

Service IQ

SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR — Northland —



2017/2018

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Introduction

Northland, New Zealand's winterless north, is a popular tourist destination and an enticing prospect for Aucklanders looking for affordable housing and a better lifestyle. The service industry is key in attracting and keeping people in a region and in its community, and the heart of a good service industry is the staff. It is essential that the service sector capture opportunities to engage young people and build a strong workforce for the region's future economic development.

[#servicesuccessnz](#)

ServiceIQ

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

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

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

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

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

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

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

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

Service sector regional workforce roadmap for Northland

The Workforce Development Plan highlighted the need for service sector workforce development at a regional level. The service sector workforce roadmap provides a Northland 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 service sector workforce roadmap is a plan to meet forecast workforce growth in a region over the next five years. The plan's demand side will include detailed forecasts of workforce changes including changes in workers, changes in occupations, and changes in skill levels. The supply side will outline how we can harness knowledge and innovation within Northland to create industry-led solutions that best meet those workforce needs.

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

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

Developing a regional roadmap for Northland

ServiceIQ hosted two workshop meetings in Whangarei in June and August 2016. Representatives from local businesses, membership bodies, government, tertiary and compulsory education providers, and business groups were in attendance at the meetings. In the workshops, the groups developed a vision for the service sector in Northland and established a range of strategies for achieving this vision, which formed the basis of the roadmap. A first draft of the roadmap was developed in late 2016 and tested with members of the workshop groups for coherency and accuracy.

Critical success factors

The success of the regional roadmap action plan is dependent on the Northland service sector taking leadership and regular measurement and updates on progress.

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

Northland has a resident population of 171,400, which equates to 3.7 per cent of the New Zealand population. It employs 2.9 per cent of the national workforce and accounts for 2.7 per cent of the national GDP. Northland has one of the lowest GDP per capita in the country of \$34,825 – the national average is \$52,953. The employment rate is 57.1 per cent, and the rate of unemployment is 8.8 per cent – the national average is 65.2 per cent and 5.7 per cent respectively. The Ministry of Business, Innovation and Employment (MBIE)'s regional economic activity report states “Northland has been struggling to perform in comparison to its resource base and other regions for several decades” (pg. 16). While other sectors have been identified by MBIE as regional areas of strength for Northland, the service sector makes a significant contribution, particularly through tourism.

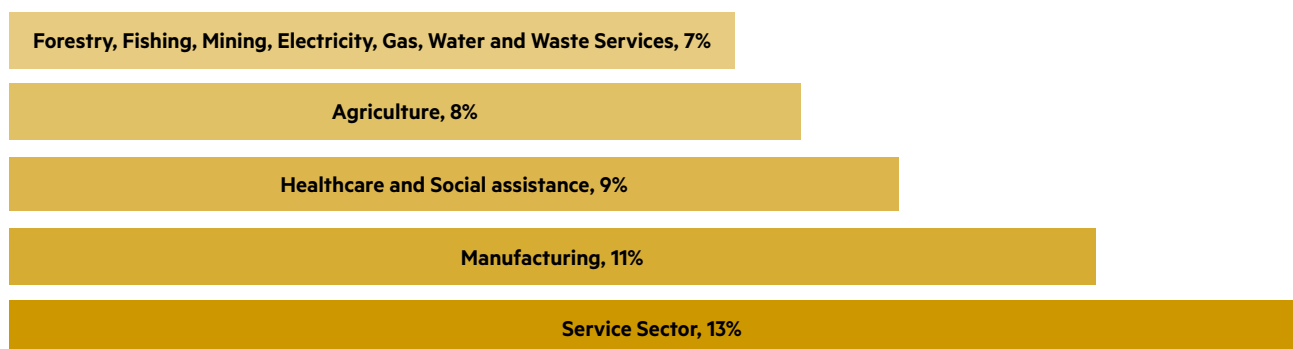
The service sector covers:

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

Service sector in Northland

In 2015, the service sector contributed \$779 million (in 2010 prices) to GDP in Northland. This equates to 13 per cent of total GDP for the region. By way of comparison, some other significant contributors to GDP in Northland are manufacturing (\$565 million or 11 per cent), healthcare and social assistance (\$463 million or 9 per cent), agriculture (\$439 million or 8 per cent), and forestry, fishing, mining, electricity, gas, water, and waste services (\$389 million or 7 per cent).

Contribution to Northland GDP



The service sector employs over 14,000 people or 22 per cent of all Northland's workforce. The number of service sector businesses has grown over the last five years (to 2015), which is an indicator of Northland's healthy service sector. Employment in Northland's service sector had been declining since 2009 (global financial crisis) but in 2015 it grew by 1.8 per cent and it is expected to grow an average of 0.4 per cent per year to 2020. This growth, combined with attrition, will result in the Northland service sector having almost 3,700 job openings in the next four years.

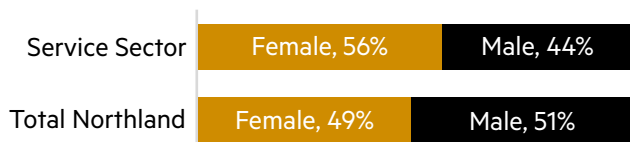
The service sector workforce in Northland is older than the service sector workforce nationally, but it is still younger than the Northland workforce overall. The Northland service sector workforce is ageing in line with the rest of the country, in 2006 the largest group of workers was aged 15-24 years old (24 per cent of the workforce) while in 2013 the largest age group was 45-54 year olds (22 per cent of the workforce). The percentage aged 15-24 years had dropped to 20 per cent in 2013, while those aged 65 years and older had increased from four per cent in 2006 to seven per cent in 2013.

Service sector workers in Northland are less likely to have post-school qualifications than their national service sector counterparts (59 per cent have no post-school qualification compared with 54 per cent of the national service sector workforce). Very young workers, most of whom will still be in school or tertiary-level training, tend to drive lower qualification levels, and Northland has more workers aged under 20 years than the national average. The optimal qualification level for the majority of work in the service sector is Level 1 to 3 (on the ten-level New Zealand Qualifications Framework), as this is where the majority of the job openings are. In Northland 31 per cent of jobs in the service sector are classified as medium-high to highly-skilled, which generally equates to Level 5 or higher, and only 16.6 per cent of the workforce hold qualifications at or above this level.

59% of the Northland service sector workforce has no-post school qualification

The service sector in Northland is 55.8 per cent female compared with 49 per cent of the overall Northland workforce. This has been fairly consistent for the past 15 years.

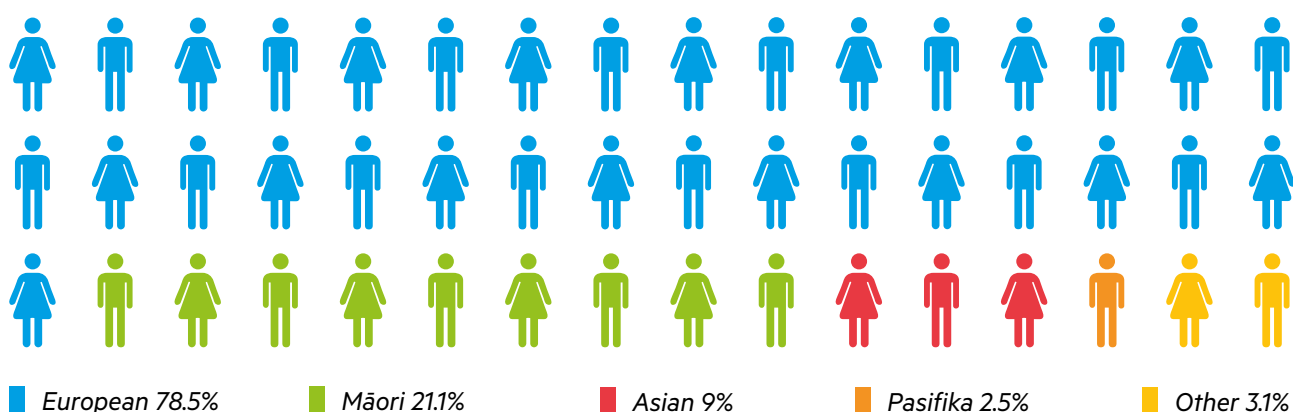
Northland Workforce by gender



The service sector nationally is becoming increasingly diverse and Northland is following this trend in many respects with more workers being born overseas, 23.6 per cent were born overseas in 2013 compared with 18.5 per cent in 2006.

While the service sector in Northland is still strongly European (78.5 per cent compared with 74 per cent nationally), a fifth of workers are Māori (21 per cent compared with ten per cent across New Zealand).¹ The percentage of Māori and Pasifika in the Northland service sector is lower than in the overall Northland workforce and in fact the percentage of Māori in the service sector has dropped from 23 per cent in 2006 to 21 per cent in 2013.

Ethnicity of the Northland service sector



¹ Census respondents may choose to identify with more than one ethnicity.

Challenges to supply and demand facing Northland

Nationally, the changing characteristics and expectations of the sector's workforce and customers are likely to be influencing and shaping the sector over the next five to ten years. Advancing technology is also offering new ways for the sector to engage with its customers, and in turn, this is offering new ways for engaging service sector professionals in skill development.

By 2020, the Northland service sector workforce is forecast to have over 3,700 job openings. The rate of job openings, including new jobs, voluntary attrition and retirement, averages at 5 per cent per annum.

Employee turnover costs between 50 to 300 per cent base salary per person². Retail workers, on average, earn \$47,690, and based on this estimate the cost to the business of replacing staff is at least \$23,845.

Alongside growing its tourism industry, and attracting visitors 'up' the island, a big opportunity for Northland lies in its ability to capitalise on its growing popularity as a part of the expanding commuter hub to Auckland. An increasing expectation of service levels, which will challenge Northland's service sector and its current and future workforce, will follow.

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

Strong competition for entry-level workers

New Zealand's service sector is facing strong competition for entry-level workers, as the number of young people relative to the population decreases. The working age population in Northland is declining and people are migrating to other regions. However, Northland has a relatively high proportion of young people not in employment, education or training (NEET), which represents a possible source of new service sector talent. The relative proportion of NEETs may also suggest challenges relating to work readiness and capability relevant to the workplace. Northland's service sector has an opportunity in the potential redeployment or retraining of the existing workforce, as the numbers of people aged 50 and older employed in the service sector has been steadily increasing.

Accelerating the growth of Māori tourism enterprise

Māori make a significant contribution to the Northland economy, both in terms of the labour force and business. Opportunity exists for accelerating the growth of businesses already operating in the region, and also in realising opportunities, particularly those relating to tourism.

² New Zealand Turnover Survey (April 2016)

Availability of skilled workers

New Zealand is competing for workers in a global marketplace, as is Northland. While Northland attracts some high skilled people into the service sector, the numbers of highly skilled people entering the service sector in Northland is significantly lower than the national workforce. The continuous flow of workers out of the service sector and the region generally impacts on a business' capacity for training.

New Zealand is competing for workers in a global marketplace

High rates of staff turnover

Many parts of the service sector are characterised by relatively high staff turnover based on the structure of the industry. The service sector is dependent on the health of other industries, and this is particularly apparent in Northland where, economically speaking, the region is underperforming when compared to other regions with similar resources.

Youth are more likely to consider work in the service sector as a stepping stone to other sectors, rather than a career option. Factors that may contribute to a high turnover rate include higher wages in other industries, the expectations of some workers regarding work environments and advancement opportunities, and possible attitudes towards work.

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

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

**A skilled
service sector
— means —
Northland
— is a —
great place to live
— and a —
great destination**

By 2021:

- ▶ Northland capitalises on its year-round activities.
- ▶ Northland fosters entrepreneurs seeking lifestyle and business opportunities.
- ▶ People working in Northland are skilled and are in rewarding and meaningful work.
- ▶ Young Northland people realise the potential and opportunity of working in the service sector.



Attract and retain people with the right attitude and aptitude

To help the service 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 a Northland campaign to change perceptions of working in the service sector	The service sector is growing in Northland. Most people have experienced great customer service, and its ready impact on a business' profitability, but perhaps do not fully appreciate the skill required to provide this service. The focus of this campaign would be to change the perception of the service sector, particularly within schools, and provide clear information on career paths within the sector (see also 1.3 and 1.5).
1.2	Undertake a stocktake of current initiatives	A number of different and intersecting initiatives are underway already seeking to address issues associated with attracting and retaining people in the service sector.
1.3	Find the service sector ambassadors, career champions, and outstanding service providers	People working in and contributing to the service sector in Northland have great stories to share.
1.4	Mobilise advocacy to local and national government bodies	The sum of the Northland service sector is bigger than its parts, and it is important for the service sector to mobilise and advocate for itself at a regional and national level.
1.5	Create a service sector chief executive exchange with Northland school principals and businesses	Many perceptions of the service sector are tied up in the experiences individuals have. If school principals in Northland can see and feel first-hand what it takes to run and operate a successful service sector business, this will in turn open their eyes to the many opportunities to be found within this sector and the various pathways available for getting there (see also 1.1 and 1.3).

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 Northland schools	The service sector is generally not perceived as a good career option for young people. A continued focus on providing people still in school the opportunity to experience work within the service sector, and understand the opportunities available, is important. Gateway training helps students gain skills, experience, and kick-start a career in the service sector. Students attain unit standards and make professional contacts that can help open doors to future jobs in the sector.
2.2	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/two days), 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.
2.4	Strengthen and broaden engagement with Northland schools	ServiceIQ is reviewing its offering to schools, in partnership with schools, in relation to the school to work transition.
2.5	Deliver ServiceIQ camp	Young people can gain a better understanding of working in the service sector through participating in a service sector-focused programme that meets the requirements for NCEA and offers real-life service sector experience.

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.

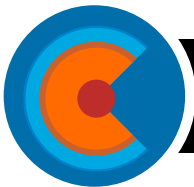


Develop and maintain high quality qualifications and programmes that meet the needs of industry

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	Increase the number of Northland businesses and their staff engaged in training.	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 Northland's service sector businesses are engaging more of their staff in training, and/or employing well-qualified people, this will raise the skill levels of the industry.



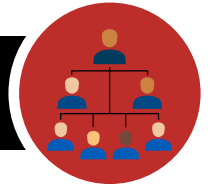
Increase productivity by developing core skills

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 Northland's service sector businesses.	Core skills for existing staff may be an issue in Northland, particularly those leaving with lower level qualifications (less than NCEA Level 2). Nineteen per cent of Northland's service sector workforce have no qualifications (2,733 people), and just under 20 per cent have a Level 1 qualification (including NCEA Level 1). Employers have also reported issues. It is not yet clear on this basis, however, whether there is a capability issue and what the extent of the issues 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	Employers are key to meeting the challenges for growing Northland's service sector, and it is important that businesses have the right skills and support.
6.2	Bring together key businesses and education organisations to create a strong partnership initiative	The Northland service sector has strong management talent, and with it a wealth of management and leadership experience that other businesses in Northland could learn from in a practical way (see also 1.3).



ServiceIQ sector coverage

Aviation

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

Museums

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

Tourism

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

Travel

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

Accommodation

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

Cafés, bars, restaurants

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

Catering

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

Clubs

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

Quick service restaurants

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

Retail and retail supply chain

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

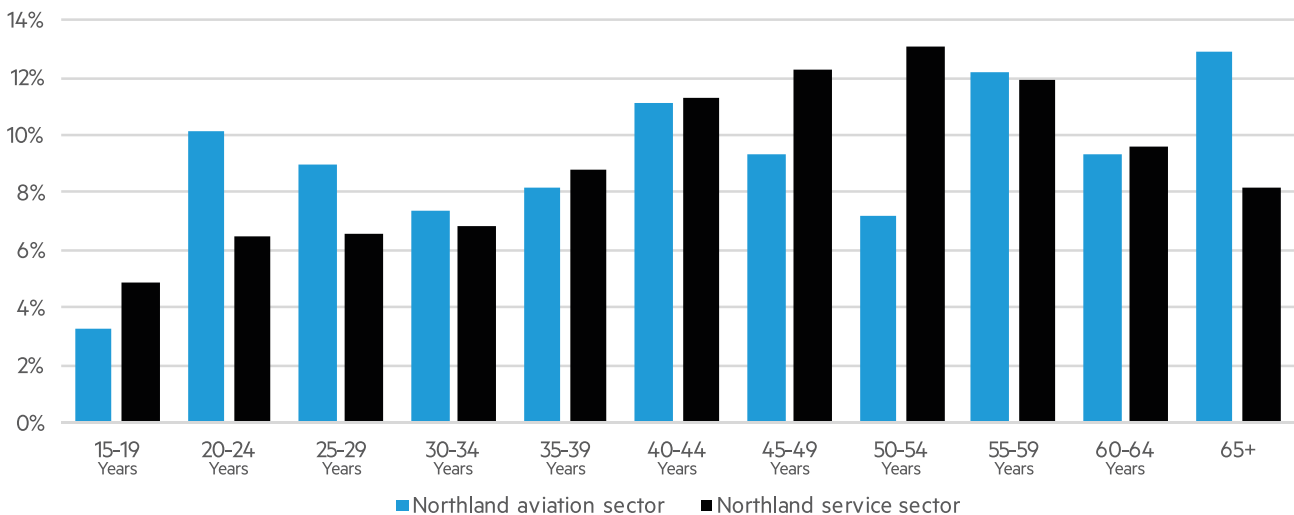
Aviation

The aviation sector in Northland accounted for 108 jobs in 2015 (100 FTEs) and grew by 4.8 per cent.

The sector is predominately European (85.5 per cent) and predominately male (76 per cent). The percentage of people identifying as either European, Asian or Pasifika has increased over the years, but the percentage of Māori has decreased. The number of females has decreased.

The sector is ageing; between 2006 and 2013 the number of people aged 20-24 years dropped by 58 per cent. The two most common range groups are 55-59 years and 65+ years.

Employment by age



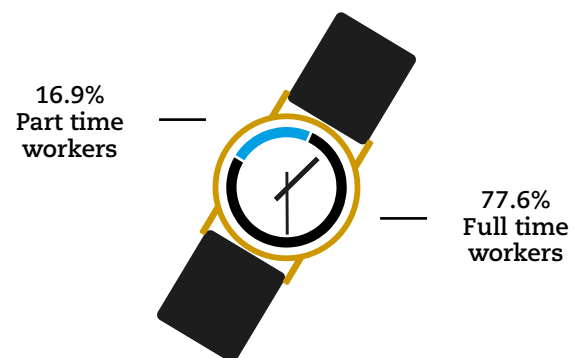
Most of the people working in the sector are born in New Zealand (74.8 per cent) or Europe (16 per cent).

The number of people born in New Zealand has been tracking down and most of the change has been increases from people born in Europe, North America and Australia.

Aviation in Northland contributes \$12.2 million to GDP, and this grew 4.8 per cent in 2015. Aviation makes a significant GDP per FTE contribution of \$121,857.

There were 40 aviation businesses in Northland in 2015, which is an increase of 9.1 per cent on the previous year.

Just under half of the people working in aviation as their main job in Northland work between 40 and 49 hours a week (46.2 per cent); 16.9 per cent work fewer than 30 hours. The aviation workforce in Northland is better qualified than the overall Northland workforce. Only 34.2 per cent of the aviation workforce do not hold a post-school qualification, and 38.4 percent hold a qualification at Level 5 or higher.

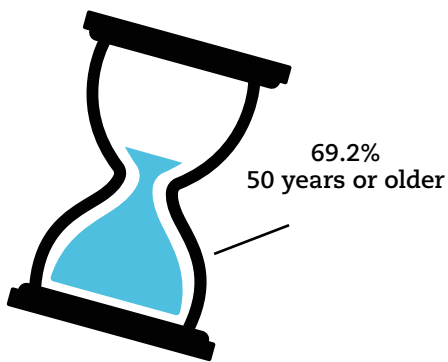


Employment in the aviation sector grew for the first time in 2015 after nine years of decreasing or unchanging employment levels. The sector will continue to grow over the next five years reaching a new peak in 2020. Over the next two years, the majority of employment will be replacement openings, rather than new jobs.

Museums

The museum sector in Northland accounted for 143 jobs in 2015 (122 FTEs) and grew by 3.5 per cent.

Northland Museums sector age



The sector is increasingly European (88.9 per cent) and Māori (27 per cent). The sector has the oldest demographic of all the service sectors and 69.2 per cent are aged 50 or older; the most common age group is 55-59 years.

Most of the people working in the sector are born in New Zealand (81.4 per cent) or Europe (13.1 per cent).

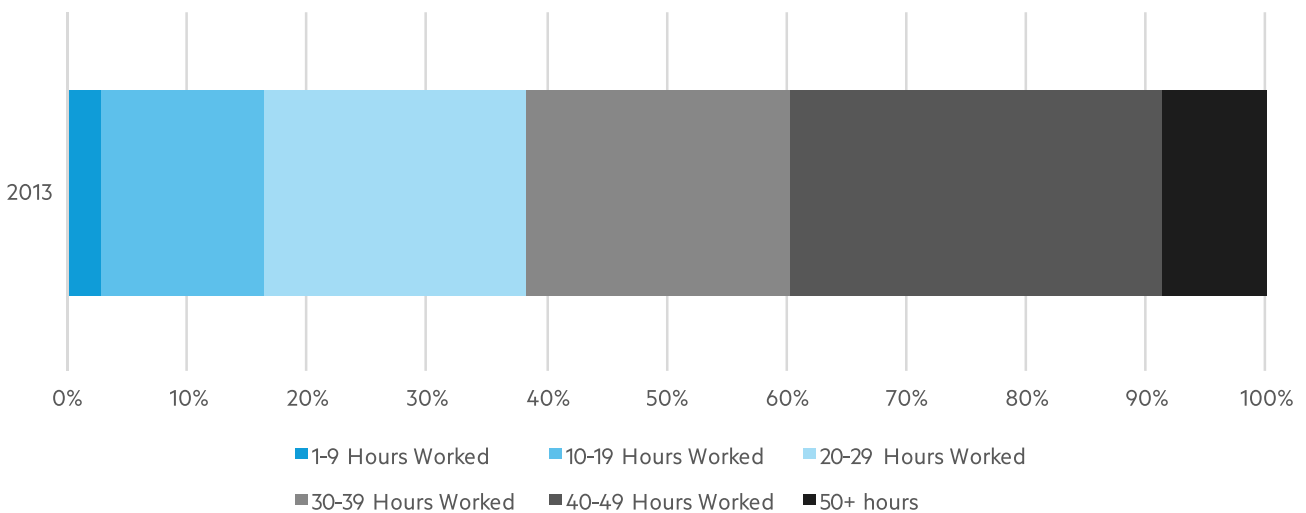
The museum sector in Northland contributes \$6.12 million to GDP, and this grew 3.7 per cent in 2015. Museums contribute \$50,342 per FTE.

In 2015, there were 31 museum businesses in Northland, three more than there were five years ago.

The percentage of the museums workforce in Northland that does not hold a post-school qualification is similar to that of the Northland workforce overall, 44.4 per cent of the museums workforce and 46.9 per cent of the overall workforce. An equal percentage of the Northland museums workforce hold either a Certificate (Level 1, 2, 3 or 4) or a Diploma (Level 5 and 6), at 15.7 per cent of the workforce each; 13.8 per cent of the workforce hold a Bachelor Degree or higher.

Just over half of the people working in the museum sector are working between 30 and 49 hours per week (53.1 per cent).

Employment by hours worked in main job (2013)



The number of hours people are working in the museum sector in Northland has increased since 2006, and fewer people are working part time. Employment over the next five years will grow modestly but most job openings will be replacement roles rather than new jobs.

Tourism

Tourism accounted for 5,091 jobs (4,273 FTEs) in Northland in 2015, an increase of three per cent on 2014. There were 1,089 tourism-related businesses in the region, 36 more businesses than the previous year, an increase of 3.4 per cent.

The tourism sector contributed \$315 million to Northland's GDP (4.7 per cent above 2014), at a rate of \$73,813 GDP per FTE.

The majority of people in tourism work fulltime (66 per cent), there has been a slight increase in the percentage working less than 30 hours a week (29.6 per cent in 2006 to 30.7 per cent in 2013).

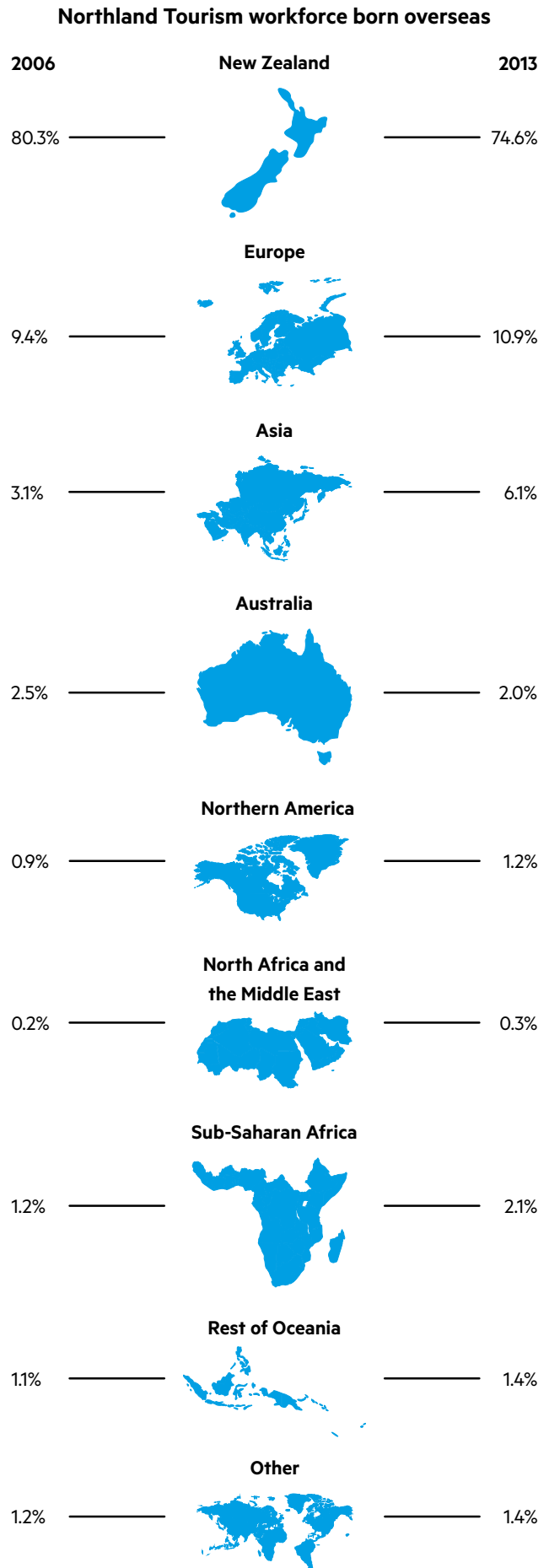
The number of employees aged 15-19 is decreasing, from 714 in 2006 (13.7 per cent of the workforce) to 505 in 2013 (10.2 per cent). Overall the percentage of the workforce under 35 has decreased from 37.2 per cent in 2006 to 33 per cent in 2013, while those aged 60 and over has increased from 9.6 per cent in 2006 to 16.5 per cent in 2013.

There are more females than males employed in the Northland tourism sector (57 per cent females to 43 per cent males). This gap peaked in 2007 where 59 per cent of the workforce was female and has been slowly narrowing since then.

The sector workforce is predominantly European (76.4 per cent), followed by Māori (23.5 per cent), and Asian (7.2 per cent). Increasing numbers of employees were born outside New Zealand (25.4 per cent in 2013 compared to 19.6 per cent in 2006). The biggest increase has been in workers born in Asia, from 159 in 2006 (3.1 per cent of the workforce), to 304 in 2013 (6.1 per cent of the workforce), but all other regions also increased.

The workforce is better qualified now than in 2006, (57.7 per cent had no post-school qualification and this has dropped to 53.4 per cent) and 3.7 per cent more of the workforce has a Bachelor Degree or higher than in 2006.

Employment in the tourism sector hit peak levels in 2009 and then dropped for six consecutive years to 2014. The sector is forecast to grow over the next 3 years to 2019, although it is not predicted to hit the 2009 peak in the five-year forecast. While there will be 146 new roles forecast in the five years to 2020, the majority of job openings will be replacements.



Travel

The Northland travel sector accounted for 132 jobs in 2015 (120 FTEs), and decreased by two per cent.

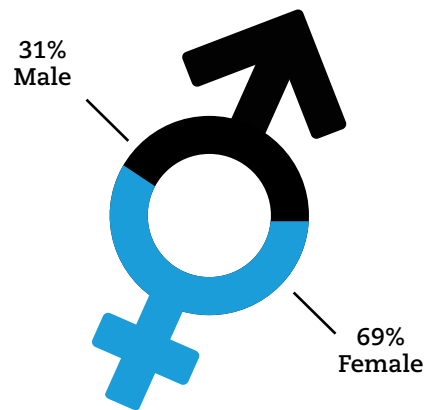
The travel sector's contribution to Northland's GDP was \$6.06 million, a slight decrease of 0.2 per cent on the 2014 GDP contribution of \$6.07 million. The GDP per FTE contributions were \$50,636, a 1.1 per cent increase on the previous year.

In 2015, there were 40 travel-related businesses in Northland, which was down by 7.1 per cent (three businesses) on the previous year. Over a third of people working in the travel sector are self-employed (45 people or 33.6 per cent) and this share is growing, unlike self-employment overall in the region which is decreasing.

Most people working in the travel sector are working 30 or more hours a week (75.5 per cent), but the trend is towards more part-time work.

The majority of the people working in the sector are female (69 per cent or 91 people).

Most people working in the sector were born in New Zealand (70.4 per cent), but this group has also seen the largest reduction in workers (28 per cent drop). People coming from Europe are accounting for an ever increasing share of employment.

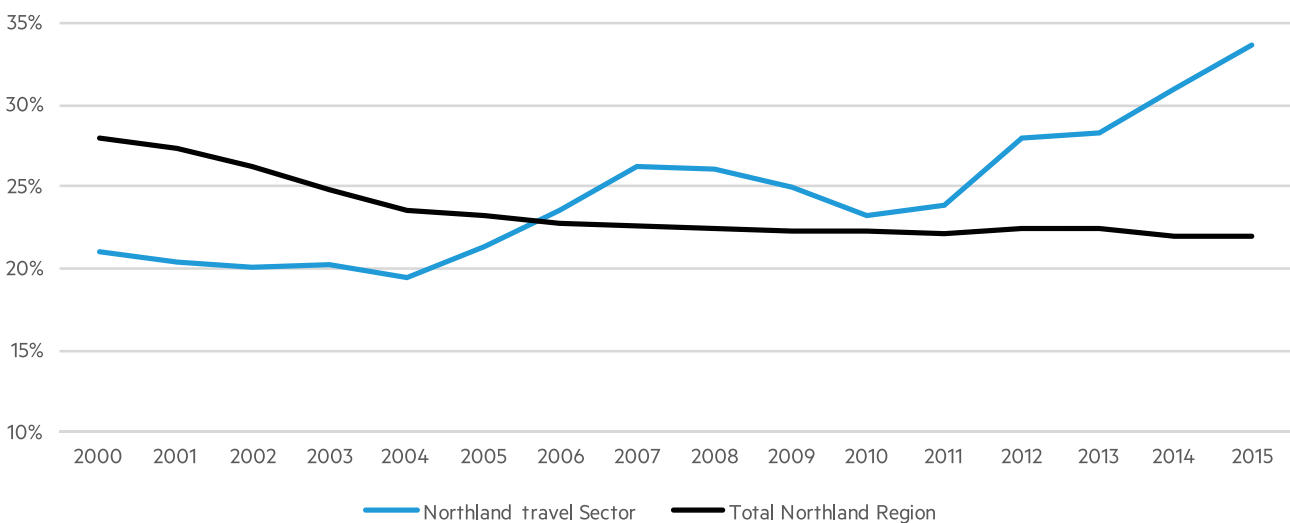


The travel sector workforce is mainly aged between 25 and 49 years (78 people or 53.5 per cent).

People working in the Northland travel sector are qualified to higher level than the broader Northland service sector and the Northland workforce overall. Over a third, however, have no post-school qualifications (55 people or 38.5 per cent), and just under a third (32.6 per cent) hold a qualification at Level 5 or higher.

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

Self-employment rates in the Northland travel sector and region overall



Accommodation

The accommodation sector in Northland accounted for 1,315 jobs in 2015 (1,085 FTEs) and grew 6.9 per cent.

Accommodation contributed \$43.9 million to Northland's GDP in 2015, which was an increase of 10.6 per cent. Accommodation contributed \$40,453 to GDP per FTE.

In 2015, there were 375 accommodation businesses in Northland, which was an increase of 2.4 per cent on the previous year (nine businesses).

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

The sector is mostly European (78 per cent or 978 people) or Māori (23 per cent or 288 people), and female (60 per cent).

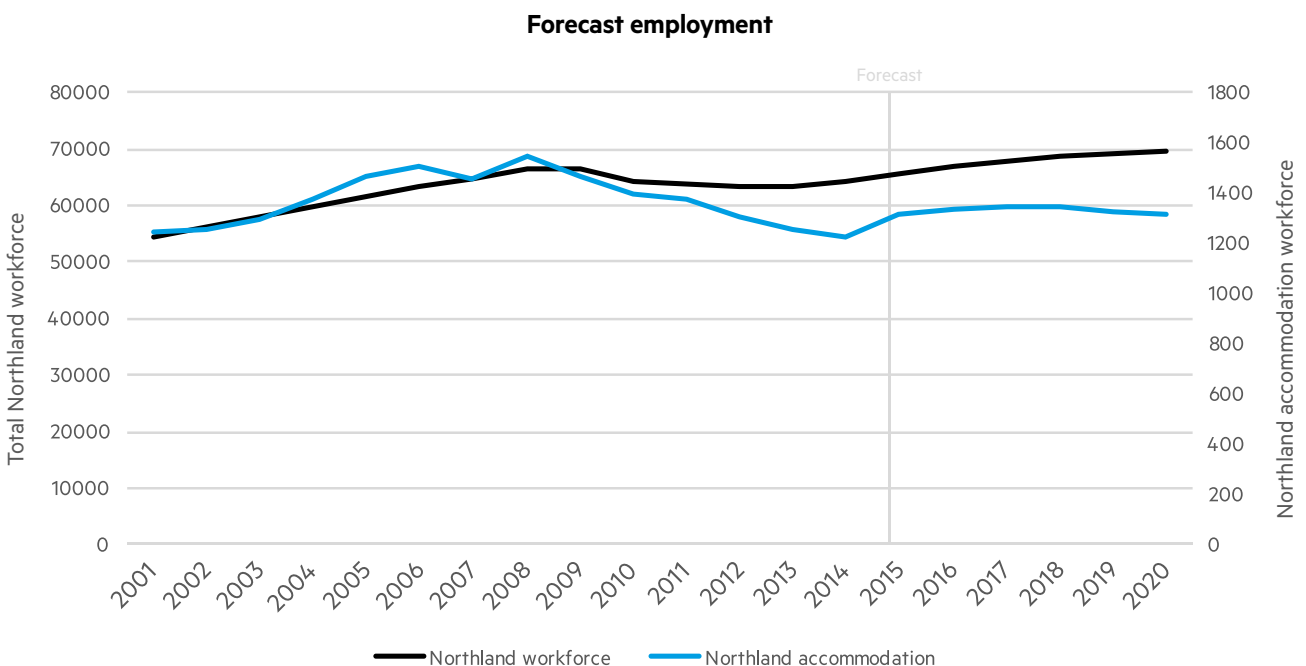
The sector has been a significant employer of people aged 50 and over for quite some time, and the proportion of older people has remained constant as total employment has fluctuated.

Most of the people working in the sector were born in New Zealand (69.9 per cent), and the majority of the remaining people were born in Europe (16.2 per cent).

Just over half of people have no post-school qualifications (52.2 per cent or 654 people), which is higher than the accommodation sector nationally (50.1 per cent). A Level 4 Certificate is the most common post-school qualification and is held by 10.3 per cent of the Northland accommodation workforce.

Employment numbers have largely been dropping every year since 2007

The accommodation sector has grown in peaks and troughs; employment numbers have largely been dropping every year since 2007. The sector reached peak levels in 2008 and, while the sector experienced strong growth in 2015, it is not expected to return to peak levels in the next five years.



Cafés, bars and restaurants

The cafés, bars and restaurants sector in Northland accounted for 1,975 jobs in 2015 (1,592 FTEs) and grew 4.9 per cent.

Cafés, bars and restaurants in Northland contributed \$69.3 million to GDP in 2015, which was an increase of 8.2 per cent on 2014. Cafés, bars and restaurants contributed \$43,507 GDP per FTE.

In 2015, there were 348 cafés, bars or restaurant businesses in Northland, which was a 0.4 per cent drop on the previous year.

The sector is predominately European (71.5 per cent). The majority of people working in the sector were either born in New Zealand (71.3 per cent or 1,348 people) or Asia (10.8 per cent or 203 people).

Over a third of the people employed in café, bars and restaurants are aged between 15 and 24 years (34.9 per cent). Females outnumber males (64 per cent versus 36 per cent).

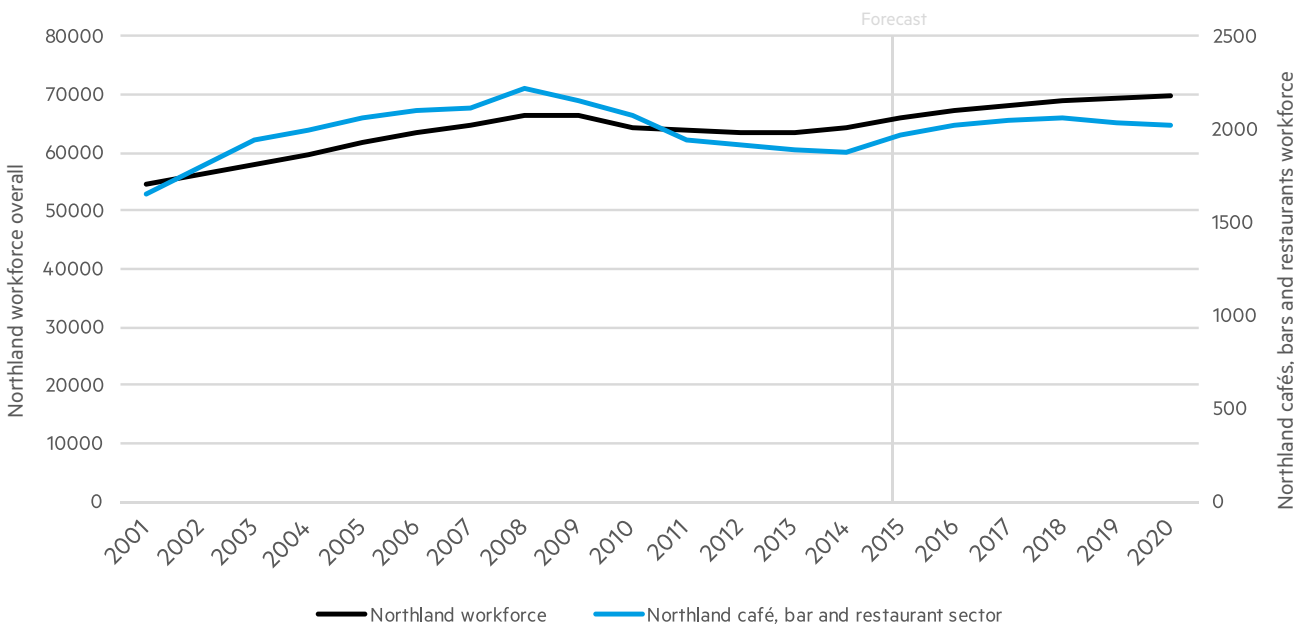
Sixty per cent of people working in the cafés, bars and restaurants sector are doing so full time. Just under 40 per cent (734 people) work less than 30 hours per week.

60% of people working in the cafés, bars and restaurants sector are doing so fulltime

While more than half of people have no post-school qualifications (59.6 per cent or 1,128 people), this number has dropped by 16 per cent since 2006. There have been increases in the number of people holding all qualifications at Level 5 and above.

The number of people employed in the café, bar and restaurant sector decreased every year between 2009 and 2014, and despite strong growth in 2015 continuing into 2018, it is unlikely to match its 2008 peak levels in the future.

Forecast employment



Catering

Catering in Northland accounted for 506 jobs in 2015 (417 FTEs), which was an increase on the previous year (3.2 per cent).

The Northland catering sector contributed \$23.6 million to GDP in 2015, which was an increase of 5.3 per cent. The sector contributed \$56,489 to GDP per FTE.

The number of catering businesses in Northland fell by 13 (12.7 per cent) in 2015 to 87 businesses.

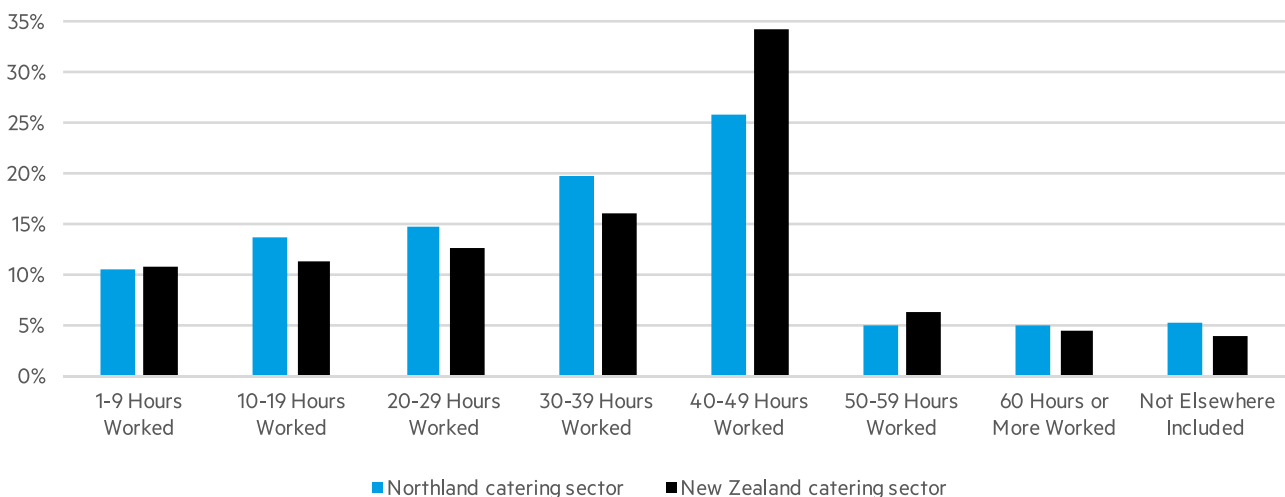
The sector is predominately European (73.7 per cent) and Māori (27.7 per cent). The majority of the people working in the sector were born in New Zealand (77.6 per cent or 357 people) and Europe (10.8 per cent or 50 people).

Northland's catering sector has fewer young people and more older people working in it than the catering sector nationally. The sector has always attracted older workers and is continuing to do so; the biggest increase between 2006 and 2013 was seen in the 65 years and over age bracket at 54 per cent (15 additional people).

Females significantly outnumber males in the catering sector (65 per cent versus 35 per cent) but the number of males has increased over time.

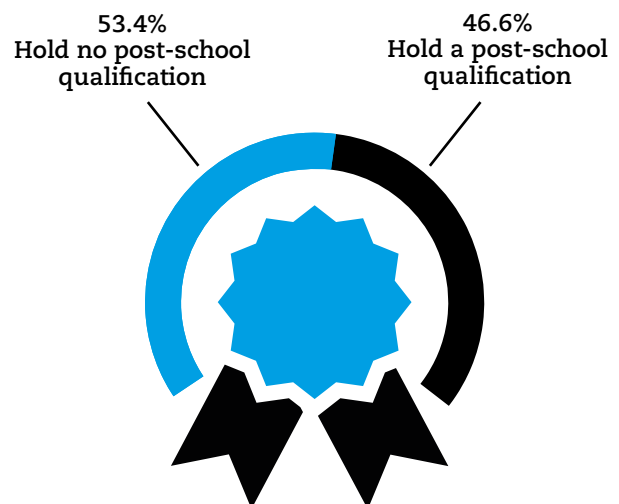
Northland catering sector workers are working fewer hours than the catering sector nationally; 58 per cent are working full time. The average hours worked is 32.5 hours compared to 34.3 hours nationally

Employment by hours worked in main job, 2013



While Northland's catering sector is predominately comprised of people with no post-school qualifications (53.4 per cent or 249 people), the sector is attracting people with higher level qualifications; the number of people with a Bachelors' Degree or higher increased by 140 per cent between 2006 and 2013 (26 people).

The catering sector has grown consistently in Northland since 2009, unlike much of the service sector, and will continue this growth into 2020.



Clubs

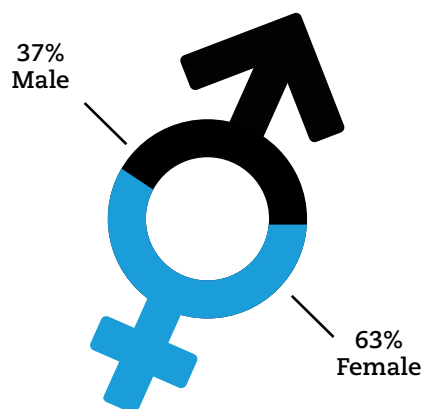
In 2015, clubs in Northland accounted for 137 jobs (106 FTEs), which was an increase of 4.8 per cent on the previous year.

The Northland clubs sector GDP contributions increased 8.3 per cent in 2015 to \$4.62 million. The sector contributed \$43,431 to GDP per FTE.

Northland has 31 clubs, eight new clubs businesses opened between 2014 and 2015.

The sector is predominately European (76.2 per cent) and Māori (31.1 per cent). The majority of the people working in the sector were born in either New Zealand (83.4 per cent or 107 people) or Europe (11.9 per cent or 15 people).

The largest age group employed in the clubs sector is aged 50-54 years (12.1 per cent or 16 people), and most of the people employed are 45 and over (81 people or 63.2 per cent).



Females outnumber males in clubs (63 per cent versus 37 percent) but the number of males employed in this sector is increasing.

Over half (57 per cent) work full time in the clubs sector but, as employment in the sector has dropped, so has the number of hours worked.

The majority of staff have no post-school qualifications (77.7 per cent or 100 people), which is significantly higher than the total Northland workforce (46.9 per cent) and the clubs sector nationally (56.8 per cent).

Fewer than ten people in the sector hold a qualification at Level 5 or above.

The clubs sector reached peak employment levels in 2012 and it is unlikely to recover to this over the next five years as job openings decline.

Quick Service Restaurants

Quick service restaurants in Northland accounted for 560 jobs in 2015 (429 FTEs), an increase of 0.2 per cent on 2014.

Quick service restaurants contribute \$16.5 million to Northland's GDP, and this grew 4.2 per cent in 2015. The quick service restaurants sector has the lowest GDP per FTE contributions - \$38,361 - of all the service sectors.

The number of quick service restaurant businesses in Northland has increased by 11 over the past five years to 143 in 2015.

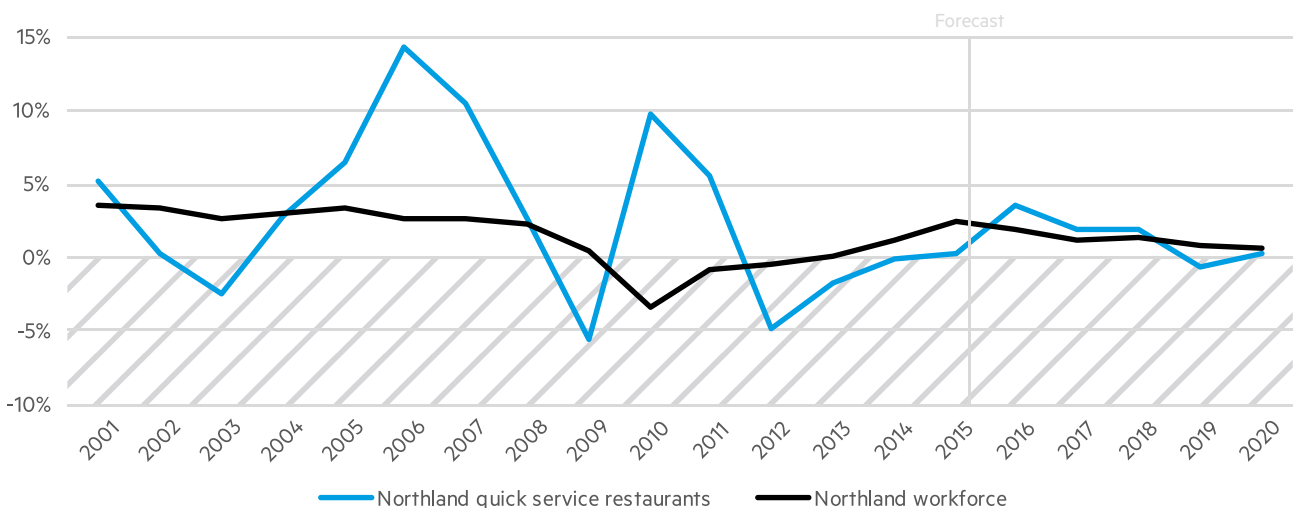
A third of people working in the quick service restaurants sector are working 40 hours or more a week (33.7 per cent), which is similar to the sector nationally.

The sector is mostly European (50.3 per cent), Asian (30.4 per cent) and Māori (28 per cent). More women than men work in quick service restaurants (62 per cent compared with 38 per cent) but this difference has been reducing over time. The age range of the

The age range of the Northland demographic is very different to the rest of the Northland region

Northland demographic is very different to the rest of the Northland region. While there was a 24 per cent decrease in the number of people working at quick service restaurants aged 15-19 years, it is still attracting people aged under 30 in greater amounts than any other sector in Northland.

Forecast employment



The number of people working in Northland's quick service restaurants who were born in New Zealand has been steadily decreasing (59 per cent of workforce), while the number of people born in Asian countries has increased (28.6 per cent of workforce).

The majority of people working in quick service restaurants have no post-school qualifications (65.6 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 14.1 per cent are aged 20-24 years).

However, a third of jobs in the quick service restaurant sector are considered medium-high to highly-skilled and only 15.1 per cent of the workforce hold a qualification at Level 5 or above. This indicates that there is a potential skill shortfall, particularly at Levels 5 and above.

The quick service restaurant sector has been contracting over the last few years, but it is forecast to grow modestly heading into 2019.

⁴ **Highly skilled** occupations typically require a bachelor degree or higher qualification and (NZQF Level 7 or higher) include professionals such as accountants, teachers, and engineers, as well as most managers such as chief executives. **Medium-high skilled** occupations typically require an NZQF Diploma, an Associate Degree or Advanced Diploma (NZQF Level 5-7). The category includes some managers (such as retail managers) and technicians (such as architectural draftspersons, ICT support technicians and dental hygienists). **Medium skilled** occupations typically require an NZQF Level 4 qualification. The category includes tradespersons (such as motor mechanics), skilled service workers (such as firefighters), as well as skilled clerical and sales workers (such as legal secretaries and estate agents). **Low skilled** occupations typically require an NZQF Level 3 qualification or lower (NCEA Level 3 or lower). It includes a range of lower skilled occupations from general clerks, caregivers, and sales assistants, through to cleaners and labourers.

Retail and retail supply chain

The retail and retail supply chain is the biggest sector within the service sectors, and is a large employer in the Northland region. Retail and retail supply chain accounted for 9,730 jobs in 2015 (8,459 FTEs) and had growth of 0.5 per cent.

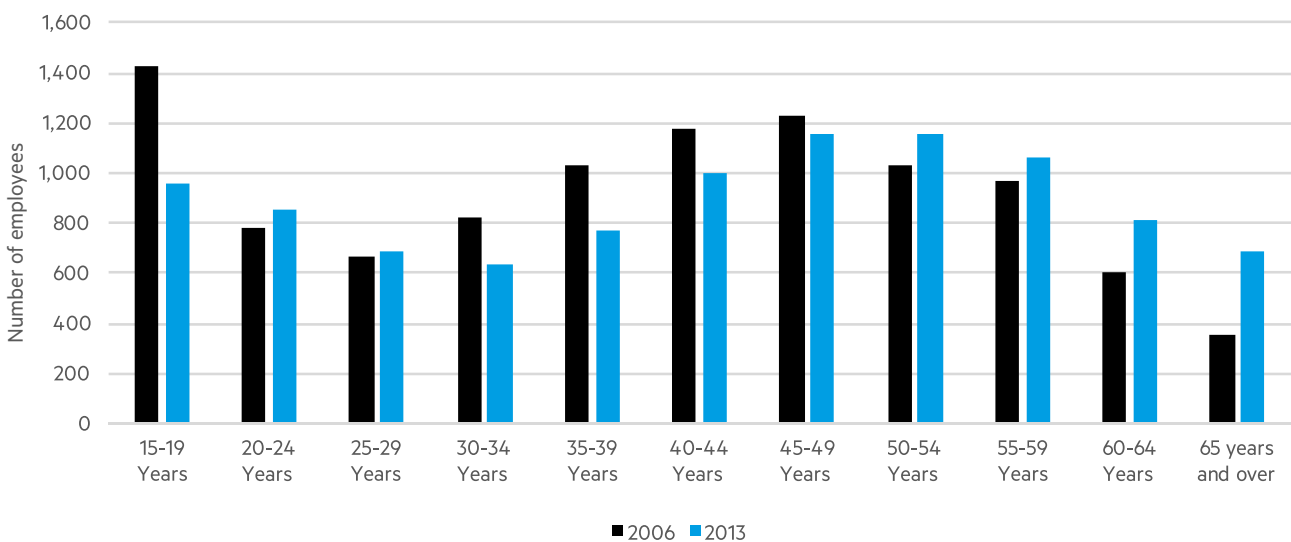
The Northland retail and retail supply chain GDP contributions increased 3 per cent in 2015 to \$648 million. The sector contributed \$76,576 to GDP per FTE.

The number of retail and retail supply businesses increased from 2,042 in 2014 to 2,194 in 2015 (7.4 per cent growth).

The sector is predominately European (81.5 per cent) and Māori (19.5 per cent). However, Māori are accounting for fewer workers than in 2006 (from 2,076 to 1,910).

The sector is also employing fewer people aged 15-19 years than it was in 2006, from 1,431 to 956 people. In 2006, the largest age group was 15-19 years (14.2 per cent), in 2013 the 45-49 and 50-55 year age groups were the largest (each 11.8 per cent).

Employment by age



Most of the people working in Northland's retail and retail supply chain sector were born in New Zealand (79.1 per cent or 7,746 people); 9 per cent were born in Europe and 4.2 per cent in Asia.

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

While the retail and retail chain supply accounts for a large amount of part-time and casual work, the majority of people in the sector are working full time (72 per cent).

Over half of people have no post-school qualifications (60.2 per cent or 5,893 people); while 8.5 per cent have a Bachelors' Degree or higher.

Employment in the retail and retail supply chain sector hit a peak in 2009, and has declined year-on-year since then. The sector will experience growth over the next five years, but is not set to return to its peak levels over this period.

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

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