

Service IQ
SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR — Bay of Plenty —



2017/2018

CONTENTS

Introduction	i
Service Sector Workforce Development Plan	1
Current position	2
Vision for the Bay of Plenty’s service sector	6
Initiatives for the Bay of Plenty service sector	7
Attract and retain people with the right attitude and aptitude	8
Increase the numbers of able people transitioning to work.....	9
Increase access to and engagement with training.....	9
Develop and maintain high quality qualifications and programmes that meet the needs of industry.....	10
Increase productivity by developing core skills.....	10
Improve business and management capability.....	10
The Bay of Plenty service sector – sector by sector	11



Introduction

The Bay of Plenty has a rich cultural heritage and offers unique lifestyles and great holiday destinations. The region boasts world-class services and globally renowned natural beauty.

Success as a destination relies on excellent service standards provided by a first-class workforce sharing the culture and manaakitanga of 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 Bay of Plenty

The Workforce Development Plan highlighted the need for service sector workforce development at a regional level. The service sector workforce roadmap provides a Bay of Plenty 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 Bay of Plenty 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 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 Bay of Plenty

ServiceIQ hosted two workshop meetings in Rotorua in September and November 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 the Bay of Plenty 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 Bay of Plenty service sector taking leadership and regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Bay of Plenty regional roadmap action plan.

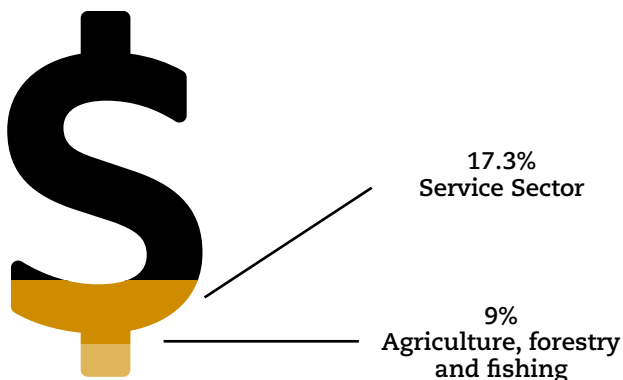
As of the 2013 Census, 267,741 people usually live in the Bay of Plenty region and the majority of the population (68 per cent) lives in the two main urban areas of Rotorua (24 per cent) and Tauranga (43 per cent). The population has increased by 4 per cent since the 2006 Census, due mostly to the rapid growth of Tauranga City, and Tauranga is projected to be in the top six territorial authority areas for population growth. Bay of Plenty is known for tourism and Rotorua in particular has a well-established and mature tourism model. Establishing Rotorua as a globally recognised destination was identified as a key opportunity for economic growth in the Toi Moana Bay of Plenty Regional Growth Study report¹.

In recent years, Bay of Plenty has lagged behind other regions in GDP growth and the Bay of Plenty GDP per capita of \$43,159 sits below the national average of \$52,953. In addition, the rate of employment in Bay of Plenty is 63.4 per cent, which sits below the national average of 65.2 per cent. In 2009 and 2010, the levels of employment in Bay of Plenty dropped (global financial crisis) but since then the numbers have steadily increased (save for a small dip in 2013) and employment is forecast to continue to increase.

Service sector in Bay of Plenty

The service sector currently makes a significant contribution in the Bay of Plenty, particularly in tourism. In 2015, the service sector accounted for 17.3 per cent of the region's GDP (\$1,845 million in 2010 prices); by comparison agriculture, forestry and fishing accounted for 9 per cent.

Contribution to the Bay of Plenty GDP (2015)



The service sector covers:

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

Eighteen per cent of businesses in the Bay of Plenty are in the service sector and the sector employs over 31,000 people or 23.2 per cent of all workers. (By comparison the kiwifruit industry employs about 6,000 people.) Seventy-eight per cent of the service sector workforce in the Bay of Plenty were employed in the two main urban areas of Rotorua and Tauranga (28 per cent in Rotorua and 50 per cent in Tauranga). It is expected that the Bay of Plenty's service sector will have reasonably strong growth to 2020, and combined with a forecast replacement rate of just under 5 per cent, the sector will have to fill nearly 9,000 job openings over the next four years.

¹ Ministry for Business, Innovation and Employment (2015) Toi Moana Bay of Plenty Regional Growth Study

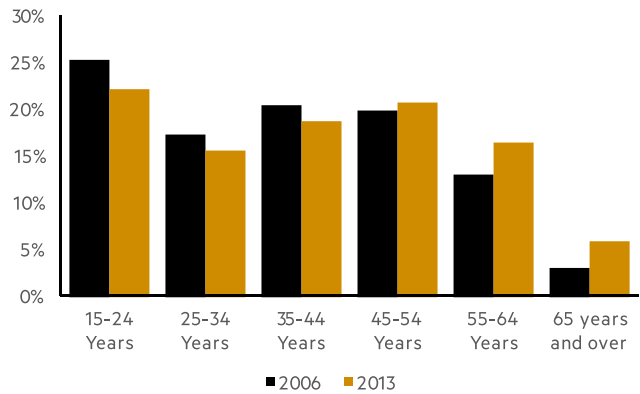
The service sector workforce in the Bay of Plenty is younger than the total Bay of Plenty workforce. The largest age group is 15-24 years old; however, the proportion of the workforce in this age group has decreased since 2006. The proportion of the service sector workforce 65 years and over has nearly doubled (from 3.1 to 5.9 per cent), which reflects the changes in the national service sector workforce, and the 'ageing' pattern is evident in both Rotorua and Tauranga.

Fifty-five per cent of the Bay of Plenty service sector is female compared with 49 per cent of the total workforce in the region. The distribution is similar in both Rotorua (55 per cent female) and Tauranga (54 per cent female), although slightly lower in Tauranga.

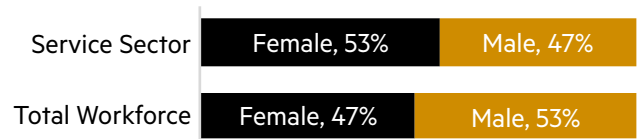
The ethnicity of the service sector in the Bay of Plenty varies across the region. While 18.8 per cent of the overall Bay of Plenty service sector workforce is Māori, it is 26.8 per cent in Rotorua and 12.2 per cent in Tauranga. In both these locations, and in the region overall, this percentage is lower than in the total workforce². The proportion of the service sector workforce identifying as Asian also varies from 9 per cent overall to 13.7 per cent in Rotorua and 7.4 per cent in Tauranga. The percentage is higher than in the total workforce and it has increased since 2006, which is due, at least in part, to the increase in the number and proportion of the Bay of Plenty service sector workforce born overseas and in Asia in particular. In 2013, 22.9 percent of the sector was born outside New Zealand compared to 17.6 per cent in 2006, and the largest increase is seen in those born in Asian countries, from 4.1 per cent in 2006 to 7.7 per cent in 2013.

Like most regions, the Bay of Plenty service sector workers are less likely to have a post-school qualification; 56.8 per cent have no post-school qualification compared to 44.8 per cent of the total Bay of Plenty workforce. This proportion is similar in Rotorua (56.7 per cent) and Tauranga (55.3 per cent). Since 2006, there has been a decrease in the number of workers with no-post school qualification; however, the proportion is still higher than in the national service sector workforce (53.9 per cent). Based on industry feedback, the optimal qualification level for the majority of work in the service sector is Levels 1 to 3.

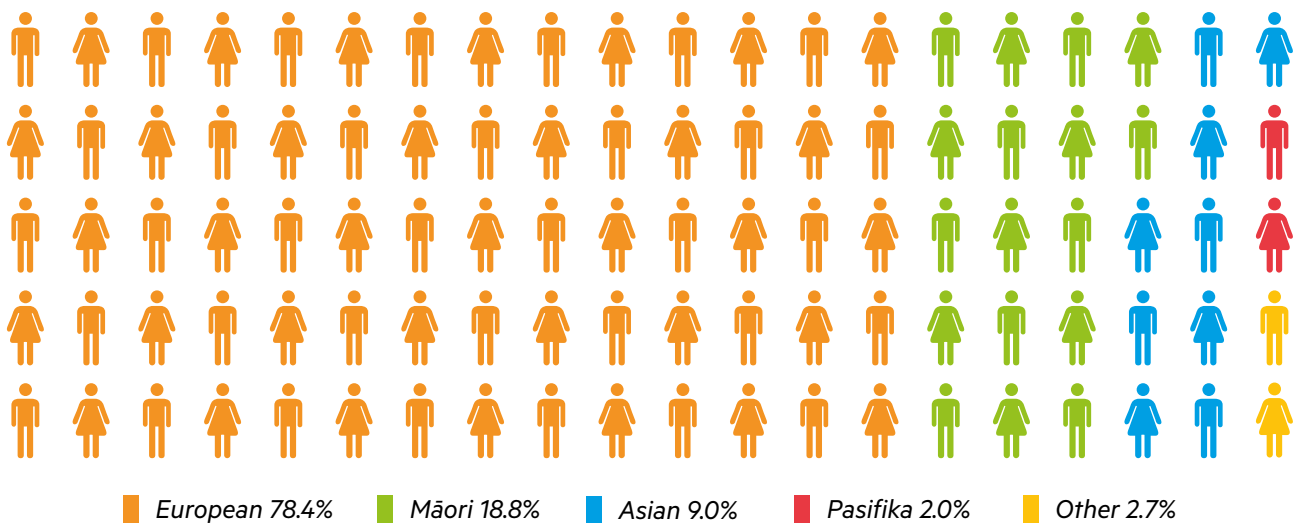
Age of the Bay of Plenty Service Sector workforce in 2006 and 2013



Gender of the Bay of Plenty workforce



Ethnicity of the Bay of Plenty service sector



² Census respondents may choose to identify with more than one ethnicity.

Challenges to supply and demand facing the Bay of Plenty

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 Bay of Plenty service sector is forecast to have almost 9,000 job openings. The rate of job openings, including new jobs, voluntary attrition and retirement, averages at 5.6 per cent per annum.

Employee turnover costs between 50 to 300 per cent base salary per person³. 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.

*Employee turnover costs between **50%** to **300%** base salary*

With a population on the increase and a growing tourism industry, the Bay of Plenty service sector has challenges ahead.

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 Bay of Plenty has a relatively high proportion of young people not in employment, education or training (NEET)⁴, which represents a possible source of new service sector talent, particularly among its young Māori. The relative proportion of NEETs may also suggest challenges relating to work readiness and capability relevant to the workplace. MBIE reported that Rotorua youth are experiencing barriers to entering the workforce, such as poor educational attainment, lack of family support, poor access to career advice, and limited employment opportunities, while employers in the Bay of Plenty have reported issues with young people not being "work ready" and with limited soft skills⁵.

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

Accelerating the growth of Māori enterprise

Māori make a significant contribution to the Bay of Plenty's economy, both in terms of the labour force and business. Close to 30 per cent of the Bay of Plenty's population identify as Māori (67,662), and Māori comprise 18.8 per cent of the service sector workforce in the Bay of Plenty (5,807 people). Huge opportunity exists for accelerating the growth of businesses already operating in the region, but also in realising opportunities, particularly those relating to tourism.

*Close to **30%** of the Bay of Plenty's population identify as Māori, and Māori comprise **18.8%** of the service sector workforce in the Bay of Plenty*

³ New Zealand Turnover Survey (April 2016)

⁴ The Ministry for Business, Innovation and Employment (2015) Toi Moana Bay of Plenty Growth Study

⁵ The Ministry for Business, Innovation and Employment (2015) Toi Moana Bay of Plenty Growth Study

Strengthening the growth of tourism

The Bay of Plenty has a mature and well-established tourism industry, particularly through Rotorua, but it has had limited growth in the numbers of international and domestic tourists over the past decade. More recently, however, the Bay of Plenty has experienced increases in the number of visitors, particularly from Asia⁶.

Availability of skilled workers

New Zealand is competing for workers in a global marketplace, and the Bay of Plenty is no different. Over half of roles in the service sector in the Bay of Plenty are classified as 'low skilled' (Levels 3 or lower).

However, close to 35 per cent of roles actually are either medium-high to high skilled⁷, which in terms of

qualification is typically Level 5-6 or higher, and in the Bay of Plenty only 18.5 per cent of people working in the sector are qualified at Level 5 or above. The continuous flows of workers out of the service sector and a reliance on casual and temporary workers has the potential to impact on a business' capacity for training and for growing the capability of its staff.

In the Bay of Plenty only 18.5% of people working in the sector are qualified at Level 5 or above

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.

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 air travel connectivity.

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

⁶ The Ministry for Business, Innovation and Employment (2015) *Toi Moana Bay of Plenty Growth Study*

⁷ **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.

————— *The* —————

Bay of Plenty service sector

————— *is* —————

awesome every day

By 2021:

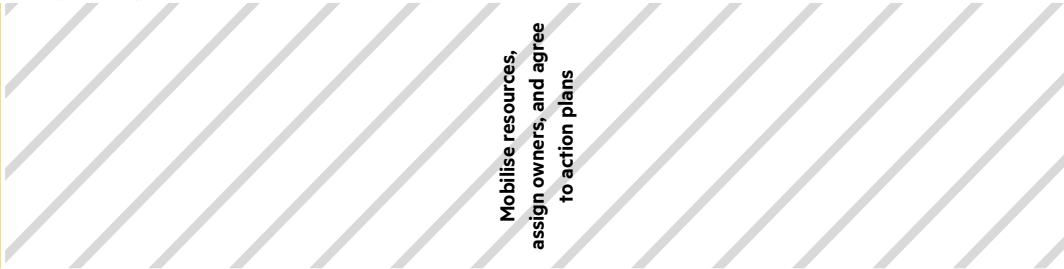
- ▶ The Bay of Plenty provides a world class service experience
- ▶ A career in the service sector is seen as the favoured choice
- ▶ People working in the service sector are trained to a consistently high standard
- ▶ Great people are fast tracked to success

Initiatives for the Bay of Plenty service sector

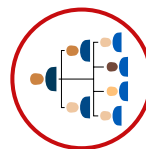
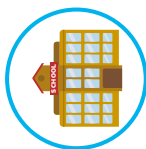


	2017				Future
	Q1	Q2	Q3	Q4	
Attract and retain people with the right attitude and aptitude	1.1 Develop a front-line active referral network				
	1.2 Launch a regional discussion around staff retention issues				
Increase the number of school leavers transitioning into the sector	2.1 Increase the number of Gateway programmes operating with schools in the Bay of Plenty				
	2.2 Explore options for a work experience programme				
Increase access to and engagement with training	2.3 Explore Youth Guarantee innovations				
	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 regional businesses to identify a programme for the "Bay of Plenty way"				
	4.2 Work with the Bay of Plenty service sector to review career pathways				
Improve business and management capability	6.1 Establish a Bay of Plenty leadership and skills group				

2016



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	Establish an active referral network amongst frontline staff	The quality of service from all frontline staff is critical to regional success. By developing a network amongst frontline staff, the culture and manaakitanga of the region can be shared and celebrated. Pride in service and the industry can be promoted utilising existing models of networking such as the Tauranga TEDx breakfasts and exploring the latest channels to engage younger staff, such as Instagram and Snapchat.
1.2	Launch a discussion promoting a collaborative approach to addressing issues around staff retention	Retaining quality staff is a priority concern for industry. Businesses can have innovative and creative ways to identify and keep talented staff and by exchanging ideas with a like-minded group, new opportunities will arise to cultivate the best employees and encourage careers in the service sector. By capitalising on existing ServiceIQ network opportunities, such as the business briefings, the discussion can be expanded and a collaborative approach to tackling issues developed.

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 schools in the Bay of Plenty	<p>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.</p> <p>A continued focus on schools to challenge people into the service sector is important. By recognising businesses that invest in youth the existing Gateway programme can be promoted and extended, bringing more employers into the scheme.</p>
2.2	Explore options for a work experience programme to promote the industry	<p>Attracting young people to a career in the service sector is fundamental to the future of the industry.</p> <p>A summer internship programme, offering a taste of what is available in the sector emphasising the range of development opportunities and careers, could potentially put a young person on a service sector career pathway.</p> <p>Using successful models, such as the 'Summer of Tech', a partnership with industry, the Rotorua tourism advisory group and ServiceIQ could promote the service sector as a great place to work.</p>
2.3	Explore Youth Guarantee innovations	<p>Youth Guarantee innovations allow students to study towards NCEA and work. Pathway options allow students who are ready to work, but who have not reached NCEA level 2, to study and work during the school week. These pathways are referred to as 3+2 and 4+1, and offer flexibility to students to study 60 per cent of time, and work 40 per cent (e.g. three days studying/two days working), or to study 80 per cent and work 20 per cent (four days/one day).</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	Develop insights into return on investment in training	<p>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.</p>

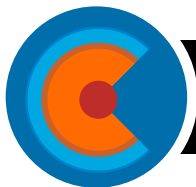


Develop and maintain high quality qualifications and programmes that meet the needs of industry

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	Work with regional businesses to identify a programme for the 'Bay of Plenty way'	Generate a pilot exercise based around the essence of the Bay of Plenty experience. Focussing on the frontline, defining expectations around service and develop a unique regional approach using existing products and networks with an all sector view.
4.2	Work with the Bay of Plenty 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. ServiceIQ identified and developed 16 service sector career pathways. In 2017, ServiceIQ will review these career pathways with industry.

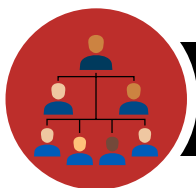


Increase productivity by developing core skills

Core skills are the 'glue' that binds vocational skills together.

The service sector has a significant opportunity to increase its productivity and profitability if it lifts the core skills of the people it employs.

Not identified as a priority issue by the Bay of Plenty group.



Improve business and management capability

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

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

#	Initiative	Description
6.1	Establish a Bay of Plenty leadership and skills group	Businesses in less populated areas of the Bay of Plenty play an important role in the regional tourism model. Access to development opportunities can be limited in these areas so incorporating them into a wider regional approach could provide practical ways of learning.



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.

Tourism

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

Travel

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

Accommodation

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

Cafés, bars, restaurants

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

Catering

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

Clubs

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

Quick service restaurants

Includes fast food and takeaway 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

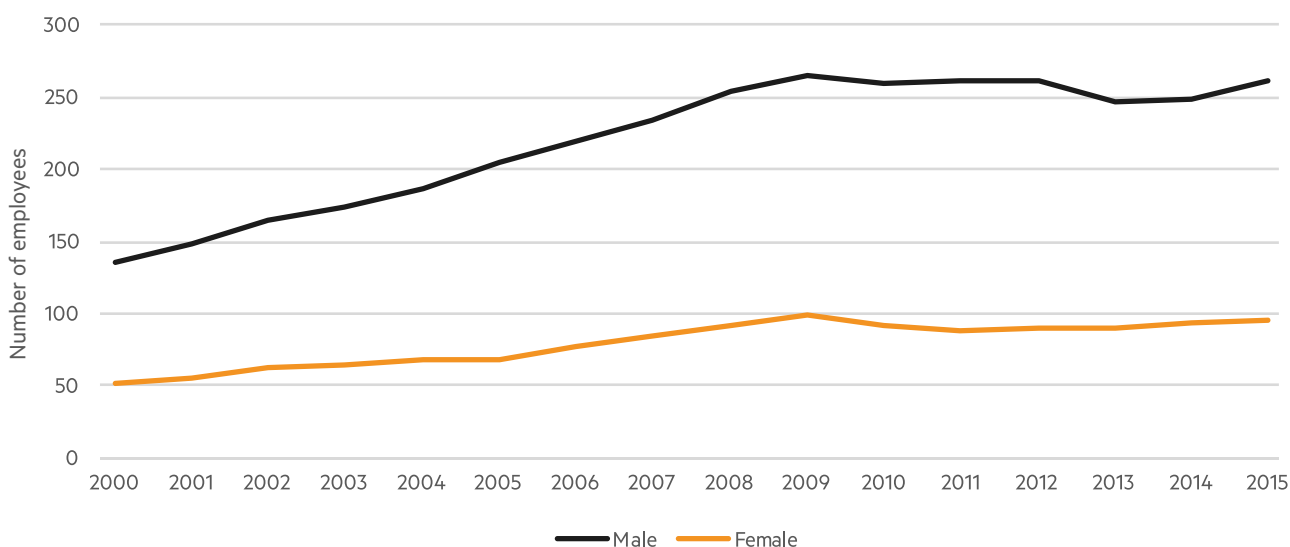
The aviation sector in the Bay of Plenty accounted for 357 jobs in 2015 (332 FTE) and grew by 4.1 per cent.

The number of aviation businesses in the Bay of Plenty fell from 99 to 91 in 2015 (8 per cent drop).

Aviation in the Bay of Plenty contributes \$38.9 million to GDP, and this grew 2 per cent in 2015. Aviation makes a significant GDP per FTE contribution of \$117,119.

The sector is predominately European (80 per cent) and predominately male (73 per cent). The number of people identifying as either European, Asian or Pasifika has increased over the years; the number of Māori has remained stable. The number of females in employment increased until 2009, after which it declined before moving upwards again.

Growth in employment by gender



The sector is attracting more young people (ages 15-24 years) than it was in 2006. Between 2006 and 2013, there was a steady decline of people aged between 30 and 44 years employed in aviation, and an increase in people aged 55 and over. In 2006, the largest age group was 40-44 years; in 2013, it was 45-49 years closely followed by 20-24 years.

Most of the people working in the sector are born in New Zealand (79 per cent), Europe (7.3 per cent) or Asia (6.6 per cent). The number of people born in New Zealand has increased slightly since 2006 but there have also been notable gains on people from Asia, Africa and the Pacific.

Sixty-two per cent of the people working in aviation as their main job in the Bay of Plenty work between 30 and 49 hours a week; 20.7 per cent work fewer than 30 hours. A larger proportion of the aviation sector hold post-school qualifications than the overall Bay of Plenty workforce. Only 36.2 per cent of the aviation workforce hold no post-school qualifications compared to 44.8 per cent of the region's workforce overall. A Level 6 Diploma is held by 14 per cent of the region's aviation workforce, 13.1 per cent have a Level 4 certificate, 10.5 per cent hold a Bachelor Degree or higher, and 9.1 per cent hold a Level 5 Diploma.

Employment in the aviation sector reached a peak in 2009, and dropped in 2010 and again in 2013. The sector is set to surpass its 2009 peak by 2017 and will continue to grow over the next five years. The majority of employment will be replacement openings, rather than new jobs.

Museums

The museum sector in the Bay of Plenty accounted for 87 jobs in 2015 (74 FTE) and grew by 1.3 per cent.

There were 15 museum businesses in the Bay of Plenty in 2015, which was one less than the previous year.

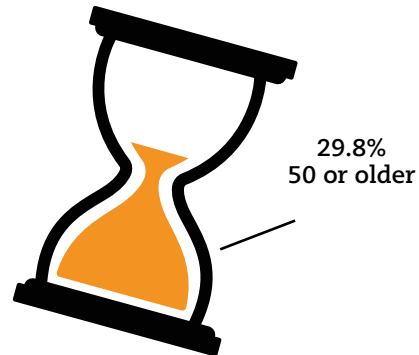
The museum sector in the Bay of Plenty contributes \$4.33 million to GDP, and this grew 2.3 per cent in 2015. Museums contribute \$58,503 per FTE.

The sector is increasingly European (71 or 92.4 per cent) and Māori (16 or 20.1 per cent). The sector has one of the oldest demographics of all the service sectors and 29.8 per cent are aged 50 or older; the most common range group is 35-39 years (20.6 per cent).

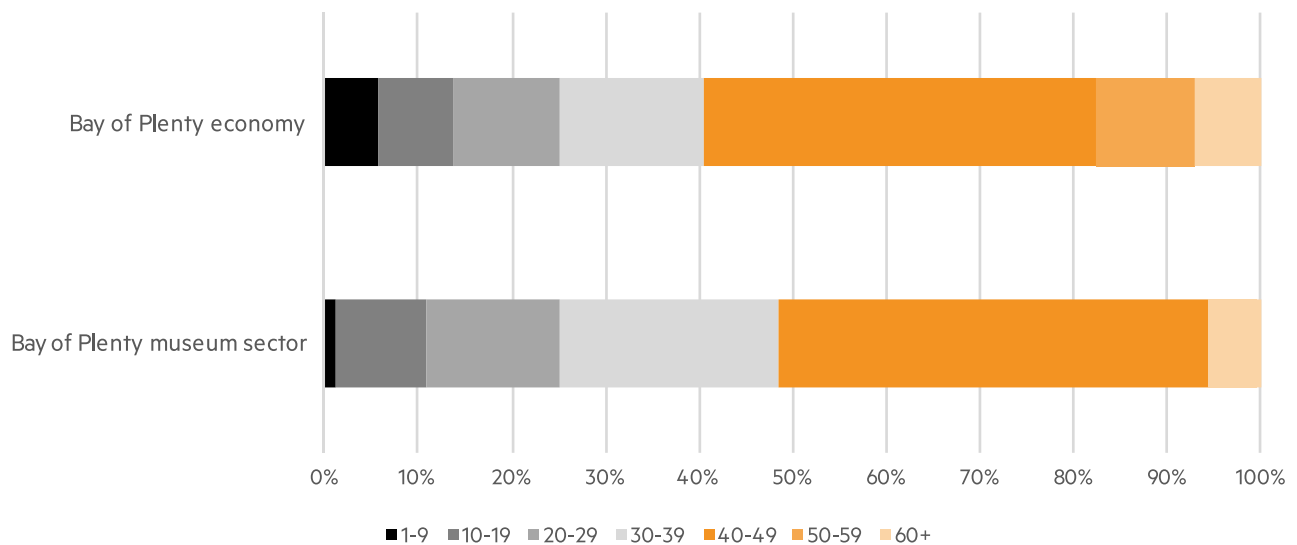
Most of the people working in the sector are born in New Zealand (63 people or 81.6 per cent) or Europe (13 people or 16.7 per cent).

The museum sector has the highest qualification rate of all the service sectors in the Bay of Plenty. Only 26.3 per cent hold no post-school qualification and over 40 per cent hold a Bachelor Degree or higher. Close to 65 per cent of the people working in the museum sector are working between 30 and 49 hours per week (50 people).

The Bay of Plenty museum sector age



Employment by hours worked in main job (2013)



The number of hours people are working in the museum sector in the Bay of Plenty has increased since 2006, and fewer people are working part-time. After steady decline in employment between 2009 and 2013, employment in the museum sector will grow modestly over the next five years but job openings will mainly be replacement roles rather than new jobs.

Tourism

Tourism in the Bay of Plenty accounted for 12,195 jobs (10,292 FTE) in 2015, an increase of 1.7 per cent on the previous year. There were 2,156 tourism related businesses, 12 more than in 2014 (0.6 per cent increase.)

The tourism sector contributed \$569 million to regional GDP (growth of 3.6 per cent on 2014,) at a rate of \$55,303 GDP per FTE.

The majority of the workforce work fulltime (67 per cent) and since 2006 the number of people working 50 hours or more has decreased from 18.5 to 16 per cent.

The tourism workforce is younger than the Bay of Plenty workforce overall, but it is ageing. In 2006, the largest age group was 15 to 19 years old, making up 13.6 per cent of the workforce, by 2013 the largest age group was 50 to 54 years old with 10.7 per cent of the workforce. The percentage of the workforce aged 15 to 19 had dropped to 10.2 per cent.

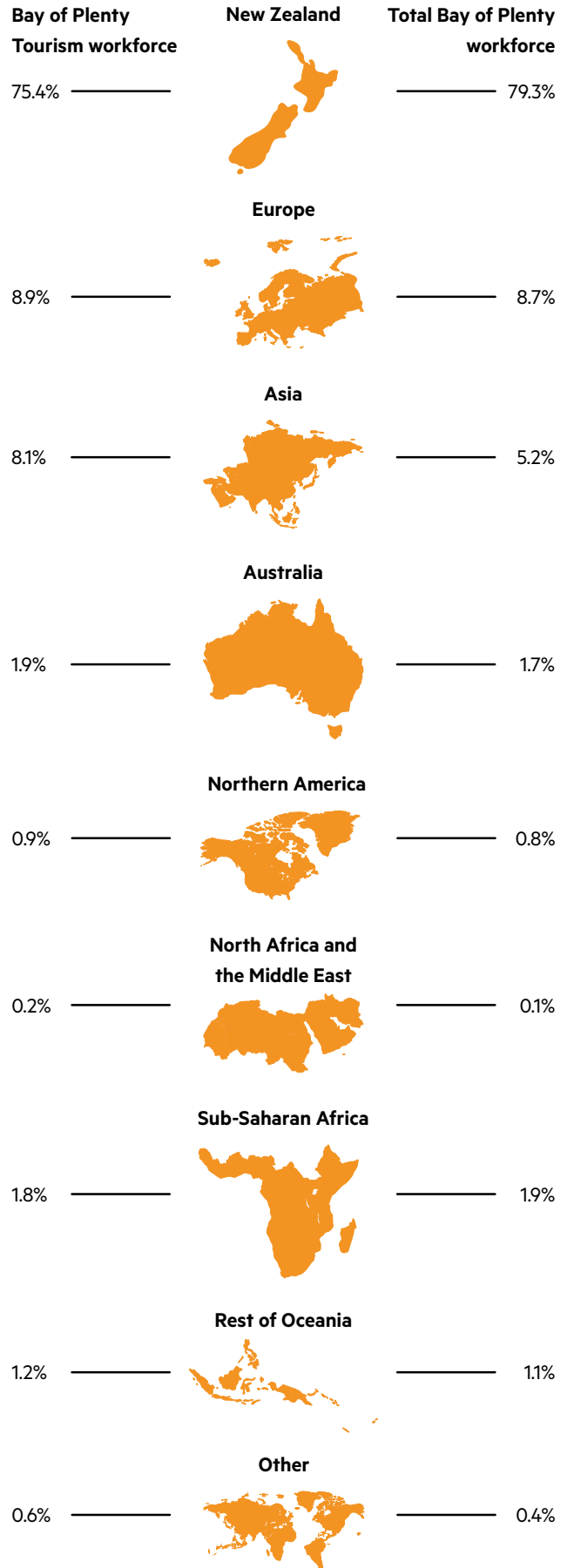
More females than males work in tourism in the Bay of Plenty – 57 per cent females compared to 43 per cent males.

Less than half the tourism workforce has no post school qualification (49.4 per cent) and only 15.5 per cent of the workforce has no qualification at all. This is a significant increase from 2006 when 20.3 per cent of the workforce had no qualification. It should be noted that this increase may in part be due to fewer workers aged under 19, very young workers tend to drive lower qualification levels, as many will still be in school or tertiary education. Nonetheless, there is an increase in workers with a Bachelor Degree or higher from 10.1 per cent in 2006 to 14.8 per cent in 2013, an increase of over 600 people.

The tourism sector is predominantly European (75.5 per cent of the workforce) and Māori (21.7 per cent). Most of the workers were born in New Zealand (75.4 per cent); however, the number of workers born outside New Zealand has increased from 18.8 per cent in 2006 to 24.5 per cent in 2013.

Employment in the tourism sector dropped in 2009, 2010 and again in 2013. It exceeded previous peak levels in 2015 and is forecast to grow by over 800 jobs to 2020. Over and above new jobs, the replacement rate of 4.4 per cent per annum equates to 3,648 job openings in the five years to 2020.

Employment by country/region of birth



Travel

The Bay of Plenty travel sector accounted for 475 jobs in 2015 (430 FTE) and grew by 3.2 per cent.

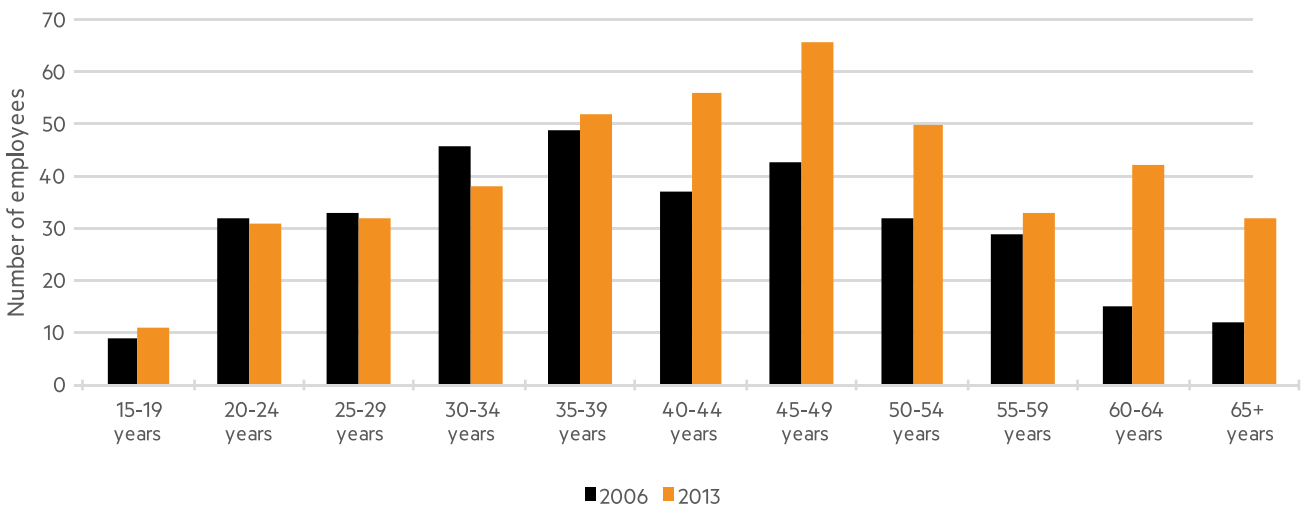
In 2015, there were 131 travel-related businesses in the Bay of Plenty, which was up by 2.3 per cent (three businesses) on the previous year. Close to 20 per cent of people working in the travel sector are self-employed (89 or 18.7 per cent) and this rate has been declining since 2007 when 26.4 per cent were self employed..

The travel sector's contribution to the Bay of Plenty's GDP grew by 4 per cent in 2015 to \$19.8 million. The GDP per FTE contributions were \$46,002.

The travel sector's contribution to the Bay of Plenty's GDP grew by 4% in 2015

The travel sector is getting older. People aged between 15 and 39 years represent an ever decreasing share of employment while increasing numbers of people aged 60 and over are staying in the workforce.

Employment by age, 2006 and 2013



Most people working in the sector were born in New Zealand (367 or 82.9 per cent), followed by Europe (46 or 10.3 per cent).

Most people working in the travel sector are working 30 or more hours a week (341 or 76.7 per cent).

People working in the Bay of Plenty travel sector are qualified to higher level than the broader Bay of Plenty service sector and the Bay of Plenty workforce more generally. Over a third, however, have no post-school qualifications (165 people or 37.3 per cent).

Employment in the travel sector has grown steadily since 2003. The sector is set to decline between 2017 and 2018, but grow again in 2019. While the numbers of replacement roles will stay constant over the next five years, very few new jobs openings will be on offer.

Accommodation

The accommodation sector in the Bay of Plenty accounted for 2,417 jobs in 2015 (1,994 FTE) and declined by 2.3 per cent. There were 457 accommodation businesses in the Bay of Plenty in 2015.

Accommodation contributed \$81.4 million to the Bay of Plenty's GDP in 2015, which was an increase of 1.7 per cent. Accommodation contributed \$40,819 to GDP per FTE.

The sector is mostly European (69.3 per cent or 1,689 people), Māori (24.3 per cent or 592 people), or Asian (12.7 per cent or 310 people). The majority of the workforce is female (64 per cent).

Bay of Plenty accommodation employees aged 60 and over



Sixty-one per cent of people in the accommodation sector are working fulltime. The proportion of people working less than 30 hours has increased since 2006, while the number of people working 50 or more hours has decreased.

Just over half of people have no post-school qualifications (53.7 per cent or 1,309 people), which is an improvement on 2006 but higher than the accommodation sector nationally (50.1 per cent). A Bachelor Degree or higher is the most frequently held post-school qualification in the Bay of Plenty accommodation sector (10.2 per cent), followed by the Level 4 Certificate (10 per cent.)

The accommodation sector in the Bay of Plenty peaked at 2,712 people employed in 2007. While the sector has experienced some decline since, dropping between 2008 and 2010, in 2012 and 2013, and again in 2015, it is forecast to grow over the next five years.

The sector has been a significant employer of people aged 50 and over for quite some time, and the number of older people employed has increased while total employment has decreased.

Most of the people working in the sector were born in New Zealand (70.4 per cent or 1,716 people), and the majority of the remaining people were born either in Asia (10.9 per cent or 265 people) or Europe (9.8 per cent or 240).

61% of people in the accommodation sector are working fulltime

Cafés, bars and restaurants

The café, bar and restaurant sector in the Bay of Plenty accounted for 4,171 jobs in 2015 (3,363 FTE) and grew 3.2 per cent.

In 2015, there were 604 cafés, bars or restaurant businesses in the Bay of Plenty, which was up 3.3 per cent on the previous year (20 businesses).

Cafés, bars and restaurants in the Bay of Plenty contributed \$139 million to GDP in 2015, which was an increase of 6.6 per cent on 2014. Cafés, bars and restaurants contributed \$41,218 GDP per FTE.

The sector is predominately European (71.8 per cent) and this percentage share has increased since 2006. While still representing a quarter of the sector's working population, fewer Māori and Pasifika are now working in the sector, while the number of Asian workers have increased by 85 per cent.

Forty per cent of the people employed in cafés, bars and restaurants are aged between 15 and 24 years (1604 people). People aged 50 and over now represent 17 per cent of the sector (691 people) up from 14.5 per cent in 2006.

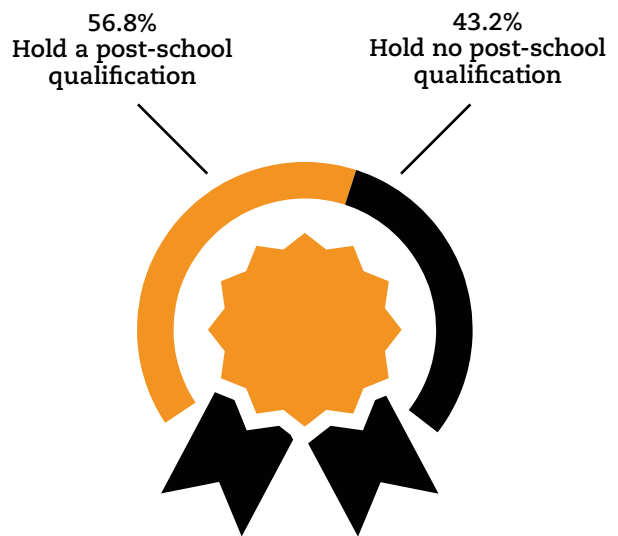
The majority of people working in the sector were born in New Zealand (70.1 per cent or 2,847 people) or Asia (12.4 per cent or 504).

Females outnumber males (62 per cent versus 38 per cent).

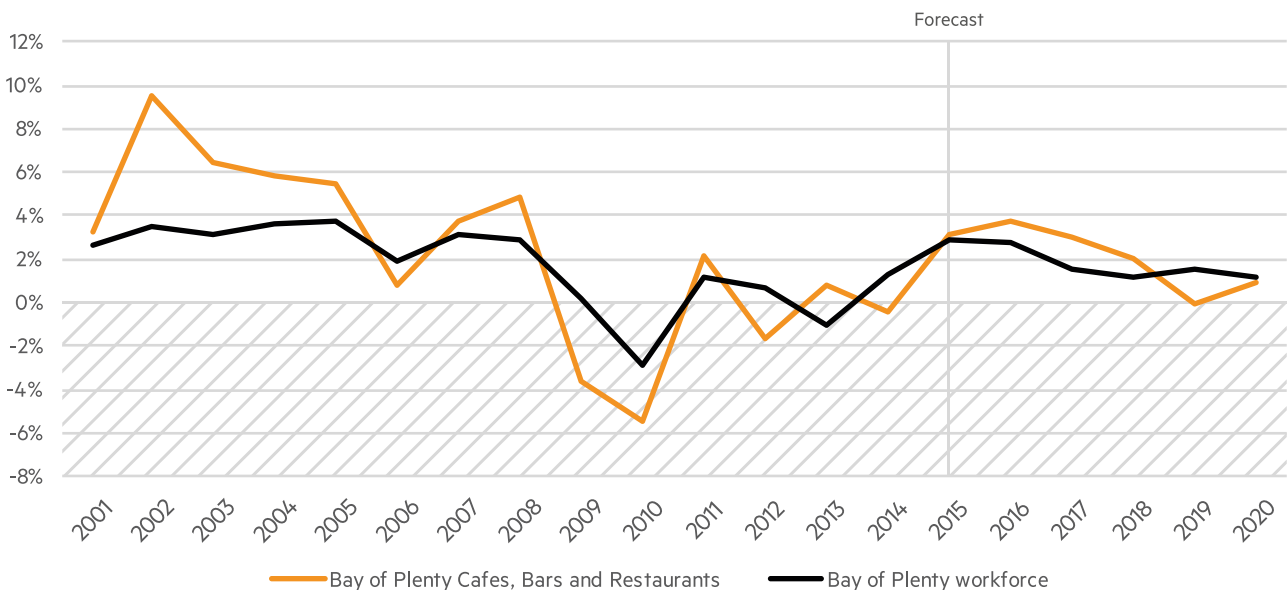
The sector has a significant proportion of part-time workers; 36.8 per cent (1,493 people) work fewer than 30 hours per week.

More than half of people have no post-school qualifications (56.8 per cent or 2,306 people). While 7.6 per cent have a Level 1, 2 or 3 Certificate, 8.8 per cent have a Level 4 Certificate, 7.8 per cent have a Level 5 or 6 Diploma and 9.1 per cent hold a Bachelor Degree or higher.

The café, bar and restaurant sector is forecast to grow over the next five years, and overtake its 2008 peak employment levels by 2017.



Employment growth



Catering

Catering in the Bay of Plenty accounted for 867 jobs in 2015 (722 FTE), which was an increase on the previous year (7.4 per cent).

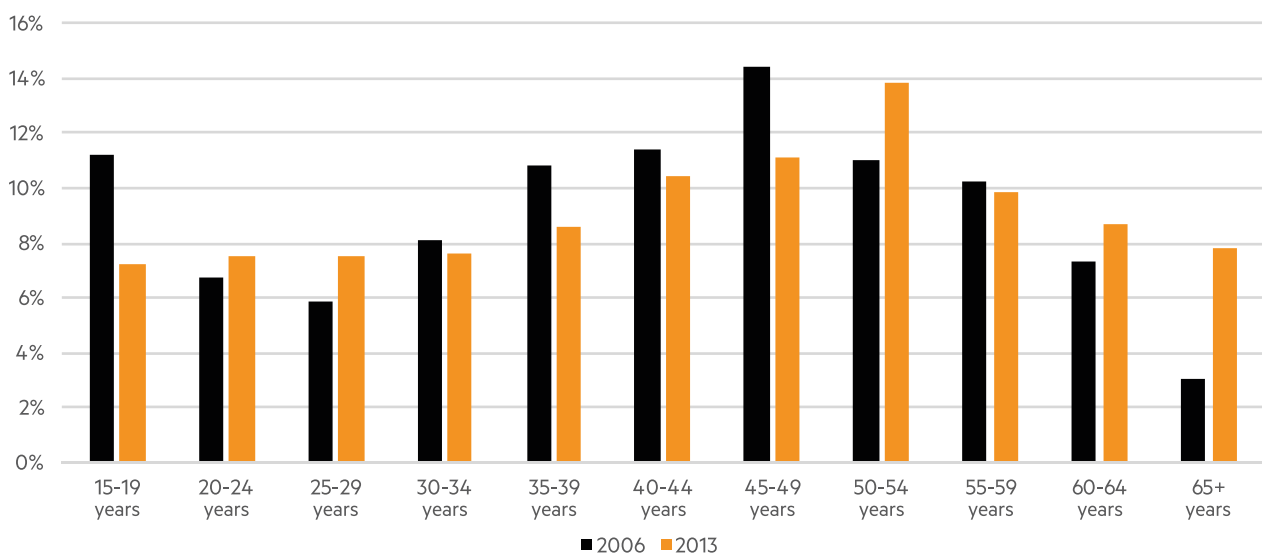
The number of catering businesses in the Bay of Plenty went up by 10 in 2015 (6.9 per cent) to 162.

The Bay of Plenty catering sector contributed \$43.6 million to GDP in 2015, which was an increase of 6.7 per cent. The sector contributed \$60,411 to GDP per FTE.

The sector is predominately European (72.6 per cent or 558 people) or Māori (22.9 per cent or 176 people).

The Bay of Plenty's catering sector has fewer young people working in it than it did in 2006, while the number of people aged 50 and over has increased.

Employment by age, 2006 and 2013



The majority of the people working in the sector were born in New Zealand (73.9 per cent or 568 people).

Females outnumber males in the catering sector (61 per cent versus 39 per cent) but the number of males working in the sector has increased over time.

Sixty-five per cent of people working in the sector are working fulltime.

While the Bay of Plenty's catering sector has a large number of people with no post-school qualifications (45.6 per cent), the sector is attracting people with higher level qualifications; people with a Bachelors' Degree or higher now represent 15.9 per cent of the workforce (123 people).

Despite drops in employment growth in 2008, 2009, 2011 and 2013, the catering sector had returned to its peak 2007 employment levels by 2010 and is forecast to grow strongly over the next five years.

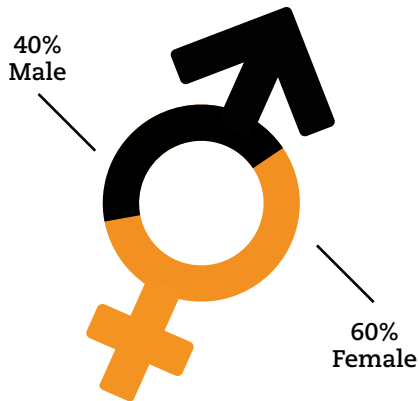
Clubs

In 2015, clubs in the Bay of Plenty accounted for 416 jobs (323 FTE), which was an increase of 7 per cent on the previous year.

The Bay of Plenty has 43 clubs and two new club businesses opened in 2015 (4.4 per cent increase).

The clubs sector in the Bay of Plenty contributed \$13.8 million to GDP in 2015 (up 10.6 per cent on the previous year). The sector contributed \$42,675 to GDP per FTE.

Gender balance of the Bay of Plenty clubs sector



The sector is predominately European (79.2 per cent) and Māori (24.2 per cent).

The largest age group employed in the clubs sector is aged 15-19 years (13 per cent or 52 people) followed by 50-54 years (12.2 per cent or 49 people).

The majority of the people working in the sector were born in New Zealand (80.4 per cent or 325 people) or Europe (8.5 per cent or 35 people).

Females outnumber males working in clubs (60 per cent versus 40 percent) but the number of males employed in this sector is increasing.

Half of the sector's workforce (50 per cent) work fulltime; this has decreased from 2006 when 56.4 per cent of workers worked fulltime. The largest increase is seen in people working between ten and 19 hours per week, while the number of people working more than 50 hours has decreased.

Over half of the clubs workforce have no post-school qualifications (56.4 per cent or 228 people); the number of young people working in the sector may have an impact on this as many will still be in school.

Employment in clubs by highest post-school qualification



- No Post-school Qualification
- Level 1, 2 or 3 Certificate
- Level 4 Certificate
- Level 5 or 6 Diploma
- Bachelor Degree or higher
- Not Elsewhere Included

The clubs sector has experienced growth overall since 2000, with small dips in employment growth in 2003, 2007 and 2014. The sector is forecast to grow over the next three years, after which time this growth is expected to tail off.

Quick Service Restaurants

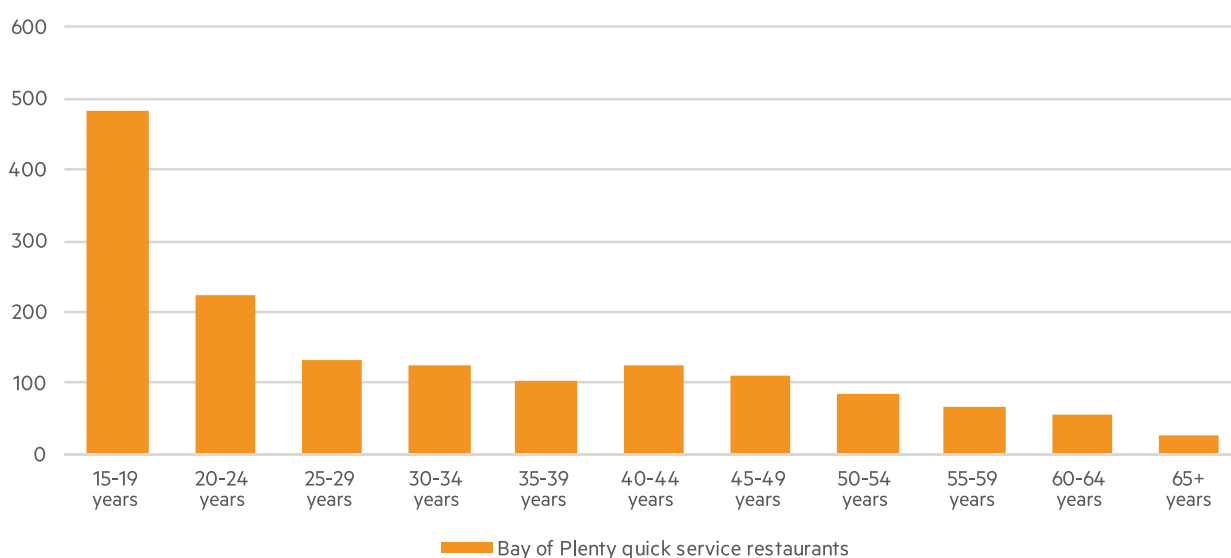
Quick service restaurants in the Bay of Plenty accounted for 1,534 jobs in 2015 (1,176 FTE), which was a drop of 2.6 per cent.

In 2015, the number of quick service restaurant businesses in the Bay of Plenty grew by 3.3 per cent (nine businesses) to 284.

Quick service restaurants contributed \$45.8 million to the Bay of Plenty's GDP, and this grew 1.3 per cent in 2015. The Quick service restaurant sector has the lowest GDP per FTE contributions of all the service sectors at \$38,976.

The sector is mostly European (859 people or 56.1 per cent), Asian (468 or 30.6 per cent) and Māori (332 or 21.7 per cent). More women than men work in quick service restaurants (59 per cent compared with 41 per cent) but this difference has been reducing over time. Quick service restaurants in the Bay of Plenty attract significant numbers of people aged between 15 and 24 years; 46 per cent of the sector is under 25 years (704 people). The sector is also employing and retaining greater numbers of older workers than it was in 2006.

Employment by age (2013)



The number and percentage of people working in the Bay of Plenty's quick service restaurants who were born in an Asian country has more than doubled since 2006 – from 214 people to 431 (28.1 per cent of the total workforce). The number of people born in New Zealand working in the sector has also increased, but they represent a smaller comparative share.

Over a third of people are working in the quick service restaurants sector are working 40 hours or more a week (34.8 per cent), which is similar to the sector nationally.

The majority of people working in quick service restaurants have no post-school qualifications (68.4 per cent). The high number of young people working in the sector, some of which will still be in school or training, will account for some of this (31.5 per cent are aged 15-19 years and 14.1 per cent are aged 20-24 years). However, a quarter of jobs in the quick service restaurant sector are considered medium-high to highly-skilled and this indicates that there is a potential skill shortfall, particularly at Levels 5 and above as only 13 per cent of the workers hold qualifications to these levels.

Employment in the quick service restaurant sector dropped in 2009 and again 2015, but it is forecast to grow strongly over the next five years.

Retail and Retail Supply Chain

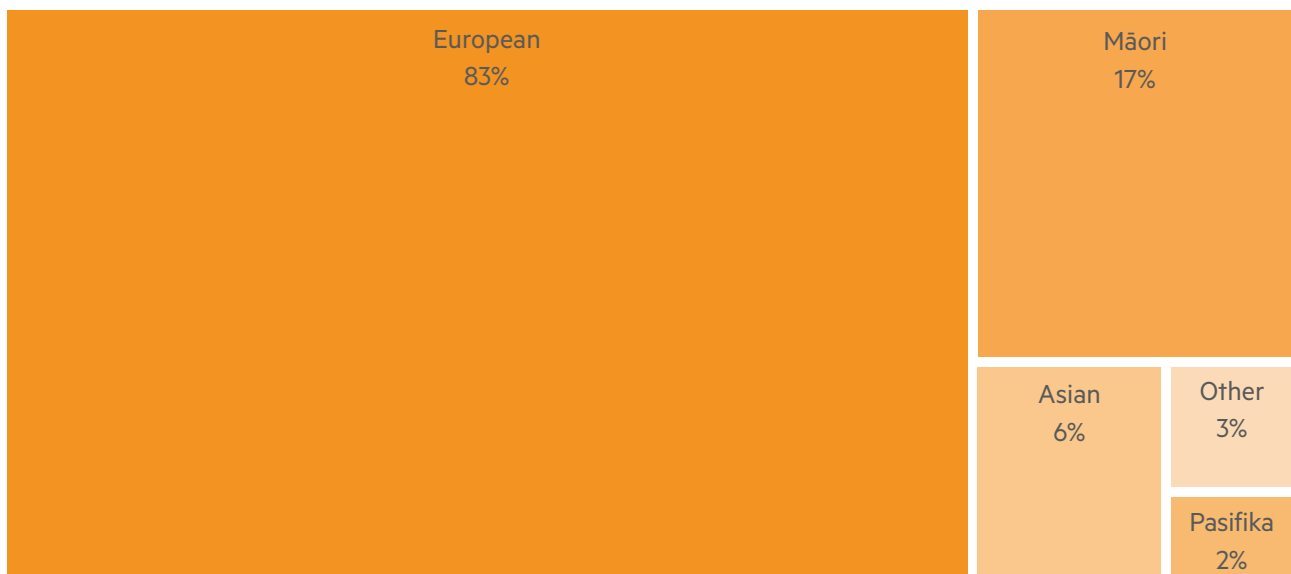
The retail and retail supply chain is the biggest sector within the service sectors. Retail and retail supply chain accounted for 21,196 jobs in 2015 (18,533 FTE) and had growth of 2.1 per cent.

The number of retail and retail supply chain businesses increased from 4,182 in 2014 to 4,369 in 2015 (4.5 per cent growth or 187 businesses).

The Bay of Plenty retail and retail supply chain GDP contributions increased 3.8 per cent in 2015 to \$1,432 million. The sector contributed \$77,246 to GDP per FTE.

The sector is predominately European (82.5 per cent) and Māori (17 per cent).

Employment by ethnicity



The sector is employing fewer people aged 15-19 years than it was in 2006 – from 2,846 to 1,909 – although it is still a significant employer of young people compared with the wider Bay of Plenty workforce. In 2006, the largest age group was 15-19 years (13.6 per cent), while in 2013 the 50-54 years age group was the largest (11.5 per cent). The majority of the employment increases against 2006 figures were seen in people aged 50 and over.

Most of the people working in the Bay of Plenty's retail sector were born in New Zealand (80.3 per cent or 16,750 people); 7.9 per cent were born in Europe and 5.1 per cent in Asia.

Females slightly outnumber males in the retail and retail supply chain sector (52 per cent versus 48 per cent).

Seventy-three per cent of people are working fulltime in the sector.

Over half of people working in the sector have no post-school qualifications (57.6 per cent or 12,021 people); 10 per cent have a Bachelors' Degree or higher.

Employment in the retail and retail supply chain sector hit an employment peak in 2008, and has experienced declining employment growth with the exception of upturns in 2012 and 2015. The sector is expected to grow in four of the next five years, but is not set to return to its peak levels over this period.

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

Service IQ

SMARTER PEOPLE FOR
SMARTER BUSINESSES

ServiceIQ.org.nz

E: WorkforceDevelopment@ServiceIQ.org.nz

P: 04 817 5311

Level 14, Plimmer Towers
2-6 Gilmer Terrace, Wellington 6011

PO Box 25 522, Wellington 6146



ServiceIQ



ServiceIQ



@ServiceIQNZ



@ServiceIQNZ



ServiceIQ