

Service IQ

SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR — Queenstown–Lakes —



2016/2017

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Introduction

Queenstown-Lakes is promoted as the Southern Hemisphere's premier all-seasons lake and alpine resort. Tourists are promised an exceptional visitor experience and the Queenstown-Lakes service sector is responsible for delivering on that promise. It is vital that the people working in the service sector are capable of providing exceptional visitor experience to all who visit.

#servicesuccessnz

ServiceIQ

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

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

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

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

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

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

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

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

Service sector regional workforce roadmap for Queenstown-Lakes

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

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

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

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

Developing a regional roadmap for Queenstown-Lakes

ServiceIQ hosted three workshop meetings in Queenstown in October and December 2015, and July 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 Queenstown and established a range of strategies for achieving this vision, which formed the basis of the roadmaps. A first draft of the roadmap was developed in 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 Queenstown-Lakes service sector taking leadership and regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Queenstown-Lakes regional roadmap action plan.

In 2013, the total population of the Queenstown-Lakes district was 28,224 and it has one of the fastest rates of population growth (New Zealand Census). The district is rated as one of the world's top destinations, the premier all-season lake and alpine resort in the Southern Hemisphere and hosts around two million visitors a year. At peak times, visitors can outnumber locals by as many as three to one¹. In 2015, tourism accounted for 33.1 per cent of the district GDP (tourism is just 1.6 per cent of the national GDP) and employed 47 per cent of the workforce.

Tourism will continue to be a mainstay of the Queenstown-Lakes economy but tensions between visiting and living in Queenstown are likely to remain. For the service sector, the growth in employment will attract more people and more service users, but it will also change the expectations people have for the town they live and work in.

The service sector covers:

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

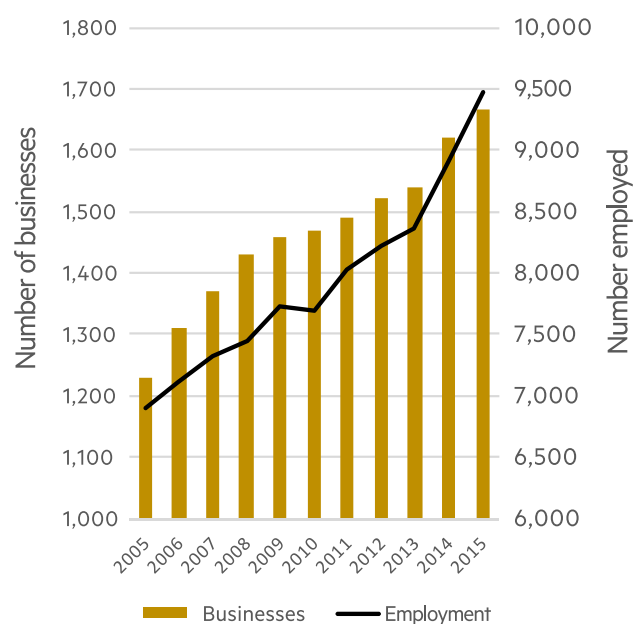
Service sector in Queenstown

In 2015, the service sector employed 9,467 people (44 per cent of total workforce) and contributed \$463m to the GDP (29 per cent). In contrast, the construction industry employed 2,825 people (13 per cent of total workforce) and contributed \$169m (11 per cent) to the GDP. The number of businesses and employment in the service sector has steadily grown over the past decade.

This growth is forecast to continue and, combined with the predicted number of job replacements, the service sector in Queenstown-Lakes will have an estimated 3,889 total job openings in the five years to 2020 (average of 7.7 per cent per annum.)

Labour force participation in Queenstown-Lakes is above the national average, in fact Queenstown-Lakes district has the highest proportion of people employed full time in the country and the unemployment rate is well below the national average (2.5 per cent compared with 7.1 per cent nationally)². The district has a highly skilled population and workforce (89 per cent have some form of qualification compared to 79 per cent nationally) but estimated labour productivity is well below the national level. This can be seen clearly in the service sector where the GDP per FTE in 2015 was \$58,549 compared to the national service sector GDP per FTE of \$82,202. Furthermore, the average service sector earnings in 2015 were \$37,861 while the national service sector average earnings were \$45,203.

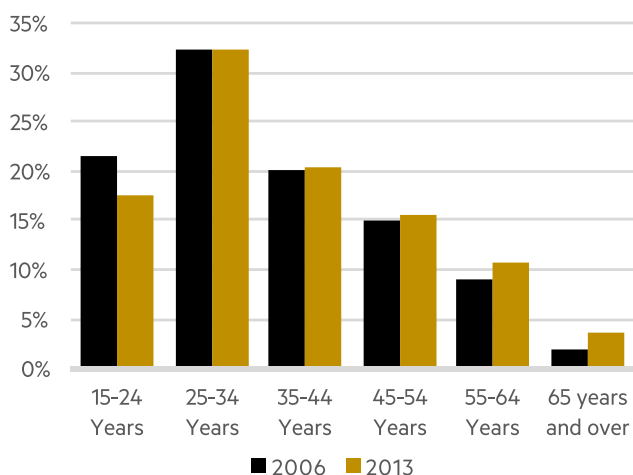
Queenstown-Lakes Service Sector



¹ Destination Queenstown (2015) Queenstown Quick Reference Guide

² Queenstown-Lakes District Council (2015) Economic Development Strategy

Changing Age of Queenstown-Lakes Service Sector workforce



The service sector tends to be reliant on younger workers, who are perhaps more comfortable accepting certain terms and conditions for a shorter period. The service sector in the Queenstown-Lakes district differs from the national workforce in that the highest proportion of workers are aged 25-34 years old (32 per cent) but this does reflect the national trend of an aging workforce. Nationally, the highest proportion of workers are aged 15-24 years old (23 per cent). In 2006, 22 per cent of the service sector workforce in the district was aged 15-24 years and two per cent was 65 years and older. In 2013, the per centage of 15-24 years olds had dropped to 17 per cent and the 65 years and over proportion had doubled to four per cent. This potentially indicates a lack of pathways from school to work and a lack of opportunities for young people to stay in the industry in Queenstown.

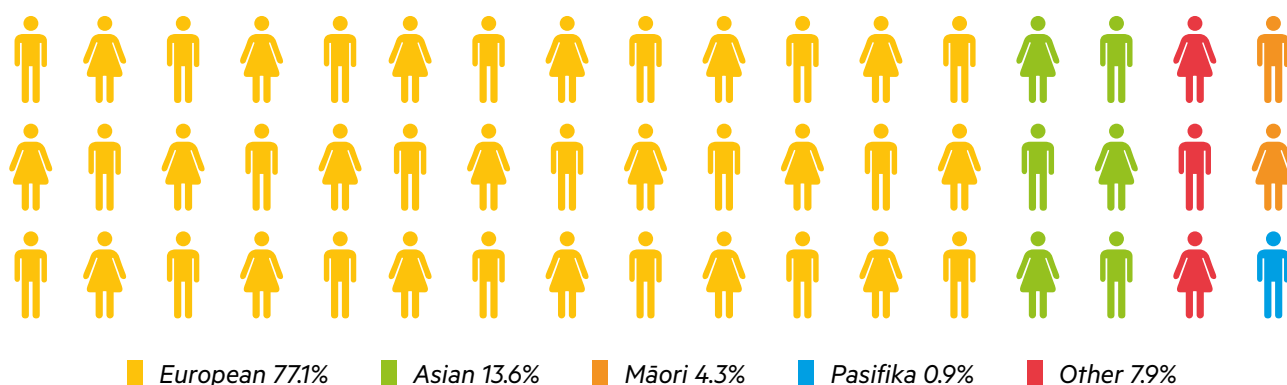
The service sector nationally is becoming increasingly diverse with more and more workers born outside of New Zealand. This is especially true in the Queenstown-Lakes district where nearly half of the workforce (49 per cent in 2013) was born overseas as opposed to just over a third (35.5 per cent) in 2006. The number of New Zealand born workers has in fact dropped from 4,556 in 2006 to 4,255 in 2013. Unlike the rest of the country, most of the overseas born workforce in the service sector hail from Europe (21.3 per cent compared to 8.4 per cent nationally); 12.8 per cent of the Queenstown-Lakes service sector workforce were born in Asia compared to 13.2 per cent nationally.

49% of the Service Sector workforce in Queenstown-Lakes was born overseas.

Unsurprisingly, given that one fifth of the sector workforce was born in Europe, the proportion of workers of European ethnicity is higher than in the national service sector (77.1 per cent compared to 73.3 per cent). Despite the service sector workforce increasing by 4,025 workers between 2006 and 2013, the number of Māori employed in the sector has decreased from 380 in 2006 to 359 in 2013, a drop of six per cent while the number of people of European, Pasifika, and Asian descent have all increased.

Fifty-four per cent of the Queenstown-Lakes service sector workforce is female compared to 47 per cent of the total workforce in the district. This per centage has been fairly consistent for the past 15 years and is higher than the proportion of females in the national service sector at 51.7 per cent.

Ethnicity of the Queenstown service sector



Challenges to workforce supply and demand facing Queenstown-Lakes

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 Queenstown-Lakes service sector workforce is forecast to grow by over 4,000 people. Factoring in the rate of churn within the service sector, both in terms of voluntary attrition and retirement, which will average just under eight per cent, the workforce will turn over at least once before 2020.

By 2020, the Queenstown-Lakes service sector workforce is forecast to grow by over 4000 people.

Most businesses in Queenstown-Lakes have reported experiencing labour or skill shortages, and the majority expect these to continue both for long-term and seasonal work. The service sector is significantly impacted by difficulties attracting and retaining staff,

most notably chefs, sales assistants, housekeepers, managers, and waiters. A third of businesses operating in the accommodation, cafés, bars and restaurants, and catering sectors report taking two or more months to fill positions.

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

Queenstown-Lakes is attracting people but there are a number of challenges impacting on its ability to meet demand for staff.

Strong competition for entry-level workers

Queenstown-Lakes has a considerably older demographic of workers in the service sector than the sector has nationally. New Zealand is competing for workers in a global marketplace, and Queenstown-Lakes is no different.

Employee turnover costs between 50% to 300% base salary per person.

Availability of skilled workers

While Queenstown-Lakes appears to be attracting some high skilled people in the service sector, the numbers of highly skilled people entering the service sector in Queenstown-Lakes is still lower than the national workforce. Hospitality is particularly bereft of skilled workers, but the service sector more broadly in Queenstown-Lakes is crying out for more people.

The continuous flow of workers also impacts on the capacity businesses have for training their staff.

Skilled New Zealanders are moving to Queenstown but as a lifestyle choice, towards the end of their careers, and while this brings capital into the township, it does not necessarily bolster the available workforce. In relation to this, businesses have raised issues with barriers to employing non-New Zealand citizens or residents into hard to employ roles.

High rates of staff turnover

Many parts of the service sector are characterised by relatively high staff turnover based on the structure of the industry. In Queenstown-Lakes, the workforce demographics, particularly migratory workers, and the seasonal availability of work, are contributing factors.

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.

Youth are more likely to consider work in the service sector as a stepping stone to other sectors, rather than a career option.

The service sector is labour intensive and in this environment good human resource practices and leadership, both in business and the community, are critical to supporting and managing the workforce.

The vast majority of Queenstown-Lakes businesses believe they are taking steps to resolve their labour and skills issues, but strongly consider housing affordability and immigration barriers to be hampering their efforts.

Other issues

Queenstown-Lakes is well-known as an expensive place to live. Increasing numbers of workers are either living in sub-optimal shared accommodation, which promotes transitory approaches to work, or are commuting from other regions. Immigration and visa issues have also been cited, most notably delays to extending visas.

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

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

Queenstown-Lakes

_____ *is a* _____
**world-class
resort town**
_____ *offering* _____
**world-class
service.**

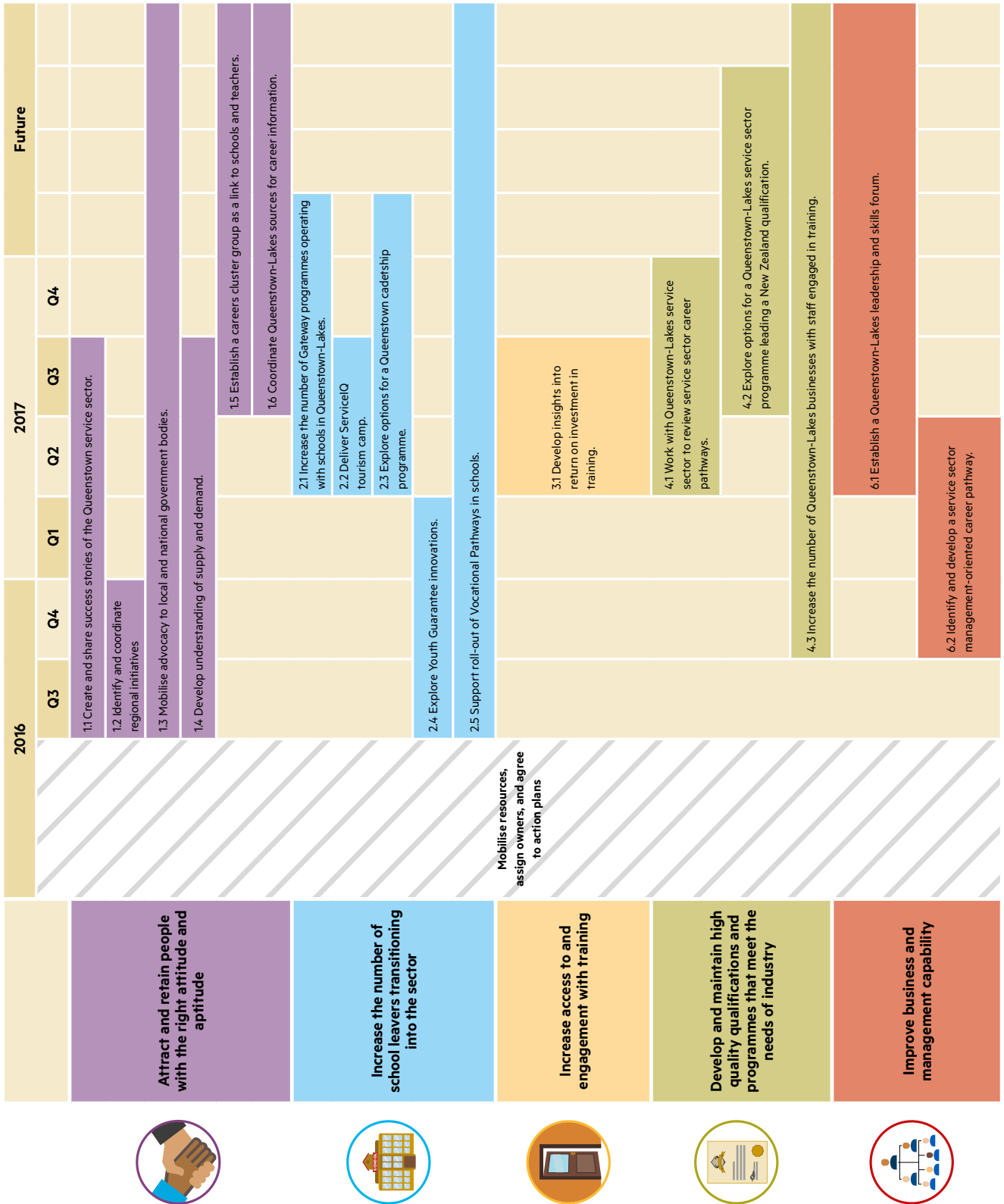
By 2021:

- ▶ The service sector will support sustainable tourism growth in Queenstown-Lakes.
- ▶ People working in the Queenstown-Lakes service sector will be respected as professionals.
- ▶ People visiting Queenstown-Lakes will have a great visitor experience.
- ▶ People living in Queenstown-Lakes will support and enhance the visitor experience.

Initiatives for the Queenstown-Lakes service sector



The timeline for implementing the initiatives within the regional roadmap action plan spans over two years. The key focus in 2016 was on mobilising people and resources, coordinating a Queenstown-Lakes perspective on the service sector and setting up activities heading into 2017.





Attract and retain people with the right attitude and aptitude

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

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

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

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

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

#	Initiative	Description
1.1	Create and share success stories of the Queenstown service sector	People working in and contributing to the service sector in Queenstown-Lakes have great stories to share.
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 the service sector.
1.3	Mobilise advocacy to local and national government bodies	The sum of the Queenstown-Lakes service sector is bigger than its parts, and it is important for the service sector to mobilise and advocate for itself at a regional and national level (see also 6.1). An issue that has strong support amongst the group is advocating for Tourism to be introduced as a University Entrance subject. The view is that this would increase the value attached to tourism as a viable and attractive career.
1.4	Develop understanding of supply and demand	The service sector needs to agree what the priority issues are for Queenstown-Lakes. Government needs to know and understand the size and scale of the issue Queenstown-Lake's service sector is facing.
1.5	Establish a careers/pathways cluster group as a link to schools and teachers	The service sector is being held back by perceptions of work and careers in the sector. Students and teachers need to hear about what it is like working in the service sector. It is important that learning pathways in schools are connected to careers, and other areas of study and competency acquisition. The Ministry of Education's Youth Guarantee initiative is an overarching concept for pathways into further education and into work.
1.6	Coordinate Queenstown-Lakes sources of career information	A number of online sources provide information on jobs and career opportunities in Queenstown-Lakes, and larger businesses are operating successful recruitment processes via their websites.

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 and near Queenstown-Lakes	A continued focus on schools to challenge people into the service sector is important.
2.2	Deliver ServiceIQ Tourism camp	Young people can gain a better understanding of working in the service sector through participating in a tourism-focused programme that meets the requirements for NCEA and offers real-life service sector experience.
2.3	Explore options for a Queenstown-Lakes cadetship programme	<p>Young people growing up in Queenstown-Lakes need a reason to stay once they finish school. And while a significant number of young people leave Queenstown-Lakes when they finish school, there are approximately 30 per cent who do not go into tertiary education.</p> <p>A cadetship programme, which offers a range of development opportunities, will extend upon the experiential learning within the tourism camps and Gateway programmes and potentially put a young person on a service sector career pathway.</p>
2.4	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.</p> <p>These pathways are referred to as 3+2 and 4+1, and offer flexibility to students to study 60 per cent of time, and work 40 per cent (e.g. three days/two days), or to study 80 per cent and work 20 per cent (four days/one day).</p>
2.5	Support the roll-out of Vocational Pathways in schools	Vocational Pathways provide a way to achieve NCEA Level 2. Vocational Pathways are aligned to 'real world' industries, and the Service Industries is one of the six pathways.

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.

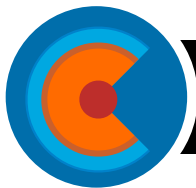


Develop and maintain high quality qualifications and programmes that meet the needs of industry

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.

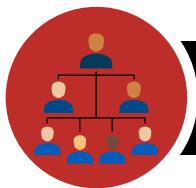
#	Initiative	Description
4.1	Work with Queenstown-Lakes service sector to review service sector career pathways	ServiceIQ identified and developed 16 service sector career/learning pathways in consultation with industry. In 2017, ServiceIQ will review these career pathways with industry.
4.2	Explore options for a Queenstown-Lakes service sector programme leading to a New Zealand qualification	Queenstown-Lakes offers a unique visitor experience, and with that, comes a need for people working in the service sector to have skills suited to the Queenstown-Lakes experience.
4.3	Increase the number of Queenstown-Lakes businesses with staff undertaking courses and/or qualified in qualifications designed for the service sector.	ServiceIQ fully reviewed and redeveloped its qualifications over a three-year period beginning in 2012 to ensure the qualifications are meeting the needs of industry. Good managers develop their staff; and people seek out employers who will develop them. If Queenstown-Lakes businesses are engaging more of their staff in training, and/or employing well-qualified people, this will raise the skill levels of the sector.



Increase productivity by developing core skills

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

Not identified as a priority issue by the Queenstown-Lakes 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 Queenstown-Lakes leadership and skills forum	The Queenstown-Lakes service sector attracts top management talent, and with it a wealth of high-level management and leadership experience that other businesses in Queenstown-Lakes could learn from (see also 1.3).
6.2	Identify and develop service sector management-oriented career pathway	The service sector comprises both front-of-house and back-of-house roles; the service sector also offers extensive professional-level roles and career paths for getting there.

ServiceIQ sector coverage

Aviation

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

Museums

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

Tourism

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

Travel

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

Accommodation

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

Cafés, Bars, Restaurants

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

Catering

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

Clubs

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

Quick Service Restaurants

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

Retail and Retail Supply Chain

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

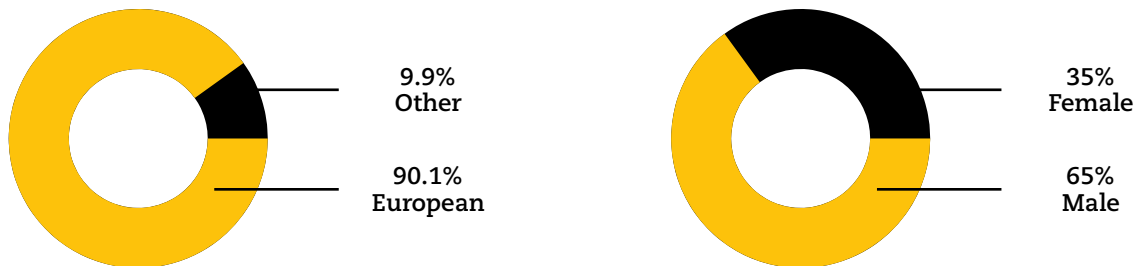
Aviation

The aviation sector in Queenstown-Lakes accounted for 447 jobs in 2015 (402 FTE) and grew by 25.1 per cent.

Aviation contributes \$48.3m to Queenstown-Lakes' GDP, and this grew 26.6 per cent in 2015. Aviation makes a significant GDP per FTE contribution of \$115,314.

The 53 aviation businesses in Queenstown-Lakes grew 3.1 per cent in 2015.

Queenstown-Lakes aviation sector employees



The sector is predominately European (90.1 per cent) and predominately male (65 per cent.) The number of people identifying as either European, Asian or Māori has increased over the years, and the number of females has also increased. Most of the people working in the sector are born in New Zealand (70.5 per cent) or Europe (11.6 per cent.) The number of people born in New Zealand has been tracking down and most of the employment growth has come from Asian countries.

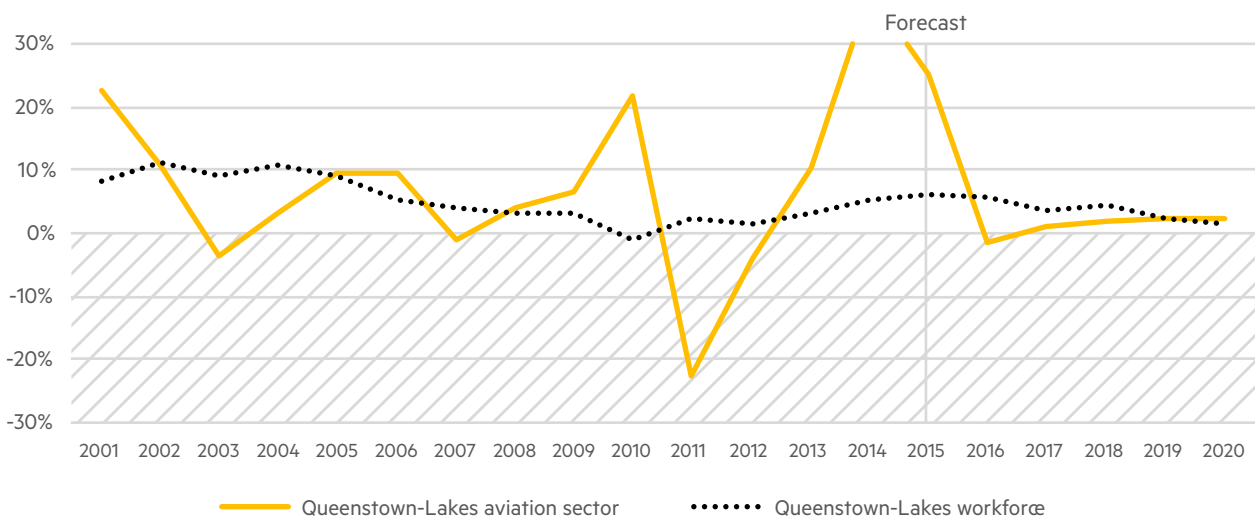
The sector has a middling age range and the majority of workers are aged between 20-49 years (67.8 per cent); the two most common range groups, are 20-24 years and 40-44 years.

There are fewer people in the Queenstown-Lakes aviation sector with no qualifications than in 2006 and 49.7 per cent of the current workforce have a qualification at Level 4 and above.

Eighty-seven per cent of people working in aviation sector in Queenstown-Lakes are working fulltime. Close to half are working between 40 and 49 hours a week (45.6 per cent); 16.1 per cent work fewer than 30 hours.

Employment in the aviation sector has been growing strongly since 2013. This was real growth over and above the replacement staff numbers, which fell between 2010 and 2011. The sector is set to contract slightly in the next two years then will continue to grow but at much slower rates. Over the next two years, the majority of employment will be replacement openings, rather than new jobs.

Employment Growth



Museums

The museum sector in Queenstown-Lakes accounted for 26 jobs in 2015 (22 FTE) and grew by 5.5 per cent.

Birthplace of the Queenstown-Lakes Museum Sector



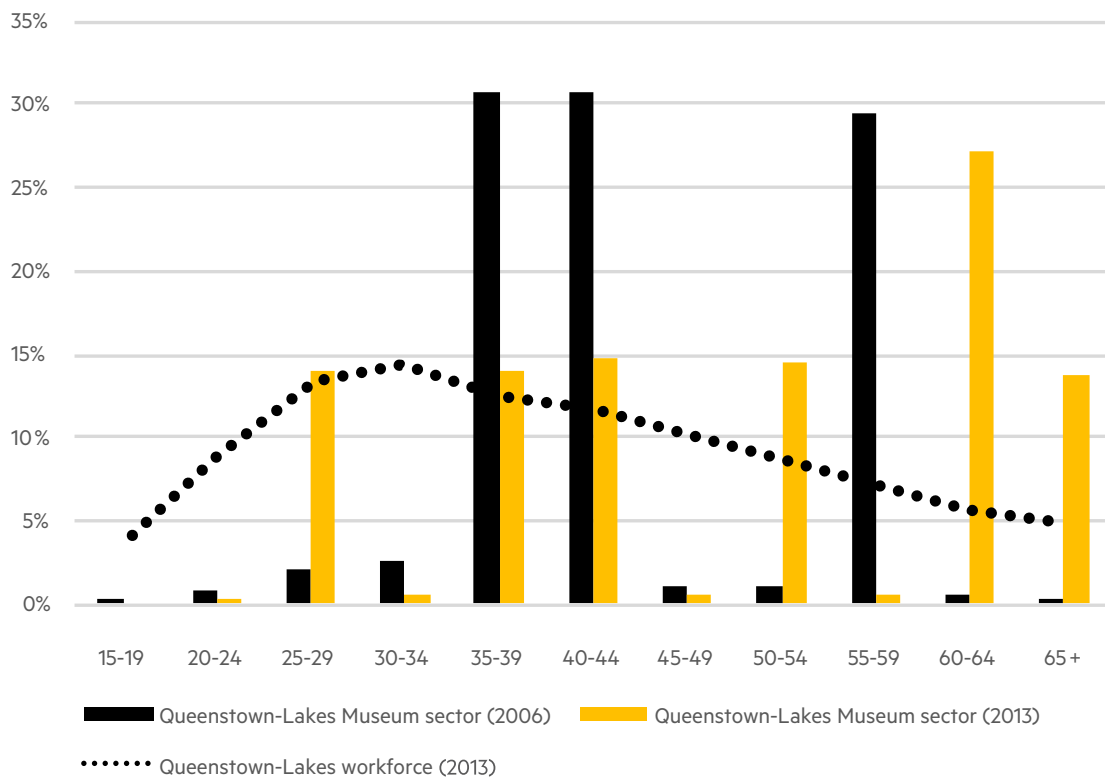
The museum sector in Queenstown-Lakes contributes \$1.41m to GDP, and this grew 6.7 per cent in 2015. Museums contribute \$63,487 per FTE.

In 2015, there were seven museum businesses in Queenstown-Lakes, which was a 10.5 per cent decline on the previous year.

The sector is increasingly European (85.9 per cent or 23 people, up by 43 per cent since 2006) and female (59 per cent or 15 people). People working in the sector were either born in New Zealand (four people) or Europe (23 people).

The Queenstown-Lakes museum sector has the oldest demographic of all the service sectors, and it is ageing. In 2006, the largest age groups were 35-39 years and 40-44 years. By 2013, 40.9 per cent were aged 60 or older, and the most common range group was 60-64 years.

Employment by age, 2006 and 2013



The museums sector workforce in Queenstown-Lakes hold similar qualifications to the district workforce overall. 36.8 per cent hold no post school qualification compared to 37.8 per cent in the overall workforce while 25.4 per cent of the museums workforce have a Bachelor's degree or higher compared to 24.5 per cent of the overall workforce.

Employment in the museum sector is predominately part-time. The majority are working less than 30 hours a week (63.9 per cent or 16 people).

The sector has grown sporadically over the years, and employment over the next five years is likely to be replacement roles rather than new jobs.

The Queenstown-Lakes travel sector accounted for 418 jobs in 2015 (378 FTE) and grew by 4.6 per cent in 2015.

The travel sector's contribution to Queenstown-Lakes' GDP grew by 5.4 per cent in 2015 to \$14.8m. The GDP per FTE contributions were the lowest out of all the service sector industries at \$39,014.

In 2015, there were 118 travel-related businesses in Queenstown-Lakes, which was down by 16.8 per cent (24 businesses) on the previous year. Almost a quarter of people working in the travel sector are self-employed (101 or 24.2 per cent) and this share is growing; about twenty per cent of the wider Queenstown-Lakes workforce is self-employed (21.1 per cent) and this share is falling.'

The demographics of the sector has changed since 2006. In 2006, 65.9 per cent of the sector identified as European and this is now 87.6 per cent. Most people working in the sector were born in New Zealand (49.9 per cent) but a significant and growing number hail from Europe (26 per cent) the remaining largely originate from Asia, Australia and the United States (7.7 per cent, 6.9 per cent, and 5.2 per cent respectively).

Most people working in the sector are aged between 25 and 49 years (69.2 per cent.) People coming from Europe are accounting for an ever increasing share of employment. The number of people identifying as Asian and/or born in Asia, for example, has decreased since 2006 – down from 13.7 per cent to 7.9 per cent (15 people).

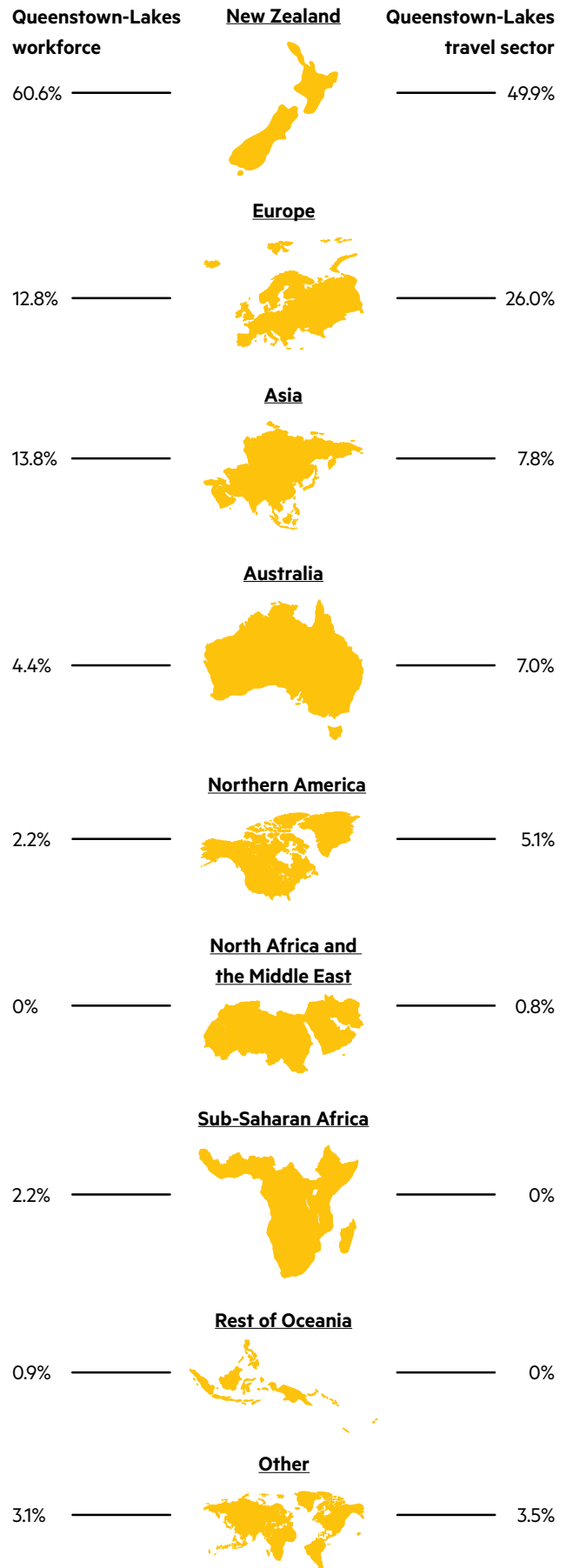
The sector has slightly more women working in it than men (52 per cent compared with 48 per cent, or 202 people compared with 216).

Most people working in the travel sector are working fulltime (82 per cent); however, the numbers of people working part-time has increased.

People working in the Queenstown-Lakes travel sector are qualified to a higher level than the sector nationally, and the general Queenstown-Lakes workforce. Just under a third (30.4 per cent or 113 people) have no post-school qualifications, while over one third (37.3 per cent) hold a Bachelor's degree or higher.

Employment in the travel sector has grown in peaks and troughs over the years and it is likely to have reached its peak levels. While the numbers of replacement roles will stay constant over the next five years, very few new jobs openings will be on offer.

Employment by country/region of birth



Tourism

The Queenstown-Lakes tourism sector accounted for 10,148 jobs in 2015 (8,524 FTE) and grew by 6.7 per cent in 2015.

The tourism sector's contribution to Queenstown-Lakes' GDP grew by 8.3 per cent in 2015 to \$528m. The GDP per FTE contributions for the sector were \$61,909.

In 2015, there were 1,948 tourism-related businesses in Queenstown-Lakes, which was an increase of 2.6 per cent (50 businesses) on the previous year. On average, these businesses are employing more people than other businesses within Queenstown-Lakes (five people, compared to three). The rate of self-employment within the tourism sector, at 12.9 per cent, is lower than the overall rate of the Queenstown-Lakes workforce, which is 21.1 per cent. Self-employment in the tourism sector and amongst the Queenstown-Lakes workforce more generally, has been steadily decreasing since 2000.

The tourism sector in Queenstown-Lakes, like much of the country's workforce, is ageing. The biggest employment gains between 2006 and 2013 were in the number of people aged 35 years and over. The percentage of people aged 65 years or older employed in Queenstown-Lakes' tourism sector increased by 58 per cent between 2006 and 2013, going from 155 people to 369.

Most people working in the tourism sector are working fulltime (81 per cent).

Women outnumber men in the tourism sector (53 per cent compared with 47 per cent).

Gender of the Queenstown-Lakes Tourism Sector



The sector has more people working in it who are of European or Asian descent than it did in 2006 (increases of 22 per cent and 43 per cent respectively). Increases amongst Māori and Pasifika have been minimal. This is perhaps unsurprising given the increasing reliance on migrant workers to fill roles within the sector.

Employment in the tourism sector has grown consistently over the years, and has not experienced any declines in employment (data available from 2000). The sector is set to continue this growth over the next five years, and it is estimated that the sector will need over 4,000 new staff, which accounts for close to half of Queenstown-Lakes total workforce employment growth.

Accommodation

The accommodation sector in Queenstown-Lakes accounted for 2,542 jobs in 2015 (2,094 FTE) and grew 4.8 per cent 2015.

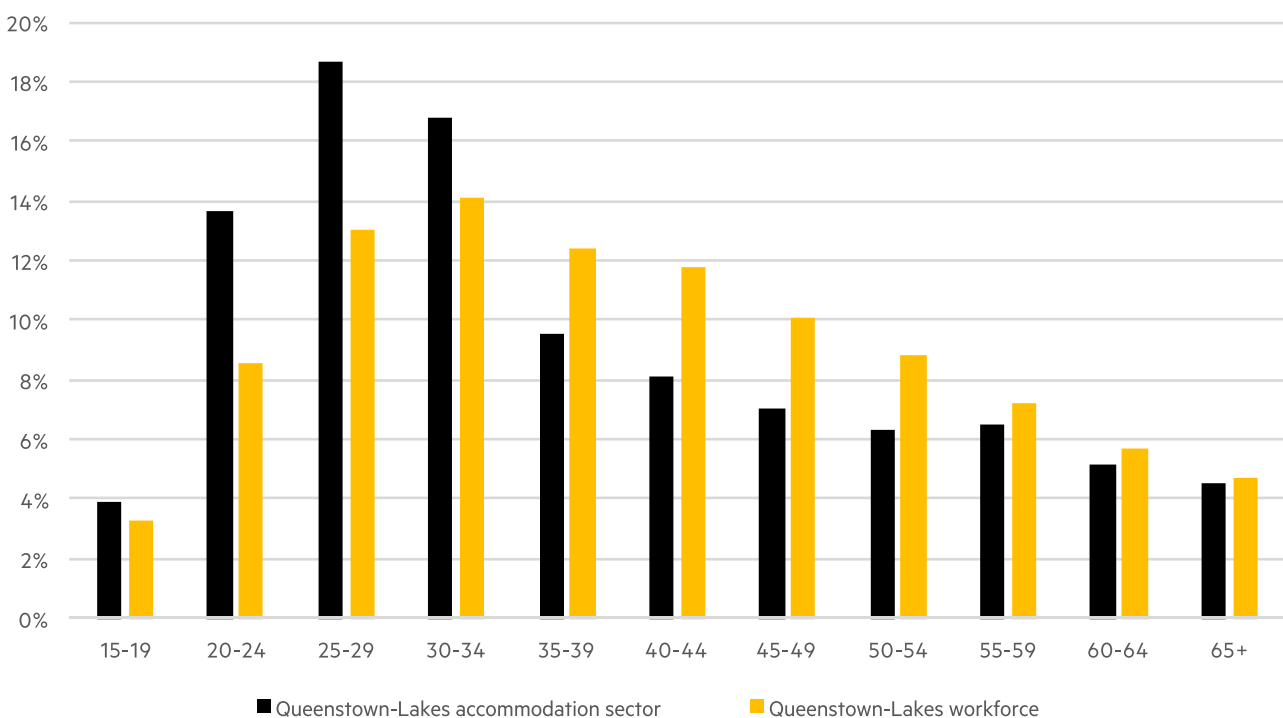
Accommodation contributed \$95.6m to Queenstown's GDP in 2015, which was an increase of 9.1 per cent on 2014. Accommodation has one of lowest GDP per FTE contributions of \$45,648 (second only to Travel).

In 2015, there were 300 accommodation businesses in Queenstown, which was a drop of 4.9 per cent from the previous year (16 businesses). Given that the number of staff employed in the accommodation sector has increased over this time, the loss of employment brought about by the closure of these businesses was most likely subsumed by the current workforce.

The sector is mostly European (67.7 per cent) or Asian (18.4 per cent), and female (58 per cent). Less than half of the people working in the sector were born in New Zealand (42.8 per cent), and the majority of the remaining people were born in either Europe (21.2 per cent) or Asia (17.4 per cent). While the accommodation sector is predominately female more males are entering the workforce.

The sector is relatively young and is dominated by people aged between 20 and 34 years (49.2 per cent or 1,130 people).

Employment by age, 2013



Just under half of people working in the accommodation sector are working 40-49 hours a week (44.3 per cent or 1,018 people) and 22 per cent (or 520 people) work 30-39 hours. The proportion of people working 30-39 hours has increased since 2006, while the number of people working 50 or more hours has decreased.

Less than half of people have no post-school qualifications (43.8 per cent or 1,006 people), which is significantly lower than the accommodation sector nationally (50.1 per cent). Level 4 certificate qualifications are held by 8.4 per cent of the Queenstown- Lakes accommodation workforce, compared to 13.2 per cent for the district workforce overall and 20.9 per cent hold a Bachelor's degree or higher compared to 24.5 per cent of the overall workforce.

The accommodation workforce has been growing since 2011 following a dip in 2010. The sector has yet to reach peak employment levels and will continue to grow strongly over the next five years.

Cafés, bars and restaurants

The café, bar and restaurant sector in Queenstown-Lakes accounted for 2,143 jobs in 2015 (1,720 FTE) and grew 9.5 per cent in 2015.

Cafés, bars and restaurants in Queenstown-Lakes contributed \$82m to GDP in 2015, which was an increase of 13.3 per cent on 2014. Cafés, bars and restaurants has low GDP per FTE contribution of \$47,676.

In 2015, there were 234 cafés, bars or restaurant businesses in Queenstown-Lakes, which was a 5.3 per cent drop on the previous year. Given the number of people employed has continued to grow, it is likely that any reduction in businesses has been subsumed by the current workforce.

The sector is predominately European (74.8 per cent.) The number of people in the workforce who were born in New Zealand has declined by 12.3 per cent since 2006, and they currently represent 41.2 per cent the workforce. Overall, the per centage of Māori and Pasifika in the workforce has declined slightly (from 122 people in 2006 to 118 people in 2013). Additional staff are increasingly coming from Europe, which has increased by 49.1 per cent to take a 28.4 per cent share of the workforce. People born in Asia represent 13.7 per cent; this has increased slightly since 2006.

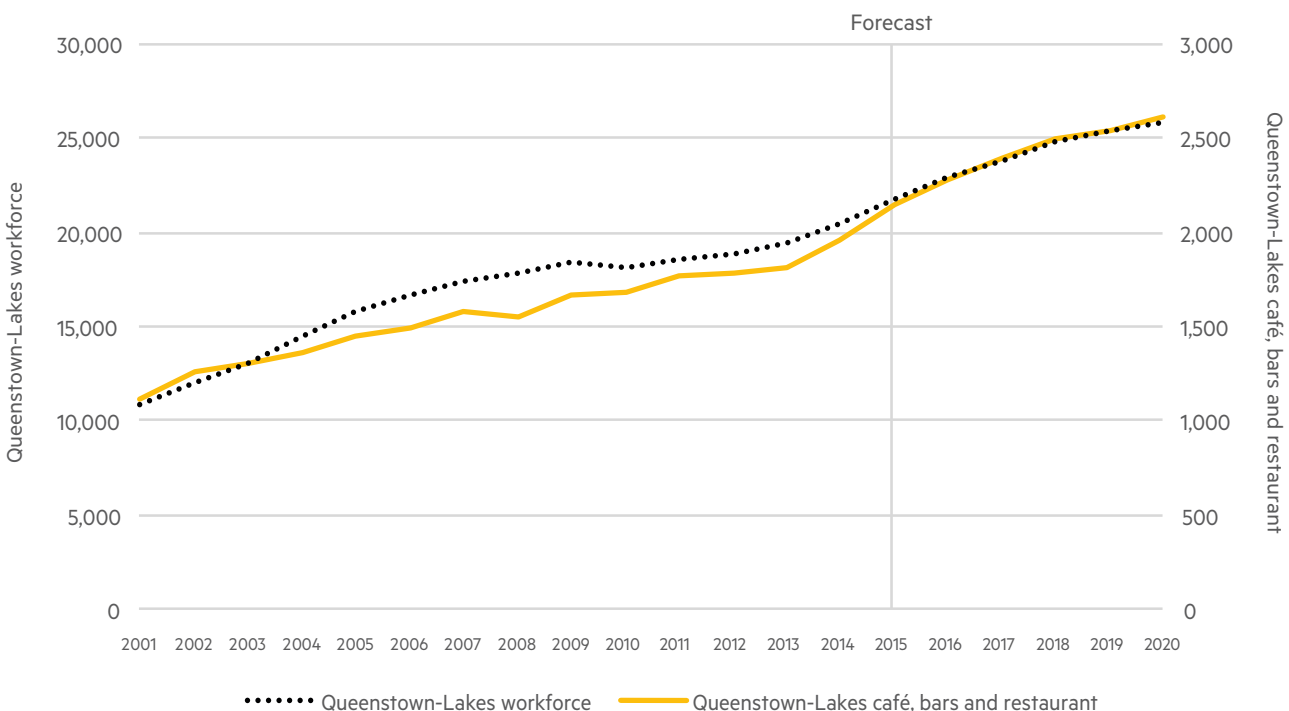
The majority of the people working in the sector are aged between 20-39 years (68.9 per cent.) Females out number males (55 per cent versus 45 per cent) but the number of males has been slowly increasing. Just under half of people have no post-school qualifications (45.2 per cent), 18.4 per cent hold a degree level qualification or higher which is greater than in the café, bars and restaurants sector nationwide (12.4 per cent).

The Queenstown-Lakes cafés, bars and restaurants sector has low GDP per FTE contribution of \$47,676.

Eighty-two per cent of people working in café, bars and restaurants are doing so full-time. While the total hours worked in a week has stayed fairly stable since 2006, fewer people are working part-time hours.

The café, bar and restaurant sector had a brief drop in employment growth in 2008 but has otherwise grown strongly and this is set to continue over the next five years.

Forecast employment



Catering

Catering in Queenstown-Lakes accounted for 212 jobs in 2015 (174 FTE), which was an increase of 2.6 per cent on the previous year.

The Queenstown-Lakes catering sector contributed \$10.4m to GDP in 2015, which was an increase of 6.5 per cent on 2014. The sector contributed \$59,532 to GDP per FTE.

The number of catering businesses in Queenstown grew by 6.3 per cent in 2015 to 50.

Queenstown-Lakes' catering sector has fewer young people and fewer older people working in it than catering nationally. The largest age group, with 31 people (18.3 per cent), falls between the ages of 35-39 years.

44.7% of the catering sector in Queenstown-Lakes are qualified at Level 4 or higher.

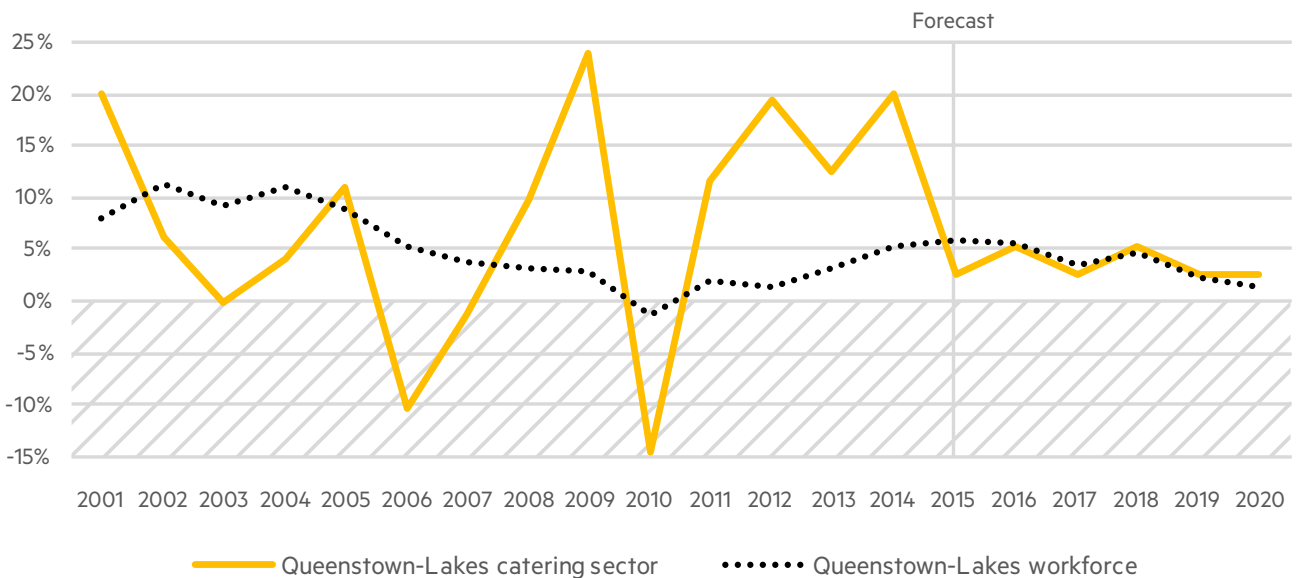
The sector is predominately European (85.7 per cent.) The majority of the people working in the sector were born in New Zealand (62.9 per cent,) Europe (20.8 per cent) and Asia (9.9 per cent). Males very slightly outnumber females in the catering sector (51 per cent versus 49 per cent).

Queenstown-Lakes' catering sector is better qualified than the sector nationally; 44.7 per cent are qualified at Level 4 or higher, including 15.7 per cent (26 people) who have a Bachelor's Degree or higher.

Queenstown-Lakes is working longer hours than the catering sector nationally. Seventy-three per cent work full-time, with over half working 40 or more hours a week (101 people).

The catering sector dipped in 2006 and 2007 and again 2010. Employment growth hit a peak in 2014 and is set to continue growing over the next five years.

Employment growth



Clubs

Clubs is a niche but growing sector for Queenstown-Lakes. In 2015, clubs in Queenstown-Lakes accounted for 48 jobs (37 FTE), which was a drop of 4.5 per cent on the previous year.

The Queenstown-Lakes clubs sector GDP contributions declined one per cent in 2015 to \$2.03m. The sector contributed \$54,231 to GDP per FTE.

74% of people working in the clubs sector are employed full-time.

Queenstown-Lakes has five clubs.

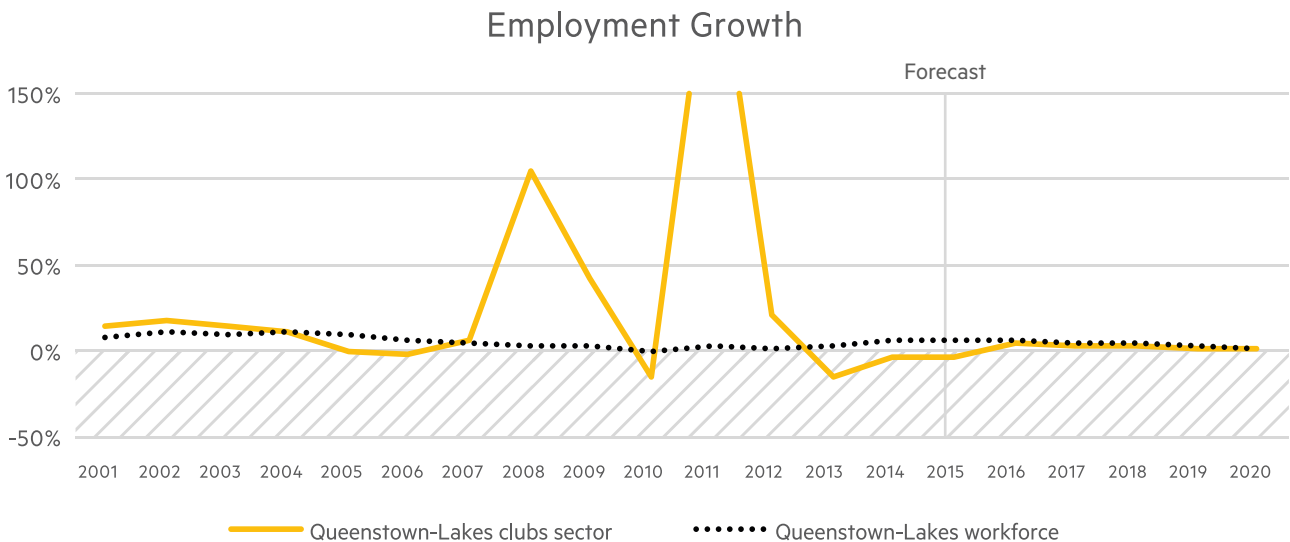
The sector is predominately European (89.5 per cent or 47 people). The majority of the people working in the sector were born in either New Zealand (46.7 per cent or 24 people) or Europe (34 per cent or 18 people).

While the largest age group employed in the clubs sector is aged 30-34 years (19.6 per cent or ten people), the sector is fairly young when compared with other Queenstown-Lakes service sectors. Females very slightly outnumber males in clubs (51 per cent versus 49 per cent) and while the ratio has always been fairly even, females have slowly overtaken males in this sector.

Seventy-four per cent of people working in the clubs sector are employed full-time.

While a quarter of staff have no post-school qualifications (25.2 per cent or 13 people), half of the staff have a qualification at Level 4 or above (52.7 per cent or 28 people).

Employment in the clubs sector has increased since 2001, in part because the growth in Queenstown-Lakes' population has created a better environment for supporting membership-based clubs. The sector reached peak employment levels in 2012 and, while it is unlikely to recover to these levels over the next five years, it will continue to grow.



Quick Service Restaurants

The demographic and employment trends for quick service restaurants in Queenstown-Lakes are very different to what can be observed in the rest of the country. People are more likely to be older and work longer hours; the latter suggests the current workforce is being utilised to a greater extent and there is less reliance on part-time work to cover the workforce needs.

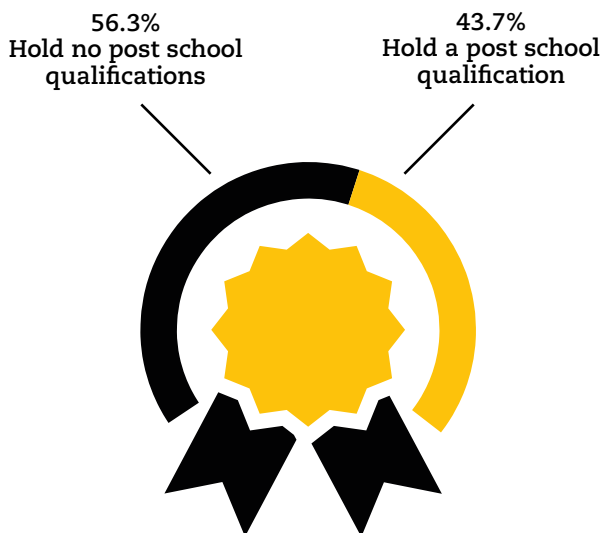
Quick service restaurants in Queenstown-Lakes accounted for 266 jobs in 2015 (204 FTE) and grew by 5.5 per cent in 2015.

Quick service restaurants contribute \$9.86m to Queenstown-Lakes' GDP, and this grew 9.8 per cent in 2015. The quick service restaurants sector has a low GDP per FTE contribution of \$48,346.

Unlike other parts of the country, a significant portion of employees are 25-39 year olds.

In 2015, the number of Quick Service Restaurant businesses in Queenstown grew by 10.8 per cent to 41.

The sector is predominately European (68.8 per cent or 166 people) and Asian (27.1 per cent or 65 people). More men than women work in quick service restaurants (53 per cent compared with 47 per cent, or 140 compared with 126) and this has remained steady over the years.



The number of people working in Queenstown-Lakes' quick service restaurants who were born in New Zealand has increased since 2006 (up 32.2 per cent to 33.3 per cent or 80 people), but not at the same rate as employment has grown over the same period (41 per cent). The number of people employed in the sector who were born in European or Asian countries has increased by 75 per cent and 44 per cent respectively to represent 25 per cent (60 people) and 22.9 per cent (55 per cent) of the workforce. The age range of the Queenstown-Lakes quick service restaurant demographic is very different to the rest of the country. Unlike other parts of the country, a significant portion of employment is filled by 25-39 years olds and much fewer 15-19 year olds.

Eighty-two per cent of people working in the quick service restaurants sector are working full-time, which contrasts with the rest of the country, where only half of people are working full-time in the quick service restaurant sector.

Just over half of people working in quick service restaurants have no post-school qualifications (56.3 per cent or 136 people). Young people working in the sector often account for lower qualification levels in the total workforce because many are still in school or training. However, given the comparatively older demographic it would be expected to be lower. The quick service restaurant sector has been growing over the years, and save for a negative dip in 2009, has been adding new jobs every year. The sector will continue to grow over the next five years but at a slower rate.

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 3,378 jobs in 2015 (2,872 FTE) and had growth of 3.8 per cent in 2015.

The Queenstown-Lakes retail and retail supply chain GDP contributions increased 5.8 per cent in 2015 to \$195m. The sector contributed \$67,856 to GDP per FTE.

The number of retail and retail supply chain businesses increased from 765 in 2014 to 860 in 2015 (12.4 per cent growth).

The sector is predominately European (83.1 per cent or 2,609 people). Māori are accounting for fewer workers than in 2006 (from 129 to 118 people), which corresponds with many of the shifts seen in the wider Queenstown-Lakes workforce.

The sector is employing fewer people aged under 25 years than it was in 2006 – from 497 people in 2006 to 412 in 2013. However, it is employing more people aged 50 and over – from 547 to 887. The largest age group employed in the retail and retail supply chain sector is aged 30-34 years (13.6 per cent or 428 people).

Most of the people working in Queenstown-Lakes' retail sector were born in New Zealand (61.4 per cent or 1,929 people); 17.2 per cent were born in Europe (539 people) and 9.8 per cent in Asia (307 people).

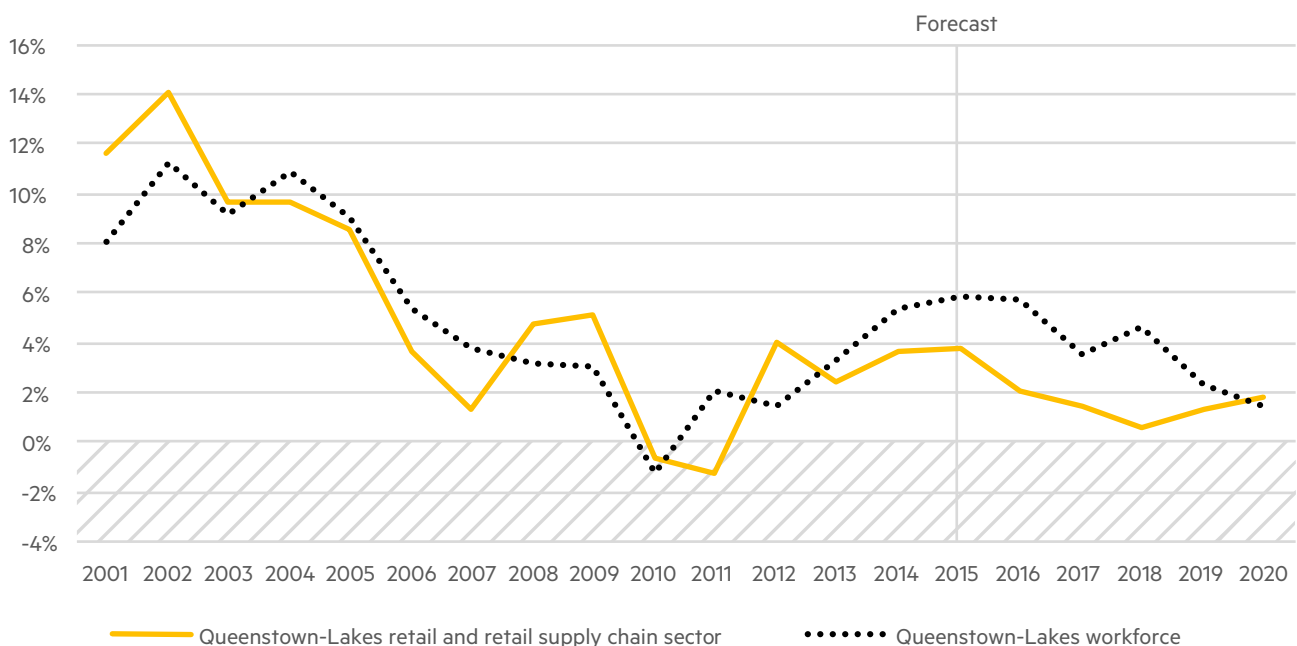
Females outnumber males in the retail and retail supply chain sector (57 per cent versus 43 per cent).

While the retail and retail chain supply accounts for a large number of part-time and casual work around the country, 80 per cent of Queenstown-Lakes' workforce is employed full-time.

Over half of the sector have a post-school qualification (51.1 per cent or 1,603 people), and 20.5 per cent have a Bachelors' Degree or higher (643 people).

The retail and retail supply chain sector hit an employment peak in 2009, and following a period of decline between 2010 and 2011 from which it has since recovered, the sector has continued growing strong. The sector is forecast to need an additional 1,300 workers over the next five years.

Employment growth



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

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