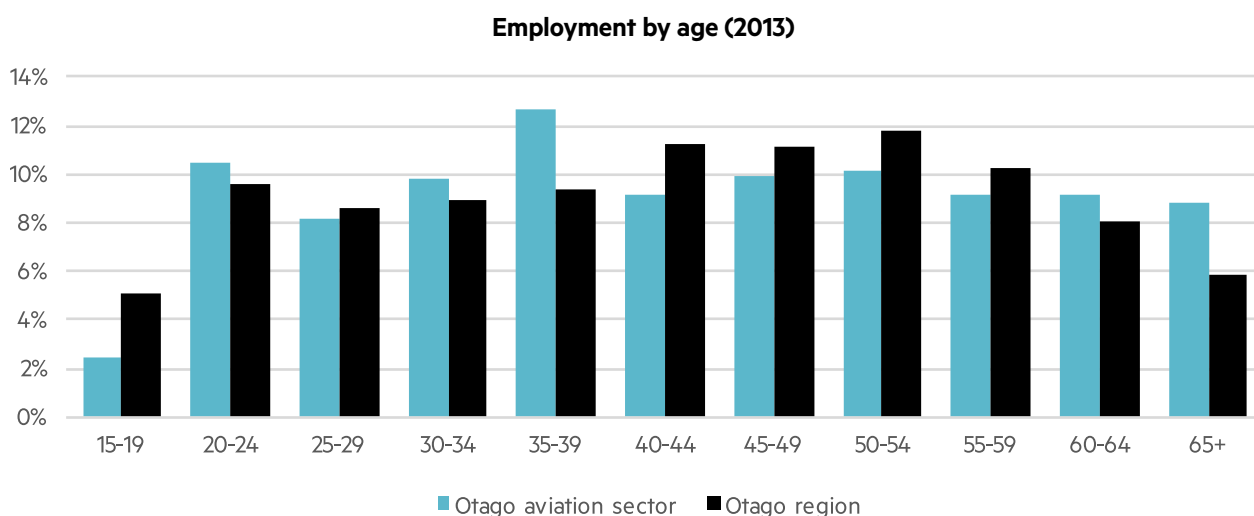
Includes the operation of all forms of consumer based sales of goods and services including store-based, online, national and regional chains, franchises and independent outlets.

Aviation - Otago

The aviation sector in Otago accounted for 700 jobs in 2015 (656 FTEs) and grew by 18 per cent. In 2015, there were 95 aviation businesses operating in Otago and this grew by 3.8 per cent on the previous year.

Aviation in Otago contributes \$74.9 million to GDP and grew by 19 per cent in 2015. Aviation makes a significant GDP per FTE contribution of \$114,232.

Since 2006, the aviation sector has attracted fewer people aged between 15 and 29 years, while it has seen increases in numbers of people aged between 30 and 39 years. The two most common range groups are 20-24 years and 35-39 years. Overall, while the employment in the sector has grown, people are staying employed beyond retirement age; in 2013, there was six times the number of employees over 65 years old than in 2006 (42 employees in 2013 compared with 7 in 2006).



Most of the people working in the sector are born in New Zealand (81.2 per cent) or Europe (9.3 per cent). The number of people born in New Zealand is slightly down since 2006, and most of the change has been slight increases from people born in Europe and Asia.

The sector is predominately European (89.9 per cent) and male (66 per cent). The percentage of people identifying as either European, Asian, Māori or Pasifika has increased over the years. The number and comparative percentage of females has also increased (from 83 workers in 2000 to 242 in 2015).

Most of the people working in aviation as their main job in Otago work between 30 and 49 hours a week (62.8 per cent); 17.7 per cent work less than 30 hours. 50.1 per cent are qualified at Level 4 or above while 38.1 per cent have no qualification.

Employment in the aviation sector has grown overall since 2000, but it experienced drops in employment in 2007, 2011 and 2012. In 2014 and 2015, the aviation sector had record growth; going from 480 roles in 2013 to 700 in 2015, an increase of 46 per cent. While the sector will continue to grow over the next five years (resulting in an increase of approximately seven per cent), the majority of employment over this time will be replacement openings, rather than new jobs.

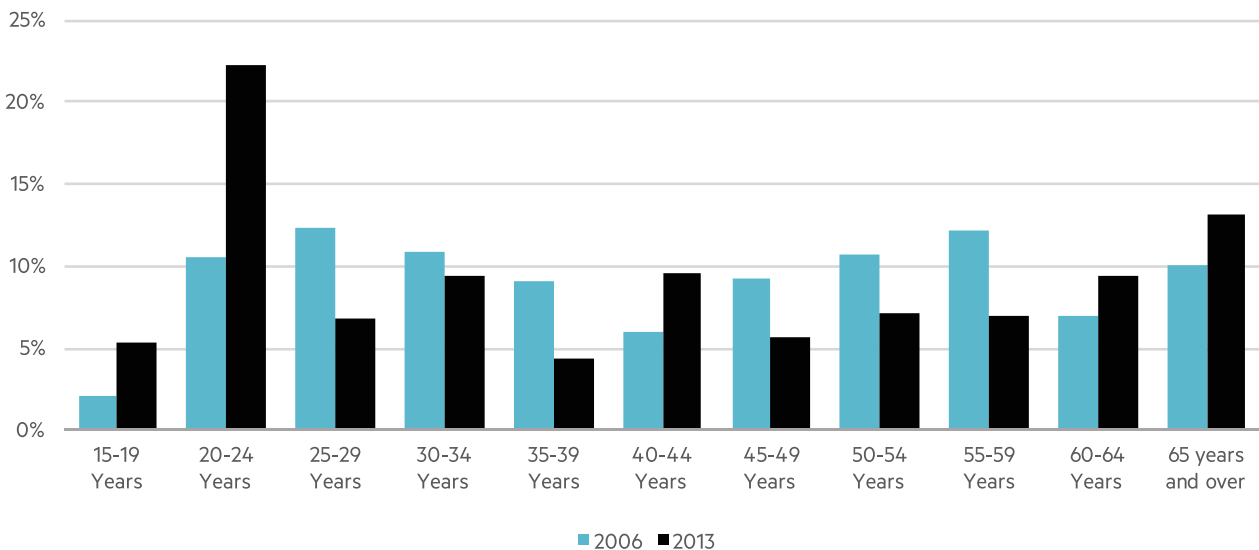
Museums - Otago

The museum sector in Otago accounted for 317 jobs in 2015 (270 FTEs) and grew by 3.2 per cent. In 2015, there were 31 museum businesses in Otago, a decrease of 5.1 per cent on the previous year.

The museum sector in Otago contributes \$16.5 million to GDP, this grew by 3.9 per cent in 2015. The museums workforce contributed \$61,209 GDP per FTE.

The museum sector nationally has the oldest demographic of all the service sectors (48 per cent of people are aged over 45). In Otago, a fifth of the museum sector workforce is aged between 20 and 24 years and since 2006, the number of young people aged under 25 years has increased by 60 per cent, while the number of people aged between 25 and 59 years has dropped dramatically.

Employment by age, 2006 and 2013



Most of the people working in the sector are either born in New Zealand (72.9 per cent) or Europe (14.2 per cent), and the sector is increasingly European (95.8 per cent). The sector employs a much higher proportion of females than males, with 61 per cent females.

People working in the museum sector are working fewer hours than they were in 2006, and the roles appear to be shifting more towards part-time, which may be reflective of the current age demographic. 46 per cent of the workforce work less than 30 hours per week

Employment over the next five years will grow modestly, but job openings in this sector will mainly be replacement roles rather than new jobs.

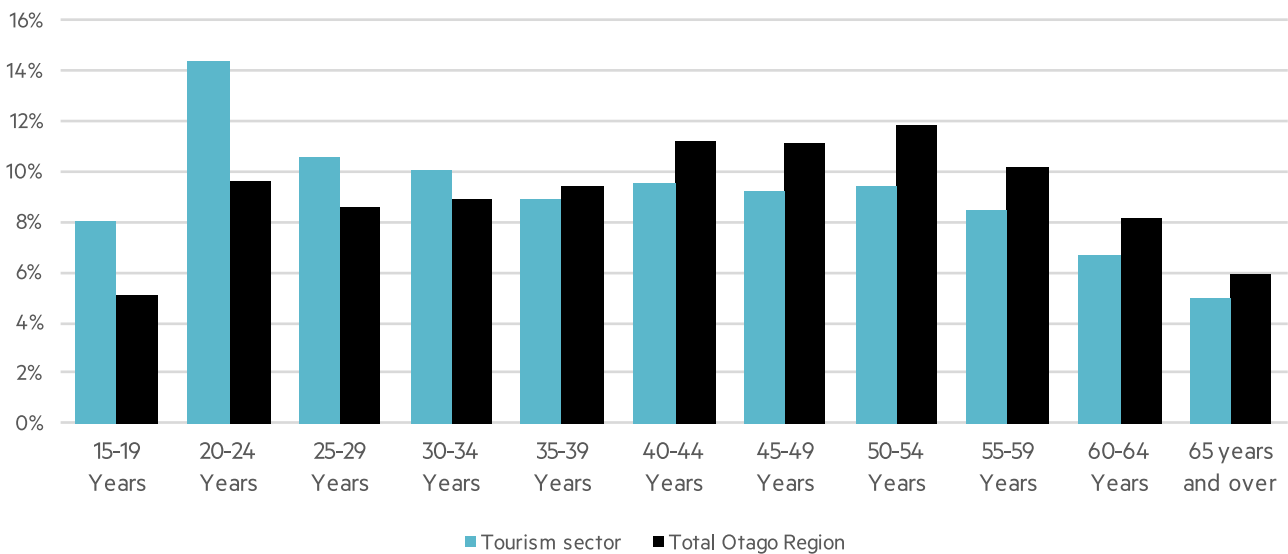
Tourism - Otago

The Otago tourism sector in 2015 employed 16,536 people (13,916 FTEs), which was an increase of 3.2 per cent from the previous year, and there were 2,782 business units, which was a decrease of 0.2 per cent.

The sector's contribution to GDP increased by 5 per cent to \$837 million (9.1 per cent of the total regional economy) with a GDP per FTE of \$60,181.

Overall, the age of the tourism sector workforce in Otago is similar to that seen in the national tourism workforce and is younger than the Otago regional workforce. The largest age group is between 20 and 24 years old (14.4 per cent), and just over half of the workforce is under 40 years old.

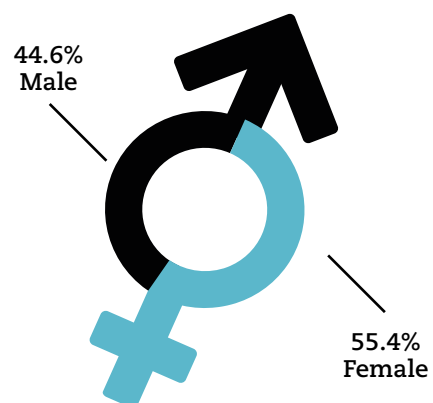
Employment by age (2013)



The majority of the workforce was born in New Zealand (72.2 per cent) and Europe (11.9 per cent) with a further 6.9 per cent born in Asia. The workforce is predominantly European, at 85.5 per cent, and there has been an increase in people coming from Asia, from 5.7 per cent in 2006 to 8.1 per cent in 2013. More females than males work in the tourism sector – 55.4 per cent of the workforce is female.

Most of the people working in tourism as their main job worked between 30 and 49 hours per week (52.4 per cent) and a smaller percentage are working more than 49 hours a week, than in 2006.

Employment in the tourism sector in Otago has grown significantly since 2000, with an increase of 5,356 jobs (48 per cent). The sector is forecast to grow further over the next five years with an additional 1,220 roles by 2020. In spite of this, the majority of job openings over the coming years will be due to job replacements rather than new openings.



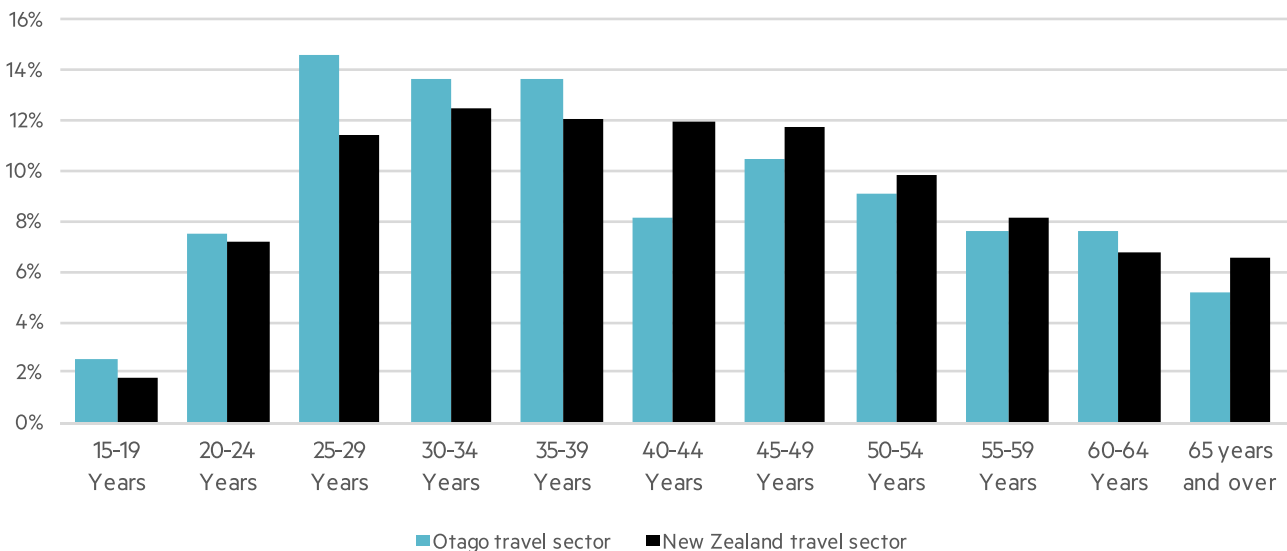
Travel - Otago

The Otago travel sector accounted for 670 jobs (607 FTEs) and grew by 2.9 per cent in 2015. The number of businesses increased over the past five years, from 165 in 2011 to 184 in 2015 (an increase of 11.9 per cent).

The travel sector's contribution to Otago's GDP grew by 3.6 per cent in 2015, to \$25.3 million. The GDP per FTE contributions were \$41,743.

Most people working in the Otago travel sector are aged between 25 and 49 years (365 or 60.6 per cent), and a higher percentage are aged under 40 years when compared to the national travel workforce (52 per cent in Otago and 45 per cent nationally in the travel sector).

Employment by age in the Otago and New Zealand travel sectors



While people working in the Otago travel sector are qualified to a higher level (broadly) than the wider Otago service sector and the general Otago workforce, over a third have no post-school qualifications (235 people or 38.6 per cent) and 5.2 per cent (32 people) have no qualifications at all. The percentage of the workforce with no post-school qualification has decreased since 2006 (42 per cent to 36.8 per cent in 2013), and a much larger proportion of the workforce has a Bachelor's Degree or higher than in 2006 (34.5 per cent in 2013 compared to 24.3 per cent in 2006).

a much larger proportion of the workforce has a Bachelor's Degree or higher than in 2006.

More females than males work in the travel sector, 384 females (57 per cent) compared with 286 males (43 per cent). Most people working in the sector were born in New Zealand (64.6 per cent), but people coming from Europe are accounting for an ever increasing share of employment (19.7 per cent in 2013 compared with 12.6 per cent in 2006), and the majority of the workforce is of European ethnicity (89.2 per cent).

The majority of people working in the travel sector are working 30 or more hours a week (77 per cent), but on average people are working fewer hours than they were in 2006. Almost a quarter of people working in the travel sector are self-employed (156 or 23.3 per cent) and this share is growing.

Employment in the travel sector has grown intermittently over the years. While the numbers of replacement roles will stay constant over the next five years, very few new jobs openings will be on offer.

Accommodation - Otago

The accommodation sector in Otago accounted for 4,802 jobs in 2015 (3,958 FTEs) and grew 4.6 per cent. There were 640 accommodation businesses in 2015, a modest increase from 2011.

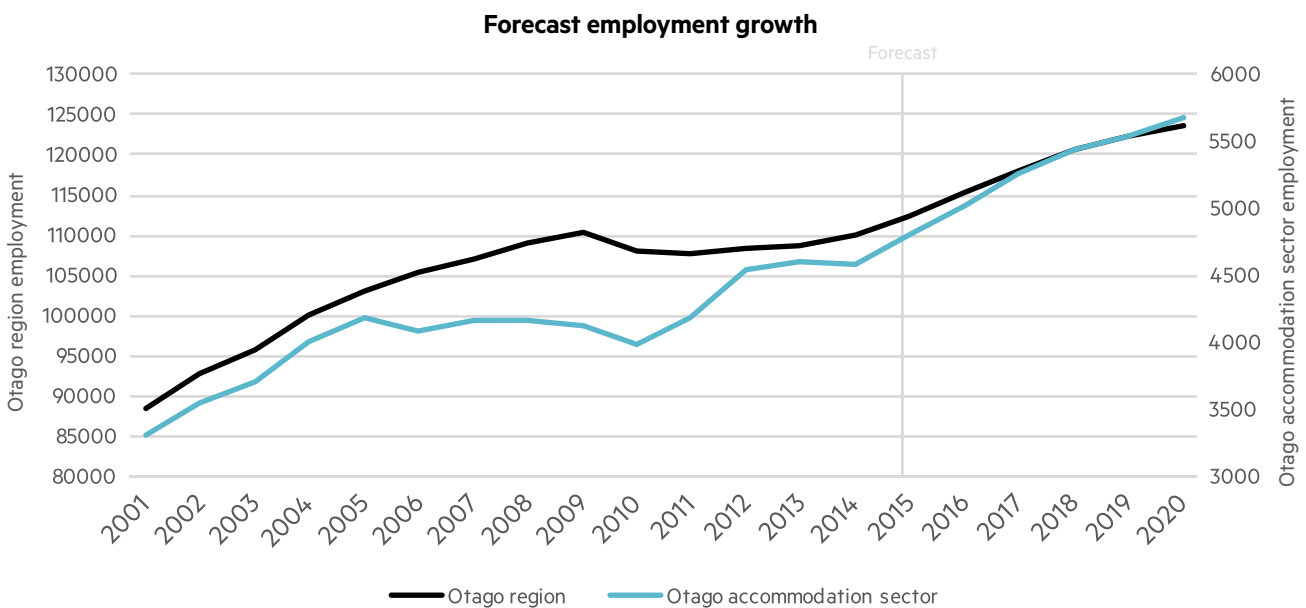
Accommodation contributed \$185 million to Otago's GDP in 2015, which was an increase of 8.5 per cent on the previous year and amounted to \$46,753 GDP per FTE.

The accommodation sector workforce is younger than the general Otago workforce. The largest proportion of the workforce are aged 20-24 years (14.6 per cent) followed by those aged 25-29 years (12.5 per cent) and 30-34 years (11.7 per cent). The sector is mostly European (78 per cent or 3,593 people) or Asian (12.4 per cent or 572 people), and female (61.3 per cent). Most of the people working in the sector were born in New Zealand (61.1 per cent), and the majority of the remaining people were born either in Europe (14.8 per cent) or Asia (11.3 per cent).

Just under a third of people working in the accommodation sector are working 40-49 hours a week (31.7 per cent or 1,458 people) and 18.4 per cent (or 847 people) work 30-39 hours. The number of people working 30-39 hours has increased since 2006, while the number of people working 50 or more hours has decreased.

Close to half of the workforce has no post-school qualifications (46.8 per cent or 2,154 people) and over a quarter of these people have no qualifications at all (27.9 per cent or 602 people). 39.5 per cent of people working in the accommodation sector in Otago have a qualification at Level 4 or above.

Employment in the accommodation sector has grown since 2000. While the sector experienced drops in 2006, 2009, 2010 and again 2014, there was strong growth in 2011 and 2012. The sector experienced growth of 4.6 per cent in 2015 and is expected to maintain this growth into 2020.



Cafés, bars and restaurants - Otago

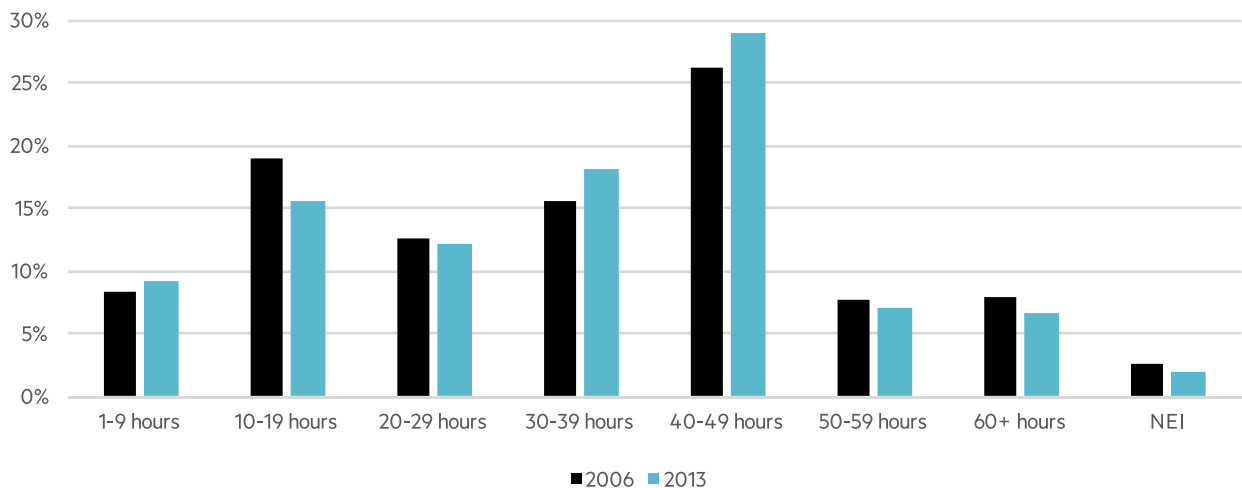
The café, bar and restaurant sector in Otago accounted for 5,700 jobs in 2015 (4,587 FTEs) and grew 3.6 per cent. In 2015, there were 736 café, bar or restaurant businesses, an increase of 4.9 per cent over five years. The sector contributed \$222 million in GDP to the region, an increase of 7.1 per cent on the previous year and the GDP per FTE was \$48,300.

Over a third of the people employed in cafés, bars and restaurants are aged between 15 and 24 years (37.6 per cent or 1,988 people). Females outnumber males (59 per cent versus 41 per cent) and the sector is predominantly European (81.7 per cent or 4,316 people). The majority of the people working in the sector were born in New Zealand (71.3 per cent), Europe (12.4 per cent) or Asia (10.2 per cent).

Over a third of the people employed in cafés, bars and restaurants are aged between 15 and 24 years.

Sixty-three per cent of people employed in cafés, bars and restaurants are working full time and there has been a notable shift away from part-time work. The sector is employing fewer young people (aged between 15 and 24 years) than it was in 2006, which may account for some of this shift (2,204 people in 2006 to 1,988 in 2013).

Employment by hours worked in main job, 2006 and 2013



While more than half of people have no post-school qualifications (53.7 per cent or 2,836 people), the number of people with Level 4 or higher qualifications has been increasing since 2006 to 30.3 per cent or 1605 people.

Employment declined in Otago's café, bar and restaurant sector in 2009 and 2010, and again in 2012. The outlook for the sector, however, is very positive. The sector recovered to its 2008 peak employment levels by 2014 and the sector is forecast to continue to grow strongly over the next five years

Catering - Otago

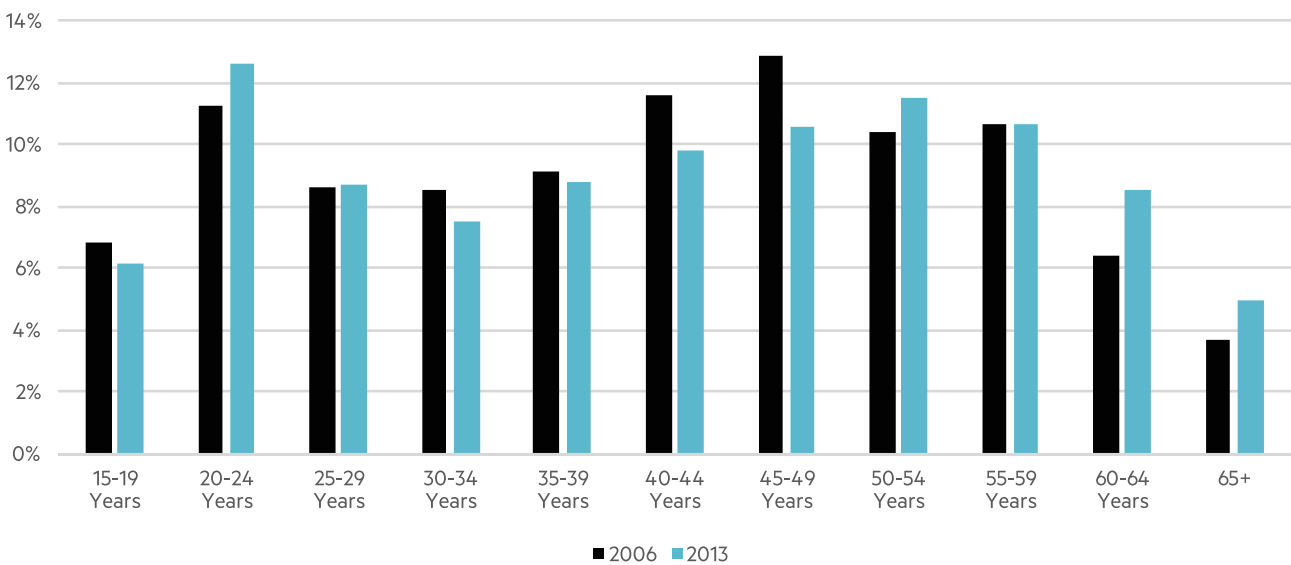
Catering in Otago accounted for 865 jobs in 2015 (721 FTEs), which was an increase on the previous year (0.6 per cent). In 2015, the number of catering businesses was up by 12 on the previous year (8.4 per cent) to 157.

The Otago catering sector contributed \$44.4 million to GDP in 2015, which was an increase of two per cent. The sector contributed \$61,587 to GDP per FTE.

The sector is predominately European (86.4 per cent or 700 people). The majority of the people working in the sector were born in New Zealand (76 per cent or 616 people) and Europe (10.2 per cent or 83 people).

Unlike most of the service sector, and catering nationally, Otago's catering sector has actually increased the number of staff it employs aged between 15 and 24 years.

Employment by age, 2006 and 2013

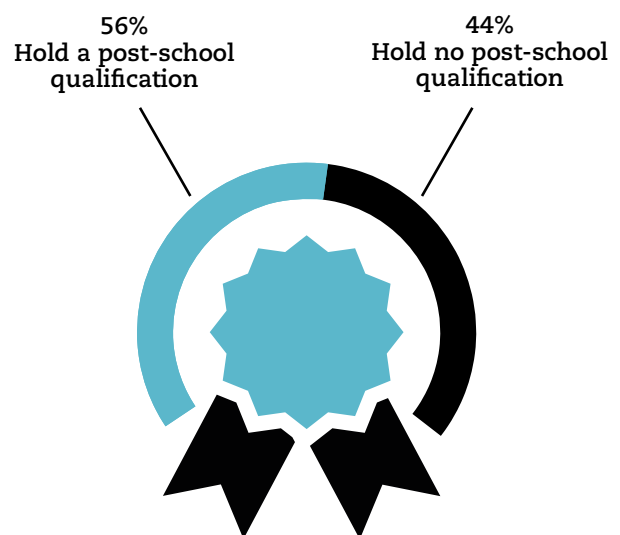


Females significantly outnumber males in catering (59 per cent versus 41 per cent) but the number of males has increased over time.

Sixty-four per cent of people working in the sector are working full time.

More than half of the people working in the catering sector have a post-school qualification (56 per cent or, 454 people). The sector also had a 50 per cent increase in the number of people working in the sector who have a Bachelor's Degree or higher.

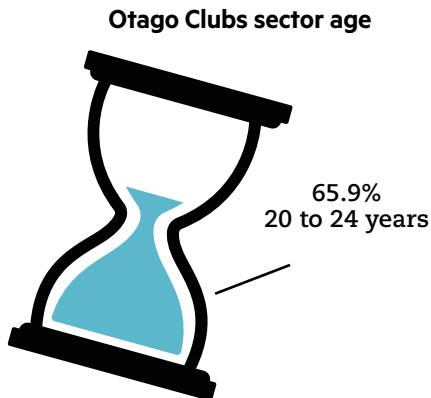
Employment in Otago's catering sector has grown overall since 2000. The sector reached peak employment levels in 2012, and is forecast to return to these by 2017 and continue growing strongly into 2020.



Clubs - Otago

The Otago clubs sector accounted for 223 jobs (174 FTEs), which was an increase of 10 per cent on the previous year. The number of clubs in Otago has been similar for the past five years with 32 clubs in 2011 and 34 in 2015.

In 2015, the sector contributed \$9.35 million to GDP, which was a 12 per cent increase on the previous year. The sector contributed \$53,629 to GDP per FTE.



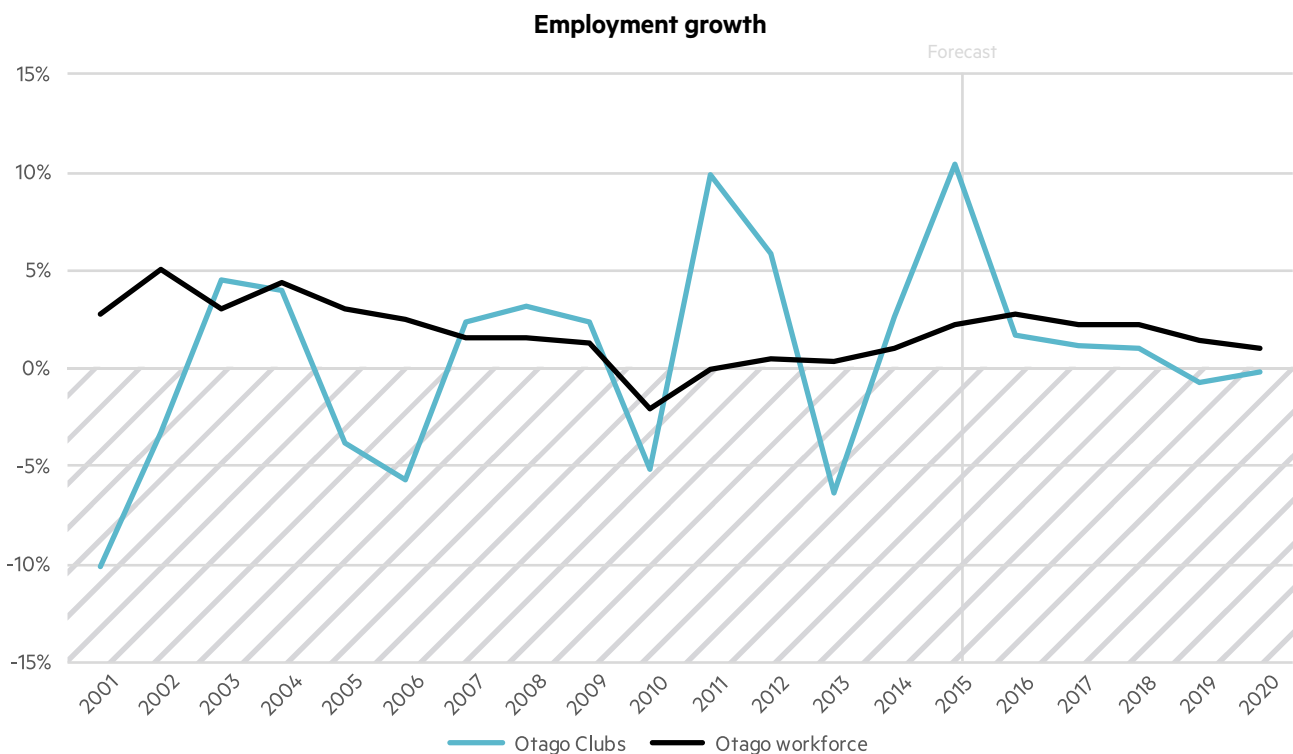
The sector is predominately European (87.9 per cent), Māori (6.8 per cent) or Asian (6.7 per cent) and the majority of the people working in the sector were born in either New Zealand (76.2 per cent or 150 people) or Europe (10.2 per cent or 20 people).

The largest age group employed in the clubs sector is 20-24 years (16.4 per cent or 32 people), and similarly to the catering sector, the sector is not ageing and is in fact employing more younger people than it was in 2006.

Females outnumber males (57 per cent versus 43 per cent) but the number of males employed in this sector has increased over time.

Over half of people employed in the sector are working full time (58 per cent); however, there is an overall trend towards working fewer hours, which may account in part for the increases in young people being employed. Close to half (48.5 per cent) of the sector have no qualifications, while 39.6 per cent are qualified at Level 4 or above.

The clubs sector returned to its peak 2000 employment levels in 2012 after choppy growth. The sector is set to grow moderately over the next three years.



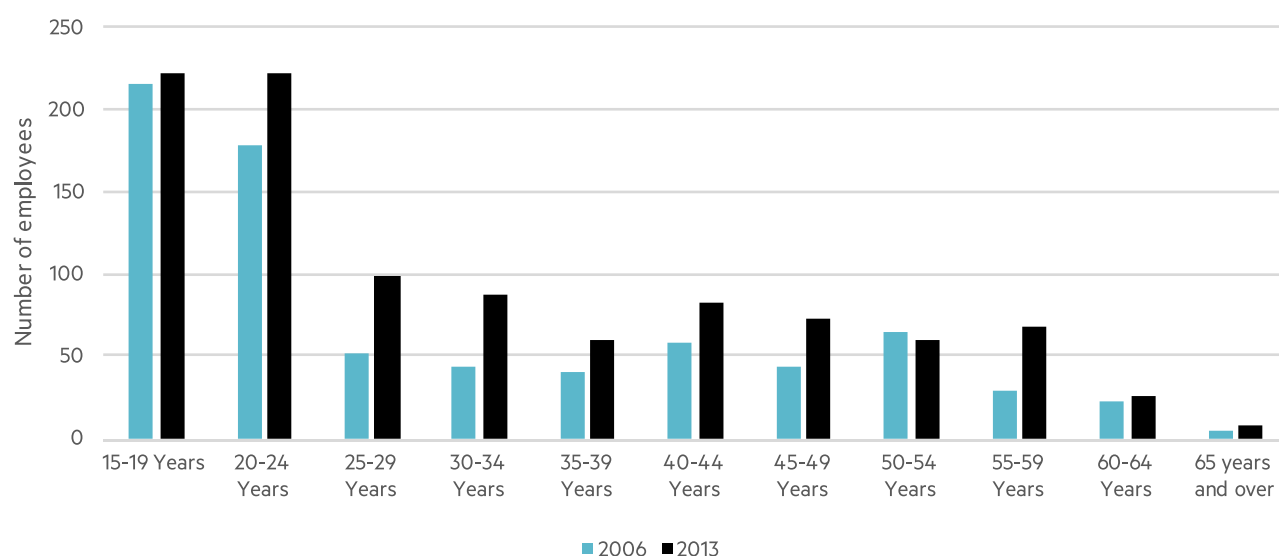
Quick Service Restaurants - Otago

Quick service restaurants in Otago accounted for 1,061 jobs in 2015 (813 FTEs), which was an increase of 1.9 per cent. In 2015, the number of quick service restaurant businesses in Otago fell by 5 per cent to 207.

The quick service restaurant sector contributes \$39.3 million to Otago's GDP, and this grew 6 per cent in 2015. Quick service restaurants make GDP per FTE contributions of \$48,275.

The sector is mostly European (63.7 per cent), Asian (31.8 per cent) and Māori (6 per cent). More women than men work in the quick service restaurant sector (57 per cent compared with 43 per cent) and this difference has remained stable since 2000. While the quick service restaurant sector still employs a significant number of young people (44.2 per cent are younger than 25 years), employment across most other age groups has increased.

Employment by age, 2006 and 2013



The percentage of people working in Otago's quick service restaurants who were born in New Zealand has been steadily decreasing (55.4 per cent), while the percentage (and number) of people born in Asian countries has increased to 27 per cent.

Forty-two per cent of people working in the quick service restaurants sector are working 40 hours or more a week, which is higher than the national average of 34.1 per cent.

The majority of people working in Otago's quick service restaurants have no post-school qualifications (67.2 per cent) and close to a quarter of these have no qualifications at all (24.1 per cent). The high number of young people working in the sector, some of whom will still be in school or training, will account for a lot of this (22.1 per cent are aged 15-19 years and 22.1 per cent are aged 20-24 years.) While the sector is attracting higher skilled people and/or helping existing staff to further develop their skill levels, a third of jobs in the quick service restaurant sector are considered medium to highly-skilled⁴ and this indicates that there is a potential skill shortfall, particularly at Levels 5 and above.

The quick service restaurant sector has been growing over the last few years. The sector experienced a minor dip in 2009, but is forecast to grow steadily heading into 2020.

⁴ **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.

Retail and retail supply chain - Otago

The retail and retail supply chain sector is the largest of the service sectors. Retail accounted for 17,416 jobs in 2015 (15,039 FTEs) and experienced growth of one per cent.

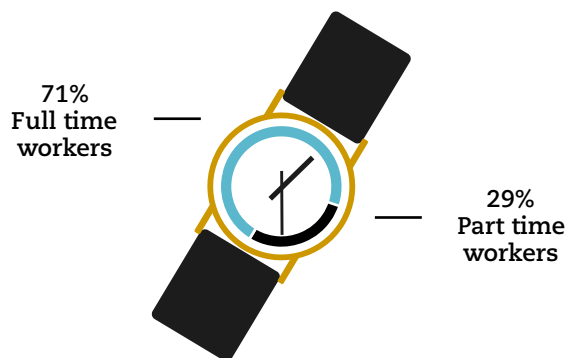
The Otago retail and retail supply chain sector contributed \$1,070 million to GDP in 2015; an increase of 3.5 per cent on the previous year. The sector contributed \$71,126 to GDP per FTE.

The number of retail businesses went from 3,081 in 2014 to 3,327 in 2015 (8 per cent increase).

The sector is employing fewer people aged 15-24 years than it was in 2006 – from 4,515 to 3,776. The 20-24 years age group continues to be the largest age group employed in the sector at 12.5 per cent (2,150 people); however, the biggest growth has been in people aged 50 years and over, with an increase of 30 per cent since 2006.

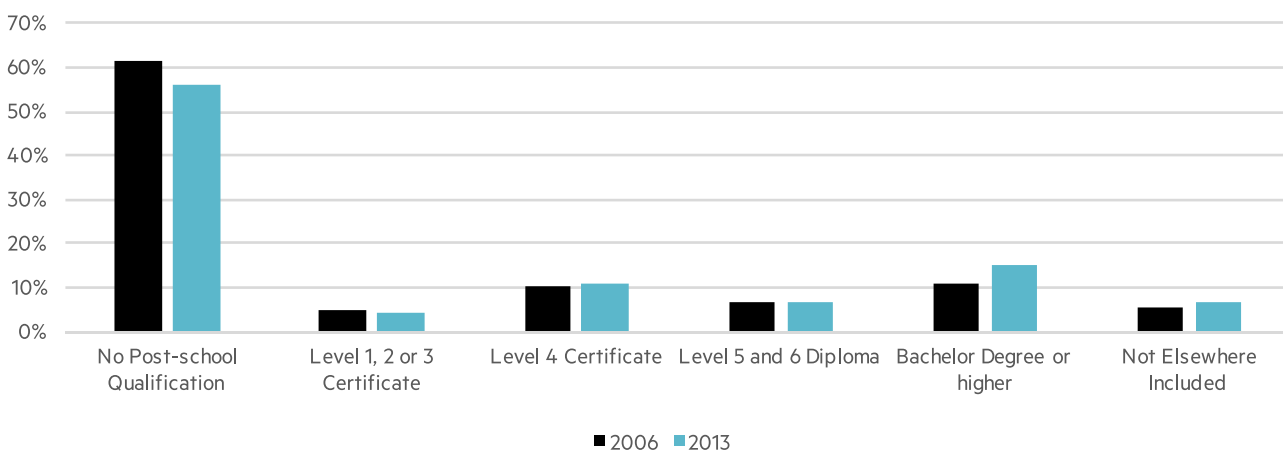
The sector is predominately European (90 per cent) and Māori (5.5 per cent). Most of the people working in Otago's retail sector were born in New Zealand (82.1 per cent or 14,163 people); 8 per cent were born in Europe (1,384 people). Females slightly outnumber males (53 per cent versus 47 per cent).

The majority of people employed in the retail and retail supply chain sector are working full time (71 per cent). The total hours worked has remained fairly constant between 2006 and 2013; however, fewer people are working 50 or more hours per week (11 per cent decrease).



People working in the retail sector are generally more qualified than they were in 2006. Fifty-six per cent of people have no post-school qualifications (9,693 people), which is a seven per cent improvement since 2006. Fifteen per cent have a Bachelor's Degree or higher (up from 10.8 per cent in 2006).

Employment by highest post-school qualification



Employment in the retail and retail supply chain sector hit a peak in 2009, and declined over 2010 and 2011, and again in 2014. The sector is forecast to return to its peak levels by the end of 2016 and continue growing into 2018.

Aviation - Southland

Southland's aviation sector grew by 6.2 per cent in 2015, and it accounted for 158 jobs in 43 businesses.

The aviation sector contributes \$17.7 million to GDP in Southland, which was up by 6.6 per cent on the previous year. Aviation makes a significant GDP per FTE contribution of \$119,521.

Employment in the sector has remained consistent since 2006. The sector continues to attract young people, most notably people aged between 20 and 24 years, and it is not ageing at the same rate as the aviation sector in other regions. The two largest age groups are 20-24 years and 40-44 years old (12.6 per cent each).

The sector is predominately European (93 per cent) and male (73 per cent). The percentage of people identifying as Asian or Māori has increased over the years; however, the number of women working in the sector is less than it was in 2006.

Employment by ethnicity



Most of the people working in the sector are born in New Zealand (83.1 per cent or 119 people) or Europe (9.3 per cent or 13 people). The number of people born in New Zealand has decreased slightly since 2006.

The majority of people working in the aviation sector are working full time, but the trend is towards fewer hours overall. In 2013, people were working 40.5 hours on average, whereas in 2006 it was 44.5 hours. Since 2006, the percentage of people with no qualification has decreased from 45.3 to 41.4 per cent and the percentage with a qualification at Level 4 or above has increased from 42.4 per cent to 46.6 per cent.

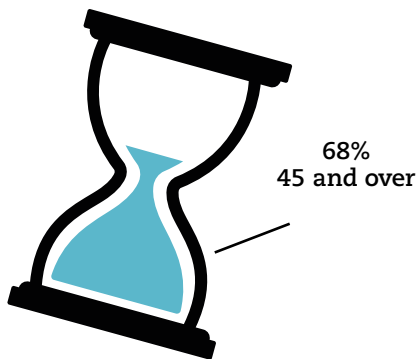
Employment in the aviation sector has grown overall since 2003, but it experienced drops in employment in 2008 and 2011. In 2014 and 2015, employment growth in the sector reached new peaks. While the sector will continue to grow over the next five years, with growth of between one and four per cent forecast, the majority of employment will be replacement openings, rather than new jobs over this time.

Museums - Southland

The museum sector in Southland accounted for 41 jobs in 2015 (35 FTEs), which was down by 17.5 per cent on the previous year. The number of museum businesses in Southland has remained the same for the past four years at 13.

In 2015, the sector contributed \$2.41 million to GDP, 15.1 per cent less than 2014. Museums contributed \$68,956 GDP per FTE.

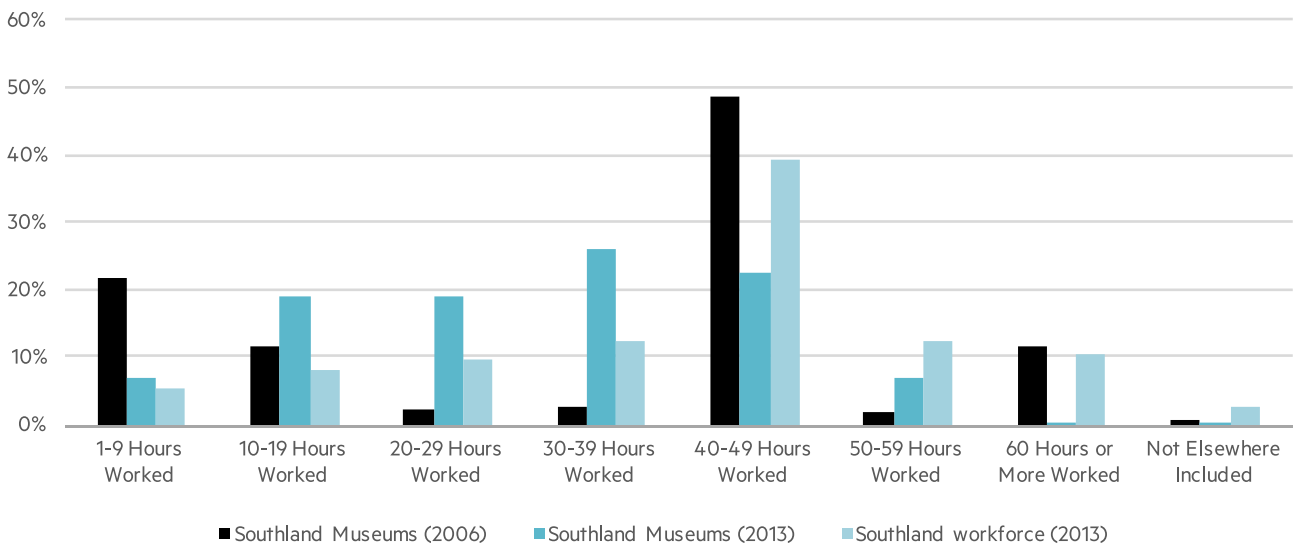
Southland Museums sector age



The museum sector is increasingly European (92.3 per cent) and Māori (14.8 per cent)⁵. Most of the people working in the sector are either born in New Zealand (91.8 per cent or 43 people) or Europe (7.5 per cent or three people). The national sector has the oldest demographic of all the service sectors with 48 per cent of people aged 45 and over; in Southland 68 per cent of workers are aged 45 and over; a fifth are aged 65 or over. In 2006, there were no people aged under 30 working in the sector, there are now three.

Sixty-three per cent of people working the museum sector are working full time; however, the shift is towards part-time hours. While 40.2 per cent of those employed in the museum sector have no qualification, 59 per cent have a qualification at Level 4 or higher.

Employment by hours worked in main job



The museum sector reached peak employment levels in 2014, but dropped back in 2015. The sector will grow modestly over the next three years, but job openings will mainly be replacement roles rather than new jobs.

⁵ Individuals can identify with more than one ethnicity

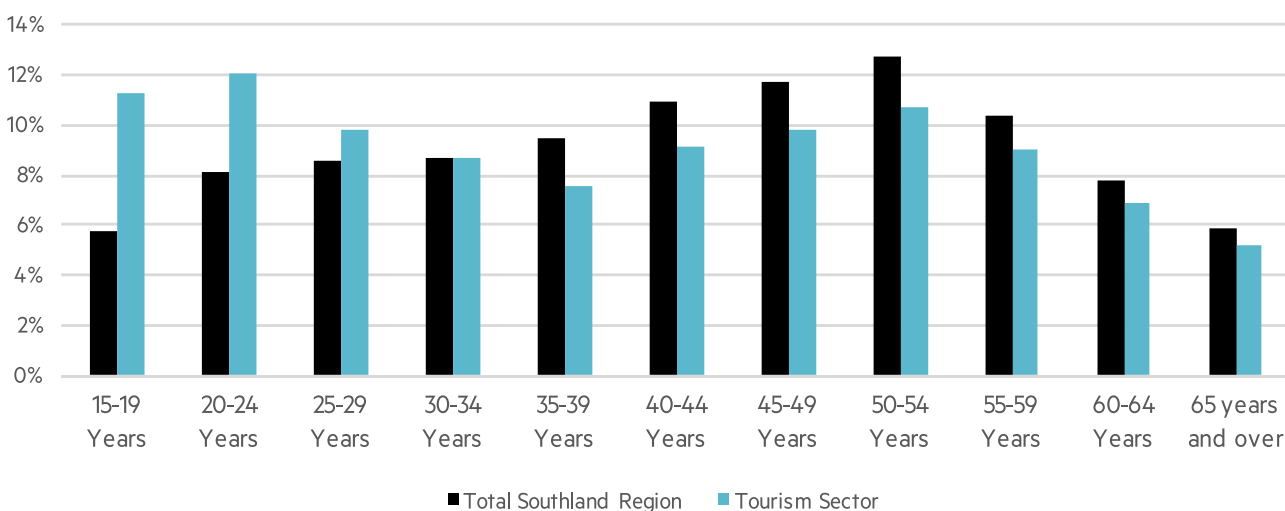
Tourism - Southland

The Southland tourism sector in 2015 employed 3,269 people (2,754 FTEs), a decrease of 0.4 per cent from the previous year. There were 577 businesses in the sector, an increase of 3.3 per cent.

The sector contributed \$151 million to GDP, an increase of 1.4 per cent and the GDP per FTE was \$54,816.

The tourism sector workforce in Southland is younger than the Southland regional workforce. The largest age group is between 20 and 24 years old (12 per cent) followed closely by those aged 15-19 years (11.3 per cent). However, the number of workers in these two age groups has dropped since 2006 while there has been a significant increase in workers over 60 years old.

Employment by age in tourism and the overall Southland workforce (2013)



The majority of the workforce was born in New Zealand (85 per cent), followed by Asia (4.9 per cent) and Europe (4.8 per cent). The workforce is predominantly European at 87.4 per cent, while 11.2 per cent identify as Māori and 5.6 per cent as Asian. The size of both these latter groups have increased since 2006. Female workers account for 59.3 per cent of the workforce.

In 2015, 11.2 per cent of the sector was self-employed, which is lower than the total Southland economy's self-employment rate of 16.7 per cent. Over the past five years the self-employment rate in the tourism sector increased, while in the overall economy, the self-employment rate declined.

Less than half of the people in the Southland tourism sector work between 30 and 49 hours per week (48.5 per cent), 33.7 per cent work less than 30 hours per week in their main job compared to 22.9 per cent in the total Southland economy. Over half (52.8 per cent) have no post-school qualification while over one third (34.4 per cent) are qualified at Level 4 or above.

While employment in the tourism sector in Southland grew rapidly between 2000 and 2005, it has slowed down in the subsequent years with negative growth in 2009, 2011, 2013 and 2015. While there is fairly modest growth forecast in the four years to 2020, the majority of job openings over the coming years will be due to job replacements.

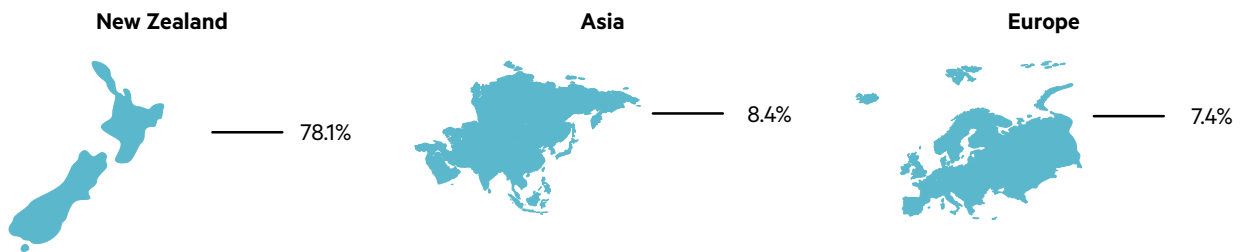
Travel - Southland

The Southland travel sector accounted for 69 jobs (62 FTEs) and grew by 8.5 per cent in 2015. The number of travel-related businesses has fluctuated over the past eight years with 34 businesses in 2015, six more than in 2014 ,although only two more than in 2008.

The travel sector contributed \$3.62 million to Southland GDP in 2015, an increase of 5.8 per cent over the 2014 figure. The GDP per FTE contributions were \$58,192, above the national travel sector GDP per FTE of \$54,585.

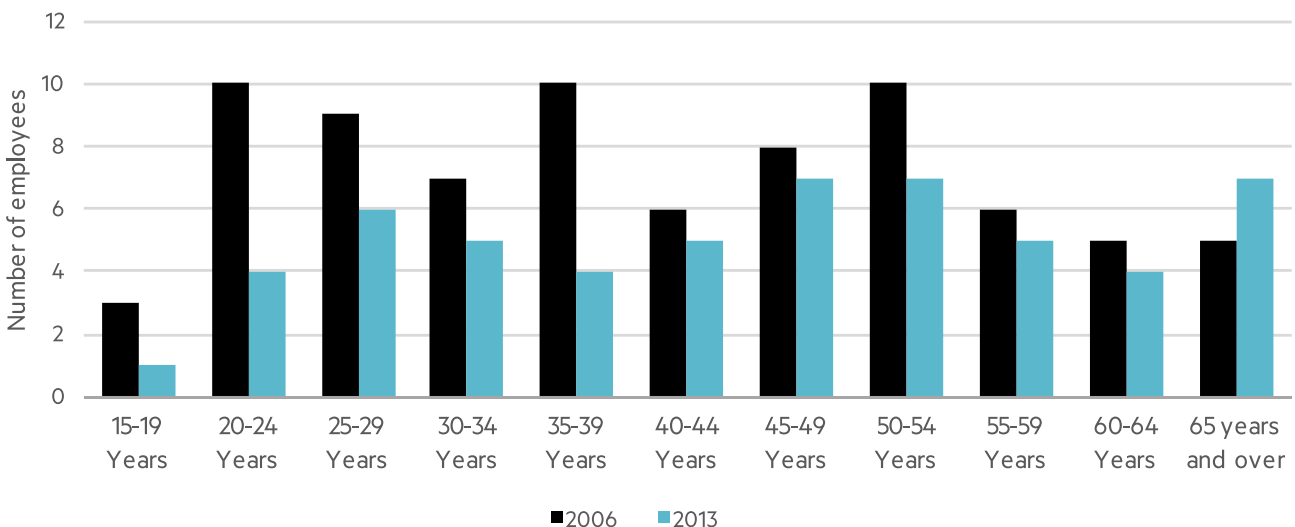
Most people (78.1 per cent), working in the sector were born in New Zealand, 8.4 per cent were born in Asia and 7.4 per cent in Europe.

Travel sector by country/region of birth



The age of the workforce has changed substantially since 2006; it is now fairly evenly distributed across most age ranges. While the number of employees aged over 65 years has increased since 2006, there have been decreases in all other age ranges, with the most significant decreases in the number of people under 40 years old.

Employment age in the Southland travel sector 2006 and 2013



Most people working in the travel sector are working full time (77 per cent) and a third of people working in the travel sector are self-employed. Almost half (48.4 per cent) have no post-school qualification and 38.3 per cent have a qualification at Level 4 or above.

Employment in the travel sector peaked in 2005 at 99 jobs then dropped substantially in 2006 and 2007, falling 42 per cent in two years. Growth has continued to fluctuate but is forecast to stabilise, and employment levels to remain unchanged over the next five years with job openings due almost entirely to replacement roles rather than new jobs.

Accommodation - Southland

The Southland accommodation sector accounted for 933 jobs in 2015 (770 FTEs) and grew 1.7 per cent. There were 219 accommodation businesses in the region, an increase of 10.6 per cent over five years.

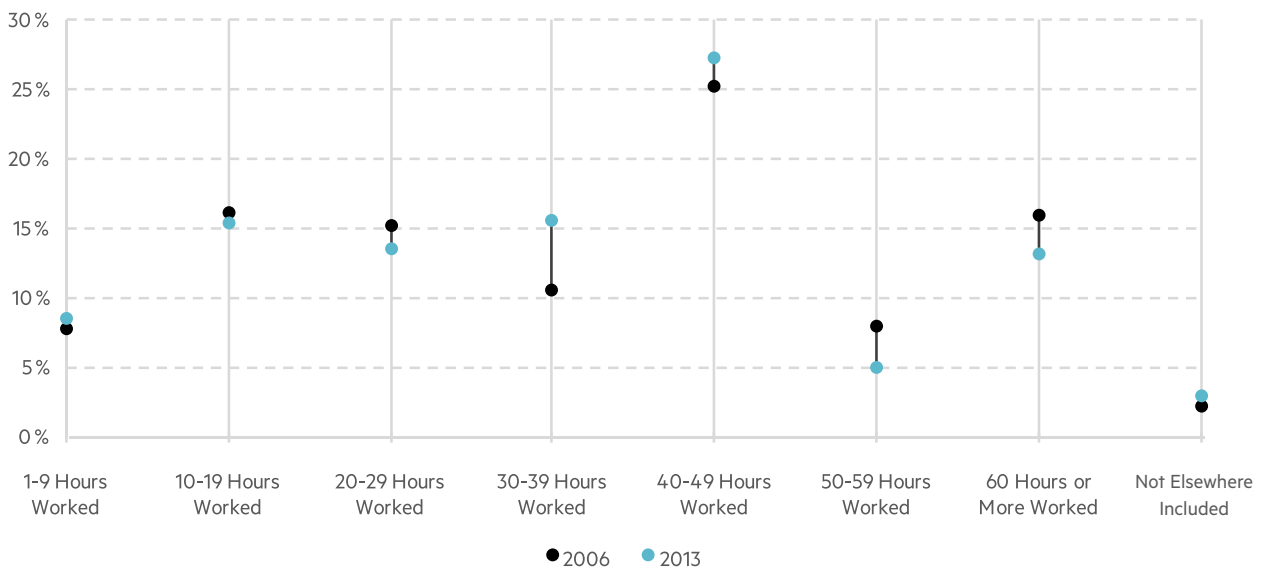
Accommodation contributed \$31.7 million to Southland GDP in 2015, an increase of 5.8 per cent on the preceding years and the GDP per FTE was \$41,179.

The Southland accommodation sector workforce is ageing, the largest age group in 2013 was 55-59 years (12.2 per cent) while in 2006 the largest age group was 20-24 years (11.9 per cent). The number of employees under 25 years decreased by 30 per cent.

The Southland accommodation sector is predominantly female (73 per cent of the workforce). Most of the people are European (87.7 per cent) and Māori (10.6 per cent). The majority of the workforce was born in New Zealand (83.4 per cent) although this has decreased from 2006 when 87.6 per cent of the workforce was born in New Zealand.

Over half of the workforce has no post-school qualifications (57.4 per cent), and of this, 39 per cent has no qualifications at all. 13.5 per cent are qualified at degree level or above. For the most part, people working in the accommodation sector are working full time (63 per cent) but the number working more than 50 hours a week has decreased since 2006.

Hours worked in the accommodation sector 2006 and 2013



Employment in accommodation reached a peak in 2007 with 1,083 employees, but rates fell from 2008 to 2012 and again in 2014. The sector grew again in 2015 and is forecast to grow by 2.1 per cent per year to 2017 to 981 employees. For the next five years, however, most job openings in the sector will be due to replacement roles rather than new openings.

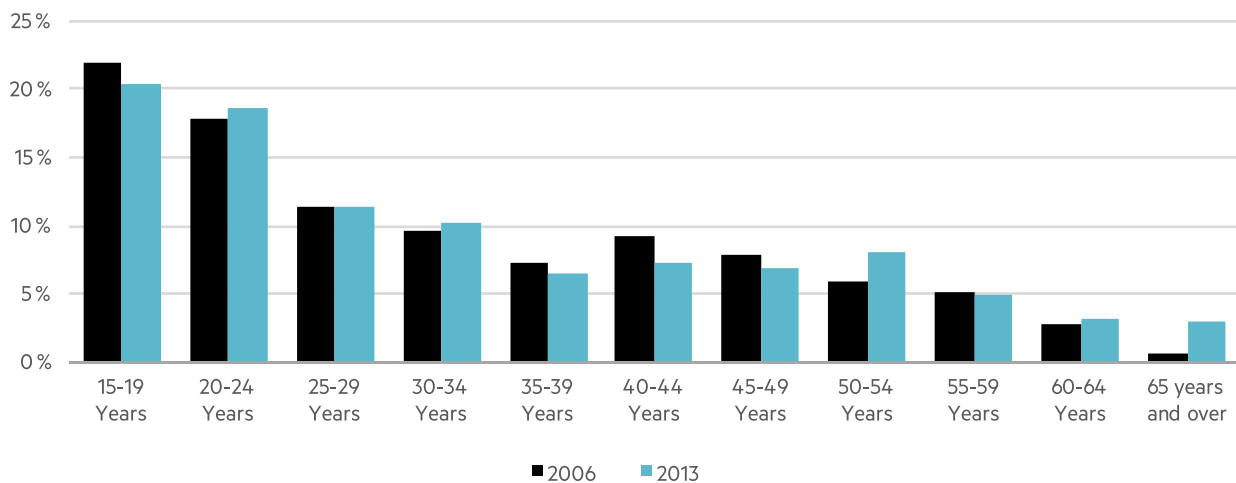
Cafés, bars and restaurants - Southland

The café, bar and restaurant sector in Southland accounted for 1,557 jobs in 2015 (1,255 FTEs) and grew by 0.3 per cent. There were 201 businesses and this number has been fairly stable for the past five years.

Cafés, bars and restaurants contributed \$51.3 million to Southland GDP in 2015, which was an increase of 3.9 per cent on 2014. Cafés, bars and restaurants contributed \$40,851 GDP per FTE.

The café, bar and restaurant workforce is predominantly young and only 56 per cent work full time. One fifth of the people employed in café, bars and restaurants in Southland are under 20 years old and over half are under 30. However, the average age of the workforce has increased; 10 employees were aged 65 or over in 2006 while in 2013 that number more than quadrupled to 45.

Employment by age in Southland cafés, bars and restaurants



The sector is predominantly European (83.9 per cent) followed by Māori (15.4 per cent) and Asian (7.7 per cent). The majority of the workforce was born in New Zealand (83.6 per cent) and Asia (7 per cent). Females outnumber males at a rate of over two to one (68 per cent female and 32 per cent male). 60.1 per cent of people working in this sector hold no post-school qualification, while only 21.6 per cent are qualified at Level 4 and above.

Employment declined in Southland's café, bar and restaurant sector to 2015, but is forecast to grow over the next three years to peak levels of over 1,600 by 2018. The majority of job openings in this sector are likely to be replacement roles rather than new openings.

Catering - Southland

Catering in Southland accounted for 285 jobs in 2015 (240 FTEs), which was an increase of three per cent on the previous year. There were 67 catering businesses, three more than the previous year (an increase of 5.5 per cent).

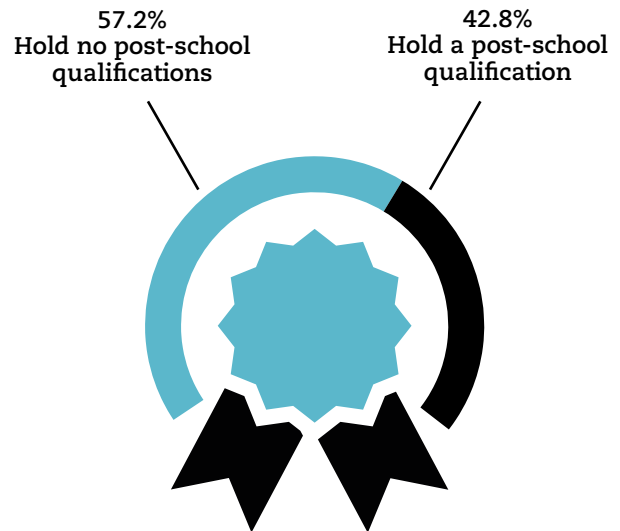
The sector contributed \$16.6 million to Southland GDP in 2015, an increase of 3.8 per cent. The GDP per FTE was \$68,434.

The Southland catering sector is fairly evenly distributed across all age ranges; the largest age group is 50-54 years with 34 employees, while the smallest age group is those aged 25-29 years and over 65 years old, with 18 workers each.

The majority of people working in the Southland catering sector have no post-school qualification (57.2 per cent) and over 40 per cent of those have no qualification at all; 17 per cent have a post-school Certificate at Level 1, 2, 3 or 4; 7.3 per cent hold a Level 5 or 6 Diploma; and 11 per cent hold a Bachelor's Degree or higher.

The majority of the sector is female (71 per cent compared to 29 per cent male) and European (86 per cent), and most workers were born in New Zealand (86.6 per cent); 64 per cent of people working in the sector are working full time.

Employment in the Southland catering sector has fluctuated over the years, but it is forecast for moderate growth over the next five years, increasing 8.8 per cent by 2020. The majority of job openings over this time will be replacement roles.

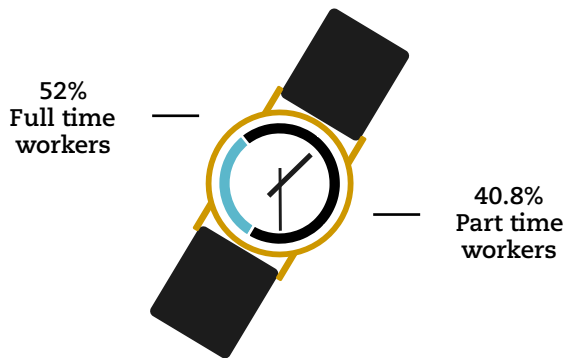


Clubs - Southland

The Southland clubs sector accounted for 134 jobs (104 FTEs) in 2015, this number has been stable for the past five years. There were 17 businesses operating in 2015, a decrease from 2011 when there were 20 businesses.

The sector contributed \$4.48 million to GDP, which was a 2.7 per cent increase on the previous year. The sector contributed \$42,953 to GDP per FTE.

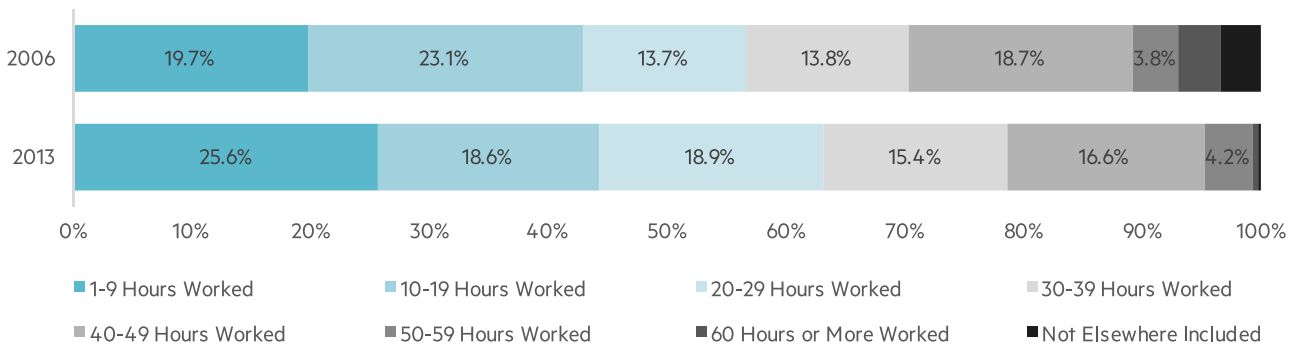
The largest age group employed in the club sector is 15-19 years (17 per cent or 22 people), and the sector has had big increases in the number of younger people employed, in 2006 18 workers were under 25 years while in 2013 this had doubled to 36 workers.



The majority of the workforce is female (89 females and 45 males), born in New Zealand (88.5 per cent), and European (92.2 per cent), with 11.2 per cent Māori.

Only 38 per cent of the Southland clubs sector is employed full time, and the proportion working less than 30 hours a week has increased since 2006. This may account in part for the increases in young people being employed.

Southland club sector hours worked 2006 and 2013



The percentage of people with no post-school qualification is higher than for the clubs sector nationally (67.9 per cent compared to 56.8 per cent nationally) and there are less people qualified at Level 4 and above (16.8 per cent compared to 26.2 per cent nationally).

The clubs sector returned to its peak 2000 employment levels in 2012 after choppy growth. The sector is set to grow moderately over the next three years.

Quick service restaurants - Southland

Southland's quick service restaurant sector accounted for 433 jobs in 2015 (332 FTEs), which was an increase of 5.8 per cent.

Quick service restaurants contribute \$12.7 million to Southland's GDP, and this grew 10.1 per cent in 2015. Quick service restaurants make GDP per FTE contributions of \$38,216.

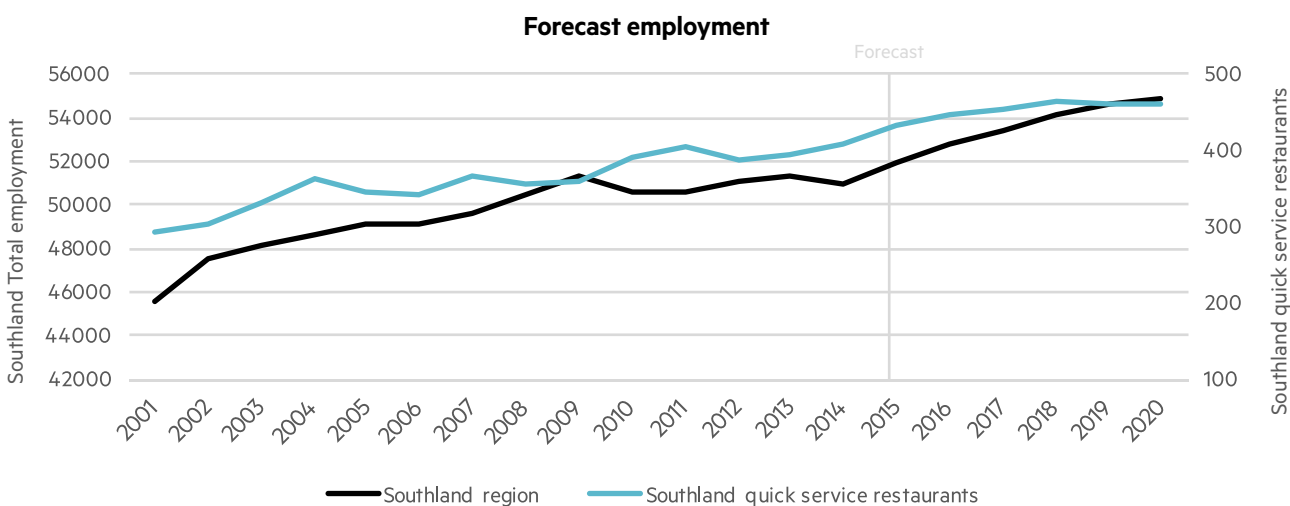
In 2015, the number of quick service restaurant businesses in Southland fell by four businesses (five per cent) to 76.

Compared to the rest of the Southland service sector, the quick service restaurant sector has the highest proportion of 15-19 year olds in the workforce. While the quick service restaurant sector employs a significant number of young people (44 per cent are younger than 25 years), employment across most other age groups has increased since 2006.

The sector also employs the highest proportion of people born outside New Zealand. This percentage has grown from 30.4 per cent in 2006 to 35 per cent in 2013. The increase is most noted in those born in Asia, an increase from 12.6 per cent in 2006 to 21.3 per cent in 2013. The workforce is mostly European (69.1 per cent), Asian (24.5 per cent) and Māori (11.8 per cent). More women than men work in the quick service restaurant sector (64 per cent compared with 36 per cent), and this difference has remained stable since 2000.

Fifty-three per cent of people who are working in the quick service restaurants sector are working full time. The majority of people employed have no post-school qualifications (73.4 per cent) and over a third of these have no qualifications at all (34.5 per cent). The high number of young people working in the sector, some of whom will still be in school or training, will account for a lot of this. A third of jobs in the quick service restaurant sector are considered medium to highly-skilled⁶ and this indicates that there is a potential skill shortfall, particularly at Levels 5 and above, as only 17.3 per cent are qualified at this level or above.

Employment in the quick service restaurant sector has fluctuated, but is forecast to grow for the next three years.



⁶ **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.

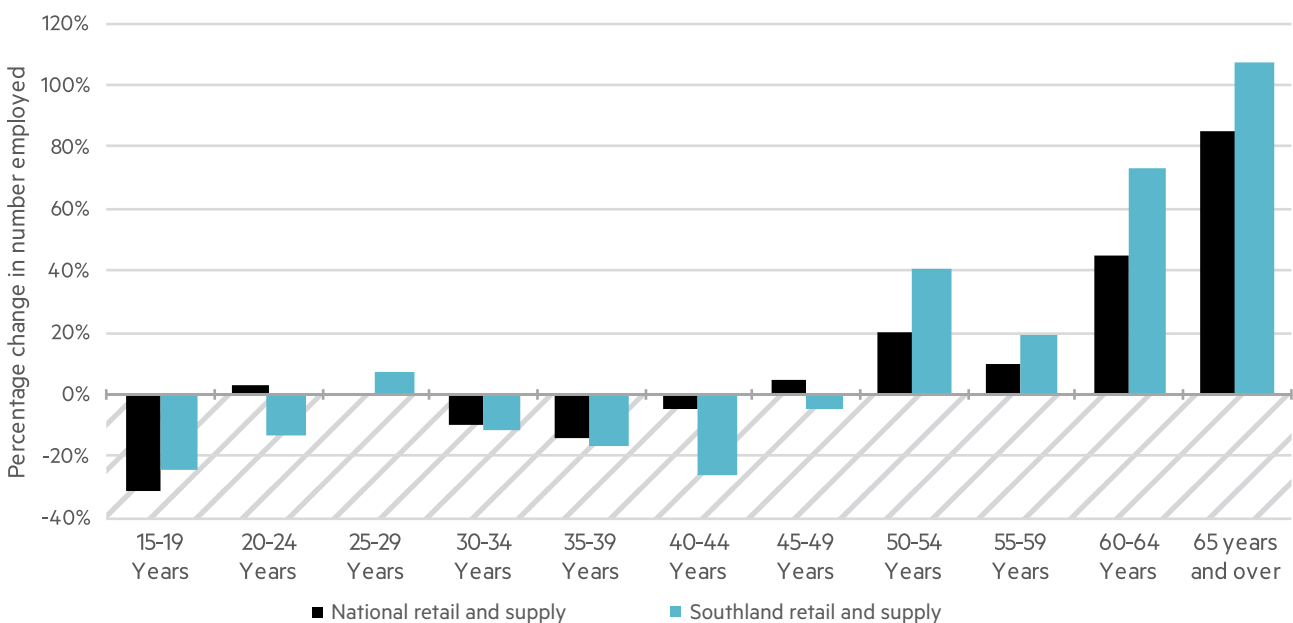
Retail and retail supply chain

The retail and retail supply chain sector is the biggest sector within the service sectors. Retail accounted for 7,664 jobs in Southland in 2015 (6,702 FTEs) and experienced growth of one per cent. The number of retail businesses increased by 30 from 2014 to 1,342 in 2015 (2.4 per cent increase).

The Southland retail and retail supply chain sector contributed \$510 million to GDP in 2015; an increase of 2.7 per cent on the previous year. The sector contributed \$76,043 to GDP per FTE.

Although the number of people employed in the Southland retail and retail supply chain sector increased, the sector is employing fewer people aged 15-24 years than it was in 2006 – from 1,792 to 1,453. The largest increases have been in workers aged over 50, this trend is seen in the national retail and retail supply chain workforce but is more pronounced in Southland, where the number of people over 65 has more than doubled from 179 in 2006 to 370 in 2013.

Change in Age in the Southland and National retail and supply workforce 2006 to 2013



The sector is predominantly European (91.6 per cent) and Māori (9.2 per cent). Most of the people working in Southland's retail sector were born in New Zealand (91 per cent). Females outnumber males in the retail and retail supply chain sector (55 per cent versus 45 per cent) and this has been consistent since 2000.

The majority of people employed in the sector are working full time (72 per cent) and the total hours worked remained fairly constant between 2006 and 2013.

People are generally more qualified than they were in 2006, with fewer staff having no qualification, (1,758 in 2013 compared to 2,068 in 2006), and more qualified at Level 4 and above (1,884 in 2013 compared to 1,652 in 2006).

Employment growth in the retail and retail supply chain sector is forecast to hit a peak in 2020 of over 7,900 employees. While this equates to 241 new roles over five years, the majority of job openings in the sector will be replacement positions (1,786 roles).

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