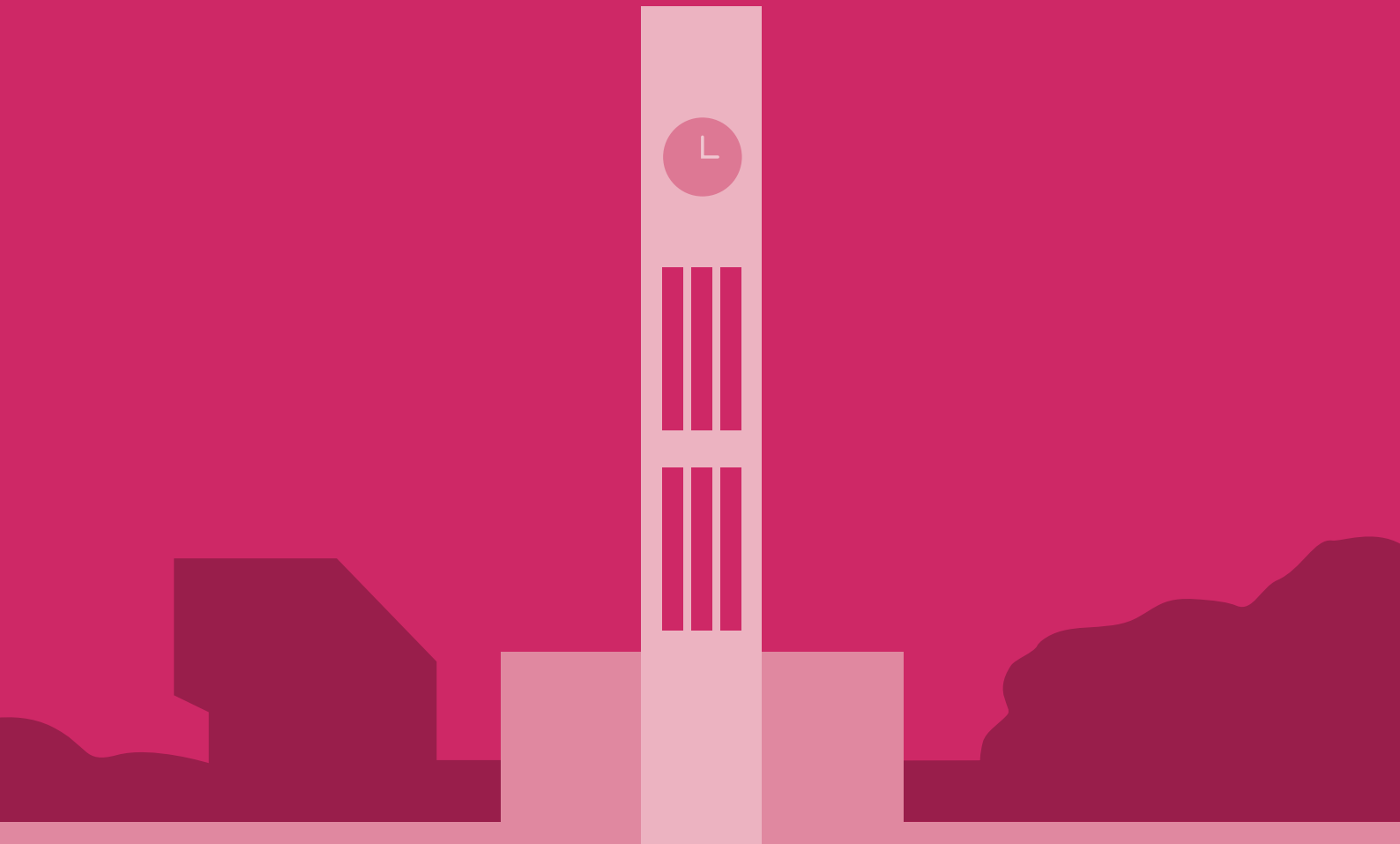


Service IQ
SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR Manawatū-Whanganui



2018/2019

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Introduction

The vibrant Manawatū-Whanganui region in the central North Island is a great place and it has great people. From Tongariro to Levin, and the East Coast to the West Coast, it is a region full of opportunity.

The service sector plays a key role for visitors and residents alike. A strong workforce will enable the service sector to capitalise on the region's potential.

#servicesuccessnz

ServiceIQ

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

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

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

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

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

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

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

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

Service sector workforce roadmap for Manawatū-Whanganui

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

A service sector workforce roadmap is a plan to meet forecast workforce growth in a region over the next five years. The demand side of the plan will include detailed forecasts of workforce changes including changes in workers, changes in occupations, and changes in skill levels. The supply side will outline how we can harness knowledge and innovation within Manawatū-Whanganui 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, schools 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 service sector roadmap for Manawatū-Whanganui

ServiceIQ hosted two workshop meetings in Manawatū-Whanganui in March and April 2017. Representatives from local businesses, membership bodies, government, education providers, and business groups were in attendance in the meetings. In the workshops, the groups developed a vision for the service sector in Manawatū-Whanganui and established a range of strategies for achieving this vision, which formed the basis of the roadmap. A first draft of the roadmap was developed in mid-2017 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 Manawatū-Whanganui service industry taking leadership and regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Manawatū-Whanganui service sector workforce roadmap action plan.



Current position

The Manawatū-Whanganui region is promoted as a great place to visit, live, work, do business, study or hold a conference. In 2016, the region was home to a resident population of 236,900 people. The population is expected to continue growing with a medium population projection in 2023 of 244,600 people¹.

The region's population is 81.3 per cent urban and 18.7 per cent non-urban. 61 per cent of the population lives in Palmerston North (84,300 people), Wanganui (39,600 people) and Levin (20,600 people). The remaining 39 per cent live in Feilding, Dannevirke, Marton, Taumaranui, Foxton, Pahiatua and surrounding areas.

The success of the region is very much tied to the success of the principal urban centres. As the region grows there is a focus on helping businesses to innovate and grow.

The service sector is key to the continued growth of the Manawatū-Whanganui region. The Regional Economic Growth Study July 2015 identified tourism and visitor services as growth opportunities and Palmerston North is a recognised national distribution hub.

Service sector in Manawatū-Whanganui region

The service sector brings together industries covering retail, hospitality, museums, aviation, travel and tourism. In 2016, there were 4,348 service sector businesses in the Manawatū-Whanganui region (17 per cent of all businesses) and the service sector contributed \$1.382 billion to the Manawatū-Whanganui regional GDP. This equates to 16.4 per cent of the total GDP for the region.

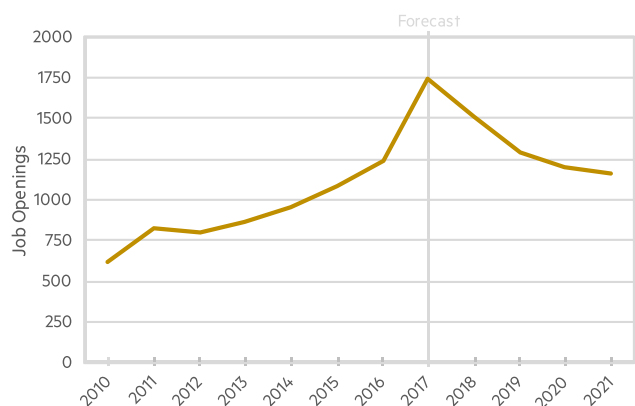
There are 25,738 people employed in the sector, which is 23.3 per cent of the overall Manawatū-Whanganui workforce. By 2021 this is forecast to grow to 26,590. At the forecast rate of employment growth combined with replacement positions, the Manawatū-Whanganui service sector will have 6,899 job openings over the five years to 2021, with peak forecast job openings of 1,742 in 2017.

A smaller proportion of the Manawatū-Whanganui service sector are self-employed than in the overall regional workforce, 12.2 per cent compared to 16.8 per cent. Most people in the Manawatū-Whanganui service sector work full time (30 hours or more, per week), 66.30 per cent work full time in their main role and 31.1 per cent work less than 30 hours per week in their main role.

The service sector covers:

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

Job Openings in the Manawatū-Whanganui Service Sector

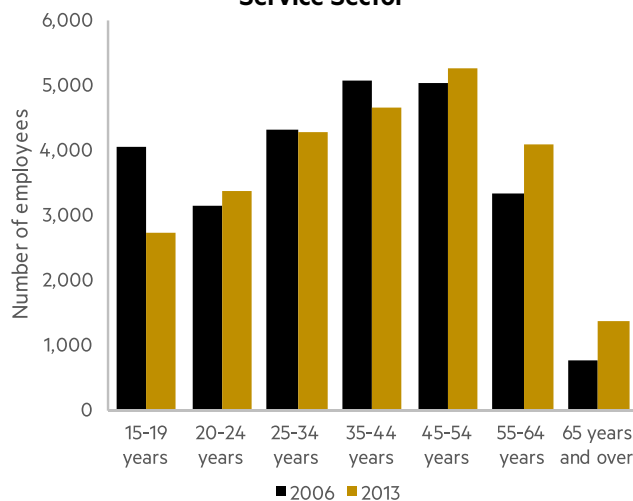


¹Statistics New Zealand Subnational Population Projections: 2013(base) – 2043 - tables

A greater number of service sector workers are part-time compared to the Manawatū-Whanganui overall workforce, where 24.3 per cent work part-time, and slightly higher than the national service sector workforce where 28.6 per cent work part-time in their main role.

The Manawatū-Whanganui regional service sector workforce is ageing; this is in line with the national service sector workforce and the country's workforce overall. This is a global trend seen in developed societies, as the population ages and as young people stay in school through to Year 13, rather than enter the workforce earlier. This trend has particular significance in the service sector which traditionally has relied heavily on youth workers. There were 4,048 workers aged 15-19 years old in the Manawatū-Whanganui service sector in 2006, this dropped by 33 per cent to 2,730 workers in 2013. Conversely the number of workers aged 65 years and over increased by 81 per cent from 759 in 2006 to 1,376 in 2013.

Changing Age of the Manawatū-Whanganui Service Sector



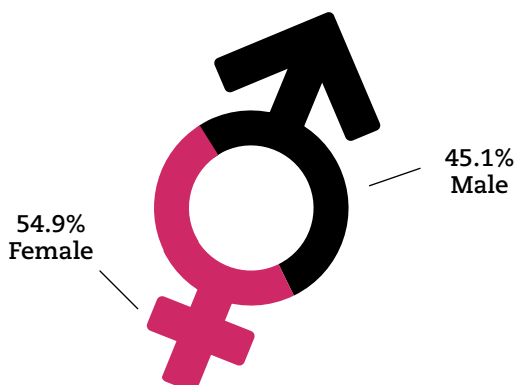
The majority of the Manawatū-Whanganui service sector workforce in 2013 was of European ethnicity (81.4 per cent), with 15 per cent Māori, 8 per cent Asian and 2.5 per cent Pasifika². Each of these ethnicities has grown since 2006; the fastest growth has been in Asian workers with an increase of 47 per cent, they also make up a higher proportion of the service sector workforce than the Manawatū-Whanganui regional workforce overall, (eight per cent compared to five per cent). The other ethnicities in the service sector are in a similar proportion to the overall workforce.

6.6% of the service sector workforce in Manawatū-Whanganui were born in Asia, compared to 3.9% of the overall workforce

In 2013, 82.3 per cent of the Manawatū-Whanganui service sector was born in New Zealand and this is similar to the region's workforce overall. Of those born overseas, Asia was the largest contributor to the overall workforce at 6.6 per cent followed by Europe at 5.5 per cent.

There are more females (54.9 per cent) than males (45.1 per cent) working in the Manawatū-Whanganui service sector. The percentage of females is higher than for the overall Manawatū-Whanganui workforce which is 48.6 per cent female and 51.4 per cent male.

Gender in the Manawatū-Whanganui service sector



Low skilled roles (those typically requiring a Level 3 qualification or lower), account for 58.6 per cent of the Manawatū-Whanganui service sector, medium skilled roles (those typically requiring a Level 4 qualification), account for 9.9 per cent, medium-high skilled roles (Level 5-7 qualification) are 14.4 per cent of roles and high skilled roles (those requiring a Bachelor's degree or higher) are 17.1 per cent of the sector. With only 16.2 per cent of the service sector workforce having a Level 5 or above qualification, this indicates there may be a skill gap in the medium-high and high skilled roles (management and professional roles), which comprise 31.5 per cent of the sector.

²NOTE: Respondents can identify with more than one ethnicity

Challenges to supply and demand facing Manawatū-Whanganui

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.

The Manawatū-Whanganui service sector is forecast to have 6,899 job openings between 2017 and 2021. The rate of total job openings, including new jobs and employee turnover, is 5.22 per cent.

Employee turnover costs between 50 to 300 per cent base salary per person. Retail workers, on average, earn \$47,690, and based on this estimate the cost to the business of replacing staff is at least \$23,845³.

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

Engaging youth in the service sector

New Zealand's service sector is facing strong competition for entry-level workers, as the number of young people relative to the population decreases, and young people are staying longer in education institutions. As the service sector has traditionally relied on younger staff for many roles, attracting more young people into the service sector will become increasingly important.

The generation gap can lead to different expectations and attitudes towards work, and different communication styles. To be effective the service sector must understand what motivates youth today and offer opportunities that match youth values.

Availability of skilled workers

Many employers report difficulty in finding people to fill skilled roles and recruiting staff that are work-ready. There are increasing opportunities to utilise work experience and work-ready programmes to prepare people for work.

In addition, there are skill shortages in the medium-high and highly skilled roles. This is supported by the fact that chefs and café or restaurant managers were two of the three most common occupations for Essential Skills workers visas in the MBIE Migration Trends and Outlook 2014/2015 report.

The service sector is labour intensive and in this environment good human resource practices and leadership competencies are critical to supporting and managing the workforce. Businesses without skilled management, in particular small and medium sized enterprises (SMEs), run the risk of being unproductive.

³New Zealand Turnover Survey (April 2016)

The changing workforce

The workforce in the Manawatū-Whanganui region is changing as the population in the region changes. In addition to an ageing workforce, the workforce is becoming more ethnically diverse and increasing numbers of workers were born overseas. Businesses need to be flexible in their employment patterns and adaptable to the changing workforce.

Increasing use of technology

Advancing technology, including the internet, social media and smart devices have dramatically changed the service sector workplace. It has affected the way employers and staff interact, there is increased transparency due to employer/employee use of social media, and it has changed the way businesses engage with customers.

It has also changed much of the work in the sector, computing and technological skills now play an important part in service sector roles and businesses need the ability to adapt and respond to the changing technology quickly.

Perceptions of careers in the service sector

The service sector has a broad range of opportunities and career pathways. These are not always recognised by the wider community. The service sector needs to work with the community to promote the opportunities available in the sector.

Taking advantage of training opportunities and pathways to employment

The range of training available in the service sector is increasing; work experience programmes, provider based training, on the job training and apprenticeships; are all pathways to employment and advancement in the sector. It is essential that these pathways are visible, utilised and meet industry needs.

Other issues of note include: the Government's decision around pay equity may have broad implications for female dominated industries and occupations; and barriers to attaining a driver's licence is a challenge in some cases.



The
service sector
works together to support
youth, staff
and
businesses
to build a better
Manawatū
Whanganui

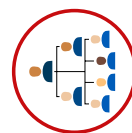
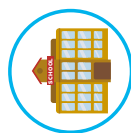
By 2021:

- ▶ The service sector is highly valued and celebrated
- ▶ People can see and experience the broad opportunities in the sector
- ▶ Staff and businesses are well supported

Initiatives for the Manawatū-Whanganui region service sector



	2017		2018				2019		Future
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Attract and retain people with the right attitude and aptitude		1.1 Find the service sector ambassadors and share their success stories							
				1.2 Reduce barriers to employment for people with disabilities, injury or illness					
Increase the number of school leavers transitioning into the sector		1.3 Identify, map and promote regional support services for employers and job seekers							
			1.4 Support programmes that build employer confidence						
Increase access to and engagement with training			1.5 Support and promote service sector awards						
			2.1 Businesses make use of opportunities to promote the sector						
Develop and maintain high quality qualifications and programmes that meet the needs of industry			2.2 Increase the number of Gateway opportunities in schools in the Manawatū-Whanganui region						
			2.3 Capture the youth voice when discussing workforce needs						
Improve business and management capability			3.1 Ensure businesses are aware of what training material and resources are available to help develop their employees						
			3.2 Develop insights into how training increases engagement and motivates staff, therefore providing return on investment						
			4.1 Foster mutually beneficial relationships between employers and educators						
			6.1 Increase engagement with programmes that develop leadership skills in SMEs						
			6.2 Establish a Manawatū-Whanganui leadership and skills forum						
			6.3 Encourage employers and managers to act as mentors for their staff						





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	Find the service sector ambassadors and share their success stories	<p>People working in and contributing to the service sector in Manawatū-Whanganui have great stories to share.</p> <p>Local success stories and industry ambassadors can provide authentic examples of the benefits of working in the sector and what a career can look like.</p>
1.2	Reduce barriers to employment for people with disabilities, injury or illness	<p>The Manawatū-Whanganui region has a higher rate of people with disabilities than New Zealand overall. There are over 30,000 people in the region between the ages of 15 and 65 that have some kind of disability; physical, visual, hearing, or psychological.</p> <p>These people could represent an underutilised pool of skills for the service sector. By reducing barriers to employment and engaging with organisations, such as Workbridge, to support and place people with disabilities, the industry could access this source of talent.</p>
1.3	Identify, map and promote regional support services for employers and job seekers	<p>Several different and intersecting initiatives are underway already, seeking to address issues associated with attracting and retaining people in the service sector.</p> <p>These services are available for employers and job seekers to support people in work, such as MSD wraparound support services. By promoting what is available and making these programmes accessible, the region can better use the resources it has.</p>
1.4	Support programmes that build employer confidence	<p>Work-readiness is frequently raised as an issue when hiring staff.</p> <p>Employability programmes and initiatives, such as the Chamber of Commerce Work Ready Passport for Youth, can give people the soft skills wanted by industry and build employer confidence in new recruits.</p>
1.5	Support and promote service sector awards	<p>Service sector awards provide an opportunity to celebrate and promote good businesses and employers.</p> <p>Awards can identify those employers of choice and promote the service sector.</p>

Increase the numbers of able people transitioning to work



Young people bring energy and new ideas into the service sector.

Ensuring strong connections between schools and tertiary providers, schools and workplaces, helps to create and sustain a pipeline into service sector careers.

#	Initiative	Description
2.1	Businesses make use of opportunities to promote the sector	<p>Career expos, in-school competitions and practical demonstrations are excellent opportunities to engage with youth and promote the service sector as a career to students, parents and schools.</p> <p>It is important that industry actively participates and collaborates with education providers to use these opportunities to sell the unique benefits of working in the sector.</p>
2.2	Increase the number of Gateway opportunities in schools in the Manawatū-Whanganui region	<p>The Gateway programme provides school students with a work placement experience to gain workplace-based training. Gateway training helps students gain skills, experience and kick-start a career in the service sector. Students attain unit standards and make professional contacts that can help open doors to future jobs in the sector.</p> <p>The existing Gateway programme can be promoted and extended, bringing more employers into the scheme. ServiceIQ and Talent Central can help to ensure businesses are aware that they can be a part of this programme and make it easier for businesses to engage.</p>
2.3	Capture the youth voice when discussing workforce needs	<p>It is important to involve youth in planning for the future of the workforce. By encouraging groups such as the Youth Council to engage in workforce development planning, we can reach youth in the most effective way.</p>

Increase access to and engagement with training



One of the biggest issues limiting skills development is access to training.

The reasons for this are various, such as workers having limited access to training materials and resources, or limited time for undertaking training, or a lack of support from within the workplace for accessing training.

#	Initiative	Description
3.1	Ensure businesses are aware of what training material and resources are available to help develop their employees	<p>ServiceIQ training advisors are available to assist businesses in accessing relevant training. They can provide advice around how to access the right training at the right time and how this can fit in with day to day business needs.</p>
3.2	Develop insights into how training increases engagement and motivates staff, therefore providing return on investment	<p>Many businesses recognise the importance of training to develop individuals, but may not be aware that an investment in training can result in real and measurable profit to a business.</p> <p>Research into the value training can add to a business could improve access to and engagement with training.</p>

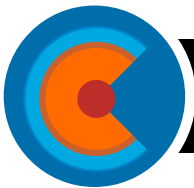


Develop and maintain high quality qualifications and programmes that meet the needs of industry

Education and training that does not meet industry's current or future needs is counterproductive.

Businesses need access to quality qualifications and training programmes tailored to the service sector if they are to attract and retain skilled workers who best meet their needs.

#	Initiative	Description
4.1	Foster mutually beneficial relationships between employers and educators	Clear communication channels between industry and the education sector is vital to ensure that qualifications are fit for purpose and training meets industry needs. Through industry and education sector collaboration, the right balance between working and training to achieve qualifications can be found to meet skill needs.



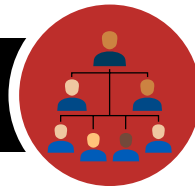
Increase productivity by developing core skills

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.

No specific initiatives identified by the Manawatū-Whanganui focus 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	Increase engagement with programmes that develop leadership skills in SME's	Successful businesses need effective leaders, that can manage the business and staff. Adequate training for those in leadership positions is key to meeting the challenges for growing the service sector, and it is important that businesses have the right skills and support.
6.2	Establish a Manawatū-Whanganui leadership and skills forum	A forum to bring local service sector businesses together would enable them to share their ideas and stimulate enthusiasm in the sector and beyond. The group could connect with the mayoral task-force and act as a catalyst for social change.
6.3	Encourage employers and managers to act as mentors for their staff	It is important that businesses recognise the need to care for their staff and be honest around their expectations and what working in the sector involves. Employers and managers need to guide and develop young staff and those in need of more support. Employers and managers that act as mentors can have powerful positive effects, that result in a better workplace culture and retention of staff.



Manawatū-Whanganui region service sector – sector by sector

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

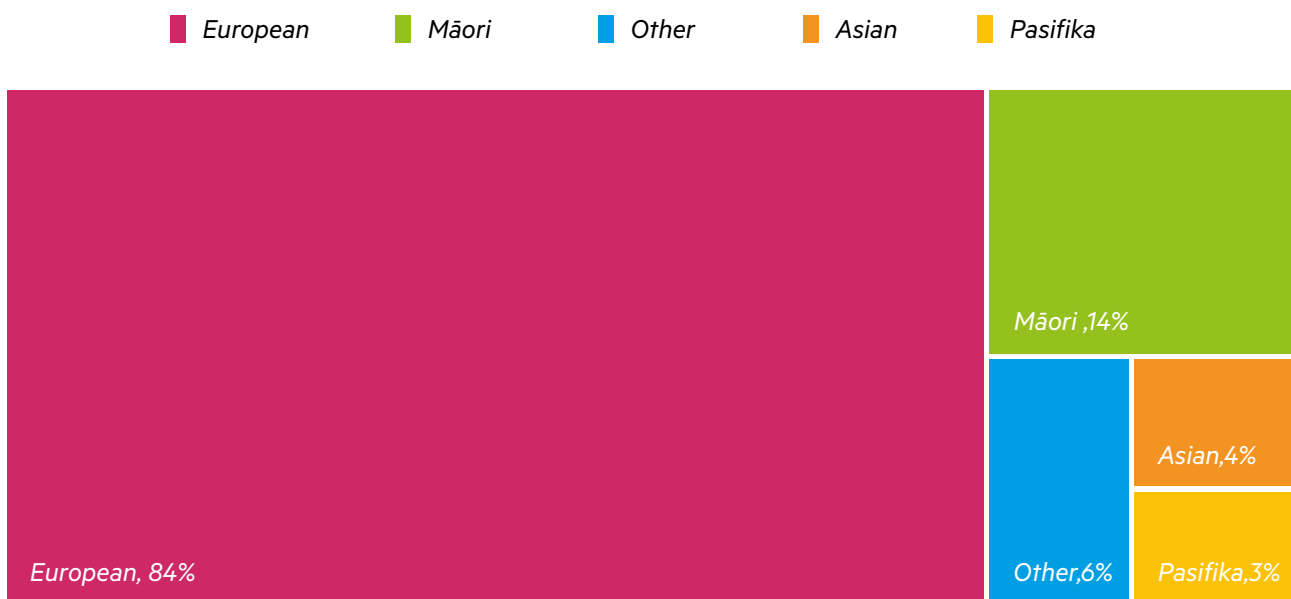
The aviation sector in Manawatū-Whanganui accounted for 568 jobs in 2016 (556 FTEs), which was a decrease of 3.8 per cent on the previous year. There were 72 aviation businesses, seven more than in 2015.

Manawatū-Whanganui's aviation industry contributes \$46.9 million to GDP; this is a 5.4 per cent reduction from 2015. Aviation makes a GDP contribution of \$84,365 per FTE.

Most of the aviation sector in the region (63.5 per cent) are aged 20 -50 years. 5.8 per cent are aged under 20, reduced from 9.3 per cent in 2006. There has been an increase in the percentage of people over 60 working in the sector (up from seven per cent in 2006 to 12.7 per cent in 2013).

The aviation sector is predominantly European (84.2 per cent) and Māori (13.7 per cent). The percentage of people born in New Zealand has remained steady at 79.9 per cent with those born in Europe making up another 10.3 per cent. The sector is made up of 86 per cent males and 14 per cent females.

Ethnicity of the Manawatū-Whanganui Aviation Sector Workforce



The majority of people are working full time (87.5 per cent) which is higher than the overall workforce in Manawatū-Whanganui (73 per cent). Within the aviation sector 41.8 per cent have no post-school qualification and almost half (46.3 per cent) are qualified at Level 4 or above.

Employment in the aviation sector has been growing for the past 10 years, with the exception of 2012 and 2016. Modest growth is expected over the next five years with 133 job openings forecast.

Museums

The museum sector in Manawatū-Whanganui accounted for 118 jobs in 2016 (103 FTEs) and decreased by 4.3 per cent. There are seven businesses making up the sector, down from 13 businesses in 2015.

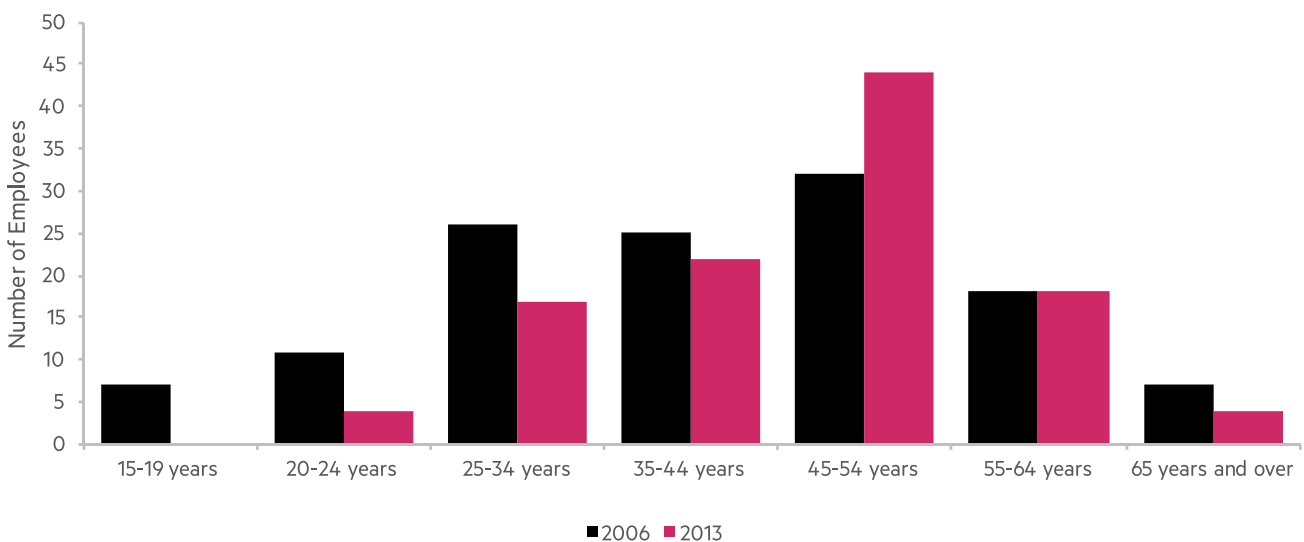
Manawatū-Whanganui's museum sector contributed \$5.23 million to GDP in 2016, a decrease of 7.4 per cent when compared to 2015. The museums workforce make a GDP per FTE contribution of \$50,882.

The museum sector is older than the overall workforce and is getting older. In 2006, 59.6 per cent of the sector were 40 years or older. This has increased to 67.1 per cent compared to 60.4 per cent in the overall Manawatū-Whanganui workforce.

The sector is increasingly European (89.3 per cent) and is predominantly female (67 per cent). Three quarters of the workforce (74.9 per cent) were born in New Zealand with the next largest group born in Europe (15.3 per cent).

Three quarters of the workforce work full time with the most common hours worked being 40-49 hours (54.2 per cent). The Manawatū-Whanganui museum sector workforce is highly qualified with 43.4 per cent at Bachelor's Degree level or higher and only 25.4 per cent with no post-school qualification compared to 48.4 per cent of the overall Manawatū-Whanganui workforce.

Changing Age of the Manawatū-Whanganui Museum Sector



Employment in the museum sector has been fluctuating over the past decade with four growth years and six years of decline. The forecast is for employment levels to remain steady over the next five years with most job openings being due to job replacements rather than new openings.

Travel

The Manawatū-Whanganui travel sector in 2016 employed 229 people (211 FTEs) and grew by 26.2 per cent compared to 2015.

The travel sector's contribution to Manawatū-Whanganui GDP grew by 23.2 per cent in 2016 to \$8.9 million. The GDP per FTE contribution was \$42,326 and this has been declining since 2011.

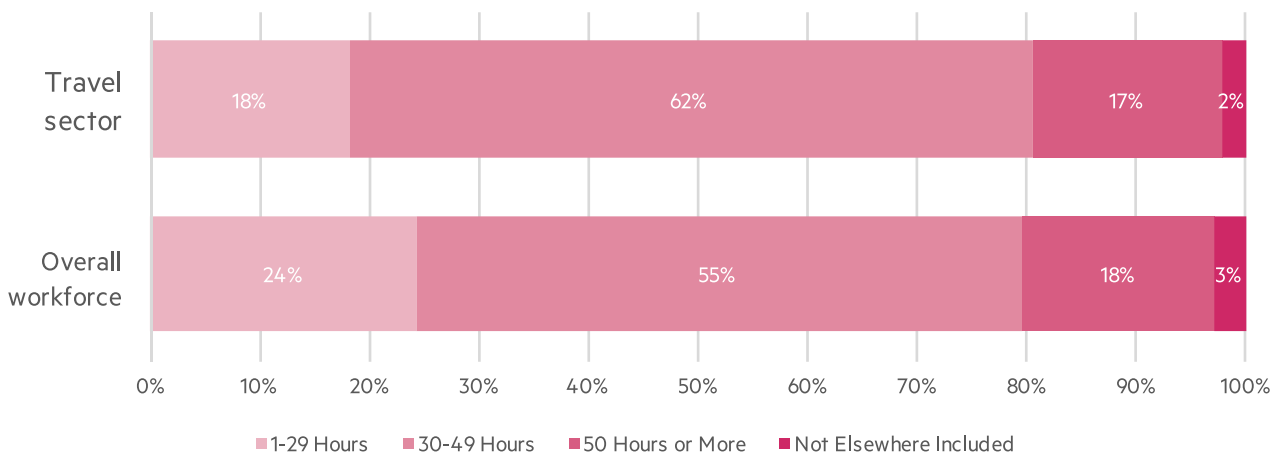
In 2016 there were 66 travel related businesses in Manawatū-Whanganui which was the same as 2015 but less than in 2009 when the number peaked at 73 travel related businesses. One in five people working in the travel sector are self-employed (20.6 per cent) which is higher than for the overall Manawatū-Whanganui workforce where 16.8 per cent are self-employed.

There have been changes in the demographics of the travel sector in Manawatū-Whanganui since 2006, with an increasing proportion of Māori (13.1 per cent), Pasifika (2.1 per cent) and Asian workers (4.3 per cent). Most people working in the sector were born in New Zealand (79.5 per cent) with 10 per cent born in Europe (increased from 7.8 per cent in 2006) and 4.2 per cent from Asia (1.9 per cent in 2006).

The travel sector workforce is ageing, with those aged 15-24 years decreasing from 17 per cent to 12 per cent and those aged 60 years and over increasing from 7.7 per cent to 15.2 per cent. However, most people (72.6 per) cent are aged between 25 and 59 years old. The travel sector in the region is predominantly female (75 per cent).

Of the people employed in the sector, 44.3 per cent are qualified at Levels 4 and above while 38.6 per cent hold no post-school qualification, (compared to 48.4 per cent of the overall Manawatū-Whanganui workforce). 79.6 per cent of people working in the travel sector are working full time which is higher than the 73 per cent of the overall workforce.

Hours worked in Travel Sector and Overall Workforce



The travel sector is likely to have reached peak employment levels and is forecast to decline slightly over the next five years. While replacement jobs are likely to remain steady, there will be a reduction in new job offerings.

Tourism

The Manawatū-Whanganui tourism sector in 2016 employed 7,650 people (6,476 FTEs) which was an increase of 0.3 per cent from the previous year. The tourism sector makes up 6.9 per cent of the Manawatū-Whanganui workforce.

The tourism sector's contribution to Manawatū-Whanganui GDP was \$313 million in 2016, a 0.5 per cent increase when compared to 2015. The GDP per FTE contributions for the sector were \$48,320.

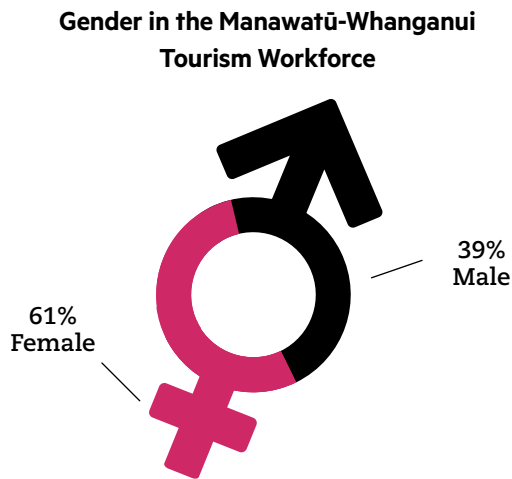
In 2016 there were 1,255 tourism related businesses in Manawatū-Whanganui, which was a year on year increase of 1.6 per cent (21 businesses). On average these businesses are employing more people than other businesses in the region (6.1 people compared to 4.4). The rate of self-employment within the Manawatū-Whanganui tourism sector has remained steady at 12.2 per cent.

Under 25 year olds make up 22.1 per cent of the people working in the tourism sector in Manawatū-Whanganui, which is considerably higher than in the overall Manawatū-Whanganui workforce, where 14.4 per cent are under 25 years old. There has been an increase in the number of people aged over 60 working in the Manawatū-Whanganui tourism sector from 748 to 1,135 people, a 51.7 per cent increase. This group now represents 14.9 per cent of the sector.

22.1% of the sector is under 25 years old, 14.9% is over 60

Most people working in the tourism sector are working full time (59.7 per cent), while 37.3 per cent work less than 30 hours per week. This is a higher percentage than the total Manawatū-Whanganui workforce, where 24.3 per cent work less than 30 hours per week.

The tourism workforce in the region is predominantly female (61 per cent) and 39 per cent male. This differs from the overall workforce which is 51 per cent male and 49 per cent female.



Of the people working in the tourism sector 80.6 per cent are European. The other ethnic groups that are largely represented are Māori (15.8 per cent) and Asian (8.2 per cent). Most of the people working in the sector were born in New Zealand (79.6 per cent), 6.9 per cent were born in Asia and 6.8 per cent were born in Europe.

Within the tourism sector 51.1 per cent hold no post-school qualification, but this is gradually decreasing. 27.3 per cent have a qualification at Level 5 or above, increased from 25.2 per cent in 2006.

However, 41.6 per cent of roles in this sector are medium-high skilled and highly skilled, which may indicate a skills shortage.

Employment in the Manawatū-Whanganui tourism sector has grown in the past three years, following three years in decline. The sector is forecast to continue to grow and it is estimated that in the next five years the sector will need to fill 2,172 roles; comprising 434 new jobs and 1,737 replacement jobs.

Accommodation

The accommodation sector in Manawatū-Whanganui accounted for 1,301 jobs in 2016 (1,092 FTEs) and decreased by 0.2 per cent. There were 302 businesses which was an increase of one business from the 301 businesses in 2015.

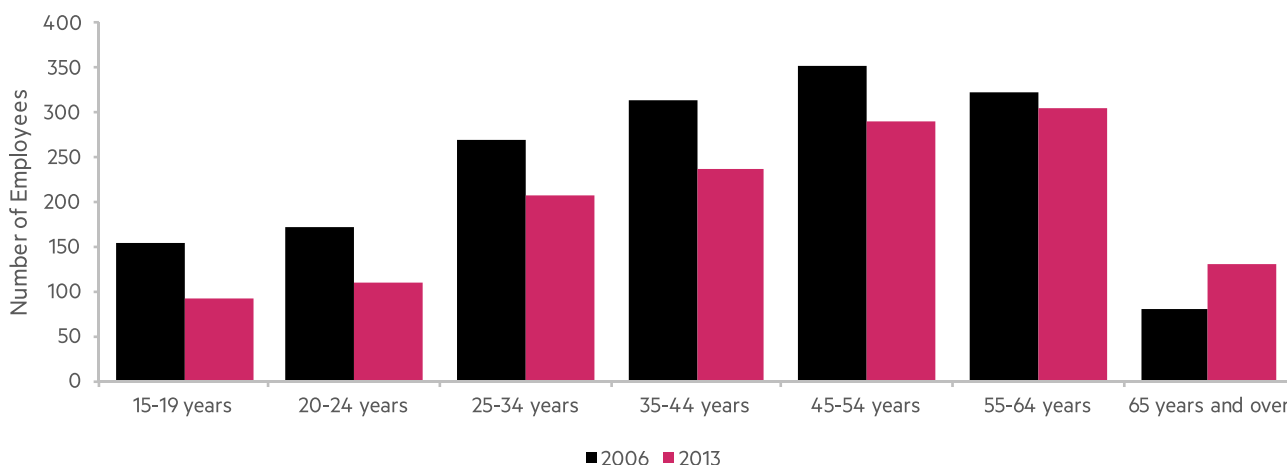
Accommodation contributed \$35.2 million to Manawatū-Whanganui GDP in 2016, which was an increase of 0.3 per cent on 2015. The GDP per FTE contribution of the accommodation sector was \$32,203 which is low for the service sector in the region (second only to quick service restaurants).

The sector is predominantly made up of people who identify as European (80 per cent), Māori (16.6 per cent) and Asian (5.7 per cent). Most were born in New Zealand (79.8 per cent) and the majority of the remaining people were born in Europe (7.4 per cent) and Asia (4.6 per cent).

There are twice as many females working in the accommodation sector in the region with 67 per cent female and 33 per cent male.

The Manawatū-Whanganui accommodation workforce is ageing with 61.6 per cent now aged over 40, compared with the national accommodation workforce (55.8 per cent aged over 40). In particular, the number of people aged over 60 increased from 193 in 2006 to 279 in 2013. They now make up one in five workers (20.4 per cent) in the region's accommodation sector (up from 11.6 per cent in 2006).

Changing Age of the Manawatū-Whanganui Accommodation Sector



Just over half of the people working in the Manawatū-Whanganui accommodation sector are working 30 or more hours per week (52.1 per cent). This is lower than the overall service sector workforce in the region where 66.3 per cent work 30 hours or more.

More than half of the people have no post-school qualifications (58.2 per cent). Only 18.1 per cent of the workforce hold qualifications at Level 5 or above which indicates a possible skills shortage as 42.2 per cent of roles in the sector are medium-high and highly skilled roles.

The accommodation workforce has been declining since it peaked in 2005, with 1,741 people working in the sector. The sector is forecast to grow in the next five years, from 1,301 to 1,384 by 2021. Including both new and replacement job openings, this equates to 381 job openings over those five years.

Cafés, bars and restaurants

The café, bar and restaurant sector workforce in Manawatū-Whanganui grew slightly from 3,309 in 2015 to 3,312 in 2016. The number of FTEs was 2,715 in 2016 which was an increase of 1.7 per cent.

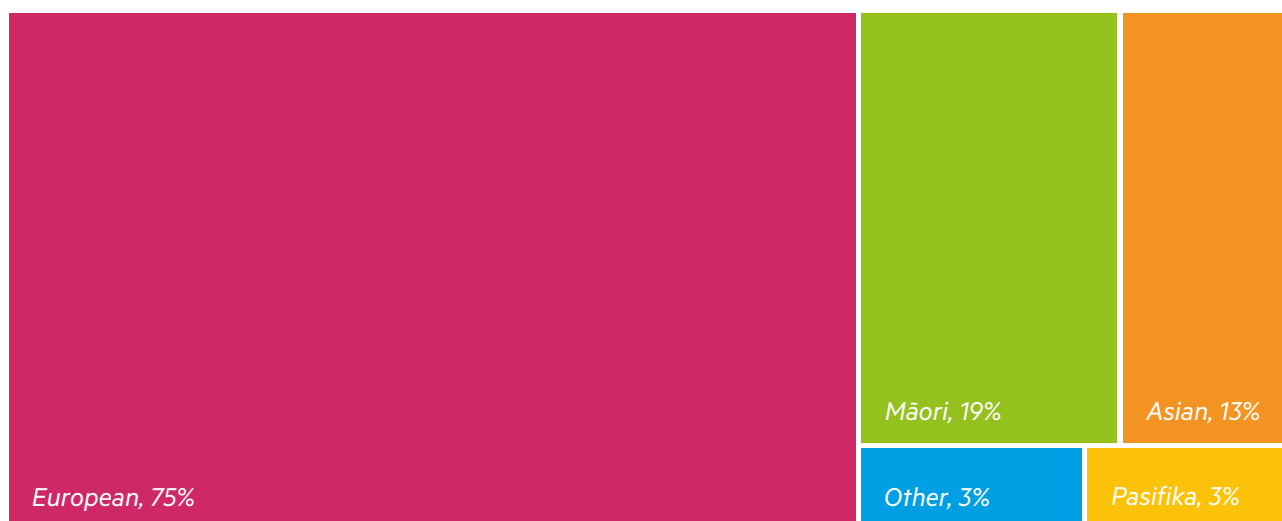
The café, bar and restaurant sector's contribution to Manawatū-Whanganui GDP grew 0.5 per cent in 2016 to \$90.3 million. The GDP per FTE contribution was \$33,243 which was a 1.2 per cent decline on the previous year.

In 2016 there were 469 cafés, bars and restaurants in the Manawatū-Whanganui region, a drop from 476 in 2015. There is an average of 7.1 people employed in these businesses which is above the regional average of 4.4.

The sector is predominantly made up of those who identify as European (75 per cent), Māori (19.3 per cent) and Asian (13.1 per cent). The percentage of people in the workforce who were born in New Zealand has declined from 82.8 per cent in 2006 to 77.9 per cent in 2013. The largest increase is the percentage of the workforce born in Asia, from 7.9 per cent to 11.7 per cent.

Ethnicity of the Manawatū-Whanganui Café, Bar and Restaurant Workforce

■ European ■ Māori ■ Other ■ Asian ■ Pasifika



Over half of the people working in the sector are under 30 years old (54.8 per cent) and 69.5 per cent are under 40. There has been an increase in the number of people over 60 years old but they currently make up a small part of the café, bar and restaurant sector (6.2 per cent) compared to 15.3 per cent of the overall Manawatū-Whanganui workforce.

The café, bar and restaurant workforce in Manawatū-Whanganui is predominantly female, with 64 per cent female and 36 per cent male. Nationally the café, bar and restaurant sector workforce is 56 per cent female and 44 per cent male.

There has been a small decrease in the number of people working in the sector with no post-school qualification, from 65 per cent in 2006 to 62.3 per cent in 2013. However the percentage of people with a qualification at Level 4 or above has increased from 18.6 per cent to 22.3 per cent during that period.

Just over half of the people working in cafés, bars and restaurants are doing so full time. The total hours worked in a week in this sector has remained steady since 2006.

The café, bar and restaurant sector employment has grown slightly since 2013, when there were 3,245 people working in the sector, to 3,312 in 2016. It is forecast that there will be 3,510 people working in the sector in Manawatū-Whanganui by 2021 with 1,036 job openings during that period.

Catering

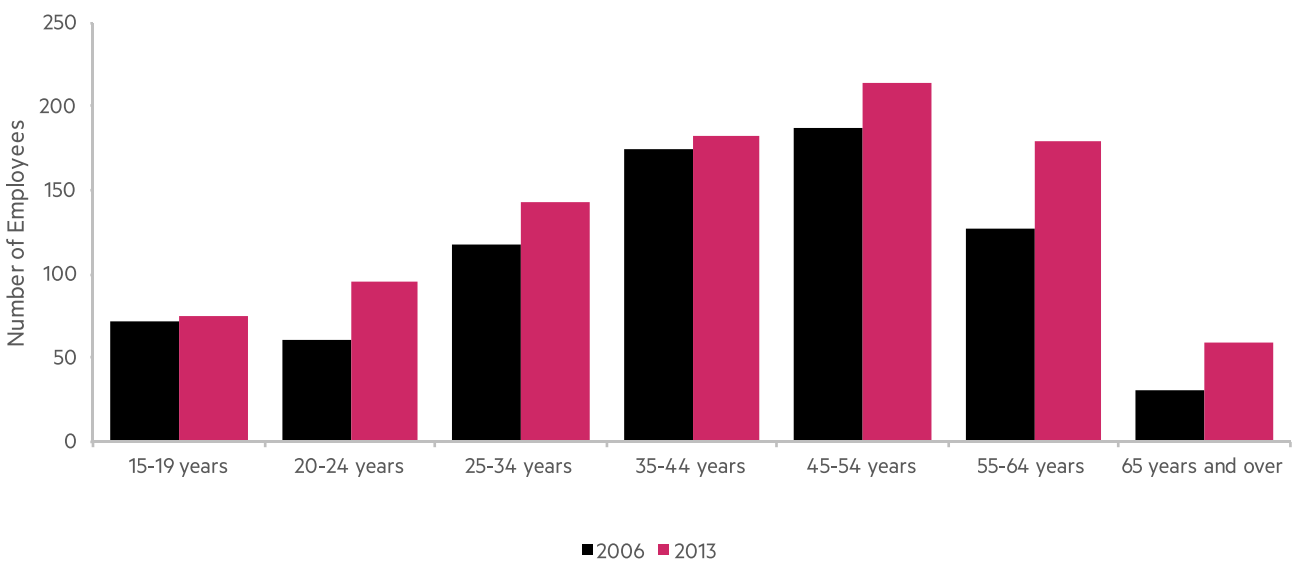
Catering in the Manawatū-Whanganui region accounted for 897 jobs in 2016 (760 FTEs), which was a decrease of 6.4 per cent on the previous year.

The Manawatū-Whanganui catering sector contributed \$39.2 million to GDP in 2016 which was a reduction of 3.8 per cent. In contrast, the GDP per FTE for the sector grew by one per cent to \$51,604.

The number of catering businesses in Manawatū-Whanganui reduced from 127 in 2015 to 122 in 2016 (a 3.5 per cent reduction). This is the lowest number of businesses since 2003.

The Manawatū-Whanganui catering sector has a smaller percentage of young people (17.8 per cent aged under 25 years) than the catering sector nationally (21 per cent). There has been an increase in people 60 years and older working in this sector from 80 people in 2006 (10.4 per cent of the sector) to 138 in 2013 (14.5 per cent of the sector).

Changing Age of the Manawatū-Whanganui Catering Sector

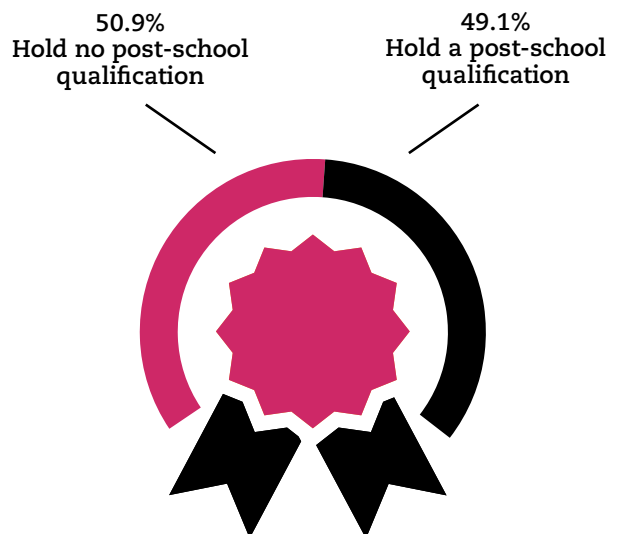


The catering sector is predominantly made up of people who identify as European (78 per cent), and the workforce also includes Māori (19 per cent) and Asian (8 per cent). Most people in the sector workforce were born in New Zealand (80.8 per cent), 5.5 per cent are from Europe, and an increasing number were born in Asia (5.7 per cent).

More than twice as many females work in the catering sector in the Manawatū-Whanganui region. It is 68 per cent female and 32 per cent male.

Over half of the Manawatū-Whanganui catering sector workforce have no post-school qualification, while 32.8 per cent have a qualification at Level 4 or above. This is comparable to the catering sector nationally (34.8 per cent).

Employment in the catering sector has declined to 897 workers in 2016, since its peak of 1,034 in 2010. It is forecast to increase to 943 by 2021, with 247 job openings (new and replacement jobs) during that time.



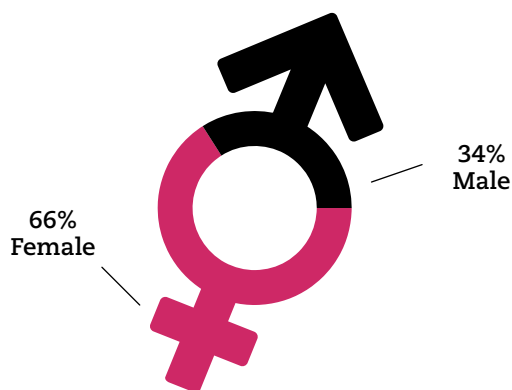
Clubs

In 2016 clubs in Manawatū-Whanganui accounted for 340 jobs (268 FTEs) which remained unchanged from 2015. There were 69 clubs in 2016.

The Manawatū-Whanganui clubs sector GDP contributions declined 0.2 per cent in 2016 to \$9.3 million. The sector contributes \$34,688 to GDP per FTE.

The sector is predominantly made up of those who identify as European (79.7 per cent) and Māori (28.1 per cent). The majority of people working in the sector were born in New Zealand (87.6 per cent), with the next largest group born in Europe (4.9 per cent).

Gender in the Manawatū-Whanganui Clubs Sector



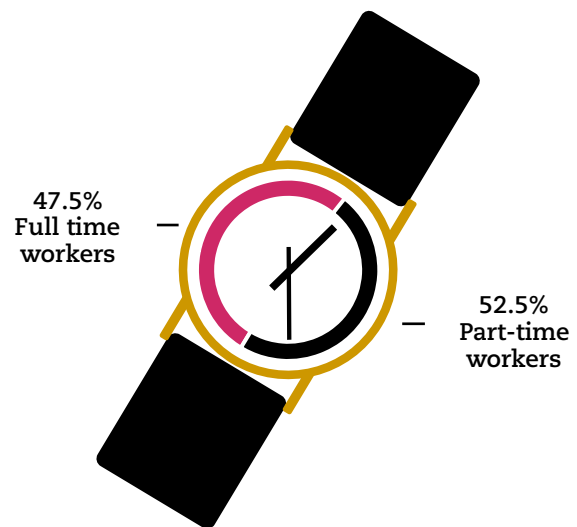
Almost half of the clubs sector workforce are employed full time (47.5 per cent) with the largest group working 40-49 hours (24.1 per cent).

Most of the people working in the clubs sector hold no post-school qualification (64 per cent) and just one in five (19.4 per cent) are qualified at Level 4 and above.

The clubs sector reached peak employment levels in 2008 and has declined since then. This is forecast to continue with most job openings being replacement jobs and the overall number of jobs in the sector declining slightly.

The number of employees aged 60 years + increased between 2006 and 2013, all other age groups declined

Of the people employed in the clubs sector 62.2 per cent are aged over 40 years old, with the only growth in numbers employed being for those aged over 60 years. Two thirds of the sector in the region are female (66 per cent) compared to 34 per cent male.



Quick Service Restaurants

Quick service restaurants in Manawatū-Whanganui accounted for 1,285 jobs (1,001 FTEs) and grew by 5.3 per cent in 2016.

Quick service restaurants contribute \$30.5 million to Manawatū-Whanganui GDP, and this grew 5.8 per cent in 2016. The sector has the lowest GDP per FTE contribution in the service sector at \$30,493 per FTE in 2016 which was a one per cent decrease compared to 2015.

In 2016, there were 264 quick service restaurants in the Manawatū-Whanganui region, which was an increase of 3.5 per cent on the previous year.

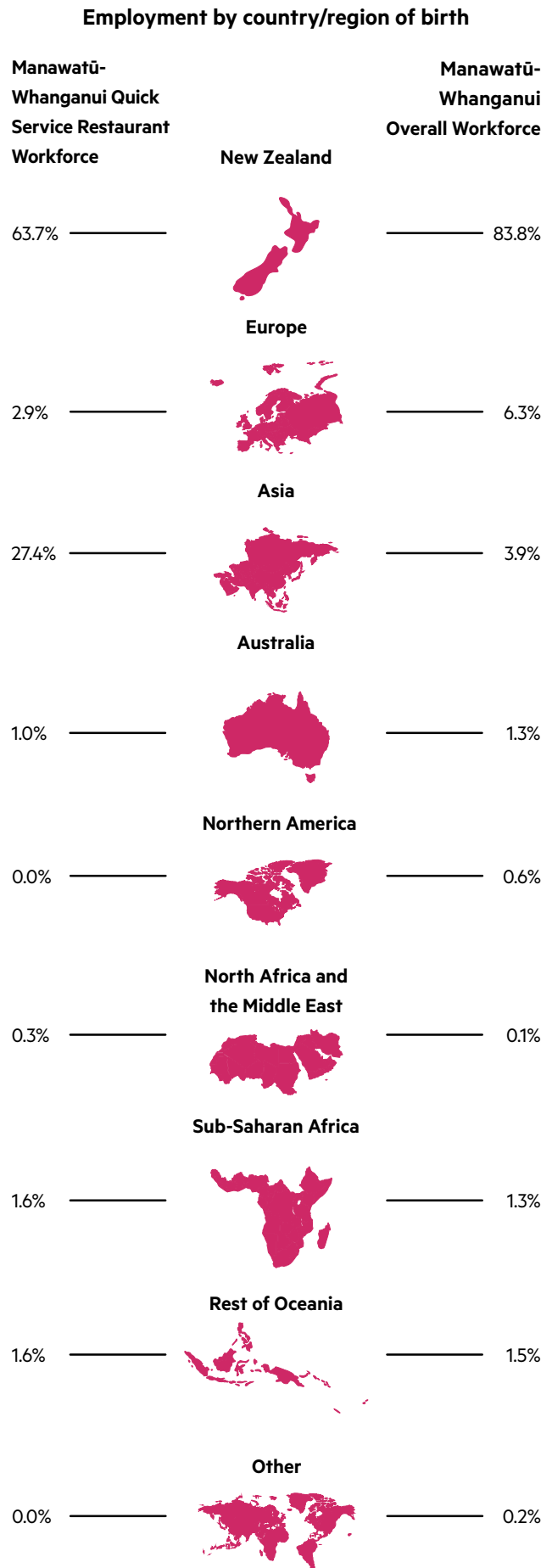
The sector is predominantly made up of people who identify as European (59.6 per cent), Asian (30.4 per cent) and Māori (17.3 per cent). Most people working in the sector were either born in New Zealand (63.7 per cent) or Asia (27.4 per cent). The number of people born in Asia is high compared to the overall Manawatū-Whanganui workforce where 3.9 per cent were born in Asia.

There are more females than males working in the sector (62 per cent female and 38 per cent male), compared to the total workforce (49 per cent female and 51 per cent male).

The sector is younger than most of the other service sectors with close to half (48.9 per cent) of the workers under 25 years old. Three quarters of people working in quick service restaurants have no post-school qualification (74.4 per cent or 864 people). The high number of young people working in the sector, some of which will still be in school or study, will account for some of this (28.6 per cent are aged 15-19 years and 20.3 per cent are aged 20-24 years). However, almost a quarter of the jobs in the quick service restaurant sector are medium-high to highly skilled roles, which could indicate a potential skill shortfall with only 10.3 per cent qualified at Level 5 or above.

In the quick service restaurants sector, 45.7 per cent of people are working full time, half the workforce (50.2 per cent or 583 people) work less than 30 hours a week, and 29.6 per cent are working 40 hours or more (344 people).

Employment in quick service restaurants has grown every year since 2008 (except for a small drop in 2013), and with new job growth forecast to continue in the next five years, there are 1,440 people expected to be working in the sector by 2021.



Retail and retail supply chain

The retail and retail supply chain is the largest sector within the service sectors. The retail and retail supply chain in Manawatū-Whanganui accounted for 17,729 jobs in 2016 (15,806 FTEs) which was an increase of 0.5 per cent. This sector has 16.1 per cent of total jobs in the Manawatū-Whanganui region.

The sector's GDP contributions increased by 1.7 per cent in 2016 to \$1,119 million. The sector contributed \$70,765 to GDP per FTE.

The number of retail and retail supply chain businesses decreased slightly (0.5 per cent) in 2016 to 2,984 businesses (from 2,998 businesses in 2015).

*The retail and retail supply chain sector accounts for **16.1%** of all jobs in the Manawatū-Whanganui region*

Manawatū-Whanganui's retail and retail supply chain sector workforce is predominantly European (84.1 per cent or 15,110 people) and Māori (13.6 per cent or 2,446 people). The majority of people were born in New Zealand (84.6 per cent or 15,210 people), Europe (5.4 per cent) and an increasing number were born in Asia (4.8 per cent, compared to 2.9 per cent in 2006).

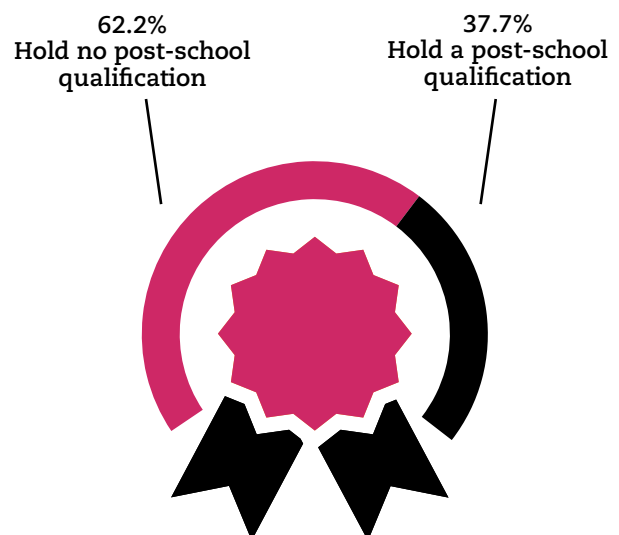
There has been a notable reduction in 15 to 19 year olds working in this sector in Manawatū-Whanganui. A decrease from 2,427 people in 2006 (13.7 per cent of the workforce), to 1,480 in 2013 (8.2 per cent of the workforce). During the same period there have been increases in all of the age ranges over 50 years. 33.8 per cent of those working in the retail and retail supply chain sector are now aged over 50 years compared to 25.7 per cent in 2006.

This sector has an even distribution of gender, with 50 per cent male and 50 per cent female. This aligns with the national retail and retail supply workforce of 51 per cent male and 49 per cent female.

While the retail and retail supply chain sector accounts for some part-time and casual work, 71 per cent of people in the sector are working full time.

People with no post-school qualifications make up 62.2 per cent of the retail and retail supply chain sector. Only 15.6 per cent of the sector workforce has a qualification at Level 5 or above, yet 33.8 per cent of roles are considered medium-high and highly skilled, which may indicate a skill shortage.

The retail and retail supply chain sector reached peak employment levels in 2009 and it is unlikely to reach these levels again. Some growth in employment is forecast until 2020 when numbers are expected to decline, however, with both new and replacement roles there are forecast to be 4,497 job openings during that time.



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

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ServiceIQ.org.nz

E: WorkforceDevelopment@ServiceIQ.org.nz

P: 04 817 5311

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

PO Box 25 522, Wellington 6146

