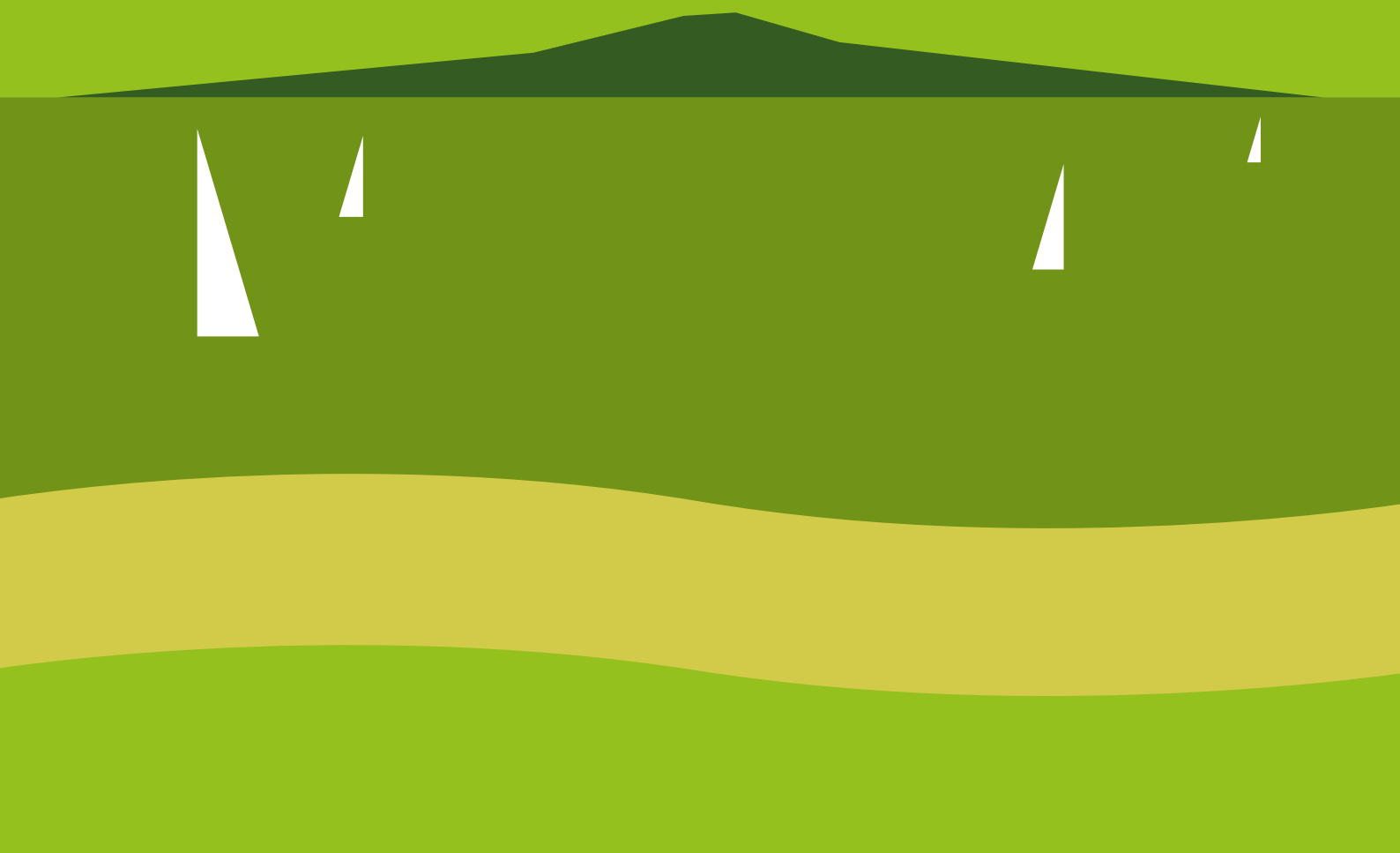


Service IQ

SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR —Auckland Tourism—



2016/2017

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Introduction

Auckland is the world's largest Pasifika city and undisputed gateway to New Zealand. The majority of visitors to New Zealand start and finish their visit in Auckland, and most of the key touchpoints, from the airport to cafés, represent the face of Auckland. The face of Auckland is reflected in its tourism industry, and Auckland's diversity represents an important part. It is vital that the people working in tourism in Auckland are capable of providing high level service, in an inimitable Auckland-way, that encourages people not only to arrive in Auckland but also to stay and play.

#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.

Tourism workforce roadmap for Auckland

The Workforce Development Plan highlighted the need for service sector workforce development at a regional level. The tourism workforce roadmap provides an Auckland 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 tourism 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 with Auckland 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 tourism roadmap for Auckland

ServiceIQ hosted two workshop meetings in Auckland in June and August 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 tourism in Auckland 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 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 Auckland tourism industry taking leadership and regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Auckland tourism workforce roadmap action plan.



Current position in Auckland tourism

Tourism plays a crucial role in the economy and, as Auckland is a main point of entry for the majority of international visitors and a key destination for visitors from domestic regions, Auckland receives the largest share of tourism spend in New Zealand. In 2015, the tourism industry contributed almost \$3.5 billion (in 2010 prices) to Auckland's GDP and in the five years to 2015, GDP in the tourism industry has increased by 14 per cent.

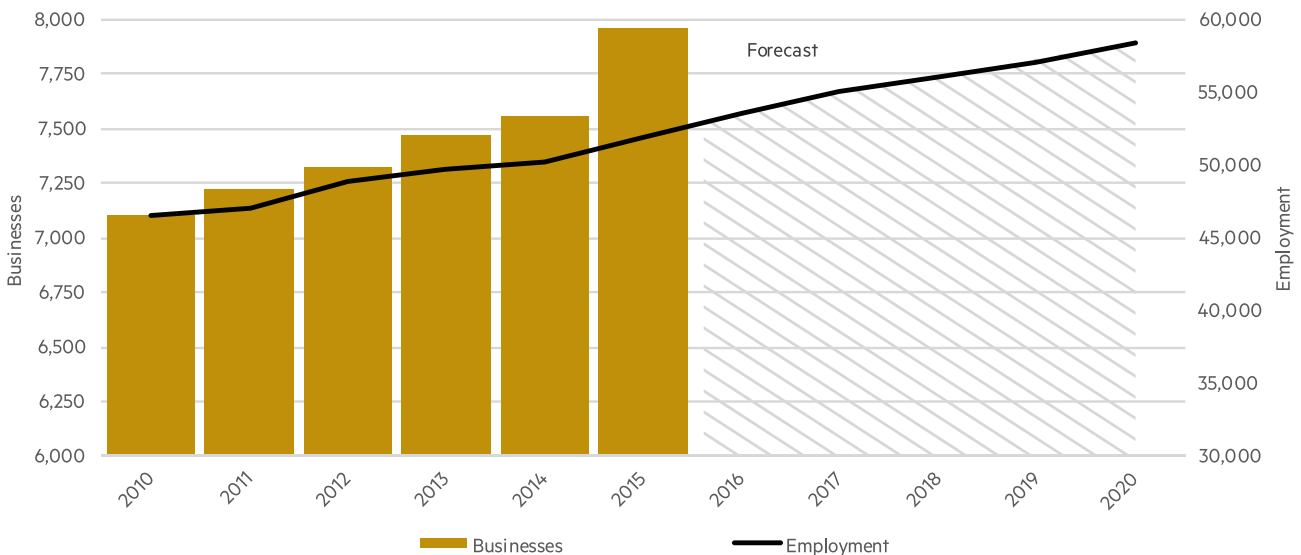
The tourism industry in Auckland is growing; in 2015 tourism accounted for 51,822 filled jobs; over 5,000 more than in 2010 and a further increase of 6,500 is forecast by 2020. Combined with an annual attrition rate of around 4.5 per cent, there will be over 18,000 job openings in the next five years. There were 7,979 businesses in the tourism industry in 2015 and while the sector is mainly populated by small businesses (79.4 per cent of businesses have five staff or fewer,) large tourism players, such as Air New Zealand, account for most of the employment and the average number of filled jobs per business unit is higher than for the total Auckland economy (6.5 jobs per business in tourism compared to 4.4 in the total Auckland economy).

The tourism workforce in Auckland has higher labour productivity per FTE than the national average with a GDP per FTE of \$78,716 compared to \$68,217 nationally, but productivity in the Auckland tourism industry has been dropping since its 2012 peak of \$80,111 while the national average increased over this time. The tourism workforce in Auckland is higher-paid than the national counterpart, with average annual earnings for the Auckland sector of \$46,889 compared to \$43,122 nationally. Auckland tourism workers are also more likely to work 40-49 hours a week (43.3 per cent in Auckland compared to 36.2 per cent nationally). The GDP contribution and the number of hours worked suggest possible skill and/or labour shortages as the same group of workers are producing more and working longer hours in comparison to the rest of the country.

The service sector covers:

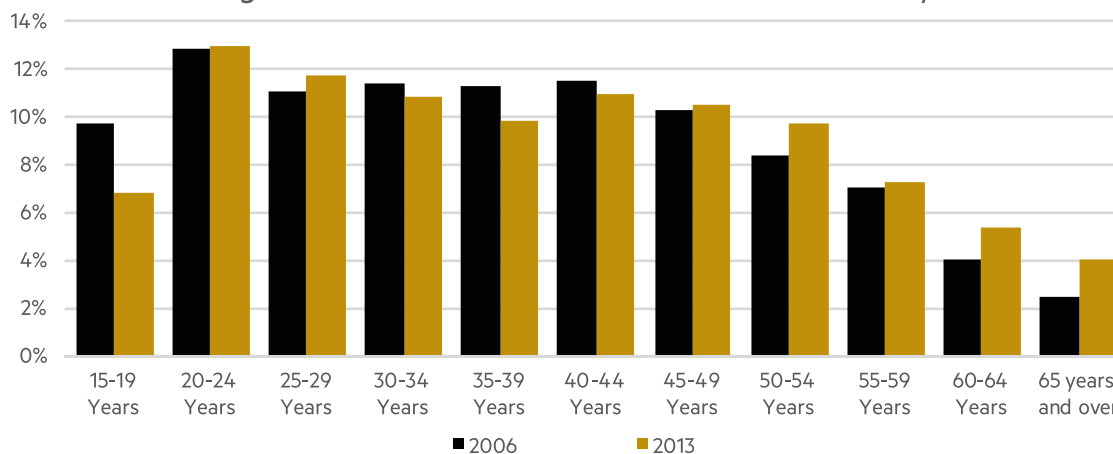
- ▶ Accommodation
- ▶ Aviation
- ▶ Cafés, Bars and Restaurants
- ▶ Catering
- ▶ Clubs
- ▶ Museums
- ▶ Quick Service Restaurants
- ▶ Retail and Retail Supply Chain
- ▶ Tourism
- ▶ Travel

Businesses and employment growth in the Auckland tourism industry



While the service sector is known for having a younger workforce, employment in tourism industries is relatively evenly spread across the age groups in the 25 to 54 years range. The Auckland tourism industry workforce is aging in line with the national workforce, Workers aged between 15-19 years are accounting for fewer roles within Auckland tourism; from 4,351 in 2006 (9.7 per cent) to 3,398 in 2013 (6.8 per cent). Conversely, people aged 50 and over are accounting for an increasing number of tourism employees, from 22 per cent in 2006 to 26 per cent in 2013, an increase of 3,255 workers. With older workers forming a larger part of the workforce comes changing employment expectations.

Age distribution in the Auckland tourism industry

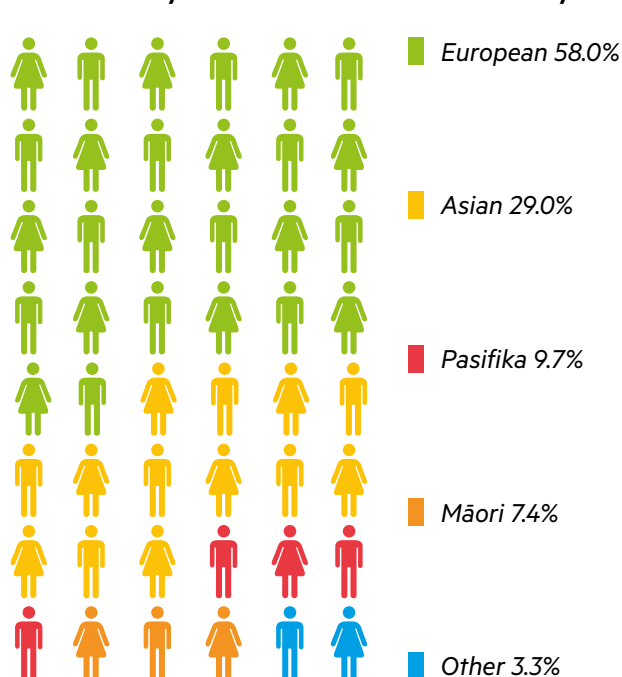


Youth are more likely to consider work in the service sector, including tourism, as a stepping stone to other sectors, rather than a longer term career option. Tourism does offer viable career paths; while close to half of tourism roles are considered “low skilled”, in Auckland over a quarter of the roles are “high-skilled”, equating to more than 13,000 jobs. Workers in the Auckland tourism industry are also better qualified than the rest of the country, with 25.1 per cent holding a Bachelor’s Degree or higher, compared with 18.9 per cent everywhere else. The predominance of Auckland-based head/national offices will be a cause of some of this and it is possible that people born overseas who are entering the tourism industry are increasing the skill levels.

Almost half of the Auckland tourism industry was born outside of New Zealand (49.5 per cent.) A significant proportion of the workforce was born in Asia (23.3 per cent compared with 16.2 per cent of the national tourism workforce,) a further 9.7 per cent of the workforce was born in Europe and 8.1 per cent in Oceania. The significant proportion of ‘new’ New Zealanders could point towards potential literacy issues (i.e. English as an other language).

The Auckland tourism industry workforce is also more diverse than the national tourism workforce. In Auckland, 58 per cent of the workforce identify as European compared to 72.6 per cent nationally. People of Asian descent are forming a rapidly growing part of the Auckland sector making up 29 per cent of the workforce in 2013 compared to 22.8 per cent in 2006. Pasifika accounted for 9.7 per cent of the 2013 Auckland tourism workforce (increased from 9.3 per cent in 2006) and Māori 7.4 per cent (a decrease from 8.1 per cent in 2006.)

Ethnicity of the Auckland tourism industry



¹Highly 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.

Challenges to supply and demand facing the Auckland tourism industry

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.

Auckland at a Glance

- ▶ **Over 1.5 million residents**
- ▶ **More than one third of the New Zealand population**
- ▶ **787,506 filled jobs**

By 2020, the Auckland tourism workforce is forecast to grow by over 18,000 people. The rate of total job openings within the tourism industry, including new jobs, voluntary attrition and retirement, is 6.8 per cent.

Employee turnover costs between 50 to 300 per cent of base salary per person. Retail workers, on average, earn \$47,690, and based on this estimate the cost to the business of replacing a worker is at least \$23,845.²

Auckland is known as the gateway to New Zealand, and while this brings a wealth of visitors many simply pass directly through Customs and onto a domestic flight heading to other parts of the country, such as Queenstown.

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

Image of tourism

Tourism is a huge export earner for New Zealand but it has yet to capitalise on its potential as an attractive career destination for professionals – young and old alike. It is important that people understand what is possible from a career in tourism, both the highs and lows, and are well equipped for this through good training.

It is important that people understand what is possible from a career in tourism

Availability of skilled workers

Auckland is attracting skilled people into the tourism industry, and in greater rates than most of the country. Increasingly, skilled people who are coming into tourism are 'imported' rather than grown within New Zealand. Migration is an important means for gaining the skills a business requires, but changes to the immigration policy could put this supply at risk. A strong focus on creating an environment that attracts New Zealanders to also become skilled and bring with them a strong understanding of tourism within a New Zealand context is needed.

²New Zealand Turnover Survey (April 2016)

Accelerating the growth of Māori tourism enterprise

Māori have the potential to make a significant contribution to the Auckland tourism economy, both in terms of the labour force and business. Almost a quarter of Māori live in Auckland (137,133). Auckland Māori are, however, underrepresented in tourism compared with the representation of Māori across the country. Close to eight per cent of Māori are employed in Auckland's tourism industry, compared with 11 per cent nationally. A huge opportunity exists for accelerating the growth of Māori businesses already operating in the Auckland, but also in realising opportunities for Māori.

Almost a quarter of the NZ Māori population live in Auckland

Fostering cultural tourism

In line with accelerating the growth of Māori tourism enterprise, is fostering the growth of cultural tourism.

Strong competition for entry-level workers

While New Zealand is competing for workers in a global marketplace, Auckland is attracting a greater share of people aged between 20 and 49 years.

Shortage of affordable housing

Auckland's shortage of affordable housing, and relative high costs of living, have been well documented. Increasing numbers of Aucklanders are either living in sub-optimal shared accommodation, which promotes transitory approaches to work, or are commuting from other regions. The shortage of affordable accommodation is also of concern for tourism workers who may only be temporary in a location, particularly seasonal workers.

Other issues of note include general infrastructure, including housing, but also transport.



Auckland

seizes

every opportunity

If tourism succeeds

Auckland succeeds

and if

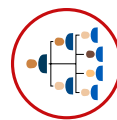
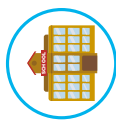
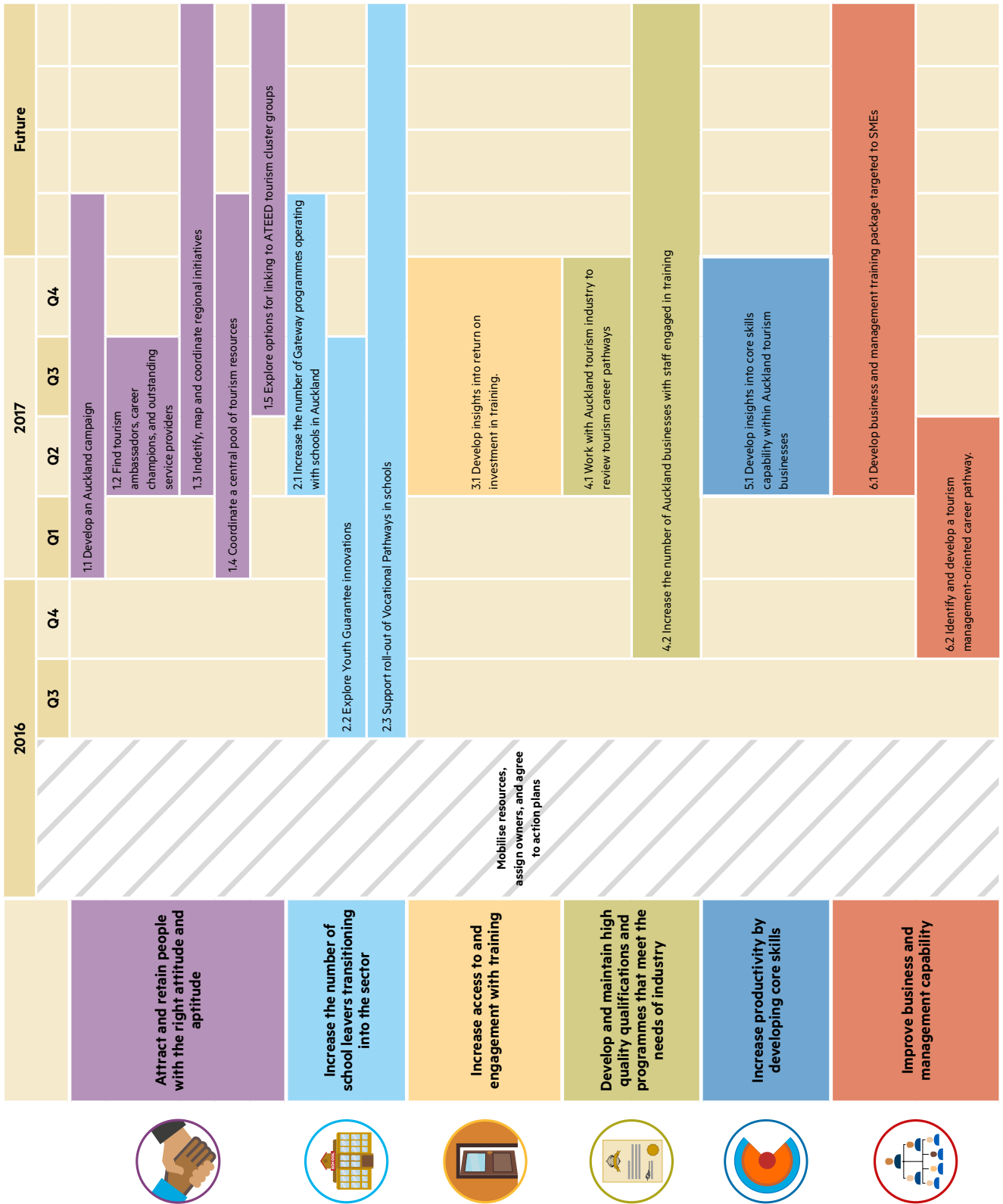
Auckland succeeds

**New Zealand
succeeds**

By 2021:

- ▶ The tourism industry is valued.
- ▶ Tourism is a sought-after career choice.
- ▶ People working in the tourism industry are respected as professionals.
- ▶ People living in Auckland will support and enhance the visitor experience.

Initiatives for the Auckland tourism industry



Attract and retain people with the right attitude and aptitude

Increase the number of 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



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	Develop an Auckland campaign	A number of different and intersecting initiatives are underway already seeking to address issues associated with attracting and retaining people in the tourism industry. The focus of this campaign would be to change the perception of tourism, both at school-level and nationally, and help to 'change the debate'. (see also 1.4)
1.2	Find the tourism ambassadors, career champions, and outstanding service providers	People working in and contributing to tourism industry in Auckland have great stories to share.
1.3	Identify, map, and coordinate regional initiatives	A number of different and intersecting initiatives are underway already seeking to address issues associated with attracting and retaining people in Auckland's tourism industry.
1.4	Coordinate a central pool of tourism resources	Auckland needs to develop and grow the tourism career story to help develop the industry's image. The resources could include: clear communication about pathways, stories about tourism that capture the imagination, and star messages linking with both small and big players in the industry (see also 1.1)
1.5	Explore options for linking to ATEED tourism cluster groups	The Auckland tourism, events, and economic development agency (ATEED) has cluster groups comprising people from across Auckland's business tourism community.

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 Auckland schools	Tourism is generally not perceived as a good career. A continued focus on schools to challenge people into tourism is important. Gateway training helps students gain skills, experience, and kick-start a career in the service sector. Students attain unit standards and make professional contacts that can help open doors to a future jobs in the sector.
2.2	Explore Youth Guarantee innovations	Youth Guarantee innovations allow students to study towards NCEA and work. Pathway options allow students who are ready to work, but who have not reached NCEA level 2, to study and work during the school week. These pathways are referred to as 3+2 and 4+1, and offer flexibility to students to study 60 per cent of time, and work 40 per cent (e.g. three days studying/two days working), or to study 80 per cent and work 20 per cent (four days/one day).
2.3	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.

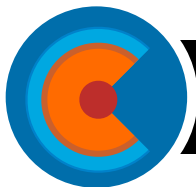


Develop and maintain high quality qualifications and programmes that meet the needs of industry

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 the Auckland tourism industry to review tourism career pathways	Clearly expressing what skills and knowledge are most critical to business will ensure these are captured in relevant and successful training programmes.
4.2	Increase the number of Auckland businesses with staff undertaking courses and/or qualified in qualifications designed for the tourism industry	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 Auckland's tourism businesses are engaging more of their staff in training, and/or employing well-qualified people, this will raise the skill levels of the industry.



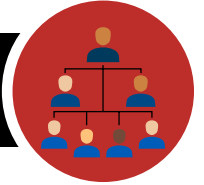
Increase productivity by developing core skills

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.

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

Improve business and management capability



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

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

#	Initiative	Description
6.1	Develop business and management training packages targeted to small-medium sized enterprises	Auckland's tourism industry is growing and it is important that businesses have the skills and support to grow and thrive along with it.
6.2	Identify and develop a tourism management-oriented career pathway	The tourism industry offers extensive professional-level roles and career paths for getting there.



Auckland Service Sector – Sector by Sector

The tourism industry has a relationship to all the service sectors.

The diagram below illustrates the “overlap” calculated by Statistics New Zealand through its Tourism Satellite Account (2014 data used).

How the tourism sector relates to other ServiceIQ sectors

SECTOR	FILLED JOBS 2014		
	Total	In Tourism	% in Tourism
TOURISM	168,012		100%
Retail and Retail Supply Chain	391,685	44,473	11%
Accommodation	32,231	20,320	63%
Cafés, Bars and Restaurants	81,973	70,062	85%
Clubs	4,447	1,753	39%
Catering	18,641	4,489	24%
Quick Service Restaurants	24,304	9,228	38%
Aviation	18,884	8,908	47%
Museums	2,783	405	15%
Travel	8,553	7,057	83%



The following is an overview of each sector ServiceIQ covers.

ServiceIQ sector coverage

Aviation

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

Museum

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

Travel

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

Tourism

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

Accommodation

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

Cafés, Bars, Restaurants

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

Catering

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

Clubs

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

Quick Service Restaurants

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

Retail and Retail Supply Chain

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

Aviation

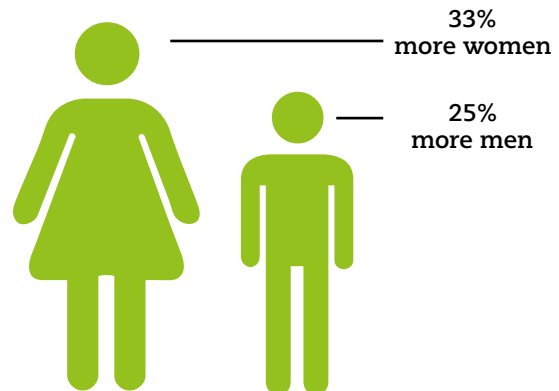
The aviation sector in Auckland accounted for 9,365 jobs in 2015 (8,834 FTE) and grew by 1.3 per cent.

Auckland's aviation industry contributes \$1,130 million to GDP, and this grew one per cent in 2015. Aviation makes a significant GDP contribution per FTE of \$127,949.

In 2015, there were 350 aviation businesses, which was a drop of 6.3 per cent on the previous year (14 businesses).

The sector is predominately European (69.6 per cent), Asian (16.4 per cent) or Pasifika (12.1 per cent), and male (65 per cent). The number of people identifying as either European, Asian, Pasifika or Māori has increased over the years. While men do outnumber women (65 per cent to 35 per cent,) the number of women entering the sector is growing at a faster rate than the number of men (33 per cent more women since 2001, compared with 25 per cent).

Auckland Aviation sector growth since 2001



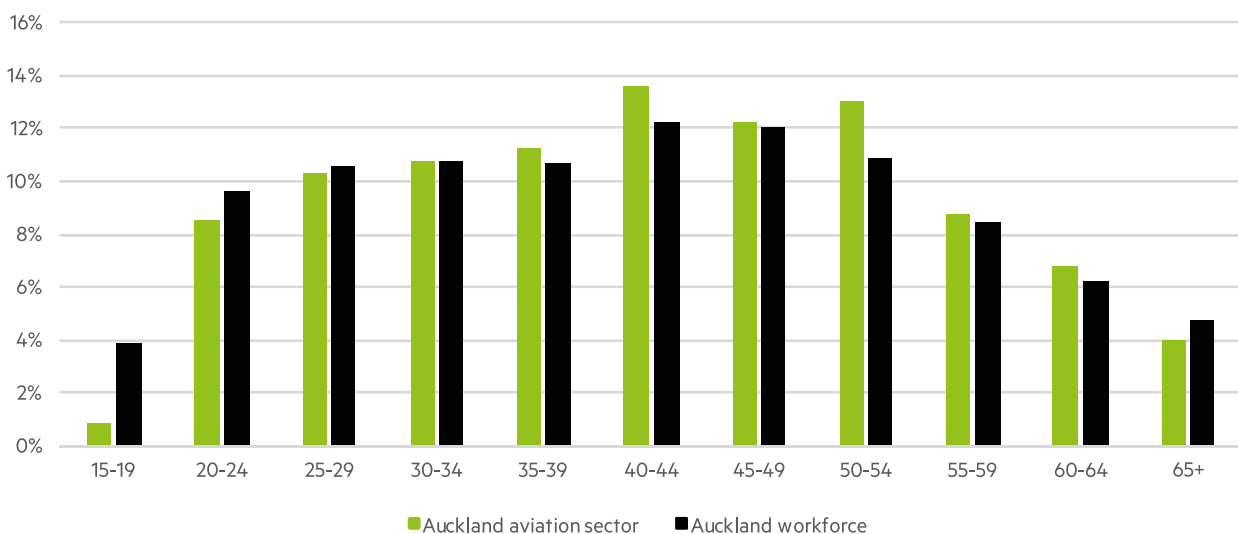
The sector is aging and currently has a middling age range that is not too dissimilar to the wider Auckland workforce. The two most common range groups are 40-44 years and 50-54 years.

Most of the people working in the sector are born in New Zealand (61 per cent or 5,890 people), Europe (10.8 per cent or 1,043 people), Pacific (9.9 per cent or 953 people) or Asia (9.9 per cent). While the number of people born in New Zealand has increased, it has decreased as a percentage of the wider aviation workforce in Auckland. Since 2006, most of the growth has been from Pacific and Asian countries, and fewer people are coming from Europe.

The majority of people working in aviation are working full-time (87 per cent). Seventy-five per cent of people are working between 30 and 49 hours a week (7,344).

Employment in the aviation sector had consistent growth between 2008 and 2012, but experienced drops in 2013 and 2014. The sector is growing again, however, and it is expected to surpass its 2012 peak of 9,852 people by 2020. The majority of employment will be replacement openings, rather than new jobs. The sector will need to fill over 2,500 roles by 2020.

Employment by age



Museums

The museum sector in Auckland accounted for 738 jobs in 2015 (630 FTE) and grew by 7.3 per cent.

Auckland's museum sector contributes \$67.7 million to GDP, and this grew 8.5 per cent in 2015. Museums make a significant GDP contribution of \$107,454 per FTE.

In 2015, there were 59 museum businesses in Auckland, which was a 2.9 per cent increase on the previous year (two businesses).

The sector is increasingly European (82.8 per cent) and male (51 per cent or 376 people). Most of the people working in the sector are born in New Zealand (66.1 per cent or 431 people) or Europe (15.1 per cent or 98 people).

Employment by ethnicity

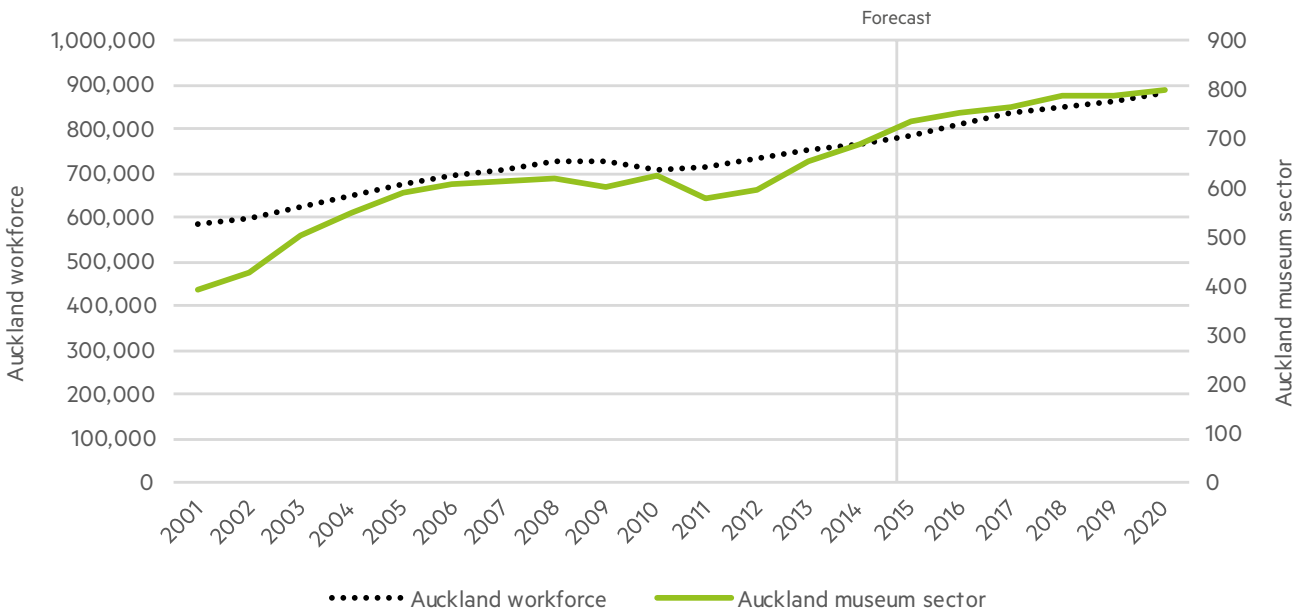


The Auckland museum sector bucks the national trend of an aging museum workforce. The largest age group is 25-29 years (15.5 per cent or 101 people) and the number employed in this age range since 2001 has grown 36 per cent.

Most people are working in the museum sector full-time (76 per cent), which is more than the national average (71 per cent).

Employment in the museum sector has largely grown since 2002, with the exception of drops in 2009 and 2011. The sector is set to continue to grow and reach new peak employment levels in 2020.

Forecast employment



Travel

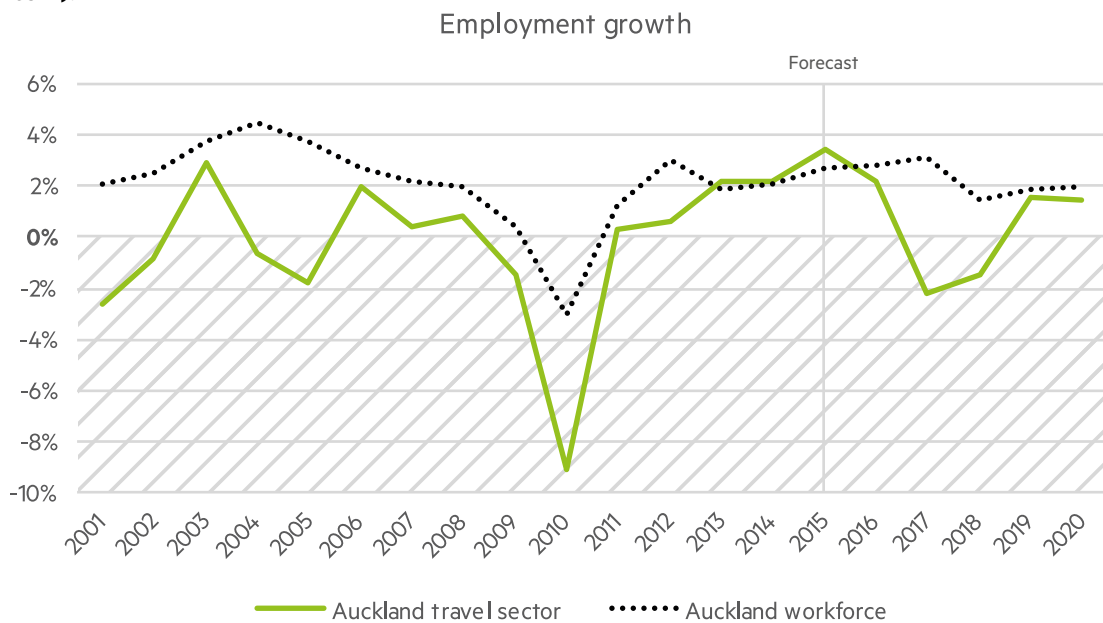
The Auckland travel sector accounted for 3,960 jobs in 2015 (3,591 FTE) and grew by 3.5 per cent.

The travel sector's contribution to Auckland's GDP grew by 4.3 per cent in 2015 to \$202 million. The GDP per FTE contributions were \$56,346.

In 2015, there were 984 travel-related businesses in Auckland, which was up by 10.3 per cent (91 businesses) on the previous year. Close to 20 per cent of people working in the travel sector are self-employed (783 or 19.8 per cent) and this share is, in the main, growing.

Most people working in the sector were born in New Zealand (54.6 per cent or 2,047 people), but a significant number hail from Asia (21.7 per cent or 813 people) and Europe (11.4 per cent or 425 people).

The sector has a younger demographic than the wider Auckland workforce, but it is also employing fewer young people than it was in 2006. Most people working in the sector are aged between 25 and 49 years (2,467 or 65.9 per cent).



The sector is predominately female (69 per cent) but more males are entering the travel workforce.

Most people working in the travel sector are working full-time (83 per cent); however, the percentage of people working part-time has increased slightly.

People working in Auckland's travel sector are well qualified compared with the sector nationally, but also with the total Auckland workforce. Just under a third are qualified to a Bachelors' Degree Level or higher.

Employment in the travel sector has grown in peaks and troughs over the years, but employment growth in the Auckland sector has been much stronger than the sector nationally. Despite this, it is likely to have reached its peak employment levels. The number of replacement roles will stay constant over the next five years, very few new jobs openings will be on offer, and employment in the sector will have decreased overall by 2020.

Accommodation

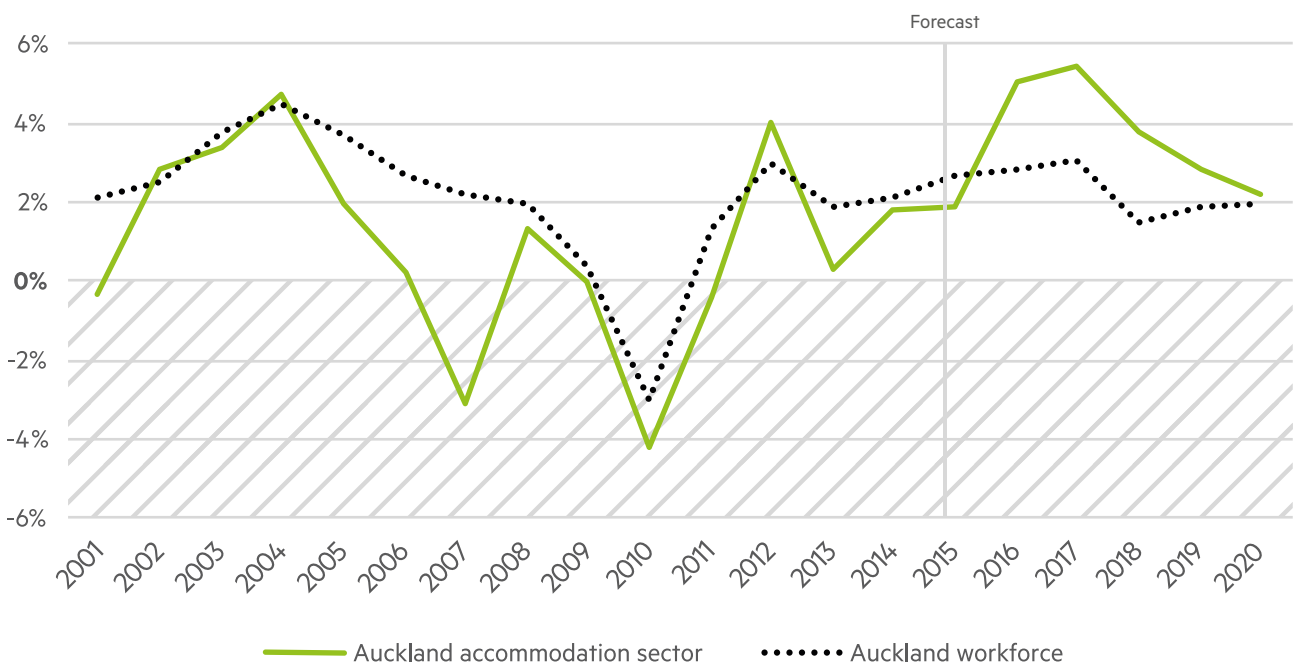
The accommodation sector in Auckland accounted for 6,773 jobs in 2015 (5,601 FTE) and grew 1.9 per cent.

Accommodation contributed \$305 million to Auckland's GDP in 2015, which was an increase of 5.2 per cent on 2014. Accommodation contributed \$54,458 to GDP per FTE.

In 2015, there were 1,033 accommodation businesses in Auckland, which was an increase of 6.6 per cent on the previous year (64 businesses).

The sector is mostly European (48 per cent) or Asian (35.5 per cent), while Pasifika make up 13 per cent and Māori 6.6 per cent. Less than half of the people working in the sector were born in New Zealand (41.6 per cent or 2,715 people), and the majority of the remaining people originated from Asia (29.3 per cent or 1,915) or the Pacific (11.9 per cent or 774 people).

Employment growth



The sector employs a significant proportion of people aged between 20 and 34 years (41.7 per cent or 2,720 people).

The accommodation sector has more female than male workers (54 per cent versus 46 per cent,) and this has changed little since 2001.

Seventy-two per cent of people working in the accommodation sector are working full-time. Since 2006, more people have been working between 20 and 39 hours, and the proportion of people working 40 or more hours has decreased.

Less than half of people have no post-school qualifications (41.5 per cent or 2,708 people), which is significantly lower than the accommodation sector nationally (50.1 per cent).

Employment in accommodation has grown in steadily, in the main, but experienced a downturn in employment in 2007, and again in 2010 and 2011. The sector reached peak employment levels in 2015 and is expected to continue growing over the next five years, requiring over 3,000 additional workers by 2020.

Cafés, bars and restaurants

The café, bar and restaurant sector in Auckland accounted for 29,316 jobs in 2015 (23,648 FTE) and grew 5.1 per cent.

Cafés, bars and restaurants in Auckland contributed \$1,108 million to GDP in 2015, which was an increase of 8.2 per cent on 2014. Cafés, bars and restaurants contributed \$46,864 GDP per FTE.

In 2015, there were 4,120 cafés, bars or restaurant businesses in Auckland, which was a 12.8 per cent increase on the previous year (469 businesses).

The sector is predominately European (46.8 per cent or 12,563 people) and Asian (43.1 per cent or 11,588 people).

40% of the people working in the sector were born in New Zealand and 38.8% were born in Asia.

Forty per cent (10,786) of the people working in the sector were born in New Zealand and 38.8 per cent (10,294) were born in Asia. This represents a shift from 2006 when 48 per cent of workers were born in New Zealand (2.8 per cent drop) and 29 per cent originated from Asia (36 per cent increase). While not to the same extent, the wider Auckland workforce is changing in a similar way to reflect its increasing immigrant population.

The sector is mainly comprised of people aged between 15 and 34 years (64.4 per cent), and the workforce is not aging at the same rate as the rest of the country. The sector is, however, employing fewer people aged between 15-19 years than it was in 2006.

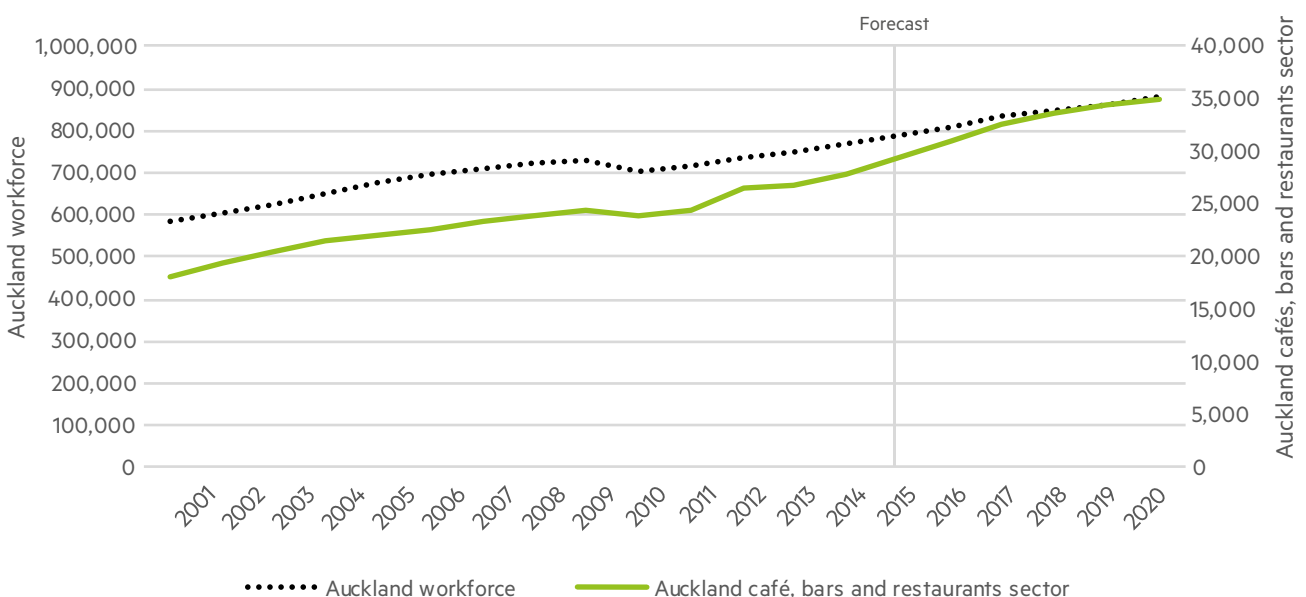
Females outnumber males (54 per cent versus 46 per cent). 15,986 people work full-time in the café, bars and restaurant sector, which equates to 61 per cent of the workforce. The number of people working less than 49 hours has increased over time, but fewer people are working 50 or more hours (since 2006).

Just over half of people have no post-school qualifications (53.9 per cent or 14,493 people). This has improved since 2006 when 58.9 per cent had no post school qualification and 15.8 per cent of the workforce now hold a bachelor degree or higher.

In 2015, there were 4,120 cafés, bars or restaurant businesses in Auckland, which was a 12.8% increase on the previous year.

The café, bar and restaurant sector had a brief drop in employment growth in 2010 but otherwise growth has been strong. This growth is set to continue over the next five years, and the sector will need over 13,000 more workers by 2020.

Employment forecast



Catering

Catering in Auckland accounted for 7,379 jobs in 2015 (6,088 FTE), which was an increase on the previous year (1.7 per cent).

The Auckland catering sector contributed \$374 million to GDP in 2015, which was an increase of 3.9 per cent on 2014. The sector contributed \$61,360 to GDP per FTE.

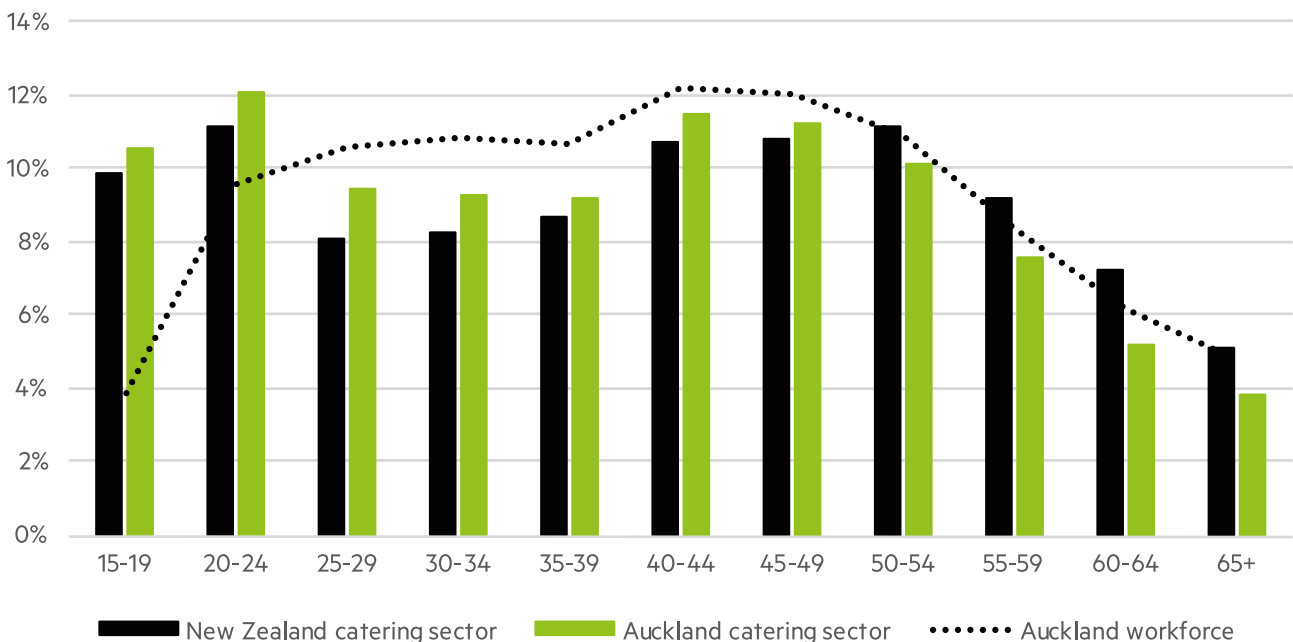
The number of catering businesses in Auckland grew by 3.4 per cent in 2015 from 828 to 855.

The sector is predominately European (53.3 per cent), Asian (27.8 per cent) and Pasifika (15.9 per cent).

The majority of the people working in the sector were born in New Zealand (49.8 per cent or 3,807 people), Asia (20.1 per cent or 1,533 people) and the Pacific (14 per cent or 1,073).

Auckland's catering sector has more young people than catering nationally, and is generally younger than the wider Auckland workforce.

Employment by age, 2013



Females outnumber males in the catering sector (53 per cent versus 47 per cent).

Sixty-six per cent of people in Auckland's catering sector are working full-time, compared with 63 per cent around the country, but the trend is towards fewer hours.

Forty-two per cent of people working in the catering sector have at least a Level 1 post-school qualification (3,206 people). Over a third are qualified to at least Level 4, including 1,434 people who have a Bachelor's Degree or higher (18.8 per cent).

Employment growth in the catering sector dropped in 2009 and again in 2014, but it is forecast to grow strongly over the next five years.

Clubs

In 2015, clubs in Auckland accounted for 960 jobs (758 FTE), which was an increase of 5.1 per cent on the previous year.

The Auckland clubs sector GDP contributions increased 6.9 per cent in 2015 to \$44 million. The sector contributed \$58,127 to GDP per FTE.

In 2015, Auckland had 163 clubs, which was a decrease of 7.2 per cent on the previous year (13 businesses).

The sector is predominately European (69.5 per cent), Asian (16.4 per cent) and Māori (14.9 per cent).

The majority of the people working in the sector were born in either New Zealand (63.2 per cent or 575 people), Asia (13.8 per cent or 126 people) or Europe (11.6 per cent or 105 people).

The clubs sector in Auckland is the only sector to actually increase both the number and share of young people employed, and reduce the number of older people. Clubs employed 43 per cent more people aged 20-24 years than it did in 2006, and 13.8 per cent fewer people aged 40 and over.

Females very slightly outnumber males in clubs (51 per cent versus 49 percent) and while the ratio has always been fairly level, males are slowly evening up the numbers.

Sixty per cent of people in the clubs sector work full-time.

While half the staff have no post-school qualifications (50.9 per cent or 464 people); a fifth have a Bachelor's Degree or higher (20 per cent or 181 people).

The clubs sector reached peak employment levels in 2015. It is likely to continuing growing over the next five years at an average of 7.2 per cent, and require approximately 360 more people by 2020.

Forecast employment



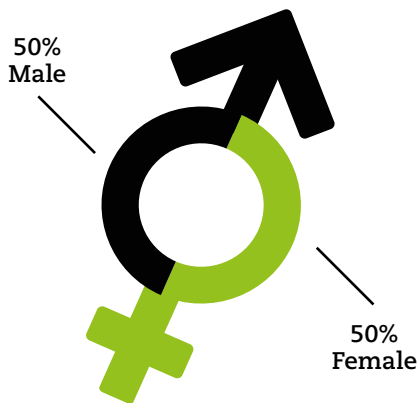
Quick Service Restaurants

Auckland's quick service restaurants accounted for 9,377 jobs in 2015 (7,189 FTE) and grew by 7.2 per cent.

The quick service restaurants sector contributes \$311 million to Auckland's GDP, and this grew 11.4 per cent in 2015. Quick service restaurants have the lowest GDP per FTE contributions of all the service sectors at \$43,254.

In 2015, there were 2,127 quick service restaurants in Auckland, which was an increase of 9.6 per cent on the previous year (187 businesses).

Gender balance of the Auckland quick service restaurants sector



The sector is predominately Asian (61.2 per cent) and European (29.6 per cent). The percentage of men and women working in the sector is split evenly down the middle (50 per cent each).

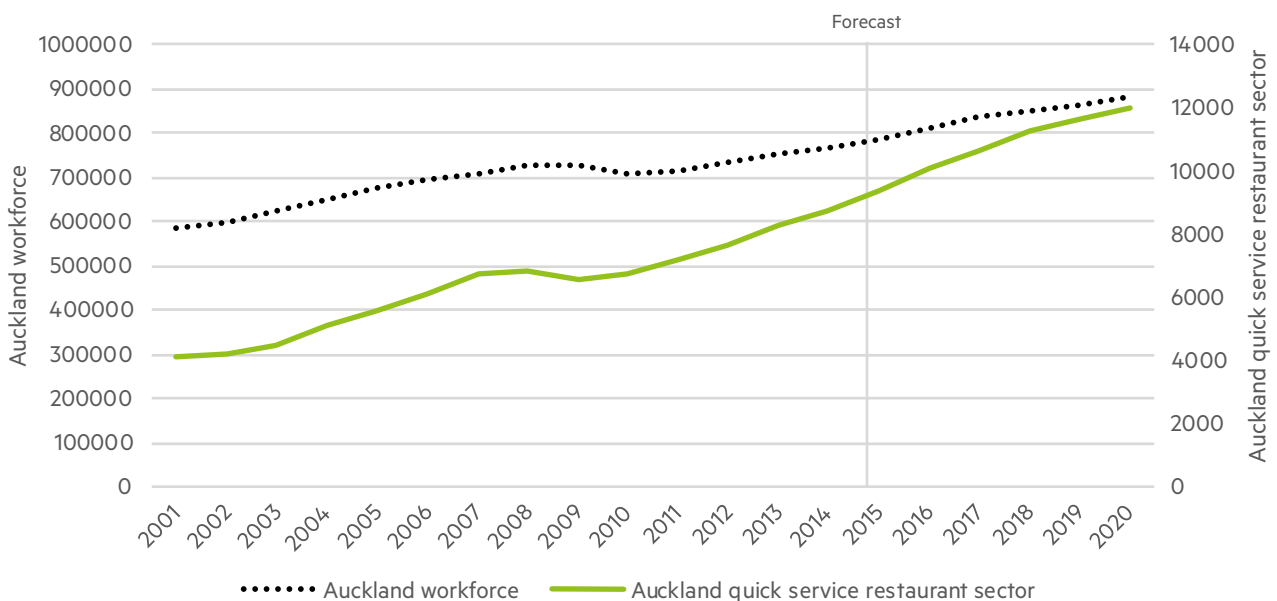
The number of people working in Auckland's quick service restaurants who were born in New Zealand has increased, but the overall percentage has decreased (332 more people but a decrease from 33.8 per cent to 29.2 per cent.) The number and percentage of people hailing from an Asian country has increased and this now represents over half the workforce (53.9 per cent or 4,444 people.)

Just over half of people working in the quick service restaurants sector are working full-time (54 per cent), which aligns with the sector nationally.

The majority of people working in quick service restaurants have no post-school qualifications (61.4 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 (20.2 per cent are aged 15-19 years and 20.3 per cent are aged 20-24 years). However, while the number of young people working in the sector has decreased significantly over time, the levels of qualification have not correspondingly increased. Furthermore, a third 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.

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. Employment in the sector will continue to grow over the next five years.

Employment growth



Retail and Retail Supply Chain

The retail and retail supply chain is the biggest sector within the service sectors. Retail and retail supply chain accounted for 157,934 jobs in 2015 (140,487 FTE) and had growth of 2.3 per cent in 2015.

The Auckland retail and retail supply chain GDP contributions increased 3.4 per cent in 2015 to \$14,792 million. The sector contributed \$105,288 to GDP per FTE.

The number of retail and retail supply businesses decreased from 29,949 in 2014 to 29,825 in 2015 (0.4 per cent decline). The number of people working in the sector, however, increased over this time.

The sector is predominately European (63 per cent or 96,036 people) or Asian (25 per cent or 38,089 people). Māori are accounting for fewer workers than in 2006 (from 11,142 to 11,003 or 1.2 per cent decline); the number of Pasifika workers increased over the same period (from 12,551 to 13,456 or 6.8 per cent increase). Fewer Māori and Pasifika are employed in retail compared to the wider Auckland workforce.

The sector is employing fewer people aged 15-19 years than it was in 2006 – from 14,533 to 9,296 – but is employing more people aged 20-29 years. The largest age groups employed in the sector are 40-44 years and 45-49 years (11.5 per cent and 11.4 per cent respectively or a total of 34,832 people).

Over half of the people working in Auckland's retail and retail supply sector were born in New Zealand (55.9 per cent or 85,171 people); 19 per cent were born in Asia, 9.4 per cent in Europe and 7.5 per cent the Pacific.

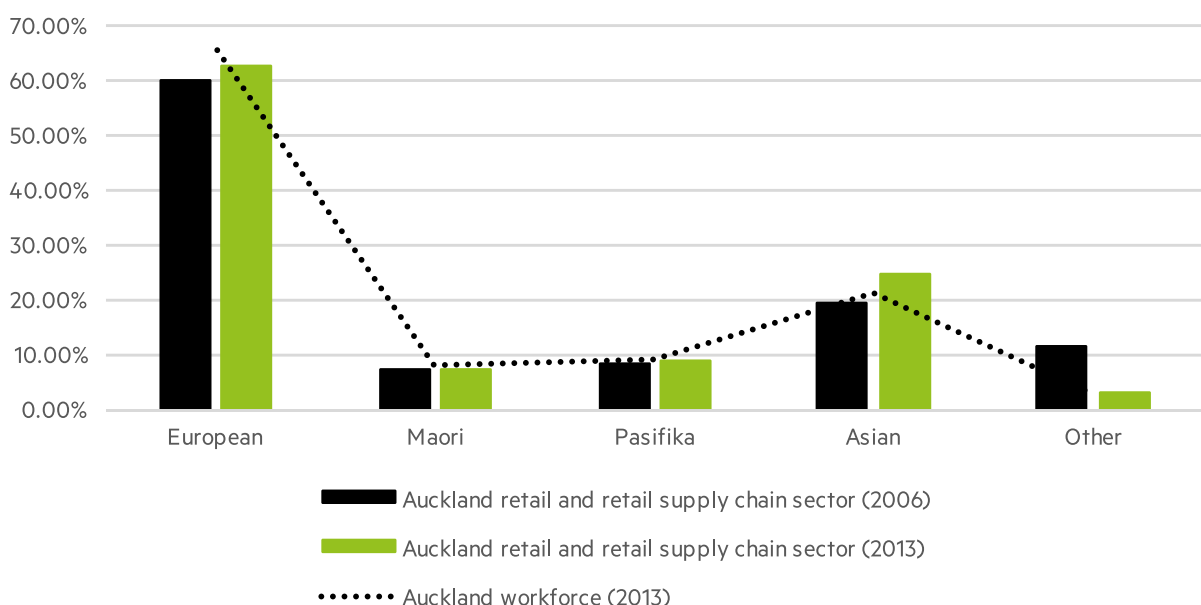
Males outnumber females in the retail and retail supply chain sector (52 per cent versus 48 per cent.)

While the retail and retail chain supply sector accounts for a large number of part-time and casual work in various parts of the country, the majority of people in the Auckland area are working full-time (77 per cent).

Almost half of people have no post-school qualifications (49.1 per cent or 74,878 people); 23.3 per cent have a Bachelors' Degree or higher (35,439). Similar to the quick service restaurant sector, 37 per cent of jobs in retail and retail supply chain are considered medium-high to highly-skilled and this indicates that there is a potential skill shortfall, particularly at Levels 5 and above. The numbers of jobs classified as medium-high or highly-skilled are growing at a faster rate than those classified as medium or low skilled, and by 2020, 38 per cent of roles will be at these higher skill levels.

The retail and retail supply chain sector returned to 2008 peak levels in 2013 after declines in 2009 and 2010. The sector will continue strong growth over the next five years, and will require more than 48,000 additional staff by 2020.

Employment by ethnicity



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

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