

Service IQ

SMARTER PEOPLE FOR
SMARTER BUSINESSES



REGIONAL ROADMAP SERVICE SECTOR — Hawke's Bay —



2018/2019

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Introduction

Business Hawke's Bay has a vision to retain, grow and attract vibrant businesses and people talent, making Hawke's Bay the best regional location in which to work, invest, live and grow.

A local service sector workforce that provides an exceptional customer experience can help boost local business success. A thriving service sector is vital, to add colour and energy to the region and to help enhance Hawke's Bay's reputation as a great destination for visitors and a place where locals love to work and live.

#servicesuccessnz

ServiceIQ

ServiceIQ is the Industry Training Organisation for the aviation, hospitality, retail and retail supply chain, travel, tourism and museum 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 Hawke's Bay

The Workforce Development Plan highlighted the need for service sector workforce development at a regional level. The service sector workforce roadmap provides a Hawke's Bay 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 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 Hawke's Bay knowledge and innovation to create industry-led solutions that best meet those workforce needs.

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

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

Developing a service sector roadmap for Hawke's Bay

ServiceIQ surveyed local businesses and organisations, and hosted a workshop in Hawke's Bay in September 2017. Representatives from local businesses, membership bodies, education providers, government agencies, business groups and the economic development agency attended the workshop. The group developed a vision for the service sector in Hawke's Bay 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 2017 and tested with members of the group for coherency and accuracy.

Critical success factors

The success of the regional roadmap action plan is dependent on the Hawke's Bay service industry taking leadership, with regular measurement and updates on progress.

ServiceIQ will track and measure progress against the Hawke's Bay service sector workforce roadmap action plan.



Current position

Hawke’s Bay is a popular tourist destination, renowned for its wonderful weather, food and wine, its stunning natural scenery and architecture. In the year to July 2017, the annual domestic visitor spend was \$436 million and the international visitor spend was \$172 million, a total of \$608 million¹. This is an increase of \$38 million (6.7 per cent) on the previous year.

In 2016, Hawke’s Bay had a resident population of 161,600 people. 61,100 people lived in Napier and 78,600 in Hastings². By 2023 the total population of the region is expected to increase to 167,400, with a small annual growth rate of 0.3 per cent and an ageing population³.

The Matariki Hawke’s Bay Regional Development Economic Strategy and Action Plan 2016 has a vision where “every household and every whānau is actively engaged in, contributing to and benefiting from, a thriving Hawke’s Bay economy.” A vibrant service sector can contribute, both by providing jobs and income to the region and making Hawke’s Bay a great place to live and visit.

The service sector covers:

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

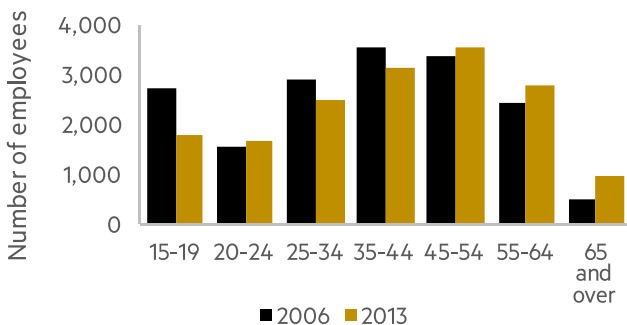
Service sector in Hawke’s Bay

The service sector makes a significant contribution to the Hawke’s Bay region. In 2016 the service sector accounted for 15.4 per cent of the total GDP (\$876 million in 2010 prices); by comparison, manufacturing accounted for 14 per cent; farming, horticulture, forestry and fishing 11.7 per cent, and construction 5.2 per cent.

Almost one in five businesses in the Hawke’s Bay region (18 per cent) are in the service sector (3,267 businesses) and in 2016 the sector employed 16,658 people (22 per cent of the workforce). By comparison, farming, horticulture, forestry and fishing employs 11,009 people; manufacturing 9,897; and construction 5,639.

The number of people employed in the service sector is forecast to continue growing to 17,599 people by 2020. The total job openings (new jobs and replacement roles) will average 5.8 per cent per year to 2021. This means that the sector will need to fill almost 5,000 roles over that time.

Changing Age of the Hawke’s Bay Service Sector



The service sector workforce in Hawke’s Bay is younger than the overall workforce in the region. The sector has 21 per cent of its workforce (3,522 people) aged 15 to 24 years compared to 12 per cent of the overall workforce. This percentage has decreased, however. In 2006 this age group made up 25 per cent of the service sector (4,293 people). Currently Hawke’s Bay has a NEET rate (young people aged 15 to 24 years not in employment, education or training) of 17.2 per cent which is higher than the national rate of 12.2 per cent².

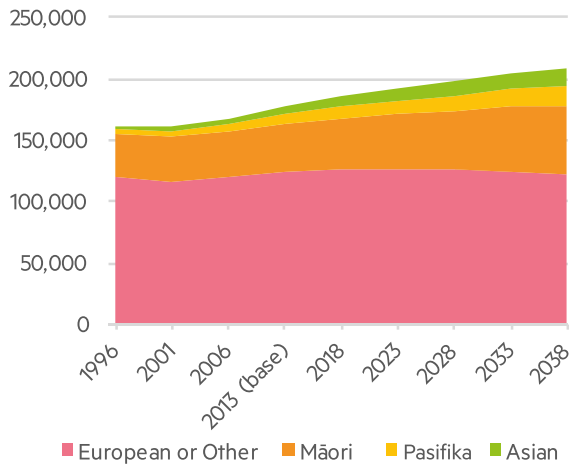
¹ MBIE: The New Zealand Tourism Dashboard web tool

² MBIE: Regional Economic Activity Web tool accessed 10.11.2017

³ Statistics New Zealand Subnational population projections 2013 (base)-2043

There has been a 91 per cent increase in the number of people over 65 years old working in the service sector since 2006, from 512 people to 977 people, increasing from three to six per cent of the service sector workforce. The decrease in young people and increase in those over 65 years old reflects the trend in the overall workforce and ageing population in the region.

Hawke's Bay Medium Projected Ethnic Populations (2013 base)⁵



More females than males are employed in the service sector in Hawke's Bay; 55 per cent of employees are female compared to 45 per cent male. This is in contrast with the overall workforce in the region which is 53 per cent male and 47 per cent female. Nationally the service sector is 51 per cent female and 49 per cent male.

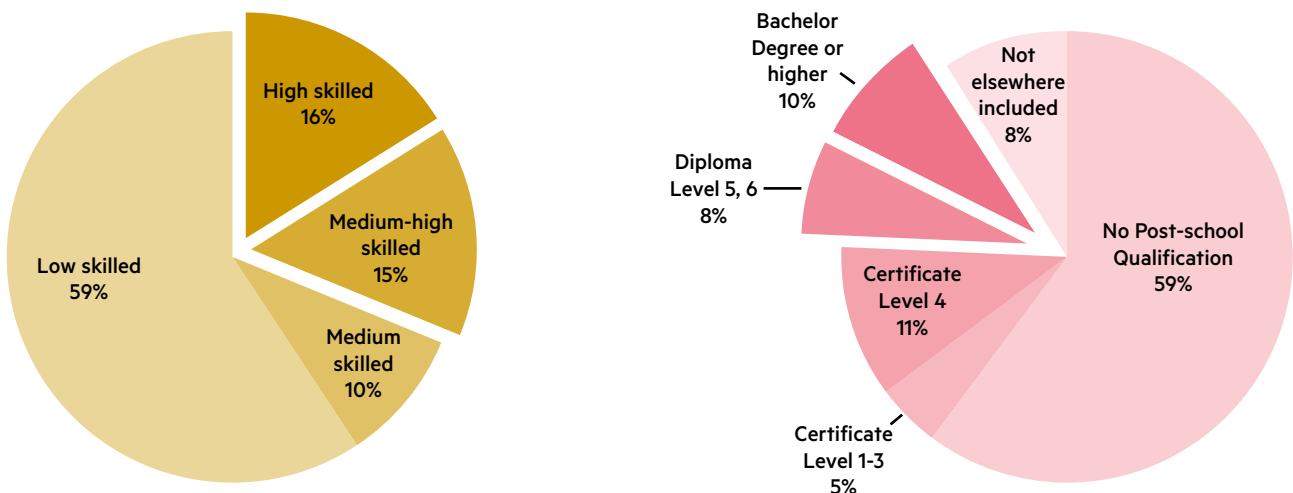
The majority of the Hawke's Bay service sector workforce identify as European (82.6 per cent) with 15.3 per cent Māori (compared to 17.8 per cent of the overall workforce), 6 per cent Asian and 2.3 per cent Pasifika⁴. Twenty-five per cent of the overall Hawke's Bay population identify as Māori, (compared to 16 per cent of the New Zealand population) and this is projected to increase to 28 per cent by 2023⁵.

Most of the Hawke's Bay service sector workforce was born in New Zealand (82.3 per cent) which is similar to the overall Hawke's Bay workforce, but an increasing percentage of the service sector were born in Europe (7.3 per cent) and Asia (5 per cent).

Two thirds of the Hawke's Bay service sector workforce (66.5 per cent) work full time. This is slightly lower than the overall workforce in the region (73 per cent) and the service sector nationally (69 per cent). Just over half of the region's service sector workforce work between 30 and 49 hours per week.

Medium-high and highly skilled roles make up 31 per cent of jobs in the Hawke's Bay service sector. Medium-high skilled roles typically require a qualification at Level 5 or 6 and highly skilled roles typically require a Bachelor Degree or higher. Only eight per cent of the Hawke's Bay service sector hold a qualification at Level 5 or 6 and only ten per cent hold a qualification at Bachelor Degree level or higher, indicating a possible skills shortfall.

Skilled Roles and Qualifications Held in the Hawke's Bay Service Sector



⁴ NOTE: Respondents can identify with more than one ethnicity.

⁵ Statistics New Zealand Subnational Ethnic population projections 2013 (base)-2038

Challenges to supply and demand facing Hawke's Bay

Nationally, the changing characteristics and expectations of the sector's workforce and its customers are likely to influence and shape 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.

Over the next five years, the Hawke's Bay service sector is forecast to have almost 5,000 job openings. The rate of total job openings, including new jobs and employee turnover, is 5.8 per cent.

Employee turnover costs between 50 to 300 per cent of base salary per person. Retail workers, on average, earn \$47,690, and based on this estimate, the cost to the business of replacing staff is at least \$23,845⁶.

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

Availability of skilled workers

Employers in Hawke's Bay, and around the country, report difficulty recruiting for skilled roles, such as chefs and managers. There is a limited pool of New Zealand applicants for skilled jobs offered, particularly in the 28 to 35 year age bracket, and many applicants are unsuitable.

The skill shortage results in "poaching" staff between businesses, and employers are often recruiting overseas applicants. Changes to the Essential Skills policy may have an effect on this pipeline and while backpackers are often good employees, the downside is high staff turnover. Workers born overseas may also have issues with language and literacy, if English is a second or other language.

Nature of work in the service sector

The nature of work available in the service sector can pose challenges to recruitment and staff retention. The hours of work in the sector, including nights and weekends, can be a deterrent to some people and part-time hours may be prohibitive to potential job applicants. For many service sector businesses, particularly SMEs, wage pressure and providing progression opportunities can strain business profitability.

It is important that applicants have a realistic idea of working in the service sector and that service sector training produces graduates that have an accurate view of the sector. The service sector needs a workforce willing to put in the hours needed, with initiative and the ability to understand customer needs. For workers to have realistic expectations, employers must be honest about the potential downsides of working in the sector and counter balance it with the positives.

The service sector in Hawke's Bay is very seasonal, with peaks during the summer months and the arrival of cruise ships. This makes it difficult to offer sustained employment. While these conditions may be a barrier to some job applicants, the service sector could market this as an attractive option for older workers looking for a supplementary income.

Advancing technology

Technology is advancing at a rapid rate, affecting the service sector and its workforce. Not only is the sector facing competition from websites and online companies, the rate of change makes it difficult for workers to keep up with the skills required.

As technology plays a more important part in the service sector, the minimum standard of knowledge and skills required is increasing, especially in hospitality. Even entry-level and "grass roots" positions need a good understanding of technology with the confidence and ability to utilise it.

⁶ New Zealand Turnover Survey (April 2016)

Attracting youth to the service sector

The Hawke's Bay service sector is facing strong competition for entry-level workers, as the number of young people relative to the population decreases, and young people stay longer in educational institutions, move away to study and to further their careers. 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.

Young people, their parents and influencers may not know what opportunities are available in the service sector, and view it as a short-term job rather than a profession or career. The career options available in the service sector need to be promoted in schools so that the sector can counter the changing trends of what students and youth choose to study and pursue.

There are work experience programmes available in school to connect students with industry, but not all schools have a network of employers willing to take on students, or even aware that they can. SMEs can pose a particular challenge to engage in work experience schemes; a distinct model or consortium approach may be needed to engage these businesses.

Training and development

Many businesses in Hawke's Bay are small scale SMEs; this can make training and developing staff challenging. Employees and young people need support while training; pastoral support is vital to ensure success of trainees and new entrants to the workforce.

People don't stop learning once they get a job, learning is now continuous throughout working life and employers need to be aware of the value of on-job training to equip an employee to meet business needs.

Perceptions of employers

In the tightening labour market, it is critical that employers realise the importance of pipelines into industry and succession planning in business to maintain a stable workforce. Half of the Hawke's Bay workforce have been in their job for less than 15 months⁷; employers may need to change their views and approach to staffing to remain viable in this economy.

Employers need to be involved in developing strategies for improving businesses in the region. They will need to recognise and address prejudices, break down barriers for workers from different ethnicities and age groups, and commit to developing staff. Otherwise, they will limit their own employment pipeline.

Some employers may view youth as unreliable and be unwilling to commit to young people who are not work ready. It is vital to recognise the importance of pastoral support when engaging youth; employers need to be aware of programmes to support hiring youth, such as the Youth Employability scheme run by LIFT.

Some businesses can have a "why train people if they are only going to leave?" mentality; in fact training and development programmes make employers attractive to job seekers. They may be more likely to accept a job offer and completion of a qualification can be a powerful incentive to remain with a business.

Other issues of note include: A lack of public transport – especially late at night or after midnight, shortage of housing to attract skilled workers from outside the region.

7 NZ.Stat LEED Annual dataset Table 3.5: Length of continuous job tenure (region) accessed 12.11.2017



A

prospering service sector

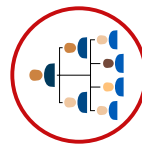
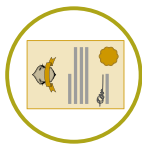
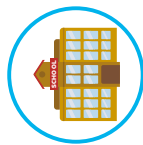
benefits

Hawke's Bay people and businesses

By 2021:

- ▶ The service sector has a strong employment pipeline with robust recruitment processes
- ▶ Hawke's Bay retains good, skilled staff and available jobs encourage skilled people to live and work in the region
- ▶ Businesses train their staff and employees have development opportunities
- ▶ Youth in Hawke's Bay are work ready and employers are youth ready

Initiatives for the Hawke's Bay service sector





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 service sector and persuading prospective workers of the potential career and lifestyle possibilities.

To maximise utilisation of skills, 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	Promote careers in the service sector	<p>The service sector needs to raise the profile of its careers by promoting the options available and the benefits of working in the sector.</p> <p>It is important that the service sector is recognised as a career with attached skills and that valuable transferable skills can be gained while working in the sector. There are additional perks and benefits associated with a service sector career; e.g. meals and store discounts, provision of uniforms and travel opportunities.</p> <p>Promoting the sector can be done by finding and sharing success stories and celebrating the achievements through involvement in industry awards. The service sector can use social media and other mediums to market the opportunities it provides.</p>
1.2	Make use of opportunities to attract staff	<p>The service sector must make the most of opportunities to attract staff from within Hawke's Bay and skilled staff from outside the region. Increasing tourism and a growing population means there are many service sector jobs available in Hawke's Bay; tourism in particular is recognised as a key opportunity in the region.</p> <p>Visitors to Hawke's Bay that have a positive visitor experience may choose to move to the region bringing valuable skills. New attractions opening in Hawke's Bay provide good employment opportunities for youth, the Project 1000 job creation and employment initiatives are helping people into work and other programmes (e.g. courses through the Department of Corrections), are training competent kitchen hands, baristas and other service sector roles.</p>
1.3	Support positive business culture	<p>A well-defined, positive workplace culture leads to lower employee turnover. Establishing clear expectations for staff as part of their induction process and ongoing throughout employment has a positive effect. Information and resources created with input from employees and tailored to their specific work environment can have a strong effect.</p> <p>Employers need to recognise the importance of mentoring and supporting staff to create a positive work environment and provide employment that meets the needs of a sustainable workforce.</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	Foster relationships between schools and industry	<p>Effective relationships between schools and industry result in better outcomes for both students and employers. Better connections enable schools and students to have a good understanding of the opportunities available in the sector and increase the visibility of service sector careers.</p> <p>Industry ambassadors (from a variety of positions and age groups) visiting schools and teachers experiencing industry (e.g. through an industry exposure day), can demonstrate that working in the service sector isn't just entry-level roles. It offers career pathways with opportunities for promotion and higher wages.</p> <p>Employers engaging directly with schools will be able to make the most of any school based initiatives that they might not otherwise be aware of.</p>
2.2	Increase the number of Gateway opportunities in schools	<p>Practical experience for students in the service sector is a powerful tool to prepare them for the workforce. Work experience and incorporating practical courses in school curricula (such as Level 2 and 3 Retail courses), can help students understand industry and transition students from high school into the workplace.</p> <p>The Gateway programme provides school students with a work placement experience to gain workplace-based training. Gateway training helps students to gain skills, experience and kick-start their career in the service sector. Students attain unit standards and make professional contacts that can help open doors to future jobs.</p> <p>The existing Gateway programme can be promoted and extended. Ensuring businesses are aware that they can be a part of this programme, and making it easier for them to engage, could bring more employers into the scheme.</p>
2.3	Support youth development schemes	<p>There are a number of initiatives in Hawke's Bay that work to support youth. They can prepare them for the workforce, bridge the gap between youth and employers, and provide pastoral support through employment. Increasing awareness and industry engagement with such schemes can help guarantee their success and ensure the service sector reaps the benefits.</p> <p>The programmes include:</p> <ul style="list-style-type: none"> ▶ Te Taiwhenua O Heretaunga Rangatahi services ▶ Hasting District Council Youth Council and youth team ▶ Youth Employment Pathways ▶ The Duke of Edinburgh's Hillary award ▶ Outward Bound courses ▶ LIFT youth employability and pastoral support ▶ Limited Service Volunteers (LSV) programme through MSD <p>Developing a strategy and model for how employers access these programmes, engage with youth and develop young staff, could build a robust pipeline of youth employment in the sector.</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	Promote beneficial relationships between employers and educators	Tertiary institutions provide training for people entering the workforce and those upskilling in their industry. Good relationships between employers and training providers are vital to ensure alignment of course offerings and industry requirements. Excellent training incorporates practical experience and meets employer needs.
3.2	Raise awareness of on-job training delivery	A clear pathway to qualification attainment for experienced staff that have the know-how is important; the ability to gain a qualification while working is an attractive employment option for many people. On-job training can ease the pressure from businesses, that might otherwise find it difficult to release staff. ServiceIQ Training Advisors are available to assist businesses in accessing relevant training. They can provide advice around how to engage in the right training, at the right time and how this can fit in with day-to-day business needs.
3.3	Promote driver licensing schemes	A driver's licence is important in the service sector. Many roles have irregular hours (outside routine public transport availability), and a P endorsement is needed for roles that involve carrying passengers. There are driver licensing schemes available to help people obtain a driver's licence; MSD funding programmes, in school programmes and some employers offer in-house training to obtain a P endorsement. Increasing awareness of schemes to assist potential employees in obtaining a driver's licence and lobbying for improvements to obtaining a driver's licence and endorsements, will support the workforce going forward.



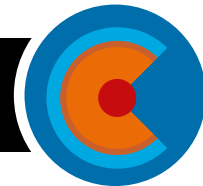
Develop and maintain high quality qualifications and programmes that meet the needs of industry

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	Training and qualifications meet the specific needs of industry	Service sector training must meet industry needs to be effective and productive. Training that targets those wanting to enter the sector can properly prepare them for work. Qualifications should include the broad skills needed across industry (e.g. computer proficiency), and sector specific specialised skills (e.g. museum and gallery mount making). On-job training should incorporate the brand standards of a business or parent company to create consistency across the organisation. This can take a number of forms e.g. online training or cross-sector training as part of an overall group brand.

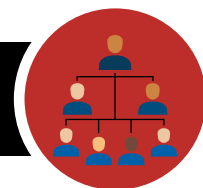
Increase productivity by developing core skills



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	Cultivate recognised employability skills	<p>A common concern from industry is that job seekers often lack core employability skills. Employers are looking for a recognised measure of work readiness in job applicants, particularly those entering the workforce.</p> <p>The Employability Skills Framework identifies the common skills and attributes employers want in their staff. A measure of employability skills, similar to the Foundation Passport model that is used in the construction industry, could help prepare applicants for the service sector workforce and increase employer confidence when hiring new people.</p>
5.2	Increase engagement with literacy and numeracy support available	<p>Strengthening literacy and numeracy skills improves the productiveness of employees and has a positive effect in a workplace. As employers realise and accept there may be some work readiness issues with new employees, they can implement strategies to address them. When identified, employers and managers can access support to address employee needs.</p> <p>Increasing employer awareness of literacy and numeracy support available, and encouraging their engagement, will enable businesses to access training that is targeted to their specific needs.</p>

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	Create opportunities for the service sector to work together	<p>The service sector in Hawke's Bay, by working together, has the capacity to achieve positive results. By providing opportunities for peer to peer engagement, the sector could foster and share ideas and encourage businesses to build capability within their workforce.</p> <p>Working together, the sector can lobby for issues affecting the sector workforce and connect with the Hawke's Bay Regional Economic Development Agency to develop new ideas, initiatives and strategies that support businesses and the region.</p>
6.2	Share information across the service sector	<p>Access to relevant information is important to support service sector growth. This includes information regarding the business support available for employers (e.g. employment support and subsidies from MSD), information regarding employment issues (e.g. secondary tax, fringe benefit tax and how to claim tax back), information about events and initiatives in the region, and information about the latest technology and advancements in industry.</p> <p>Famils and other programmes offered by individual operators, organisations and council-run businesses can offer valuable industry knowledge. Extending this pool of knowledge could be of great benefit to the industry overall.</p>



Hawke's Bay 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 the Hawke's Bay region accounted for 234 jobs in 2016 (222 FTEs), which was a 2.4 per cent decrease compared to the previous year.

The number of aviation businesses in the Hawke's Bay region grew by ten in 2016 to 54 businesses.

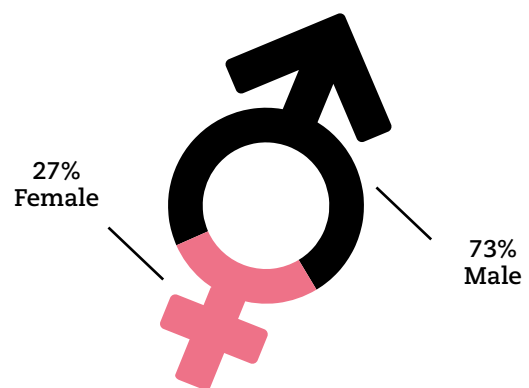
Aviation in the Hawke's Bay region contributes \$21.5 million to GDP, and this fell by 5.7 per cent in 2016. Aviation makes a significant GDP per FTE contribution of \$96,707.

The sector is predominantly made up of those who identify as European (90.3 per cent) and Māori (10.5 per cent), with 3.8 per cent of Asian ethnicity⁸.

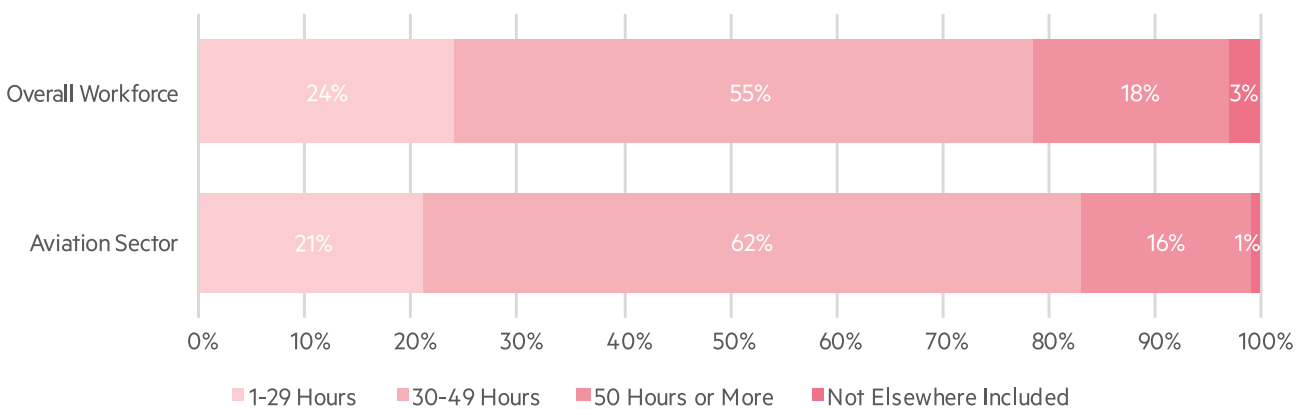
The aviation sector is predominantly male, with the workforce 73 per cent male and 27 per cent female. Most of the people working in the sector were born in New Zealand (89.4 per cent) and 4.5 per cent (ten people) were born in Europe.

There has been a noticeable change in age in the aviation sector in Hawke's Bay. In 2006, 26.7 per cent of the workforce was under 35 years old; by 2013 this had fallen to 20.1 per cent. During the same period, the percentage of the workforce aged 55 years and over increased from 19.5 per cent in 2006 to 33.7 per cent in 2013.

Gender in the Hawke's Bay Aviation Sector



Hours Worked in Aviation Sector and Overall Workforce



Of the people working in aviation, 77.9 per cent are working full time (30 hours or more) with the most common hours worked being 40 to 49 hours (47.3 per cent).

There has been an improvement in the qualifications held in the Hawke's Bay aviation sector. In 2006, 31.1 per cent of the workforce had qualifications at Level 5 Diploma and above. This increased to 45 per cent by 2013. In the same period, the percentage with no post-school qualifications reduced from 43.8 per cent to 36.7 per cent.

In the past six years employment in the aviation sector has increased overall, with four years of growth and two years of small declines. Employment numbers are forecast to continue increasing in the next four years and then remain steady. There is forecast to be 255 jobs in the Hawke's Bay aviation sector by 2021, with 70 job openings over that period (including new and replacement roles).

⁸ NOTE: Respondents can identify with more than one ethnicity.

Museums

The museum sector in Hawke's Bay accounted for 48 jobs in 2016 (42 FTEs), which was a decrease of four jobs compared to 2015. There are 15 businesses making up the sector which is the same as in 2015.

The Hawke's Bay museum sector contributed \$2.14 million to the region's GDP in 2016, a decrease of 8.2 per cent when compared to 2015. The museums workforce makes a GDP per FTE contribution of \$51,046.

The percentage of the museums workforce under 30 years old has increased from 3.7 per cent in 2006 to 20.5 per cent in 2013. Conversely the percentage of the workforce aged 50 years and over has decreased from 60.5 per cent in 2006 to 48.8 per cent in 2013. One quarter of the people working in the sector are aged 25 to 34 years old.

Within the sector 91.8 per cent of workers identify as European, 14.3 per cent as Māori and 6.5 per cent Asian ethnicity. Most of the Hawke's Bay museum sector was born in New Zealand (80.6 per cent), with three people born in Europe and three born in North America.

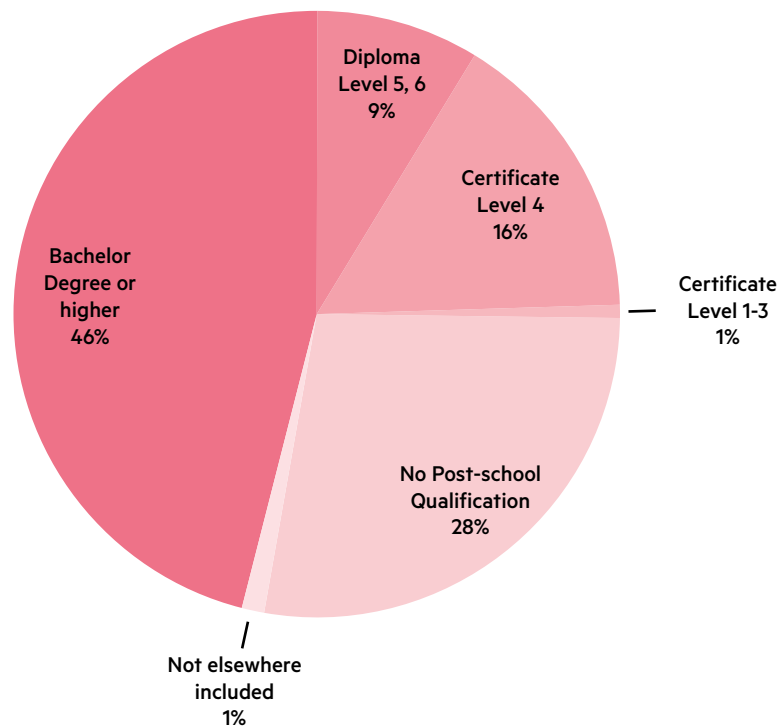
A quarter of the people working in the museum sector are aged 25 to 34 years old

Of the 48 people working in the sector in 2016, 30 were female (62 per cent) and 18 were male (38 per cent).

Almost three quarters of the museum sector workforce (73 per cent) worked 30 hours or more per week in 2013; this has increased since 2006 when 63.2 per cent worked 30 hours or more. Over half work between 40 and 49 hours per week.

The Hawke's Bay museum sector is highly qualified with 70.6 per cent holding a qualification at Level 4 or above and 46.1 per cent qualified at Bachelor Degree level or above. This is higher than the Hawke's Bay workforce overall where 40.5 per cent are qualified at Level 4 or above and 17.1 per cent at Bachelor Degree level or above.

Post-School Qualifications in the Hawke's Bay Museum Sector



Employment in the museum sector has fluctuated over the past five years and moderate growth is forecast for the five years ahead, with numbers expected to increase and then remain steady at 52 from 2019. Most job openings will be replacement jobs over this time.

Travel

The travel sector accounted for 163 jobs in 2016 (150 FTEs) and grew by 7.3 per cent or 11 people compared to 2015.

The travel sector's contribution to GDP in Hawke's Bay grew by 7.2 per cent in 2016 to \$6.78 million. The GDP per FTE contribution was \$45,240; a small decrease of 1.7 per cent compared to 2015.

In 2016 there were 58 travel sector businesses, which is six fewer businesses than the previous year. Almost one in three people working in the travel sector are self-employed (49 people or 30.3 per cent). This is higher than the overall Hawke's Bay workforce where 16.5 per cent are self-employed.

Most people are working full time with 65.8 per cent working 30 hours or more. There has been an increase in the percentage of people working less than 30 hours per week; from 20.7 per cent in 2006 to 32.3 per cent in 2013.

In the Hawke's Bay travel sector, 88 per cent of the workforce identify as European, 8.6 per cent identify as Māori and two per cent as Asian. Most of the people working in the sector were born in New Zealand (84.2 per cent) or Europe (9.6 per cent), which is similar to the overall Hawke's Bay workforce.

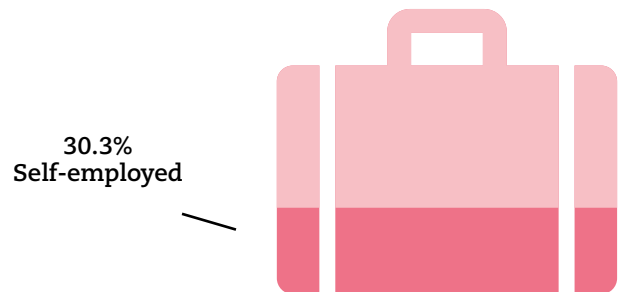
Females outnumber males almost two to one in the Hawke's Bay travel sector workforce, with 104 females and 59 males working in the sector in 2016.

The travel sector workforce in Hawke's Bay is ageing. In 2006, 25 per cent were aged 55 years and older; by 2013 this had increased to 36.2 per cent. Over the same period the percentage of people aged under 40 years in the sector decreased from 38.4 per cent to 31.3 per cent.

Almost half of the people employed in the sector in 2013 (48.9 per cent), were qualified at Level 4 or above, an increase since 2006 when 33.2 per cent held a qualification at Level 4 or above. There has been an improvement in the percentage of the workforce with no post-school qualification; from 51.6 per cent in 2006 to 38.2 per cent in 2013.

Employment in the Hawke's Bay travel sector has been growing since 2014. It is forecast to peak in 2017 and then decline slightly, with most job openings over the next five years being replacement roles.

Self-employment in the Hawke's Bay Travel Sector



Age of the Hawke's Bay Travel Sector and Overall Workforce



Tourism

The Hawke's Bay tourism sector in 2016 employed 4,364 people (3,684 FTEs) which was a decrease of 0.2 per cent from the previous year. The tourism sector makes up 5.7 per cent of the Hawke's Bay workforce.

The tourism sector's contribution to the Hawke's Bay GDP was \$176 million in 2016, a one per cent decrease when compared to 2015. The GDP per FTE contribution for the sector was \$47,784.

In 2016 there were 797 tourism related businesses in Hawke's Bay, which was a year on year decrease of one percent or eight businesses. On average, there are 5.5 people employed per business. The rate of self-employment within the Hawke's Bay tourism sector is 13.6 per cent.

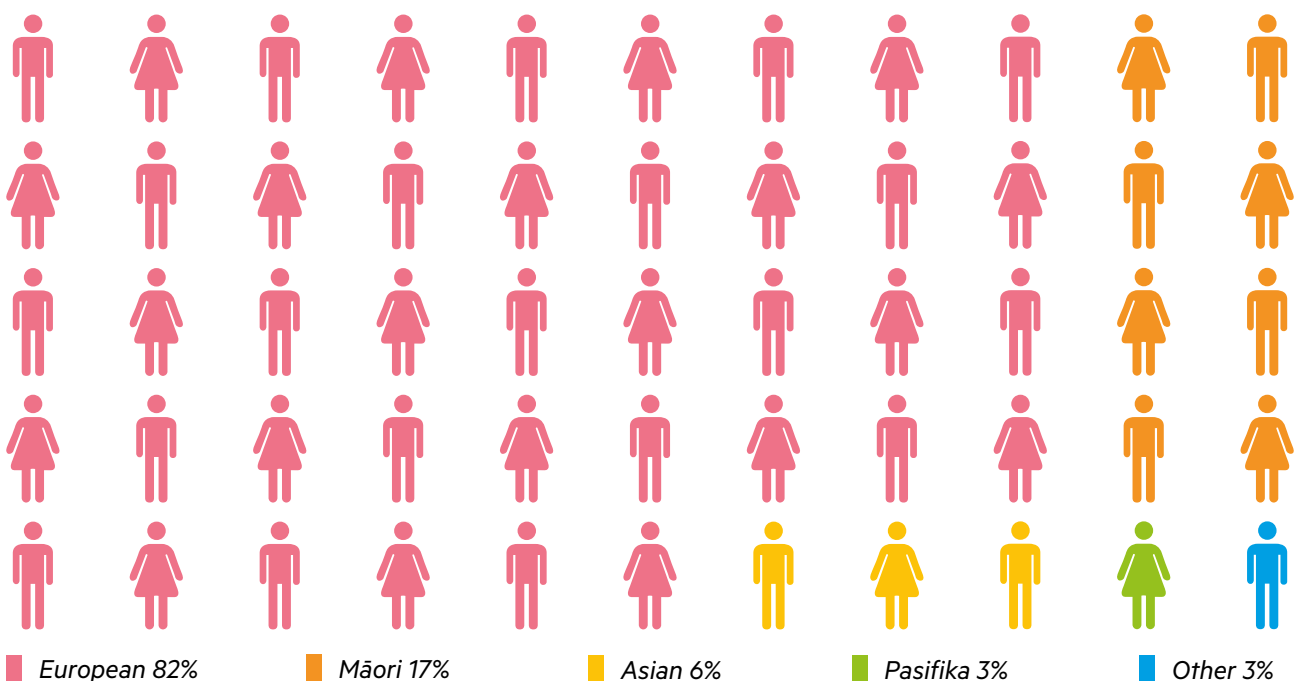
Under 25 year olds make up 20.1 per cent of the people working in the tourism sector in Hawke's Bay which is considerably higher than in the overall Hawke's Bay workforce where 12.4 per cent are under 25 years old. There has been an increase in the number of people aged over 60 working in the Hawke's Bay tourism sector, from 418 in 2006 to 728 in 2013, a 74 per cent increase. This group now represents 16.6 per cent of the sector.

Most people working in the tourism sector are working full time (59.2 per cent), while 37.9 per cent work less than 30 hours per week. This is a higher percentage than the overall Hawke's Bay workforce, where 24 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 53 per cent male and 47 per cent female.

Of the people working in the tourism sector 81.7 per cent identify as European. The other ethnic groups represented are Māori (16.8 per cent), Asian (5.6 per cent) and Pasifika (2.5 per cent). Most of the people working in the sector were born in New Zealand (81.2 per cent), 8.6 per cent were born in Europe and 4.5 per cent were born in Asia.

Ethnicity of the Hawke's Bay Tourism Sector Workforce



Within the Hawke's Bay tourism sector 50.6 per cent hold no post-school qualification, but this is gradually decreasing. 27.9 per cent have a qualification at Level 5 or above, an increase from 22.5 per cent in 2006. However, 39.9 per cent of roles are medium-high skilled and highly skilled, which may indicate a skills shortage.

Employment in the Hawke's Bay tourism sector has been fairly steady for the past five years. Employment growth is forecast over the next five years and it is forecast that by 2021 there will be 4,715 jobs in the sector. During this time, there are forecast to be 1,366 job openings; comprising 350 new jobs and 1,016 replacement roles.

Accommodation

The accommodation sector in the Hawke's Bay region accounted for 899 jobs in 2016 (755 FTEs), and decreased 5.3 per cent compared to 2015. There were 234 businesses in 2016 which was a decrease of 5.1 per cent or 13 businesses from the 247 businesses in the region in 2015.

Accommodation contributed \$25.5 million to Hawke's Bay's GDP in 2016, which was a 4.1 per cent decrease on 2015. The GDP per FTE contribution of the accommodation sector was \$33,757, which is low for the service sector in the region (second only to quick service restaurants).

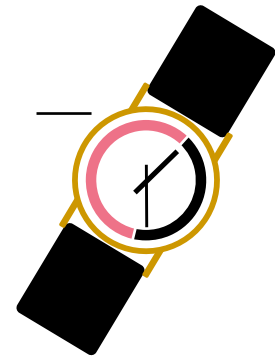
The sector is predominantly made up of people who identify as European (83.9 per cent), Māori (15 per cent) and Asian (4.1 per cent). Most were born in New Zealand (76.8 per cent) and the majority of the remaining people were born in Europe (13.3 per cent) and Asia (3.4 per cent).

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

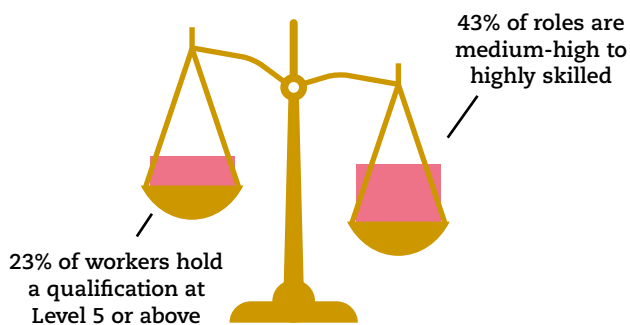
The Hawke's Bay accommodation workforce is ageing with 67.8 per cent now aged over 40, which is higher than the national accommodation workforce (55.8 per cent aged over 40). In particular, the number of people aged over 60 years increased from 128 in 2006 to 232 in 2013. They now account for almost one in four workers (24 per cent) in the region's accommodation sector (up from 12.1 per cent in 2006).

Just over half of the people working in the Hawke's Bay accommodation sector are working 30 or more hours per week (53.4 per cent). This is lower than the overall service sector workforce for the region where 66.5 per cent work 30 hours or more.

53%
Work 30 hours or
more per week



Qualifications in the Hawke's Bay Accommodation Sector



More than half of the Hawke's Bay accommodation workforce have no post-school qualifications (55.2 per cent). Only 23.2 per cent hold qualifications at Level 5 or above which indicates a possible skills shortage, as 42.6 per cent of roles in the sector are medium-high and highly skilled roles.

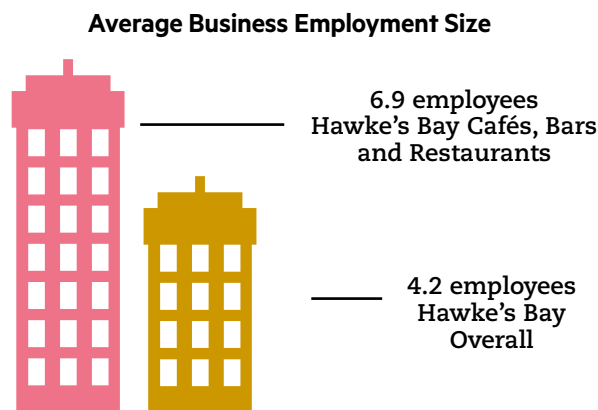
The accommodation sector workforce has been in decline for four of the past five years. The workforce is forecast to grow over the next five years, to 980 people by 2021. Including both new and replacement job openings, this equates to almost 300 job openings over those five years.

Cafés, Bars and Restaurants

The café, bar and restaurant sector workforce in Hawke's Bay grew from 2,401 in 2015 to 2,534 in 2016, an increase of 5.5 per cent. The number of FTEs was 2,081 in 2016, an increase of 7.2 per cent.

The café, bar and restaurant sector's contribution to Hawke's Bay GDP grew 5.2 per cent in 2016 to \$75.9 million. The GDP per FTE contribution was \$36,473 which was down 1.8 per cent on the previous year.

In 2016, there were 366 cafés, bars and restaurants in the Hawke's Bay region, an increase of 5.7 per cent (19 businesses) from 2015. There is an average of 6.9 people employed in these businesses which is higher than the overall regional average of 4.2 employees per business. Over a quarter of café, bar and restaurant businesses employ ten or more people.



The sector workforce is predominantly made up of those who identify as European (77.5 per cent) and Māori (18.9 per cent) with 9.4 per cent of Asian ethnicity and 3.1 per cent Pasifika. The percentage of people in the workforce who were born in New Zealand has declined from 84 per cent in 2006 to 77.6 per cent in 2013. The largest increase is the percentage of the workforce born in Asia, from 4.2 per cent in 2006 to 8.2 per cent in 2013.

Just over half of the people working in the sector are under 30 years old (51.1 per cent) and 67.5 per cent are under 40 (compared to 36.1 per cent of the overall Hawke's Bay workforce). The percentage of people aged over 60 years is lower in the café, bar and restaurant sector (5.8 per cent) than in the overall workforce (16.4 per cent).

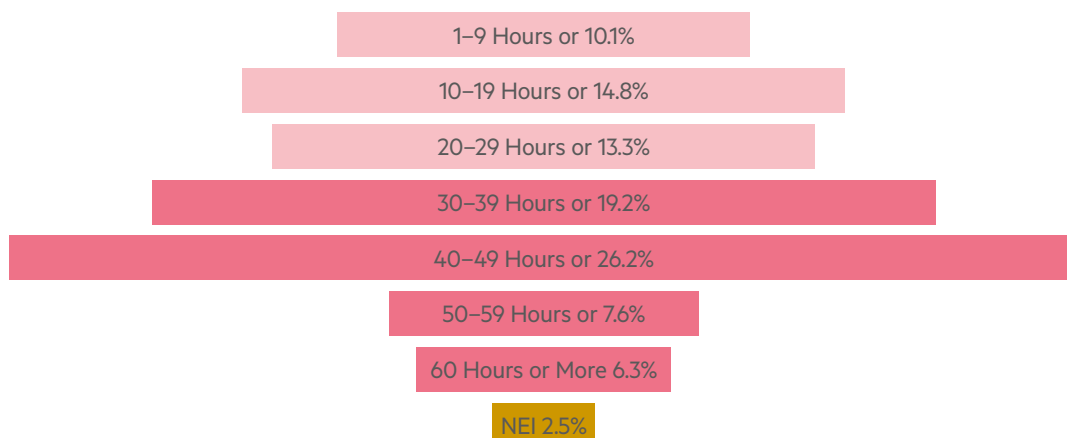
The café, bar and restaurant workforce in Hawke's Bay is predominantly female, with 61 per cent female and 39 per cent male. Nationally the café, bar and restaurant sector workforce is 56 per cent female and 44 per cent male.

There has been an improvement in the number of people working in the sector with a post-school qualification at Level 4 and above, from 19.4 per cent in 2006 to 25.8 per cent in 2013. However, 59 per cent of the café, bar and restaurant workforce have no post-school qualification.

Over half of the people working in cafés, bars and restaurants are doing so full time (59.3 per cent). The number of hours worked in a week has remained fairly steady since 2006 and this sector continues to have a range of options for hours of work.

After four years in decline, the café, bar and restaurant sector workforce has grown every year since 2013. Employment growth is forecast for the next five years, with almost 900 job openings over that time (both new jobs and replacement roles), and 2,783 people forecast to be working in the sector by 2021.

Hours worked in Cafés, Bars and Restaurants



Catering

Catering in the Hawke's Bay region accounted for 584 jobs in 2016 (498 FTEs), which was an increase of 0.9 per cent on the previous year.

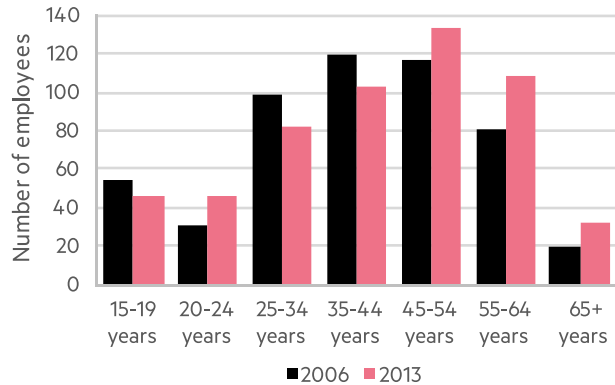
The Hawke's Bay catering sector contributed \$28 million to GDP in 2016, which was a small decrease of 0.1 per cent. The GDP per FTE for the sector was \$56,165, 2.5 per cent lower than 2015.

The number of catering businesses in Hawke's Bay fell from 96 businesses in 2015 to 90 in 2016, a 6.4 per cent reduction.

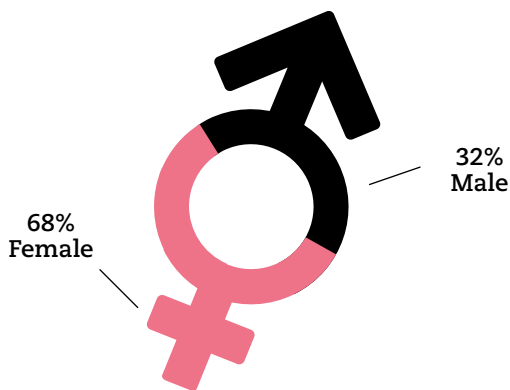
In the Hawke's Bay catering sector, 16.7 per cent of the workforce is aged 15 to 24 years old which is lower than the catering workforce nationally (21 per cent aged 15 to 24 years), but higher than the overall workforce in Hawke's Bay (12.4 per cent). There has been an increase in people aged 50 years and older working in this sector, from 155 people (29.8 per cent) in 2006 to 211 people (38.3 per cent) in 2013.

The Hawke's Bay catering sector is predominantly made up of people who identify as European (75.7 per cent) and Māori (22 per cent), as well as 4.7 per cent Pasifika and 4.2 per cent Asian. Most people working in the sector were born in New Zealand (81.1 per cent), 8.3 per cent were born in Europe and 3.1 per cent were born in Asia.

Changing Age of the Hawke's Bay Catering Sector



Gender in the Hawke's Bay Catering Workforce



More than twice as many females work in the catering sector in the Hawke's Bay region, with 68 per cent female and 32 per cent male.

Most people working in the catering sector are doing so full time (58.8 per cent), while 36.9 per cent work less than 30 hours per week. This is higher than the overall Hawke's Bay workforce, where 24 per cent work less than 30 hours per week.

Half of the Hawke's Bay catering sector workforce have no post-school qualification, while 34.3 per cent have a qualification at Level 4 or above which is very similar to the catering sector nationally (34.8 per cent).

Employment in the Hawke's Bay catering sector has been increasing since 2013 and this is forecast to continue over the next five years. There are forecast to be 191 job openings over that time (both new jobs and replacement roles), with employment in the sector growing to 640 by 2021.

Clubs

In 2016 clubs in Hawke's Bay accounted for 170 jobs (135 FTEs), a decrease of 4.7 per cent (nine jobs) compared to 2015. There were 19 businesses in the clubs sector in 2016.

The Hawke's Bay clubs sector accounted for \$5.1 million of the region's GDP in 2016 which was a four per cent decline compared to 2015. The sector contributes \$38,018 to GDP per FTE.

The clubs sector is predominantly made up of those who identify as European (86.9 per cent) and Māori (22.2 per cent). Most people working in the sector were born in New Zealand (87 per cent) with 5.2 per cent (10 people) born in Europe and 2.4 per cent (five people) born in Australia.

Of the people employed in the Hawke's Bay clubs sector, two-thirds are aged over 40 years (67.1 per cent).

In particular, there has been an increase in the percentage of the workforce aged 50 years and over.

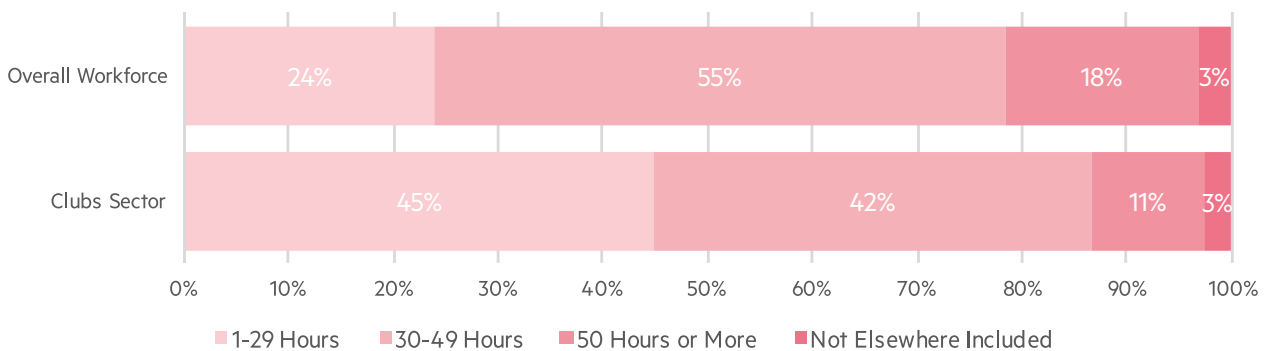
In 2006, over 50 year olds made up 34 per cent of the clubs sector; by 2013 this had increased to 49.3 per cent.

49.3% of the Hawke's Bay clubs sector are aged 50 years or older

The Hawke's Bay clubs sector in 2016 had 103 females in their workforce (60 per cent) and 68 males (40 per cent).

Over half of the clubs sector workforce are employed full time (52.5 per cent) but there is still a significant percentage of the workforce working 10 to 29 hours per week (37.1 per cent).

Hours Worked in Clubs Sector and Overall Workforce



Most people working in the clubs sector hold no post-school qualification (60.8 per cent). In the clubs workforce 22.9 per cent have a qualification at Level 4 or above.

In Hawke's Bay, the number of people working in the clubs sector has been falling since 2010. Over the next five years, employment is forecast to remain fairly steady. There are forecast to be 40 job openings over that time, but most of these are likely to be replacement roles.

Quick Service Restaurants

Quick service restaurants in Hawke's Bay accounted for 730 jobs (569 FTEs) and grew by four per cent in 2016.

Quick service restaurants contribute \$18.4 million to Hawke's Bay's GDP, and this grew 4.7 per cent in 2016. The sector has the lowest GDP per FTE contribution of the 10 service sectors at \$32,324 per FTE.

In 2016, there were 153 quick service restaurant businesses in the Hawke's Bay region, which was a decrease of 1.9 per cent or three businesses on the previous year.

The sector is predominantly European (66.7 per cent), Asian (23.2 per cent) and Māori (19 per cent). Most people working in the sector were born in either New Zealand (70.2 per cent) or Asia (20.8 per cent). The percentage of people born in Asia is high compared to the overall Hawke's Bay workforce where only 3.1 per cent were born in Asia.

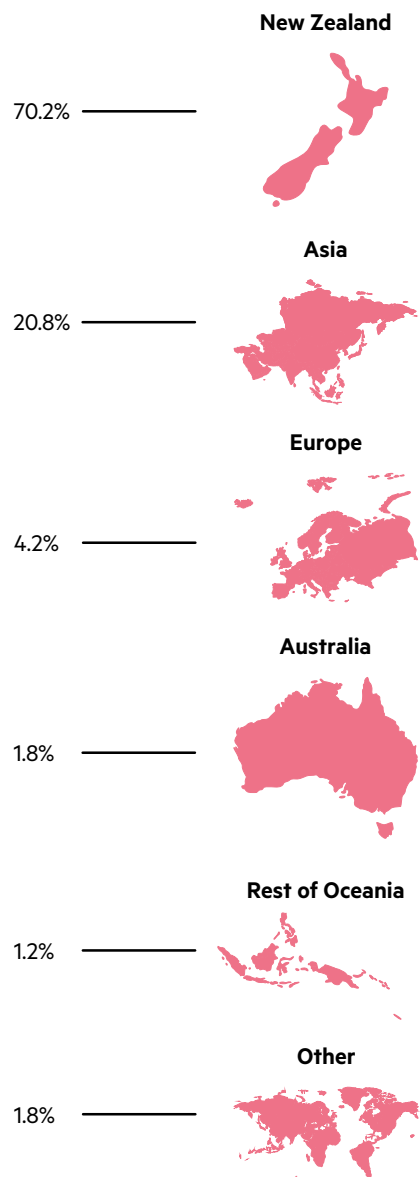
There are more females than males working in the Hawke's Bay quick service restaurant sector. In 2016 there were 444 females (61 per cent) and 286 males (39 per cent).

The sector is younger than most of the other service sectors with almost half (47.9 per cent) of the workers under 25 years old. The majority of people working in quick service restaurants have no post-school qualifications (76.2 per cent). The high number of young people working in the sector, some of whom will still be in school or study, will account for some of this (34.3 per cent are aged 15 to 19 years old and 13.6 per cent are aged 20 to 24 years). However, almost a quarter of the jobs in the quick service restaurant sector are medium-high to high skilled roles (23.8 per cent) and only 8.4 per cent have a qualification at this level, which indicates a potential skill shortfall.

Just under half (46 per cent) of people working in quick service restaurants are doing so full time. Over one third (35.8 per cent) are working less than 20 hours per week, which is likely to reflect younger people in part-time roles while at school and studying.

There are more than 300 forecast job openings in the five years to 2021

Hawke's Bay Quick Service Restaurants Employment by country/region of birth



Employment in Hawke's Bay quick service restaurants has been growing over the past three years after four years in decline. Employment growth is anticipated over the next five years with 861 people forecast to be working in the sector by 2021. Including new jobs and replacement roles, there are more than 300 forecast job openings over this period.

Retail and Retail Supply Chain

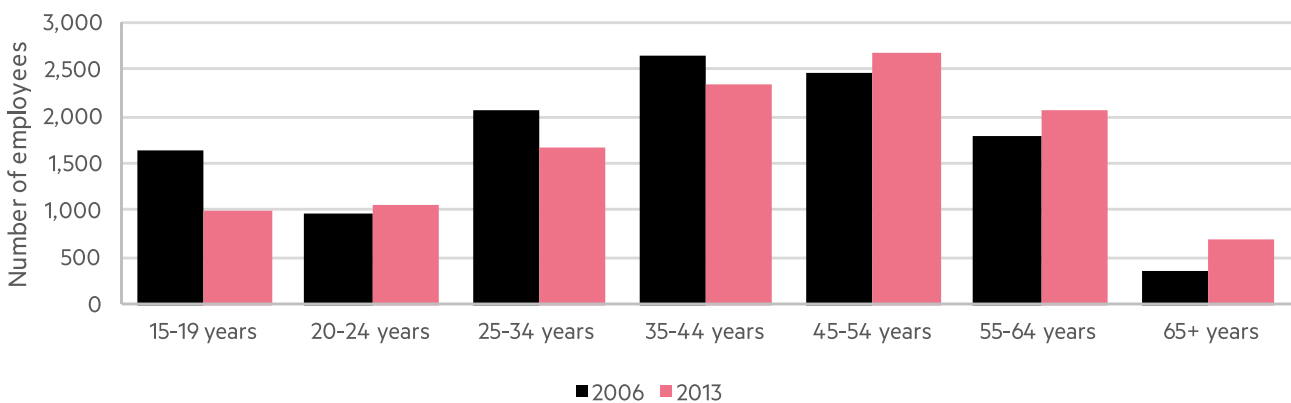
The retail and retail supply chain sector is the largest within the service sectors, nationally and in Hawke's Bay. Retail and retail supply chain in Hawke's Bay accounted for 11,324 jobs in 2016 (10,034 FTEs), which was a small decline of 0.1 per cent or 12 jobs compared to 2015. 14.7 per cent of all jobs in the Hawke's Bay region are in the retail and retail supply chain sector.

The sector's GDP contributions increased 0.1 per cent in 2016 to \$694 million. The sector contributes \$69,181 to GDP per FTE.

The number of retail and retail supply chain businesses grew 0.8 per cent in 2016 to 2,287 businesses (an increase of 18 businesses). This represents one in eight businesses in Hawke's Bay.

The Hawke's Bay retail and retail supply chain sector is predominantly European (84.4 per cent or 9,733 people) and Māori (14.1 per cent or 1,626 people). An additional 4.8 per cent of the workforce identify as Asian ethnicity and 2.1 per cent Pasifika ethnicity. The majority of people were born in New Zealand (84.2 per cent) with 6.9 per cent born in Europe and 3.9 per cent born in Asia.

Changing Age of the Hawke's Bay Retail and Retail Supply Chain Sector



There has been a reduction in the number of 15 to 19 year olds working in the sector, from 1,656 people (13.8 per cent) in 2006, to 992 (8.6 per cent) in 2013. During the same period, there has been an increase in people aged over 50 years; from 3,309 (27.5 per cent) in 2006 to 4,113 (35.7 per cent) in 2013.

The sector has a fairly even split of male and female, with 52 per cent female and 48 per cent male in 2016. While the retail and retail supply chain sector accounts for some part-time and casual work, most jobs in the retail and retail supply chain sector are full time (70.6 per cent), with the largest percentage working 40 to 49 hours per week (42.7 per cent).

People with no post-school qualifications make up 59.3 per cent of the retail and retail supply chain sector workforce. Only 17.5 per cent have a qualification at Level 5 or above, yet 33.6 per cent of roles are considered medium-high and highly skilled which may indicate a skill shortage.

Employment in the Hawke's Bay retail and retail supply chain sector has been declining every year since 2009. Employment growth is forecast for the next three years to 11,797 people in 2019, then small declines in 2020 and 2021. Over the next five years there are over 3,000 forecast job openings (new jobs and replacement roles combined).

More than 3,000 job openings are forecast over the next five years in the Hawke's Bay retail and retail supply chain sector

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CAFES, BARS, RESTAURANTS ▲ QUICK SERVICE RESTAURANTS
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