



Skilling our Future: Wairarapa Workforce Plan

Prepared for: Wairarapa Regional Skills Leadership Group
Client: WellingtonNZ



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COMMERCIAL IN CONFIDENCE

Executive Summary

Purpose

This report sets out a Wairarapa Workforce Plan, taking into account historic employment trends, the vision for the region as expressed in the Wairarapa Regional Economic Development Strategy, and the potential impact of COVID-19.

It provides base information and a strategic direction for the Regional Skills Leadership Group.

Project objectives

The objectives of developing a Wairarapa Workforce Plan are to ensure:

- Wairarapa has access to the skills it needs to support the regional economy
- Every member of the working population in Wairarapa has skills which maximise their potential to access employment opportunities
- Skills and training requirements in the regional environment post-COVID-19 are fully considered, and recommendations made to enhance them
- Skilled people are encouraged to stay, return or come to Wairarapa to deepen the labour market and support regional economic development

Wairarapa context

The Wairarapa Economic Development Strategy and Action Plan painted a positive future for Wairarapa, but highlighted the need for increased skill levels, particularly in the identified focus areas of value-added food and beverage, tourism and knowledge-intensive industries.

Shortly after the plan was completed, Taratahi Agricultural Training Centre closed its doors, leaving the region bereft of any skills training in its core primary industry sector, and in a skills crisis. As so often happens, the crisis created opportunity. In 2019, the Wairarapa farming community came together to source a replacement training option, a farmer-led cadetship, delivered through EIT (the *Growing Future Farmers* programme). This is currently being piloted and is due to be expanded in 2021.

The group that pioneered this programme is now working on a larger scale delivery model, likely to be delivered at the Taratahi Campus. They are also working on mid-career upskilling options, initially focusing on soft skills, but potentially developing into business management and the use of new technologies.

This work in the primary sector occurred in parallel to the development of the Reform of Vocational Education (RoVE). Wairarapa fully supports RoVE and has embraced it. The work that has been undertaken is totally aligned with it. This plan sets out how the new RoVE industry-led model will be implemented across other key sectors.

One of the key challenges that Wairarapa faces is lack of scale – it is a small region with a small population base. This makes it very difficult to deliver training cost-effectively, as was evidenced by the demise of

Taratahi. The old model of delivery is simply not sustainable. What is needed is to look at skills development through a new lens, to take an innovative, flexible and integrated approach to lifelong learning which incorporates:

- Mid-career upskilling and reskilling, as well as entry level skill development and work readiness.
- Cross-industry courses for skills that are common to all vocations (e.g. business management and soft skills) to deliver economies of scale
- A combination of on the job, classroom and online learning to enable flexibility
- Use of common classroom facilities by different education providers for different courses and industries (most likely based at an education hub on the Taratahi Campus) to maximise utilisation and cost efficiency
- Partnerships with education providers in other regions (e.g. EIT in Hawke's Bay, Whitireia and WelTec in Wellington, Massey University and UCOL in Manawatū, Lincoln University in Canterbury and SIT/Telford in Southland) to enable access to the specialisations available in larger population centres and Centres of Vocational Excellence.

Historic employment trends

Summary of key points:

- The biggest contributors to GDP in Wairarapa are not the biggest employers
- Job growth has been increasing recently off a low base
- Job growth over the last ten years (2009-2019) has been in the tertiary and quaternary sectors, rather than primary and secondary
- The primary sector has shed jobs over the last ten years (2009-2019), and this will likely continue
- In 2019, there was significant growth in construction, mainly residential
- There is a broad range of occupations in the region, providing a diversified base. In that respect, Wairarapa is gradually becoming more like New Zealand as a whole.

The employment pipeline

- From 2009 to 2020, 84% of school-leavers in the Wairarapa went on to tertiary study, (the New Zealand transition rate is 82%).
- School-leavers go to a wide variety of tertiary institutions, but the majority stay in or near to the Wairarapa (at UCOL, Victoria University, Massey University, Weltec and (previously) Taratahi, making it more likely that they can be attracted to stay in the region longer term.
- The challenge is to align the qualification choices made by students with the expected skill demands.
- Mid-career re-skilling also needs to be considered (and should be facilitated through the MSD employment centres).

The impact of COVID-19

Summary of key points:

- The primary sector will be more resilient than other sectors
- The outlook for the international tourism sector is bleak
- Retail and hospitality will struggle, particularly where tourism related
- Construction, which was growing strongly pre-COVID, may contract
- Some manufacturers, who were already struggling to compete, may not survive

- There is likely to be a lesser impact on the health sector, but it will not go unscathed. with demand for certain private health services expected to decline
- Aged care can be expected to grow longer term, but there may be a short term impact, as families may be reluctant to expose elderly residents to potential infection in rest homes
- Professional services have seen a lesser impact to date, as many people were able to continue to work from home during lockdown. There may be some impact over time due to the overall contraction in the business environment
- There has been a forced increase in online activity due to COVID-19 (education, online sales, business communication). This can be expected to continue
- Māori will be heavily impacted, as they tend to be in lower skilled jobs and industries that fare the worst.

The outlook for Wairarapa

The following points characterise what we see as the key elements of the future Wairarapa:

- The primary sector will continue to underpin the Wairarapa economy, but will not drive its employment growth
- Growth is likely to continue in health, professional and other tertiary and quaternary services
- Construction may soften, but will likely benefit from Government investment
- There will likely be widespread unemployment in retail, tourism, and hospitality (food and accommodation) and potentially non-food related manufacturing. As these are mainly lower skilled industries, it is likely to be difficult to find new employment opportunities, as the growth is likely to be in tertiary and quaternary (health and professional services)
- There will be some roles available in the primary sector that were previously filled by migrant workers but these will either require technical skills (e.g. tractor driving) or be low paid and unlikely to be attractive (e.g. picking)
- In this context, upskilling and reskilling will be essential
- There is potential for growth in digital technologies due to the positive impact of travel restrictions on online trading, communications and education. The innovative application of (and access to) technology is also critical to support education and healthcare across remote communities in a region like Wairarapa.

The opportunity

The rural sector and the Wairarapa's relationship to Wellington are likely to be the cornerstones of employment stability in the short term.

While the rural sector has suffered recently due to the severe drought, it will prove to be resilient and can be expected to offer ongoing employment opportunities at a variety of skill levels. Value added food remains a longer term opportunity which may provide some lower skilled manufacturing jobs over time. We envisage a growth in the application of digital technologies across all industries and to provide health and education services across remote parts of the region.

Of all the urban centres, Wellington is likely to be the most resilient to COVID-19 impact, as it has a high proportion of public sector and tertiary sector employees. The opportunity for Wairarapa is to leverage its proximity to Wellington as a place to live and visit and as a domestic market for its food products.

The shift to working from home will make telecommuting more acceptable, which is likely to stimulate further migration over the hill from Wellington. The Wairarapa lifestyle is particularly appealing for

families which will support further growth in the education sector. An increased permanent population receiving Wellington salaries, supplemented by weekend visitors from the capital, will also support retail and hospitality.

Implementing a new model will not be easy. It will require ongoing commitment from a coalition of the willing. We have been impressed by the willingness of all parties to enter into a new conversation and way of operating. Wairarapa is also fortunate in being able to access highly qualified and capable retired residents who have relocated to the region for lifestyle reasons and who are willing to contribute their skills and expertise.

Recommended focus areas

We consider the following areas as worthy of immediate attention:

- Strengthen **primary sector training** – to have Wairarapa people training for Wairarapa jobs (responding to replacement rather than growth) and Wairarapa people replacing lost migrants. There is a need for reskilling and upskilling, as well as entry training
- Strengthen **construction training** – to assist with transport and infrastructure projects that will be funded by Government. Also, to respond to residential building driven by population increase
- Strengthen **business training** at all levels – to help the recovery of small businesses, minimise losses in the manufacturing sector and build new businesses in the added-value food sector
- Develop **health and related services** – continue and potentially expand training to supply health facilities, particularly aged care, and replace loss of immigrant labour in this sector
- Strengthen **technology training** - for application in business and in the delivery of health and education services to remote parts of the region.
- Strengthen **tertiary training** in Wairarapa generally – to absorb the inevitable increase in unemployment, to change the unskilled/semi-skilled profile of the area and to use the COVID-19 period to improve skills across the board
- Strengthen **learner support** in the school to learning/work transition and the tertiary learning to work transition to ensure learners have positive experiences.

Action Plan

This is a recommended plan of action for the Regional Skills Leadership Group:

1. Understand the current state

- Establish industry sector groups and undertake surveys to ‘take the pulse’ on:
 - Current employment situation
 - Future employment prospects
 - Suitability and quality of current vocational education in Wairarapa
 - What is needed to support the sector
- Interview secondary school principals/careers advisers to assess:
 - Suitability and quality of current vocational education in Wairarapa
 - Current engagement between the school, employers, and vocational education providers
 - Current career related initiatives at the school, e.g. careers advice, work experience, visits to local businesses

2. Forecast skill demand

- Develop high/low job projections for each key sector for the next ten years and validate them with the industry sector groups

3. Ensure appropriate training is available

- Industry sector groups engage with local vocational education providers (Polytechnics and ITOs in the short term, the New Zealand Institute of Skills and Technology in the longer term) to ensure that appropriate training options are available.
- Industry sector groups engage with Workforce Development Councils and (where relevant) Centres of Vocational Excellence.
- The objective is to create an integrated continuum of lifelong learning. There are four parts to the training that is required:
 - Work readiness
 - Entry level training
 - Mid-career upskilling – to ensure lifelong learning
 - Mid-career reskilling – to enable the transition of employees from jobs that are in decline to jobs in the same or other industries for which there is expected to be continuing demand
- There is an urgent need to address the expected job losses from COVID-19 through the establishment of a 'skills hub' which will assist transitioning between roles/sectors and the development of appropriate skills. We understand that this service is to be delivered by MSD through their employment centres.

4. Build the pipeline

- Industry sector groups work with vocational education providers to develop a coordinated programme of engagement with secondary schools to:
 - promote their industries
 - promote the relevant training options
 - ensure that the school to learning and work transition is a good experience for learners.

5. Ensure the quality of school/tertiary/work transition

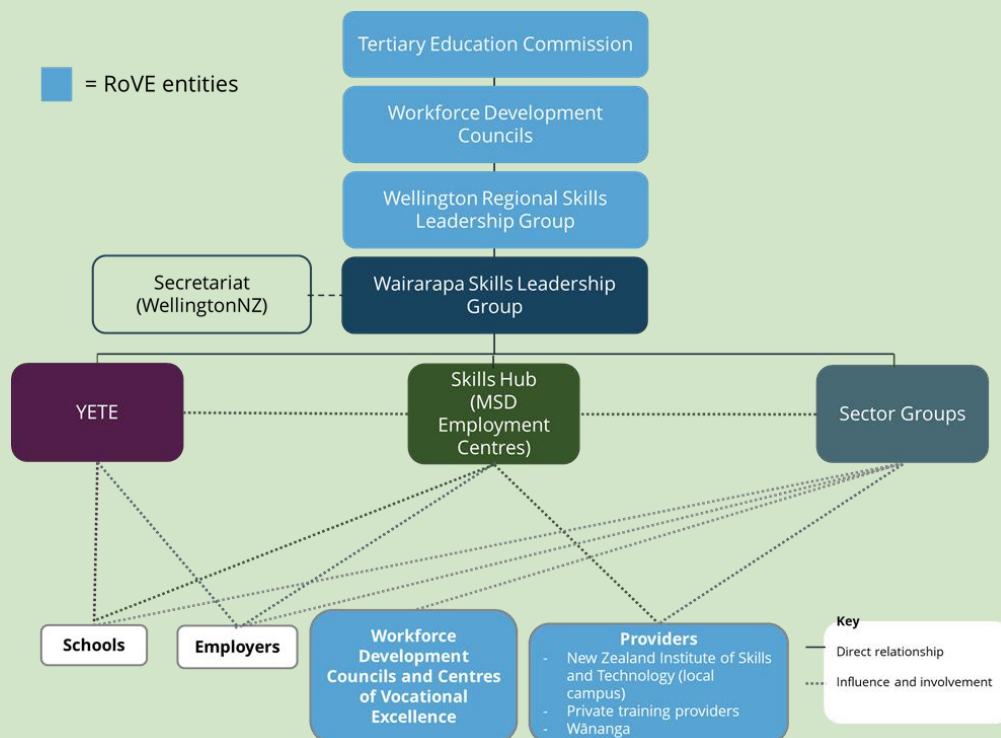
- The need for learners and employees to have a good experience through this transition is vital. All parts of the transition need to be well presented and managed. It is a case of the system being as good as its weakest link.

6. Maintain a focus on NEETS

- Wairarapa is committed to ensuring that those who have been disadvantaged have the opportunity to become work-ready
- It will be essential to continue and expand YETE (Youth in Education, Training and Employment) and other similar programmes
- This work will need to be co-ordinated with the other activities

The system framework and linkages

The following chart shows how the above elements fit in relation to the Regional Skills Leadership Group and the Reform of Vocational Education (RoVE) entities:



Next steps

A number of the actions recommended in this plan are underway, particularly in the primary and construction sectors, for which industry sector groups are already in operation. The next steps are:

1. Secure ongoing resources to support the work programme (support of the industry sector groups is essential, but resource hungry).
2. Establish the remaining industry sector groups:
 - a. Manufacturing, Engineering and Logistics – focused on manufacturing (including value added food production.)
 - b. Cultural, Creative, Recreation and Technology – two groups with the following specific areas of focus:
 - i. tourism and hospitality (including accommodation)
 - ii. digital technology
 - c. Healthcare and social assistance.
3. Manufacturing sector group to undertake an industry survey for their sector.
4. All industry sector groups to confirm job projections.
5. Industry sector groups to engage with vocational education providers regarding training provision.
6. Develop a coordinated engagement programme with secondary schools to build the pipeline (to meet projected skill requirements).
7. Engage with MSD to link the industry sector groups into the 'skills hub'/employment centre.

Table of Contents

Purpose of this report	9
The objectives	9
The challenges	9
Historic employment trends	11
GDP breakdown by industry	11
Employment breakdown by industry and sector	12
Employment growth by industry 2009-2019	15
Employment growth by industry 2018-2019	22
Employment breakdown by occupation	24
Employment growth by occupation 2009-2019	26
Employment growth by occupation 2018-2019	27
The employment pipeline	29
Number of school leavers enrolling in tertiary education	29
Which Tertiary Education Organisations Wairarapa school-leavers go to	30
Qualification choices	31
The impact of COVID-19	36
Outlook for Wairarapa	43
The opportunity	43
Early identification of future focus areas	44
Possible future scenarios	45
Action plan	46
1. Understand the current state	46
2. Forecast skill demand	49
3. Ensure appropriate training is available	57
4. Build the pipeline	59
5. Ensure the quality of school/tertiary/work transition	59
6. Maintain a focus on NEETs	60
The system framework and linkages	60
Next steps	62
Appendix 1: Which Tertiary Education Organisations Wairarapa school-leavers go to	63
Appendix 2: The main Tertiary Education Organisations chosen for each qualification and by school	64
Appendix 3: Construction Sector Survey Results	73
Appendix 4: Tourism and Hospitality Sector Survey Results	89
Appendix 5: Aged Care Sector Survey Results	96



Purpose of this report

This report sets out the framework and approach for the development of the Wairarapa Workforce Plan. It covers:

- The objectives
- The challenges
- The historic employment trends
- The employment pipeline
- The impact of COVID-19
- The outlook/opportunity for Wairarapa
- Recommended focus areas
- Possible future scenarios
- The action plan
- The system framework and linkages

It provides base information and a strategic direction for the Regional Skills Leadership Group.

The objectives

The objectives of developing a workforce plan are to ensure:

- Wairarapa has access to the skills it needs to support the regional economy.
- Every member of the working population in Wairarapa has skills which maximise their potential to access employment opportunities.
- Skills and training requirements in the regional environment post-COVID-19 are fully considered, and recommendations made to enhance them
- Skilled people are encouraged to stay, return or come to Wairarapa to deepen the labour market and support regional economic development.

The challenges

In the ideal world, the size and skill base of the workforce in Wairarapa would match the combined requirements of the private and public sectors in the region.

The reality is, however, that this is never the case in any economy. There are always (to greater or lesser extents, depending on the economic cycle) some parts of the economy that are experiencing skill shortages, while others are experiencing a surplus of suitably skilled people. Surpluses can result for a number of reasons, e.g.

- (i) because a sector is in decline
- (ii) because automation has resulted in improved productivity, or
- (iii) because students select courses in sectors that are of interest to them, but where the number of available jobs is less than the number of graduating students.

Were the market left to address this problem, one or more of the following would be likely to occur:

- Skill shortages would need to be met from immigration (subject to central government policy)
- Business growth would be constrained by current skill availability
- Some businesses would relocate to areas with higher skill availability (normally main urban centres)
- Unemployment rates would increase, as the skills of people losing their jobs in sectors with shrinking demand may not be transferrable to other sectors
- People would emigrate from the region to other regions where there may still be some opportunities that suit their current skills, or to develop new skills
- Graduating students take unskilled jobs (or jobs that aren't related to their qualification) because there are no jobs available that match their specialist skills.

The objective of the project is to intervene in the market in order to match (as far as possible) future labour market needs with future supply. This is a notoriously difficult exercise which requires some assumptions to be made about the shape of the future Wairarapa economy.

It would be naïve to think that we can paint a scenario that will prove to be accurate. What is required is agreement to a direction of travel, based on known regional and global trends, and a supporting system framework which is dynamic – providing the flexibility and agility to adjust course as required.

The COVID-19 crisis has significantly modified and complicated the task and is a prime example of how a global event can change things overnight. For example:

- There will be a sharp drop in immigration which augments the Wairarapa workforce at key times of the year and in key industries such as wine, general agriculture, and aged care.
- There will be an excess of people available for tourism and hospitality as both those industries have a long recovery trajectory.
- There might be some transfer of people between industries like these but probably nowhere enough to solve the problems in either without intervention.

It is central government and the large organisations (or industries) with the large balance sheets that are going to be most important in the gradual lift out of the post-COVID-19 recession. These organisations are also large employers and create a multiplier effect on the local economy by supporting small suppliers who in turn employ people.

Wairarapa context

The Wairarapa Economic Development Strategy and Action Plan painted a positive future for Wairarapa, but highlighted the need for increased skill levels, particularly in the identified focus areas of value-added food and beverage, tourism and knowledge-intensive industries.

Shortly after the plan was completed, Taratahi Agricultural Training Centre closed its doors, leaving the region bereft of any skills training in its core primary industry sector, and in a skills crisis. As so often happens, the crisis created opportunity. In 2019, the Wairarapa farming community came together to source a replacement training option, a farmer-led cadetship, delivered through EIT (the *Growing Future Farmers* programme). This is currently being piloted and is due to be expanded in 2021.



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Historic employment trends

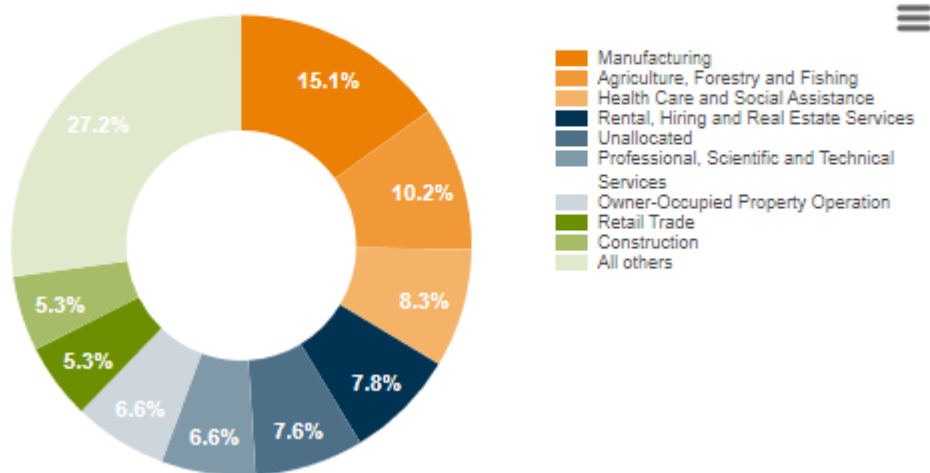
In looking to the future, it is important to consider the structure of the current Wairarapa economy and how it has changed over the last ten years:

GDP breakdown by industry

The biggest contributors to the Wairarapa economy in terms of GDP are:

- Manufacturing - \$356m (15.1% of total) - mainly due to Juken Timber Mill and Premier Beehive meat processing in Carterton, and the wineries in South Wairarapa.
- Agriculture, forestry, and fishing - \$240m (10.2% of total) – mainly agriculture.
- Health care and social assistance - \$196m (8.3% of total) – mainly due to Wairarapa DHB in Masterton and aged care facilities.

Proportion of GDP by ANZSIC 1-digit industries, 2019



Tourism spans a number of industry categories and makes up 4% of regional GDP.

Employment breakdown by industry and sector

The largest ten employing industries are slightly different from GDP size, reflecting the levels of productivity and automation in manufacturing. Agriculture is the main source of employment, with manufacturing only fourth.

Filled jobs by ANZSIC level 1 industry, 2019

Industry	Wairarapa	
	Level	Share of total
Agriculture, Forestry and Fishing	3,210	15.6%
Health Care and Social Assistance	2,454	11.9%
Retail Trade	2,082	10.1%
Manufacturing	1,989	9.7%
Construction	1,920	9.3%
Education and Training	1,662	8.1%
Accommodation and Food Services	1,500	7.3%
Professional, Scientific and Technical Services	1,322	6.4%
Other Services	841	4.1%
Wholesale Trade	624	3.0%



Tourism, which spans a number of industry categories, makes up 7.2% of the total employment (note that the 1,472 tourism jobs in the following table are also included in other lines in the table, so they are not additional):

Tourism employment relative to other industries, 2019

Compare area: New Zealand ▼		2019 ▼		Update	
Industry	Wairarapa		New Zealand		
	Level ↑	% of total ↑	Level ↑	% of total ↑	
Tourism	1,472	7.2%	229,566	9.0%	
Agriculture, Forestry and Fishing	3,210	15.6%	143,835	5.7%	
Health Care and Social Assistance	2,454	11.9%	249,620	9.8%	
Retail Trade	2,082	10.1%	227,145	8.9%	
Manufacturing	1,989	9.7%	241,888	9.5%	
Construction	1,920	9.3%	245,105	9.6%	
Education and Training	1,662	8.1%	198,888	7.8%	
Accommodation and Food Services	1,500	7.3%	170,215	6.7%	
Professional, Scientific and Technical Services	1,322	6.4%	241,382	9.5%	
Other Services	841	4.1%	97,558	3.8%	
Wholesale Trade	624	3.0%	125,456	4.9%	
Public Administration and Safety	595	2.9%	122,674	4.8%	
Transport, Postal and Warehousing	510	2.5%	106,582	4.2%	
Administrative and Support Services	479	2.3%	129,750	5.1%	
Rental, Hiring and Real Estate Services	475	2.3%	61,562	2.4%	
Arts and Recreation Services	266	1.3%	47,601	1.9%	
Financial and Insurance Services	209	1.0%	68,308	2.7%	
Electricity, Gas, Water and Waste Services	179	0.9%	17,393	0.7%	
Information Media and Telecommunications	166	0.8%	42,203	1.7%	
Mining	54	0.3%	6,031	0.2%	
Total	20,536		2,543,195		
Download table data					

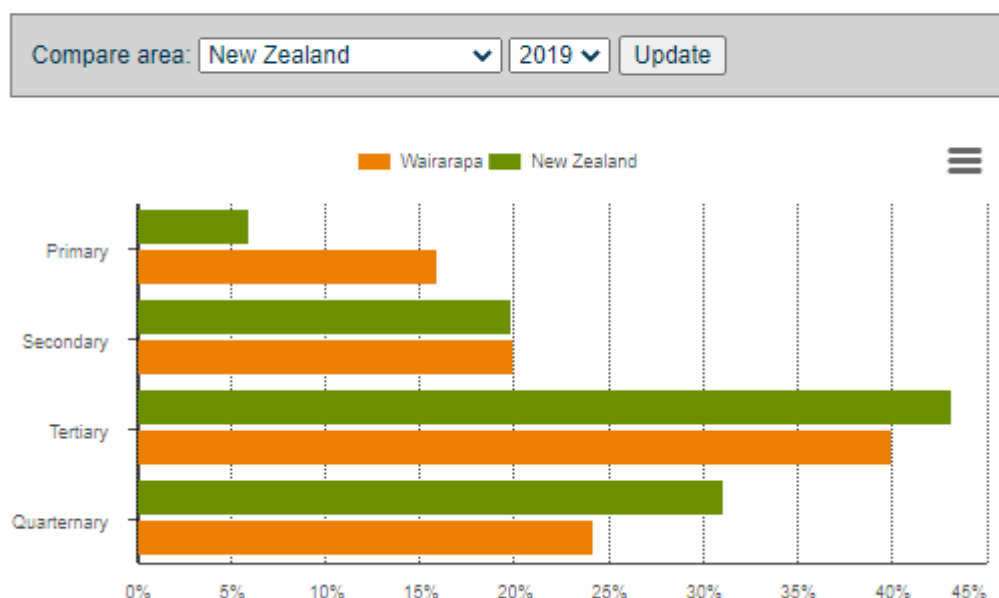
The top ten employing ANZSIC 7 digit industries (providing more granularity) show the importance of the tourism and hospitality sector (cafes, restaurants and accommodation) and the sizeable contribution of aged care residential services to the healthcare sector. It also shows that the importance of house construction as a source of employment (noting that this does not include associated trades such as plumbing and electrical).

50 largest employing ANZSIC 7-digit industries, 2019

Rank	Industry	Wairarapa	
		Jobs	% of total
1	Hospitals (except Psychiatric Hospitals)	684	3.3%
2	Cafes and Restaurants	683	3.3%
3	Supermarket and Grocery Stores	664	3.2%
4	Primary Education	615	3.0%
5	Sheep-Beef Cattle Farming	611	3.0%
6	Aged Care Residential Services	598	2.9%
7	House Construction	577	2.8%
8	Dairy Cattle Farming	567	2.8%
9	Secondary Education	436	2.1%
10	Accommodation	353	1.7%

At the aggregate level, the higher contribution of the tertiary and quaternary sectors to employment (relative to the primary and secondary sectors) is clearly evident.

Contribution to Employment by broad sector, 2019



The primary sector extracts or harvests products from the earth and includes agriculture, forestry, and fishing. The secondary sector produces manufactured and other processed goods and includes construction, food processing, wood processing, electricity, gas and water. The tertiary sector includes all service industries



that are not knowledge intensive, such as retail trade, and food and accommodation services. The quaternary sector includes knowledge intensive service industries e.g. IT, research and development, vocational education, business consulting.

Employment growth by industry 2009-2019

Compared to the New Zealand economy, growth in employment in Wairarapa over the period 2009-2019 was only half the national growth rate (0.7% v 1.5%). Growth has, however, picked up over the last three years.

Filled jobs, 2000-2019

Compare area: New Zealand ▼ Update

	Wairarapa		New Zealand	
Year	Level	Change	Level	Change
2000	16,438		1,775,896	
2001	16,853	2.5%	1,816,394	2.3%
2002	17,536	4.1%	1,870,235	3.0%
2003	17,619	0.5%	1,918,088	2.6%
2004	17,789	1.0%	1,984,758	3.5%
2005	17,995	1.2%	2,051,113	3.3%
2006	18,308	1.7%	2,097,235	2.2%
2007	18,691	2.1%	2,143,285	2.2%
2008	19,040	1.9%	2,185,661	2.0%
2009	19,205	0.9%	2,199,294	0.6%
2010	18,655	-2.9%	2,146,545	-2.4%
2011	18,451	-1.1%	2,155,410	0.4%
2012	18,454	0.0%	2,177,782	1.0%
2013	18,737	1.5%	2,199,647	1.0%
2014	18,784	0.3%	2,240,552	1.9%
2015	19,041	1.4%	2,300,871	2.7%
2016	19,159	0.6%	2,356,385	2.4%
2017	19,605	2.3%	2,426,327	3.0%
2018	20,116	2.6%	2,495,147	2.8%
2019	20,536	2.1%	2,543,195	1.9%

Download table data

Jobs created by ANZSIC 1-digit industries 2009-2019

The ANZSIC Level 1 industry which has created most jobs over the last ten years (2009 to 2019) is 'Healthcare and Social Assistance'. 'Professional, Scientific and Technical Services' are ranked second and 'Education and Training' third. This is indicative of a broader trend is that job growth is in tertiary and quaternary, rather than the primary and secondary sectors. This trend is well illustrated in the following table:

Jobs created by ANZSIC 1-digit industries 2009-2019

Year: <input type="text" value="2019"/> Base year: <input type="text" value="2000"/> <input type="button" value="Update"/>				
Industry	Filled jobs		Change	Annual Growth
	2009	2019		
Health Care and Social Assistance	1,989	2,454	465	2.1%
Professional, Scientific and Technical Services	986	1,322	336	3.0%
Education and Training	1,460	1,662	202	1.3%
Accommodation and Food Services	1,299	1,500	200	1.4%
Electricity, Gas, Water and Waste Services	39	179	140	16.4%
Other Services	718	841	123	1.6%
Wholesale Trade	546	624	78	1.3%
Arts and Recreation Services	214	266	52	2.2%
Agriculture, Forestry and Fishing	3,163	3,210	47	0.1%
Mining	25	54	28	7.9%
Public Administration and Safety	567	595	28	0.5%
Construction	1,893	1,920	28	0.1%
Manufacturing	1,980	1,989	8	0.0%
Information Media and Telecommunications	194	166	-28	-1.5%
Rental, Hiring and Real Estate Services	532	475	-58	-1.1%
Administrative and Support Services	540	479	-60	-1.2%
Transport, Postal and Warehousing	579	510	-69	-1.3%
Financial and Insurance Services	290	209	-81	-3.2%
Retail Trade	2,190	2,082	-108	-0.5%
Owner-Occupied Property Operation	0	0	0	
Unallocated	0	0	0	
Total	19,205	20,536	1,331	0.7%

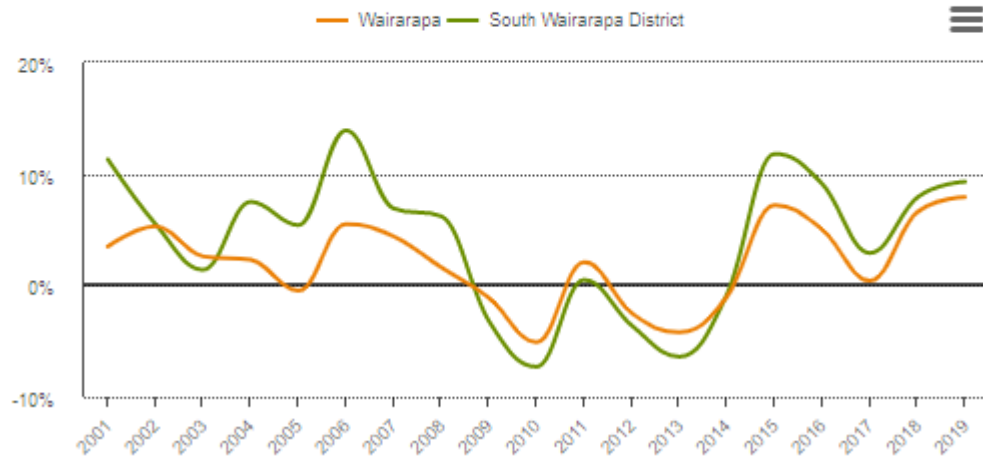
If we go back to 2000, Professional, Scientific and Technical Services were the sixth ranked industry and represented 4% of total regional GDP. In 2019, they were ranked third and represented 6.6% of GDP.

Tourism, which spans a number of industry categories, has been increasing recently, particularly in South Wairarapa:



Tourism employment growth, 2001-2019

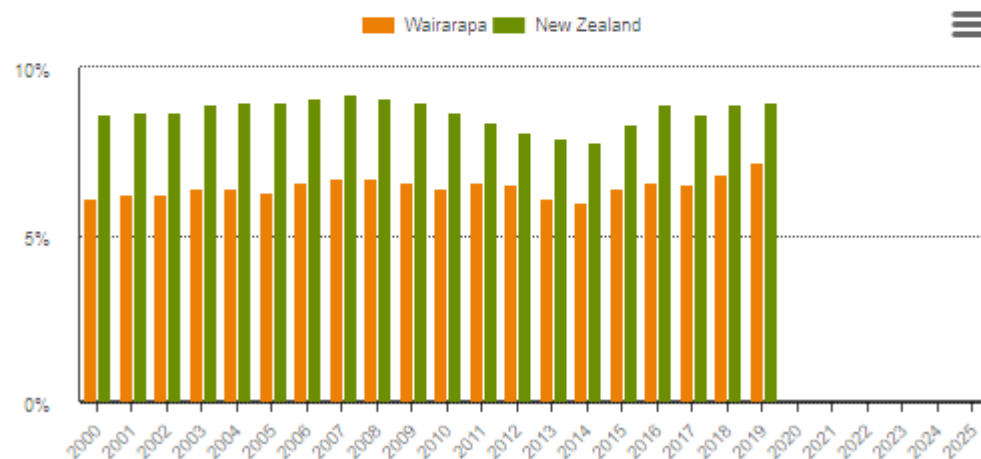
Compare area:



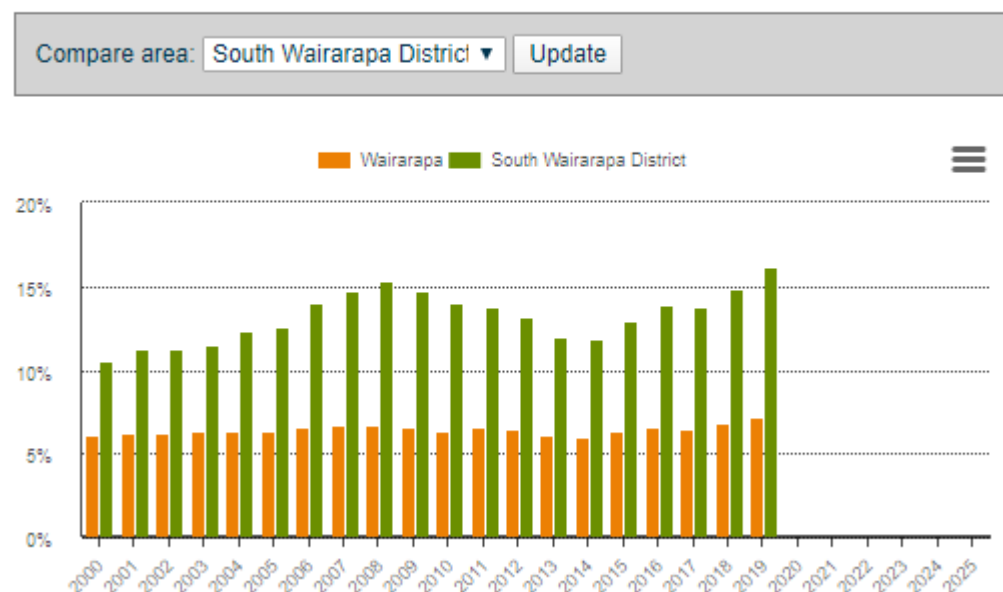
C

Tourism share of total employment, 2019

Compare area:



Tourism share of total employment, 2019



Jobs created by ANZSIC 7-digit industries 2009-2019

The more detailed breakdown of the regional stats by ANZSIC 7-digit industry codes shows that there was strong growth in employment in cafes and restaurants, value added and artisan food production (cured meat, smallgoods, bakery products) and residential construction. In the Health Care and Social Assistance category, there were more jobs created in aged care than hospitals:

Top 50 ANZSIC 7-digit Industries for job creation, 2009-2019

The 50 seven-digit industries that created the most jobs between 2009 and 2019

Year: Base year:

Rank	Industry	Jobs		Change	
		2009	2019	2009 - 2019	% of total 2019
1	Cafes and Restaurants	466	683	217	3.3%
2	Cured Meat and Smallgoods Manufacturing	115	288	173	1.4%
3	Beekeeping	92	255	164	1.2%
4	Aged Care Residential Services	453	598	145	2.9%
5	House Construction	445	577	132	2.8%
6	Primary Education	501	615	114	3.0%
7	Management Advice and Other Consulting Services	177	286	109	1.4%
8	Other Agriculture and Fishing Support Services	245	346	101	1.7%
9	Preschool Education	199	297	98	1.4%
10	On Selling Electricity and Electricity Market Operation	0	93	93	0.5%
11	Engineering Design and Engineering Consulting Services	38	126	88	0.6%
12	Hospitals (except Psychiatric Hospitals)	596	684	88	3.3%
13	Child Care Services	105	190	86	0.9%
14	Takeaway Food Services	110	189	79	0.9%
15	Bakery Product Manufacturing (Non-factory-based)	65	135	70	0.7%
16	Central Government Administration	56	124	68	0.6%
17	Poultry Farming (Eggs)	28	85	57	0.4%
18	Commission Based Wholesaling	48	105	57	0.5%
19	Hairdressing and Beauty Services	128	179	50	0.9%
20	Computer Systems Design and Related Services	179	226	47	1.1%
21	Hardware and Building Supplies Retailing	203	249	46	1.2%
22	Other Personal Services n.e.c.	11	56	45	0.3%
23	Solid Waste Collection Services	2	45	43	0.2%
24	General Practice Medical Services	123	165	42	0.8%
25	Pathology and Diagnostic Imaging Services	24	65	41	0.3%
26	Wine and Other Alcoholic Beverage Manufacturing	76	115	39	0.6%
27	Roofing Services	23	57	34	0.3%
28	Employment Placement and Recruitment Services	15	49	34	0.2%
29	Car Wholesaling	0	34	34	0.2%
30	Shearing Services	171	204	33	1.0%

Despite being major contributors to the regional economy by way of GDP, manufacturing, agriculture, forestry and fishing do not feature in the industries that have created most jobs between 2009 and 2019. Over this period, manufacturing created just eight jobs and all of the farming sectors shed jobs:

- Sheep-Beef Cattle farming lost 79 jobs
- Dairy Cattle Farming lost 71 jobs and
- Sheep Farming (specialised) lost 27 jobs.

The employment changes in Sheep-Beef Cattle are particularly marked. In 2009, this was the largest ANZSIC 7-digit employment industry in Wairarapa with 689 employees. It had seen the largest growth of any industry over the periods since the year 2000 (+359).

Top 50 ANZSIC 7-digit Industries for job creation, 2000-2009

The 50 seven-digit industries that created the most jobs between 2000 and 2009

Year: 2009 ▼ Base year: 2009 ▼ Update					
↑ Rank	↑ Industry	Jobs 2000 ↓ 2009 ↑		Change 2000 - ↓ % of total 2009 ↑	
1	Sheep-Beef Cattle Farming	330	689	359	3.6%
2	Cafes and Restaurants	232	466	234	2.4%
3	House Construction	213	445	232	2.3%
4	Other Allied Health Services	54	280	226	1.5%
5	Labour Supply Services	21	174	153	0.9%
6	Grape Growing	124	271	147	1.4%
7	Preschool Education	86	199	113	1.0%
8	Computer Systems Design and Related Services	71	179	108	0.9%
9	Other Residential Care Services	74	176	101	0.9%
10	Management Advice and Other Consulting Services	76	177	101	0.9%

By contrast, between 2009 and 2019, the number of employees in Sheep-Beef Cattle dropped by 79. Only four industries shed more jobs over this period:



Bottom 50 ANZSIC 7-digit Industries for job creation, 2009-2019

The 50 seven-digit industries that lost the most jobs between 2009 and 2019

Year: 2019 ▼ Base year: 2000 ▼ Update

↓ Rank	Industry	Jobs		Change 2009 - ↓ 2019	% of total 2019 ↓
		2009 ↓	2019 ↓		
1	Grape Growing	271	139	-132	0.7%
2	Clothing Manufacturing	110	10	-100	0.1%
3	Veneer and Plywood Manufacturing	278	186	-92	0.9%
4	Road and Bridge Construction	156	68	-87	0.3%
5	Non-Residential Building Construction	185	105	-79	0.5%
6	Sheep-Beef Cattle Farming	689	611	-79	3.0%
7	Dairy Cattle Farming	638	567	-71	2.8%
8	Banking	140	70	-71	0.3%
9	Other Administrative Services n.e.c.	99	34	-65	0.2%
10	Interurban and Rural Bus Transport	143	80	-63	0.4%

The reduction in jobs the primary sector reflects a combination of land use changes, the productivity gains over this period, and (possibly) farm aggregation. Given these trends of the last few years, and the reasonably buoyant nature of farming in the last two to three years, new jobs of the future are not going to come from the major farming activities.

Employment growth by industry 2018-2019

Looking at just the last year for which statistics are available (2018 to 2019), job growth in Wairarapa outstripped New Zealand as a whole (2.1% v 1.9%).

Jobs created by ANZSIC 1-digit industries 2018-2019

Over this period, there was significant growth in construction. The ANZSIC Level 1 industry industries which created the most jobs are as follows:

Jobs created by ANZSIC 1-digit industries 2018-2019

Year: 2019 ▼ Base year: 2000 ▼ Update				
Industry	Filled jobs		Change ↑	Annual Growth ↑
	2018 ↓	2019 ↓		
Construction	1,742	1,920	178	10.2%
Health Care and Social Assistance	2,361	2,454	93	3.9%
Accommodation and Food Services	1,460	1,500	40	2.8%
Professional, Scientific and Technical Services	1,282	1,322	40	3.1%
Other Services	802	841	39	4.8%
Electricity, Gas, Water and Waste Services	147	179	31	21.4%

Jobs created by ANZSIC 7-digit industries 2018-2019

The more detailed breakdown by ANZSIC 7-digit industry codes on the next page shows the construction is mainly residential, plus some road and bridge construction. The residential construction growth has also spawned growth in associated trades, such as plumbing, electrical and carpentry services.

There was continued growth in cafes and restaurants, value added and artisan food production (bakery products, cured meat, smallgoods).



The 50 seven-digit industries that created the most jobs between 2018 and 2019

Year: Base year:

↓ Rank	↓ Industry	Jobs 2018 ↓ 2019 ↓		Change 2018 - ↓ 2019	% of total 2019 ↓
1	Cafes and Restaurants	593	683	91	3.3%
2	Hospitals (except Psychiatric Hospitals)	622	684	62	3.3%
3	House Construction	516	577	60	2.8%
4	Road and Bridge Construction	31	68	38	0.3%
5	Primary Education	579	615	36	3.0%
6	Supermarket and Grocery Stores	634	664	30	3.2%
7	Forestry Support Services	71	101	30	0.5%
8	Aged Care Residential Services	574	598	25	2.9%
9	Bakery Product Manufacturing (Non-factory-based)	113	135	23	0.7%
10	Other Construction Material Mining	25	45	20	0.2%
11	Preschool Education	278	297	19	1.4%
12	Solid Waste Collection Services	28	45	17	0.2%
13	Engineering Design and Engineering Consulting Services	110	126	17	0.6%
14	Electrical Services	198	214	16	1.0%
15	Plumbing Services	127	142	15	0.7%
16	Shearing Services	190	204	15	1.0%
17	Medical and Surgical Equipment Manufacturing	9	21	12	0.1%
18	Road Freight Transport	260	271	12	1.3%
19	Other Automotive Repair and Maintenance	184	195	12	1.0%
20	Cured Meat and Smallgoods Manufacturing	278	288	11	1.4%
21	Other Heavy and Civil Engineering Construction	62	73	11	0.4%
22	Hairdressing and Beauty Services	168	179	11	0.9%
23	Employment Placement and Recruitment Services	39	49	10	0.2%
24	On Selling Electricity and Electricity Market Operation	83	93	10	0.5%
25	Other Health Care Services n.e.c.	6	16	10	0.1%
26	Other Livestock Farming n.e.c.	8	17	10	0.1%
27	Newspaper and Book Retailing	28	37	10	0.2%
28	Other Agriculture and Fishing Support Services	337	346	9	1.7%
29	Local Government Administration	268	277	8	1.3%
30	Carpentry Services	24	31	8	0.2%

Employment breakdown by occupation

The current employment breakdown by ANZSCO 1 digit occupation code is little different to New Zealand as a whole:

Employment by broad (ANZSCO 1-digit) occupation, 2019

Year: 2019 ▼ Compare area: New Zealand ▼ Update				
Occupation	Wairarapa		New Zealand	
	Employment ↓	% of total ↓	Employment ↓	% of total ↓
Professionals	4,330	21.1%	611,624	24.0%
Managers	4,253	20.7%	459,283	18.1%
Labourers	2,698	13.1%	273,982	10.8%
Technicians and trades workers	2,630	12.8%	317,673	12.5%
Community, personal service workers	1,936	9.4%	236,117	9.3%
Clerical and administrative workers	1,861	9.1%	279,772	11.0%
Sales workers	1,833	8.9%	228,411	9.0%
Machinery operators and drivers	995	4.8%	136,333	5.4%
Total employment	20,536	100%	2,543,195	100%

Breaking this down further shows a broad range of occupations at various skill levels, which is a strong base:



Employment by detailed (ANZSCO 2-digit) occupation, 2019

Year: 2019 ▾ Compare area: New Zealand ▾ Update				
Occupation	Wairarapa		New Zealand	
	Employment ↓	% of total ↓	Employment ↓	% of total ↓
Specialist Managers	1,472	7.2%	210,974	8.3%
Farmers & Farm Managers	1,377	6.7%	65,540	2.6%
Education Professionals	1,362	6.6%	149,308	5.9%
Sales Assistants & Salespersons	1,046	5.1%	122,605	4.8%
Farm, Forestry & Garden Workers	937	4.6%	54,071	2.1%
Health Professionals	892	4.3%	103,286	4.1%
Carers & Aides	867	4.2%	84,932	3.3%
Business, HR & Marketing Professionals	785	3.8%	133,389	5.2%
Hospitality, Retail & Service Managers	764	3.7%	93,508	3.7%
Chief Execs, General Managers, Legislators	640	3.1%	89,260	3.5%
Other Labourers	572	2.8%	68,968	2.7%
Construction Trades Workers	560	2.7%	63,553	2.5%
Design, Engineering, Science Professionals	538	2.6%	87,124	3.4%
Sales Representatives & Agents	531	2.6%	77,538	3.0%
Automotive & Engineering Trades Workers	460	2.2%	64,402	2.5%
Office Managers & Program Administrators	459	2.2%	65,269	2.6%
Hospitality Workers	452	2.2%	50,390	2.0%
Food Trades Workers	446	2.2%	43,070	1.7%
Factory Process Workers	410	2.0%	48,998	1.9%
Cleaners & Laundry Workers	381	1.9%	54,869	2.2%
Road & Rail Drivers	380	1.9%	54,775	2.2%
Other Technicians & Trades Workers	344	1.7%	38,826	1.5%
General Clerical Workers	340	1.7%	49,644	2.0%
Legal, Social & Welfare Professionals	316	1.5%	55,370	2.2%
Skilled Animal & Horticultural Workers	305	1.5%	26,526	1.0%
Engineering, ICT & Science Technicians	304	1.5%	49,386	1.9%
ICT Professionals	283	1.4%	60,232	2.4%
Numerical Clerks	281	1.4%	46,335	1.8%
Inquiry Clerks & Receptionists	271	1.3%	35,891	1.4%
Other Clerical & Administrative Workers	261	1.3%	43,468	1.7%
Machine & Stationary Plant Operators	260	1.3%	34,660	1.4%

Employment growth by occupation 2009-2019

The split of job growth by occupation clearly underlines the changes in industry mix which have been occurring over the last ten years:

Employment growth by broad (ANZSCO 2-digit) occupation, 2019

Occupation	Wairarapa			
	Level		Annual change	
	2009 ↓	2019 ↓	Number ↓	% ↓
Education Professionals	1,153	1,362	21	1.7%
Specialist Managers	1,296	1,472	18	1.3%
Health Professionals	721	892	17	2.1%
Carers & Aides	729	867	14	1.7%
Business, HR & Marketing Professionals	643	785	14	2.0%
Office Managers & Program Administrators	343	459	12	2.9%
Food Trades Workers	327	446	12	3.1%
Design, Engineering, Science Professionals	429	538	11	2.3%
ICT Professionals	205	283	8	3.3%
Sales Representatives & Agents	465	531	7	1.3%
Sports & Personal Service Workers	202	259	6	2.5%
Factory Process Workers	355	410	5	1.4%
Legal, Social & Welfare Professionals	266	316	5	1.7%
Health & Welfare Support Workers	163	213	5	2.7%
Hospitality Workers	414	452	4	0.9%
Engineering, ICT & Science Technicians	262	304	4	1.5%
Hospitality, Retail & Service Managers	737	764	3	0.4%
Other Clerical & Administrative Workers	232	261	3	1.2%
Food Preparation Assistants	162	194	3	1.8%
Chief Execs, General Managers, Legislators	622	640	2	0.3%
Other Labourers	549	572	2	0.4%
Construction Trades Workers	539	560	2	0.4%
Arts & Media Professionals	136	154	2	1.3%
Mobile Plant Operators	222	229	1	0.3%
Electrotech & Telecoms Trades Workers	201	210	1	0.4%
Construction & Mining Labourers	194	205	1	0.5%
Storepersons	116	125	1	0.8%



The gradual shift in employment from the primary sector to the knowledge based industries (Professional, Scientific and Technical Services) is a key trend. Professional people are attracted to the lifestyle of the Wairarapa and are increasingly able to use technology to work remotely. Whilst still a relatively small cohort, it is interesting to see that the highest percentage growth was in ICT Professionals (3.3% p.a.).

The strong growth in health care and social services and hospitality is also evident.

Employment growth by occupation 2018-2019

The 2018-2019 figures mirror the ten year trend towards professional services. The big difference is the strong growth in construction:

Employment growth by broad (ANZSCO 2-digit) occupation, 2019

Occupation	Wairarapa			
	Level		Annual change	
	2018 ↓	2019 ↓	Number ↓	% ↓
Specialist Managers	1,411	1,472	61	4.3%
Health Professionals	838	892	54	6.4%
Construction Trades Workers	521	560	40	7.6%
Design, Engineering, Science Professionals	511	538	27	5.3%
Food Trades Workers	425	446	22	5.1%
Carers & Aides	846	867	20	2.4%
Road & Rail Drivers	362	380	18	5.0%
Office Managers & Program Administrators	441	459	18	4.0%
Engineering, ICT & Science Technicians	287	304	17	5.8%
Business, HR & Marketing Professionals	768	785	17	2.3%
Automotive & Engineering Trades Workers	444	460	16	3.6%
Education Professionals	1,346	1,362	15	1.1%
Hospitality, Retail & Service Managers	750	764	14	1.9%
Construction & Mining Labourers	192	205	13	6.8%
Electrotech & Telecoms Trades Workers	198	210	13	6.4%
Chief Execs, General Managers, Legislators	626	640	13	2.1%
Hospitality Workers	440	452	11	2.6%
Other Labourers	560	572	11	2.0%
Sales Representatives & Agents	521	531	10	1.9%
Mobile Plant Operators	220	229	9	4.0%
Cleaners & Laundry Workers	374	381	7	1.9%
Food Preparation Assistants	187	194	6	3.5%
ICT Professionals	277	283	6	2.1%
Sales Assistants & Salespersons	1,040	1,046	6	0.6%
Inquiry Clerks & Receptionists	266	271	5	1.8%
Skilled Animal & Horticultural Workers	301	305	5	1.5%
Other Technicians & Trades Workers	338	344	5	1.6%
Protective Service Workers	141	145	4	3.1%
Sales Support Workers	253	257	4	1.6%
Sports & Personal Service Workers	256	259	4	1.4%
Other Clerical & Administrative Workers	257	261	4	1.7%
Arts & Media Professionals	151	154	3	2.0%
Machine & Stationary Plant Operators	258	260	3	1.0%
Legal, Social & Welfare Professionals	313	316	3	0.9%
Storepersons	124	125	2	1.6%
Numerical Clerks	279	281	2	0.9%

The employment pipeline

TEC has kindly given us access to their Qlik database, which tracks how many school-leavers choose to go on to tertiary education and what subjects they choose to study. It also provides information on the transition into employment.

As there will be volatility between individual years, we have extracted the aggregate statistics for the whole database, which includes leaver stats from 2009-2020.

Ideally, students with the skills required for the future Wairarapa would study at a campus either in or near Wairarapa (e.g. Palmerston North, Masterton or Wellington), so there is more chance of them being retained in the region post-study. This requires the region to provide top quality courses. The quality of courses is also part of giving learners a strong positive experience that strengthens their connection to Wairarapa in an employment sense.

It is acknowledged that some students will want to move away anyway for lifestyle reasons.

Number of school leavers enrolling in tertiary education

From 2009 to 2020, there were 5,665 school leavers in Wairarapa, 84% of which went on to tertiary study. Transition rates by school range from 80 to 100%. By comparison, the New Zealand transition rate is 82%:

Total number of school leavers

5,665

Transition rate

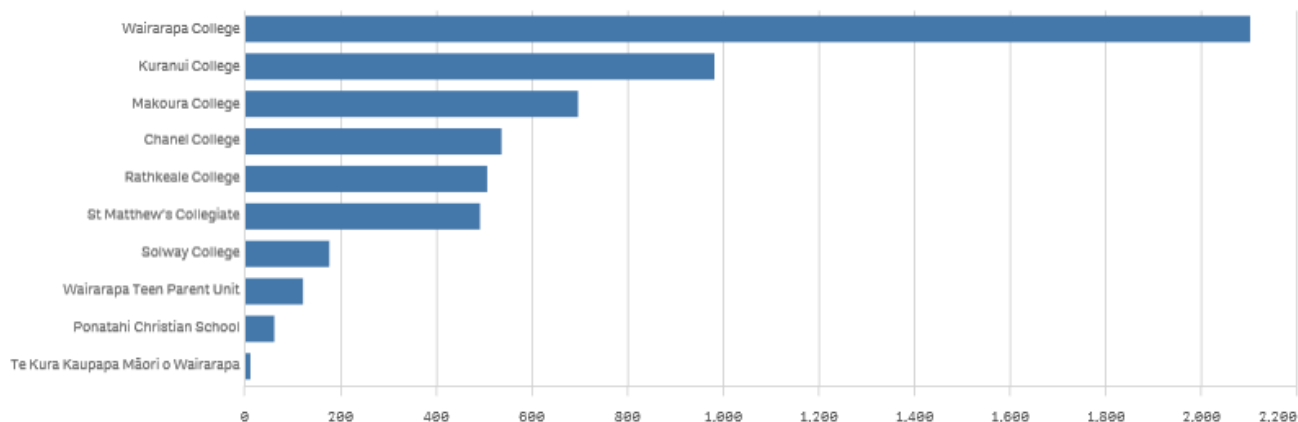
Number of enrolments

4,735

Number never entered tertiary

935

Number of school leavers by school

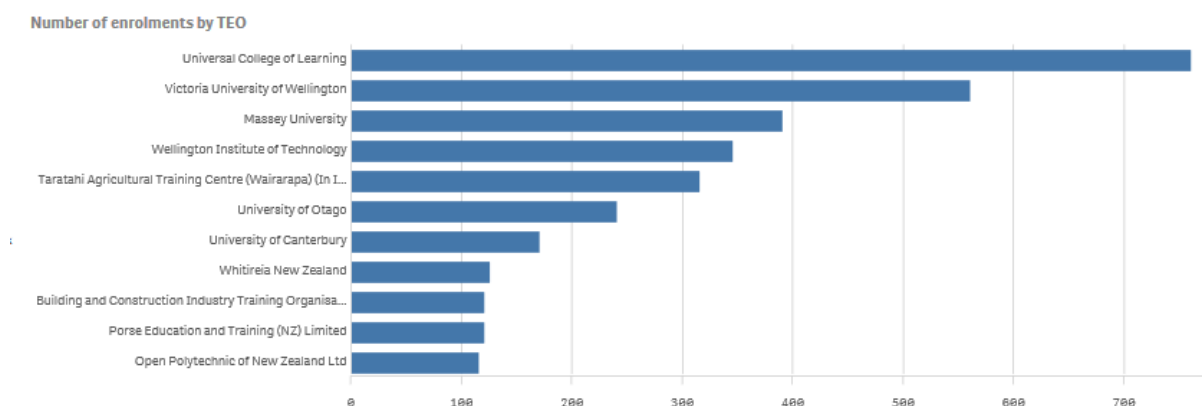


The breakdown by school is as follows:

School	No. of Leavers 2009-2020	No. of enrolments	% transition	Number never entered tertiary
Wairarapa College	2,100	1,755	84%	345
Kuranui College	980	810	83%	170
Makoura College	695	530	76%	165
Chanel College	535	425	80%	105
Rathkeale College	505	440	87%	70
St. Matthews Collegiate	490	455	93%	35
Solway College	175	160	92%	15
Wairarapa Teen Parent Unit	120	100	81%	25
Ponatahi Christian School	60	55	90%	5
Te Kura Kaupapa Māori o Wairarapa	10	10	100%	0
Total	5,665	4,735	84%	935

Which Tertiary Education Organisations Wairarapa school-leavers go to

Students currently go to a wide range of Tertiary Education Organisations (TEOs). The top ones are listed below. A more complete list is provided in Appendix 1.



While school-leavers go to a wide variety of TEOs, the majority stay near to Wairarapa, making it more likely that they can be attracted to stay.

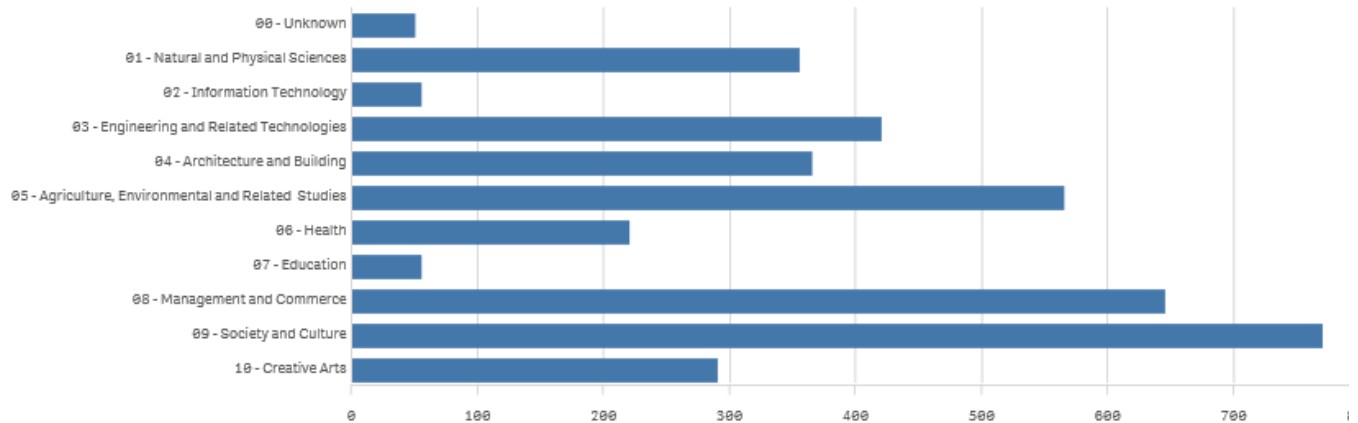
Of those who do not go on to tertiary education, it would be useful to know if they were able to go straight into employment and, if so, what types of employment these are. This information may be available from the schools.



Qualification choices

The main qualifications chosen by Wairarapa School-leavers are shown in the chart below. The largest proportion of school leavers chose Society and Culture; the second largest proportion chose Management and Commerce.

Number of enrolments by qualification NZSCED



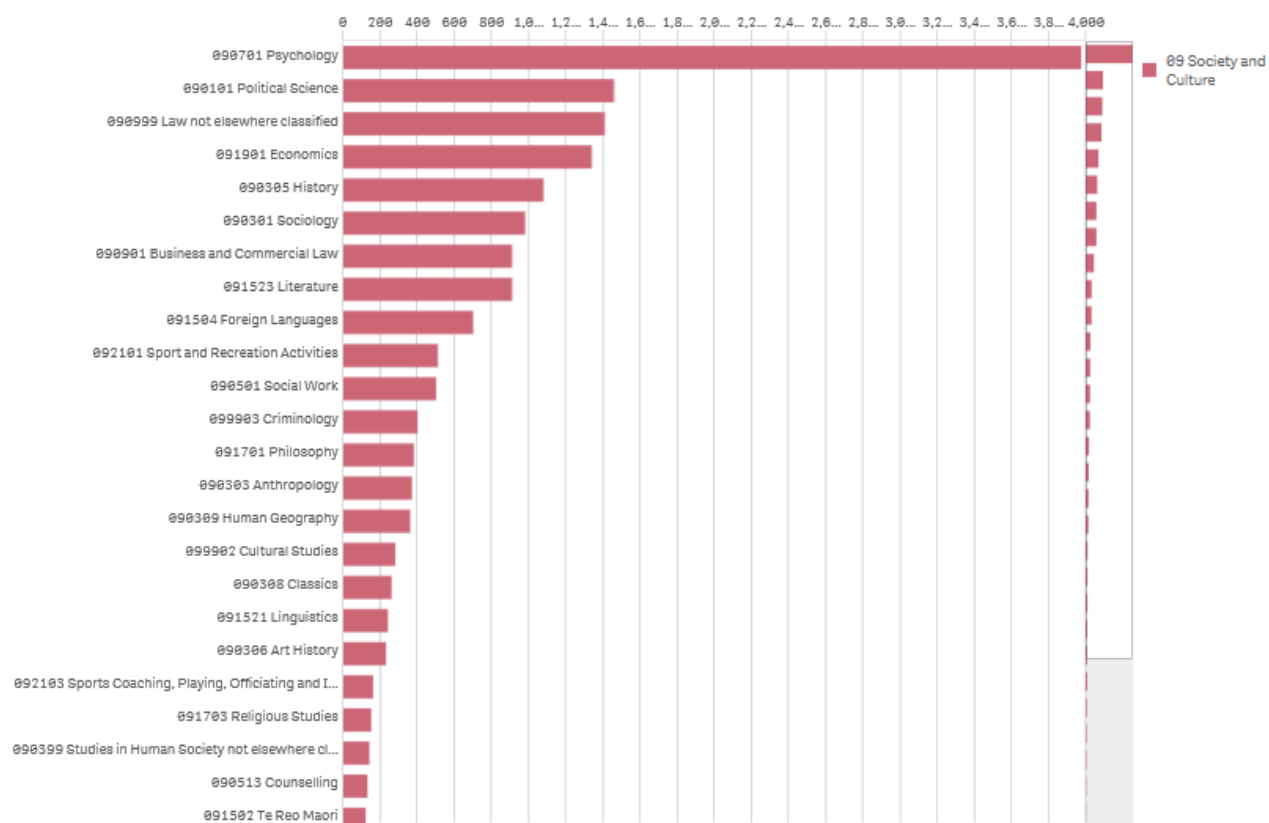
The main Tertiary Education Organisations (TEOs) chosen for each relevant qualification and by school are provided in Appendix 2.

The qualifications that are more directly linked to sectors that are relevant to the Wairarapa economic profile are:

- Agriculture, environmental and related studies
- Health
- Natural and Physical Sciences (i.e. medicine)
- Engineering and related technologies
- Architecture and building
- Education
- Information technology

At a national level, the majority of students in the Society and Culture category (the most popular choice amongst Wairarapa school-leavers) graduate in psychology:

Number of graduates in the cohort





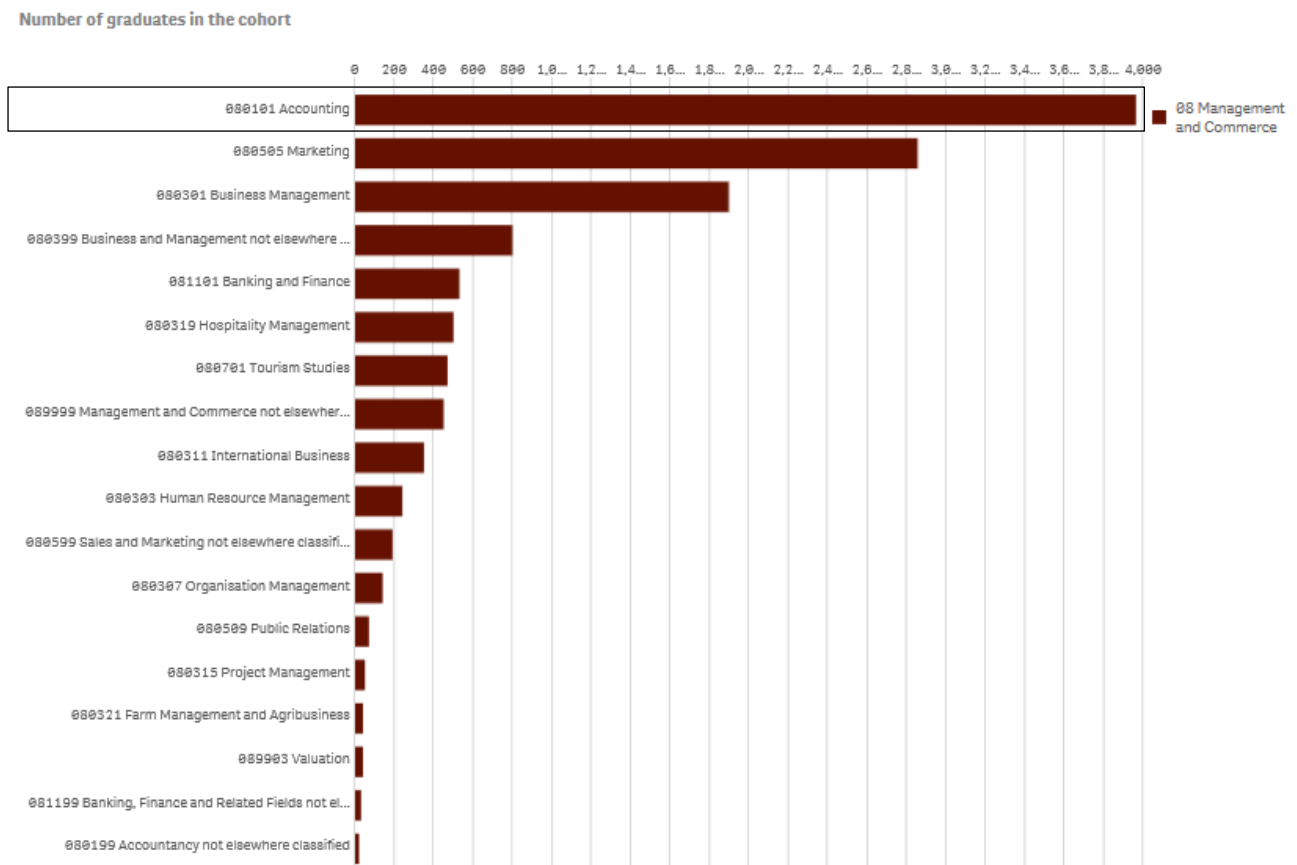
A large proportion of the Society and Culture graduates go onto youth work, counselling, and social work:

Percentage of graduates employed



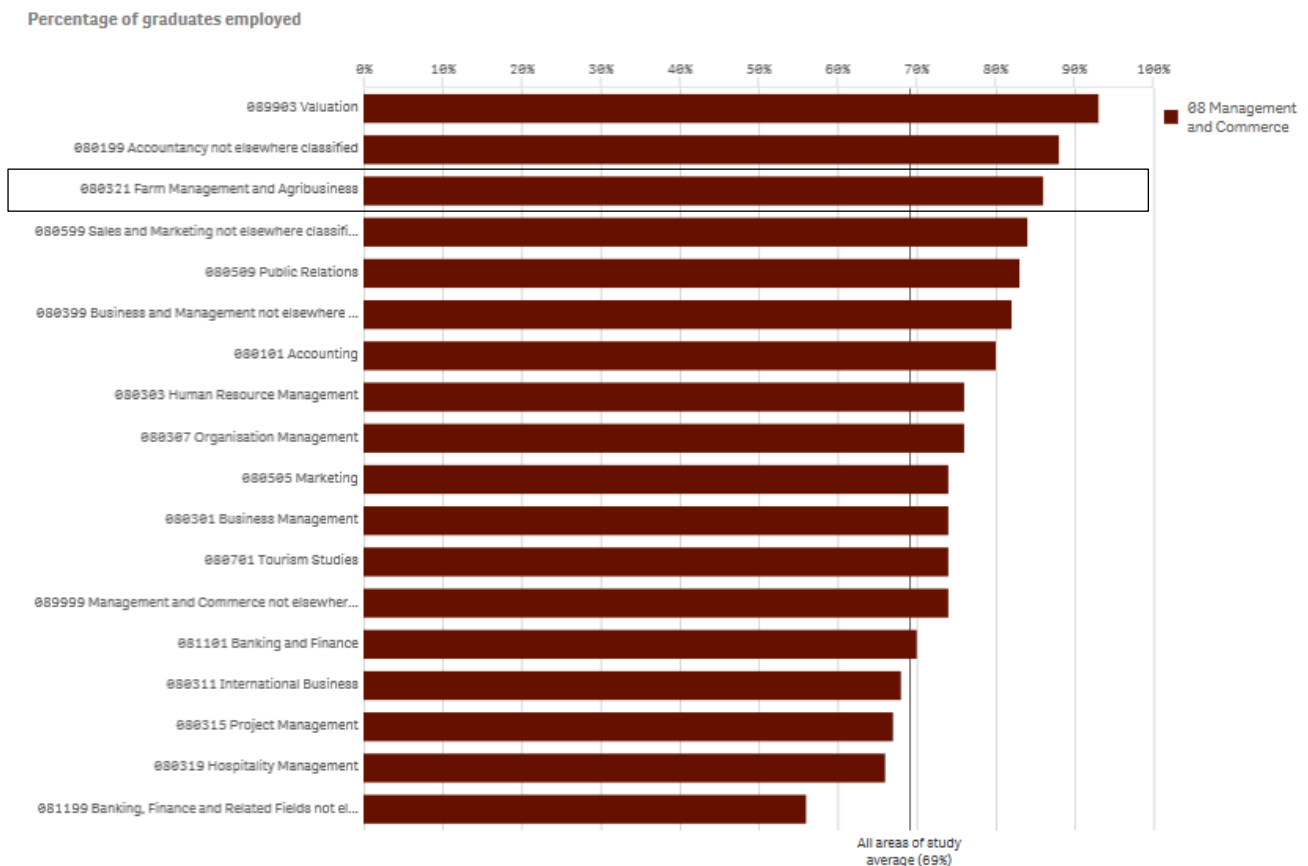
This is relevant for the Wairarapa economy, as healthcare and social assistance contributes \$196m to Wairarapa GDP (8.3% of total) and is the third largest industry sector

At a national level, the majority of students in the Management and Commerce category graduate in accounting:





A large proportion of Management and Commerce graduates (the second most popular choice amongst Wairarapa school-leavers) go on to work in farm management and agribusiness.



This is relevant for the Wairarapa economy, as agriculture, forestry, and fishing contribute \$240m to Wairarapa GDP (10.2% of total) and is the second largest industry sector.

The question to be answered is 'Will the choices of future students provide the right numbers of graduates with the skills required for the future Wairarapa economy?'

We address this question later in this report.

The impact of COVID-19

The advent of COVID-19 has changed the economic and social landscape almost overnight. There is no reason why the region should not continue to be optimistic about the long term outlook, but there will inevitably be a period of disruption, in which the emphasis will shift from growth to survival, then to recovery, resilience and longer term sustainability.

The economic and social impacts of the pandemic are still unfolding. What is the emergence from COVID-19 going to look like? No one quite knows, but here are some speculative thoughts:

- There may not be a vaccine for at least two years: so we will have to adapt to new ways of interacting and doing business.
- There might be treatments that could lessen the effects: but that is still quite a few months away, or even longer.
- There could be several waves of the infection as there were with Spanish Flu: necessitating further localised or even national lockdowns.
- There are likely to be clusters if there is future community transmission, so that there may be community by community lockdowns, or perhaps region by region, resulting in ongoing unpredictability.
- The border will likely be shut for up to a year: making international business more difficult.
- There will be minimal immigration for at least two years: resulting in difficulty identifying suitable skills (offset to a degree by unemployment as some businesses fail).
- While we may contain COVID-19 more successfully here, countries like the US and Europe can't/won't: so our international trade will be significantly affected for at least a year and maybe longer.
- The follow-on recession is likely to impact on tax and rates revenues: putting financial pressure on public entities.
- The overall impact of the COVID-19 experience may depress sentiment and willingness to take risks, making it more difficult to mount initiatives.

The impacts will likely be severe, long lasting and will result in significant unemployment, closure of businesses and reductions in measures of economic and social health. Key pillars of the regional economy could change.

The disruption will be greater for some sectors than others – food and beverage production will be much less affected than hospitality or tourism, for example.

At the same time, the macro-issues that were influencing the regional economy pre-pandemic (e.g. environmental sustainability, climate change) will continue to be significant.

It is not yet known what level unemployment will reach. Treasury initially warned that, depending on which scenario eventuated, unemployment could rise to between 13 and 22 per cent. By comparison, the number after the global financial crisis was 6.7 per cent and the rate was 4 per cent at the end of December last year.

The updated Treasury¹ forecast in May showed unemployment surging to a peak 9.8 per cent by September 2020, but dropping to just 5.7 per cent by 2022. During the GFC, about 60,000 jobs needed to be created to

¹ <https://treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2020-html#section-3>

get the unemployment rate down. This time around, Treasury expects roughly 189,000 jobs need to be found in a much shorter space of time. Infometrics² consider that to be an optimistic scenario.

There is an urgent need to identify suitable re-training opportunities for those who lose their jobs and where the sector they were employed in is unlikely to return to previous levels in the short term, if at all. Tourism and hospitality are examples.

Urgent and co-ordinated action will be required across the whole region to address this issue. The region is fortunate in having a strong education sector. The challenge will be to bring the various players together effectively at a time when vocational education is undergoing a major overhaul.

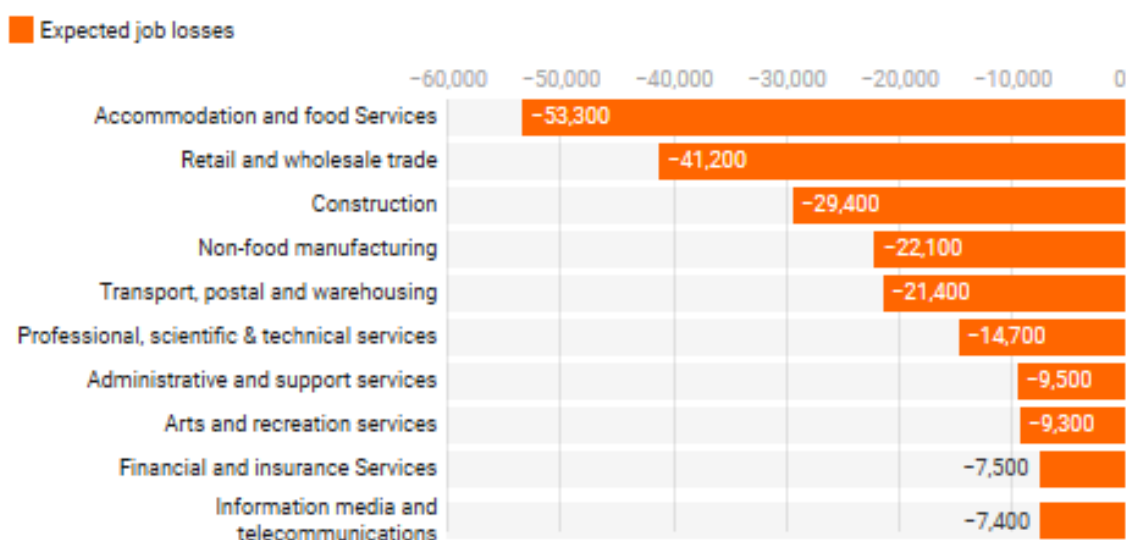
Industry sector analysis

All industries

Infometrics³ forecast that the impact on sectors for New Zealand as a whole will be as follows:

Chart 1: COVID-19 to cause huge job losses

Industries with largest job losses between March 2020 and March 2021, preliminary estimates



We set out below our prognosis for the Wairarapa.

Primary production

The primary sector as a whole will be more resilient than other sectors. Short term, there will also be some lower-skilled employment opportunities in the horticulture and fruit sectors, as they are traditionally reliant on the immigrant workforce.

² <https://www.stuff.co.nz/national/300019867/coronavirus-treasury-unemployment-forecast-unrealistically-rosy-economists-say>

³ <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/>

Globally, New Zealand's trade position remains solid. The world is still buying New Zealand products. Our food base is a foundation for economic sustainability.

The strength of dairy exports continues to show through, with export values rising 10% over the two months to March 2020 compared to 2019 (see chart below).

Chart 3: Food-based primary exports continue to rise

Annual % change, good exports to the world, cumulative values starting 1 February 2020

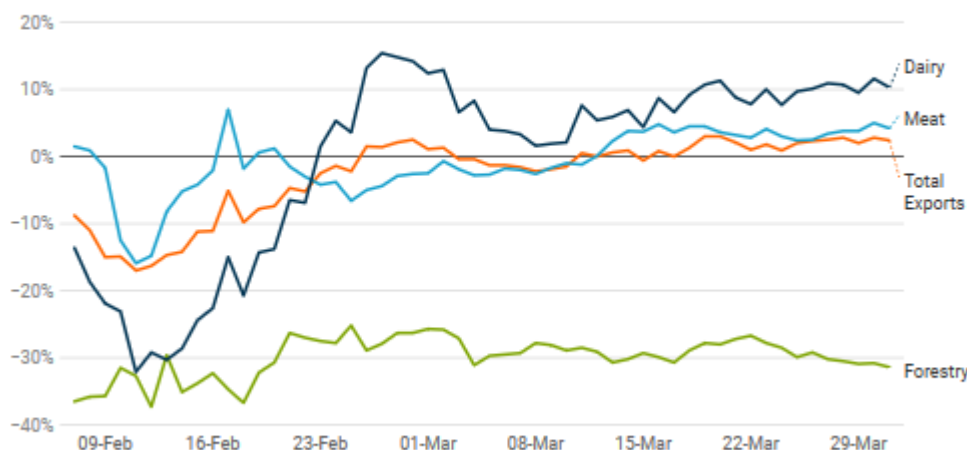


Chart: Brad Olsen/Infometrics • Source: StatsNZ • Created with Datawrapper

Meat exports have shown promise too, with a 4.2% rise in exports values from the same period in 2019. With meat exports to China still soft, this slight growth in meat exports globally shows that New Zealand's meat industry has been able to pivot its exports into other markets.

Forestry exports remain in a much more vulnerable position, with a 31% p.a. decline in export values over the two-month period.

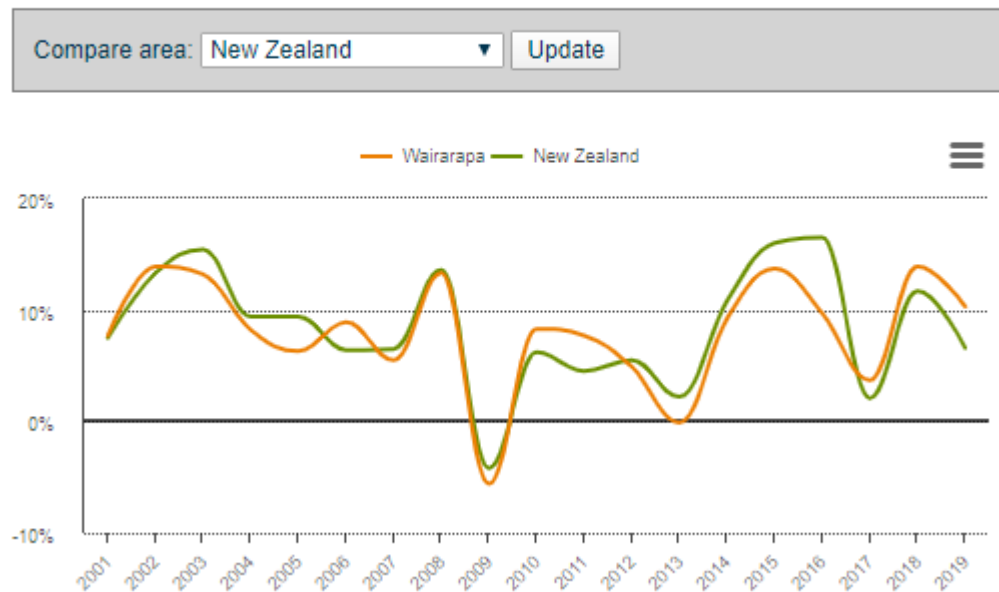
Infometrics⁴ report that they tend to see a change in behaviour during and after a crisis to healthier food choices and stronger food quality controls, which New Zealand (and Wairarapa) is well placed to respond to.

Tourism and hospitality

Tourism growth in Wairarapa (reflected in the statistics for accommodation and food services and food trades workers) has exceed national growth over the last three years:

⁴ EDNZ Webinar – Brad Olsen, Infometrics, 1 April 2020

Tourism GDP growth, 2001-2019

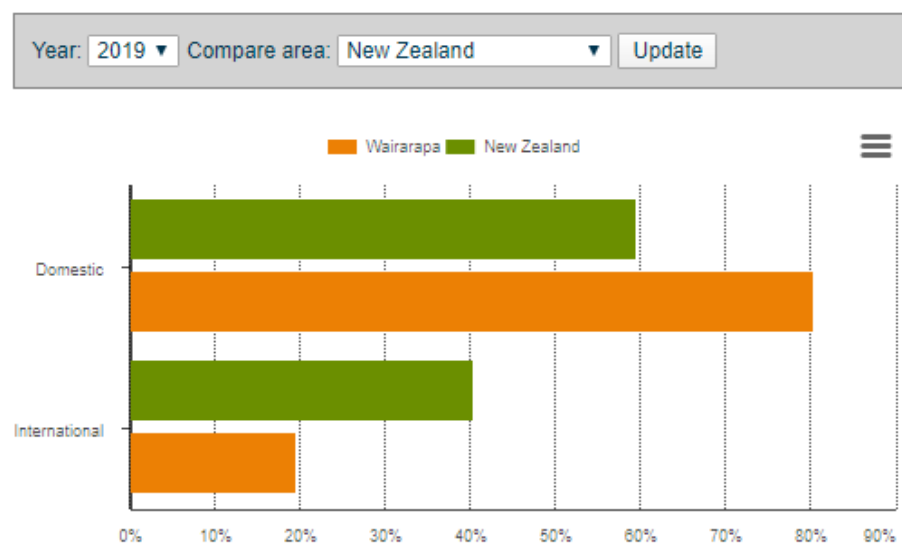


The outlook for the tourism sector (particularly international tourism) is bleak.

We may not see international tourists return for a minimum of a year until borders are open and a vaccine is available.

The only saving grace is that there is a high percentage of domestic tourism to the Wairarapa (from Wellington in particular), albeit that this will also be affected by the reductions in disposable income which will result from COVID-19.

Contribution to tourism expenditure by broad type, 2019



Domestic tourist expenditure, 2019

Year: 2019 ▾ Compare area: New Zealand ▾ Update				
↑ Category	Wairarapa		New Zealand	
	Expenditure ↓	% of total ↓	Expenditure ↓	% of total ↓
NZ:Wellington	\$76.7m	49.7%	\$1,719m	9.9%
NZ:Manawatu-Whanganui	\$21.5m	13.9%	\$1,067m	6.2%
NZ:Auckland	\$13.4m	8.7%	\$3,446m	19.9%
NZ:Hawke's Bay	\$9.14m	5.9%	\$613m	3.5%
NZ:Waikato	\$6.16m	4.0%	\$2,031m	11.7%
NZ:Canterbury	\$5.98m	3.9%	\$2,347m	13.5%
NZ:Bay of Plenty	\$5.46m	3.5%	\$1,284m	7.4%
NZ:Undefined	\$3.44m	2.2%	\$617m	3.6%
NZ:Taranaki	\$2.92m	1.9%	\$488m	2.8%
NZ:Otago	\$2.48m	1.6%	\$1,090m	6.3%
NZ:Northland	\$1.95m	1.3%	\$1,016m	5.9%
NZ:Marlborough	\$1.59m	1.0%	\$234m	1.4%
NZ:Gisborne	\$1.32m	0.9%	\$200m	1.2%
NZ:Tasman	\$0.73m	0.5%	\$241m	1.4%
NZ:Nelson	\$0.72m	0.5%	\$190m	1.1%
NZ:Southland	\$0.60m	0.4%	\$524m	3.0%
NZ:West Coast	\$0.29m	0.2%	\$233m	1.3%
Total	\$154m	100%	\$17,342m	100%
Download table data				

Retail

Retail trade saw a 3% drop in employment in 2010, following the GFC, and then picked up slowly. Our view is that we can expect a more significant drop in the parts of Wairarapa where retail is tourism related (e.g. Greytown and Martinborough).

Construction

The construction sector was growing fast pre-crisis. Nevertheless, Infometrics April forecast was for job losses of 30% nationally over the April to June 2020 quarter.

Non-residential commercial construction has been the fastest to fall away, as building halted on hotels, cafes, retail stores etc due to the lack of tourism and international investment. Fortunately, this sector is relatively



small in Wairarapa and has been declining (79 jobs have been lost over the last 10 years; the current job count is just 105).

Residential construction is a much larger part of the sector in the region and is the sixth ranked industry for employment with 577 employees, an increase of 132 over the last ten years. Infometrics predicted pre-crisis that residential construction would peak this year and fall away due to slower population growth and high build rates. They now expect it to fall away faster, with lower house prices emerging.

To date, the residential construction sector in Wairarapa has not reported a major impact from COVID, as the pipeline is strong. There is a cushioning effect due to the proximity to Wellington, which has a strong public sector economy. Interestingly, residential construction in Wairarapa also held up well in the wake of the GFC as a result of this.

A major component of the employment in the construction sector in Wairarapa is in construction services (bricklaying, plumbing, plastering, tiling, carpentry electrical etc). This about half of the 1,920 jobs in the region (1,066 to be exact). These are likely to be subcontractors and will be impacted, should there be a downturn.

The proposed Government infrastructure investments may assist the sector as a whole, but retail construction companies are unlikely to benefit, unless they can successfully retrain to compete for civil investment projects. Road and bridge construction are currently only a very small part of the Wairarapa economy (68 jobs), despite 38 new jobs being created in the last year. There is currently a shortage of civil contractors and they are likely to struggle to increase capacity.

Manufacturing

It is likely that, for some (non-food) manufacturers who were already struggling to compete with low cost overseas production, COVID-19 may now push them over the edge.

Some small scale artisan producers may also struggle as they provide premium-priced luxury alternatives to mass market products. As discretionary incomes reduce, so will luxury purchases.

Health and related services

COVID-19 is likely to have a lesser impact on the health sector than most other sectors, but it will not go unscathed. with demand for certain private health services expected to decline. In tough economic times, visits to health care professionals, such as a visit to the dentist or a physiotherapy session, will be pushed out until better economic times. Having fewer international students in New Zealand will also decrease demand.

Aged care can be expected to grow longer term, but there may be a short term impact, as families may be reluctant to expose elderly residents to potential infections in rest homes. There is also the (hopefully now low) possibility of further COVID-19 clusters leading to mass deaths in some facilities.

There is likely to be a need to continue and potentially expand training to supply health facilities, particularly aged care, and to replace loss of immigrant labour in this sector.

Professional services

Professional services have not been majorly affected to date, as people work from home and services such as accounting are still required. There may be some impact over time due to the overall contraction in the business environment.

The increasing acceptance of “working from home” that has resulted from COVID-19 is likely to benefit the Wairarapa, as it can be expected to affect how businesses operate post-pandemic. Through force of circumstance, people have become used to using video technology rather than holding face to face meetings and productivity has not dropped (arguably it has increased due to less time wasted in travelling to and from work.)

We can expect to see more people choosing to live in Wairarapa for lifestyle reasons while continuing to work for Wellington based organisations. They are likely to work mainly from home and only commute to Wellington or other centres as required.

Some businesses may also decide that they no longer need to be based in urban centres and relocate to the Wairarapa.

Digital Technology

Digital technology is critical for communication within businesses, and between businesses and their customers. It can improve productivity, assist in understanding markets, and be used to finely promotions (artificial intelligence). The internet is also becoming an increasingly important channel to market.

There has been a forced increase in online activity due to COVID (education, online sales, business communication). This can be expected to continue.

The ongoing closure of physical retail outlets can be expected to result in an increase in online sales. Many people have also turned to online supermarket shopping to avoid personal contact. It is likely that some of these habits will remain post COVID-19. Travel restrictions will also have a positive impact on online communications, education, and training.

The innovative application of (and access to) technology is also critical to support education and healthcare across remote communities in a region like Wairarapa.

Digital technology is currently a very small part of the Wairarapa workforce: 226 employees (1.1% of total) are employed in computer systems design and related services. This is, however, an increase of 26% since 2009. Also, as noted above, the occupation with the highest percentage growth over this period was in ICT Professionals (3.3% p.a.)

We therefore see this as an area of further growth for Wairarapa as businesses and educational establishments are forced to use online channels more intensively. What is needed is not pure technology skills, but the ability to apply them innovatively in different contexts to achieve impact.



The Māori economy

Māori are heavily impacted by economic downturns. Post-GFC employment levels for Māori fell by over 6%, while non Maori just under 2%. The reason is that Māori tend to be in lower skilled jobs and industries that fare the worst; lower skilled staff are more expendable in a crisis. The biggest impacts can be expected to be in construction, manufacturing and administration and support services: there was a 13% decline in these sectors for Māori, while for non-Māori it was 7%.

Outlook for Wairarapa

The full economic impact of COVID cannot yet be accurately assessed, but the following points characterise what we see as the key elements of the future Wairarapa:

- The primary sector will continue to underpin the Wairarapa economy, but will not drive its employment growth
- Growth is likely to continue in health, professional and other tertiary and quaternary services
- Construction may soften, but will likely benefit from Government investment
- There will likely be widespread unemployment in retail, tourism, and hospitality (food and accommodation) and potentially non-food related manufacturing
- As these are mainly lower skilled industries, it is likely to be difficult to find new employment opportunities, as the growth is likely to be in tertiary and quaternary (health and professional services)
- There will be some roles available in the primary sector that were previously filled by migrant workers but these will either require technical skills (e.g. tractor driving) or be low paid and unlikely to be attractive (e.g. picking)
- In this context, upskilling and reskilling will be essential
- There is potential for growth in digital technologies due to the positive impact of travel restrictions on online trading, communications and education. Technology is also critical to support education and healthcare across remote communities in a region like Wairarapa.

The opportunity

The rural sector and the Wairarapa's relationship to Wellington are likely to be the cornerstones of employment stability in the short term.

While the rural sector has suffered recently due to the severe drought. It will prove to be resilient and can be expected to offer ongoing employment opportunities at a variety of skill levels. Value added food remains a longer term opportunity which may provide some lower skilled manufacturing jobs over time. We envisage a growth in the application of digital technologies across all industries and to provide health and education services across remote parts of the region.

Of all the urban centres, Wellington is likely to be the most resilient to COVID-19 impact, as it has a high proportion of public sector and tertiary sector employees. The opportunity for Wairarapa is to leverage its proximity to Wellington as a place to live and visit and as a domestic market for its food products.

The shift to working from home will make telecommuting more acceptable, which is likely to stimulate further migration over the hill from Wellington. The Wairarapa lifestyle is particularly appealing for families which will support further growth in the education sector. An increased permanent population receiving Wellington salaries, supplemented by weekend visitors from the capital, will also support retail and hospitality.

The way in which employers, schools, tertiary training providers and sector groups treat employees and learners will be critical to the quality of the future workforce. How well the “employment system” as a whole works will significantly influence the choices of employees and learners. There is a clear opportunity to improve overall system effectiveness.

Implementing a new model will not be easy. It will require ongoing commitment from a coalition of the willing. We have been impressed by the willingness of all parties to enter into a new conversation and way of operating. Wairarapa is also fortunate in being able to access highly qualified and capable retired residents who have relocated to the region for lifestyle reasons and who are willing to contribute their skills and expertise.

Early identification of future focus areas

We consider the following areas as worthy of immediate attention:

- **Strengthen primary sector training** – to have Wairarapa people training for Wairarapa jobs (responding to replacement rather than growth) and Wairarapa people replacing lost migrants. There is a need for reskilling and upskilling, as well as entry training
- Strengthen **construction training** – to assist with transport and infrastructure projects that will be funded by Government. Also, to respond to residential building driven by population increase
- Strengthen **business training** at all levels – to help the recovery of small businesses, minimise losses in the manufacturing sector and build new businesses in the added-value food sector
- Develop **health and related services** – continue and potentially expand training to supply health facilities, particularly aged care, and replace loss of immigrant labour in this sector
- Strengthen **technology training** - for application in business and in the delivery of health and education services to remote parts of the region
- Strengthen **tertiary training** in Wairarapa generally – to absorb the inevitable increase in unemployment, to change the unskilled/semi-skilled profile of the area and to use the COVID-19 period to improve skills across the board
- Strengthen **learner support** in the school to learning/work transition and the tertiary learning to work transition to ensure learners have positive experiences.



Possible future scenarios

We propose to address the uncertainty around forecasting by painting a number of scenarios. We will take all of these into account in our overall planning.

We have to characterise the future as well as the past and present. The following scenarios do that:

1. **Rural community with some 'life stylers'** – this scenario essentially targets retention of the current 'shape' of the Wairarapa economy, with continuing reliance on the primary sector and health/aged care sectors. Manufacturing reduces, as large manufacturers choose to either close down or re-locate. There is continued growth in professional services, as people re-locate to the region for lifestyle reasons, working mainly from home, but commuting to Wellington or other major centres as required. The tourism market reverts to being almost exclusively domestic, relying heavily on Wellington weekenders. Some visitor attractions and retail outlets will close down and the hospitality sector will reduce accordingly.
2. **Sophisticated rural/urban community** - this scenario is a step up from the previous scenario in population and economic activity. It suggests that the rural sector has a major role to play in the future of Wairarapa, not necessarily just in its current form but perhaps as a more quality-focused and specialised economy, including production and processing. It might also include development of the Māori economy and comparative advantage in medium volume, high value food products for domestic and export markets. Other aspects of the economy would be as for scenario 1.
3. **Urban-overflow** – this scenario suggests that the real future of Wairarapa is as an urban-based region in a rural setting. The core of economic growth will be in tertiary and some in the quaternary sectors, providing moderate cost lifestyle living experiences. Growth will come from urban industries as an extension of Wellington. The prospects for the hospitality sector (and potentially retail) are stronger, as they are able to take advantage of a growing affluent local community. Current primary sector activities continue but gradually become a less significant contributor to the regional economy and population. Farming is more in the background than the foreground. As in scenario 1, the tourism market reverts to being almost exclusively domestic, relying heavily on Wellington weekenders.
4. **Central Otago lookalike** – this scenario envisages growth of high value urban-styled residential populations (in towns and on lifestyle blocks), employed in technology-related industries, together with a high skilled and specialised service population of crafts people and artisans across a variety of products, from wine to specialty foods. Wairarapa will attract people seeking improved quality of life at an affordable cost – becoming almost an outer suburb of a growing Wellington, especially as public transport improves. The prognosis for the primary and tourism sectors is as for scenario 3.
5. **The Hybrid** – the most likely scenario is a combination of bits of a number of the four scenarios outlined above.

We believe the most likely trend is an increasingly urbanised rural population. That would be semi-rural people with urban expectations, enjoying the semi-rural lifestyle. There would also be significant growth in quaternary occupations - professional people working remotely and being domiciled in Wairarapa for lifestyle reasons. These two groups will dominate the local culture. Things both these groups will have in common are strong lifestyle values, strong environmental values and high expectations of learning and employment

opportunities for their children. Their lifestyle would be dependent on a strong economy which will need skills. The quality of the learning and employment experiences for their young people will be important to them. If those experiences are not present, they will encourage their young people to seek them outside Wairarapa.

Action plan

The workforce plan needs to find a way to align the current and future skills base in the region to the future scenarios.

This is a recommended plan of action for the Regional Skills Leadership Group:

1. Understand the current state

To get a handle on the up-to-date employment situation, future employment prospects and the quality of current vocational education delivery in Wairarapa, we have been engaging with industry sectors and schools.

Industry Sectors

It is essential that industry drives the education system to deliver the skills it needs. The workplans for each key industry in Wairarapa must therefore be generated by representatives of those industries (industry sector groups), so they are grounded and as realistic as possible. This industry-led approach will create buy-in and ownership and is in line with the Reform of Vocational Education.

We recommend a focus on those industries that currently employ over 1,500. These are identified earlier in this paper.

In developing a workforce plan, it is important to also build in capability to address emerging business needs, as well as current ones.

While there are currently only 226 people currently employed in Wairarapa in computer systems design and related services (1.1% of all employees), demand is likely to grow. Given the strategic importance of digital technology and the recent growth, we propose an additional focus on that sector.

The following are the possible industry sector groups, based on our criteria:

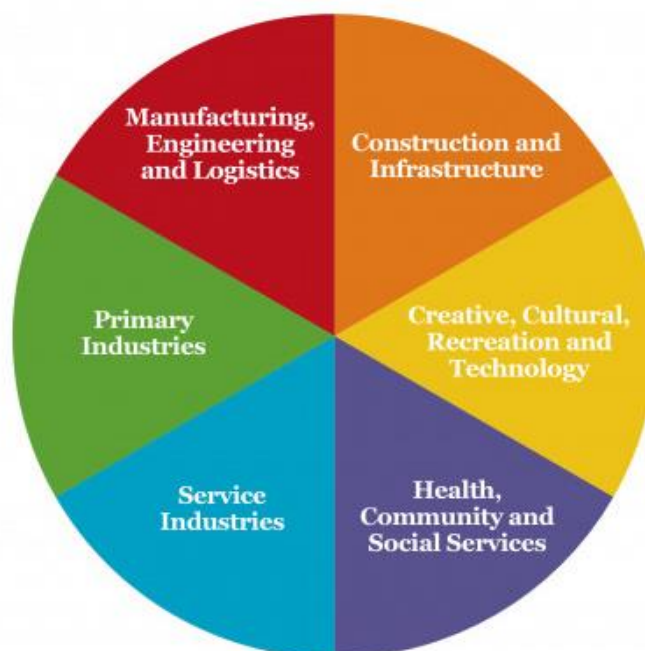
1. Primary industries
2. Construction
3. Manufacturing (including value added food production)
4. Tourism and hospitality (including accommodation)
5. Retail
6. Healthcare and social assistance
7. Education and Training
8. Digital technology

While 'retail' and 'education and training' are major employment sectors, we do not propose establishing sector groups for these. 'Retail' will not be a major growth area and the skill requirements are likely to be similar to tourism and hospitality.

'Education and training' mainly comprises teaching professionals. The Ministry of Education/Teaching Council will be addressing future skill and workforce requirements for the education sector, so we do not think we can add much value or have much influence there.

Similarly, the Ministry of Health's *Health Workforce Advisory Board* will assess public health workforce requirements and so we propose a focus on aged care and other social services.

The strategy outlined in this report supports the Reform of Vocational Education (RoVE) and the Wairarapa sector groups map to the six national Workforce Development Councils proposed under RoVE to advise TEC on skill requirements:



In order to be effective, the groups must focus on the specific subsets that are relevant to Wairarapa. We therefore recommend establishing the following sector groups:

1. Primary industries
2. Construction and infrastructure
3. Manufacturing, Engineering and Logistics – focused on manufacturing (including value added food production.)
4. Cultural, Creative, Recreation and Technology – two groups with the following specific areas of focus:
 - a. tourism and hospitality (including accommodation)
 - b. digital technology
5. Healthcare and social assistance

Note that while the Professional, Scientific and Technical sector is a major source of employment and growth (currently providing 1,300 jobs), this is a very broad category and not a true industry. It is also not

expected to be as severely impacted by COVID-19 as other types of employment. We do not therefore propose to address this as a category through this part of the project.

The primary production and construction sector groups are already established and operating well. The other groups are in the process of being established.

For each industry sector group, it is important to understand the:

- Current employment situation
- Future employment prospects
- Suitability and quality of current vocational education in Wairarapa
- What is needed to support the sector

For the primary industries, the workshop undertaken in January 2109 and the follow up programme of work to establish a replacement for Taratahi has given us a good understanding of the skills requirements.

For the other established sectors below, we have undertaken online surveys to 'take the pulse' on the current state:

1. Construction (and related trades) – distributed through Master Builders, Master Plumbers, Master Electricians, Master Painters, the networks of the sector group representatives, the WEDS Facebook page)
2. Manufacturing (including value added food production) – distributed through Business Wairarapa
3. Tourism and hospitality (including accommodation) - distributed through Destination Wairarapa
4. Healthcare and social assistance – distributed through the New Zealand Aged Care Association

The results for 1,3 and 4 are included in Appendices 3, 4 and 5. Unfortunately the number of responses received for manufacturing were insufficient to be representative. It is recommended that a targeted survey be undertaken once the sector group has been established.

The survey results from the construction sector are already being used to shape the work programme for that sector. The others will provide a good baseline for the other sector groups, once established.

Secondary schools

We have contacted the principals of all of the secondary schools in Wairarapa and have interviewed either the principal or their nominee of all, but Chanel College. We made several attempts to arrange an interview with Chanel, but did not receive a response.

The purpose of the interviews was to understand:

- The schools' views as to the suitability and quality of current vocational education in Wairarapa
- Current engagement between the school, employers and vocational education providers
- Current career related initiatives at the school, e.g. careers advice, work experience, visits to local businesses

In our view, vocational education is generally not high on the agenda. Careers advisers are generally part time roles with no formal training; TEC has put a framework out for careers teachers but there is not much support other than the Careerquest website and CATE (the professional organisation for people working in the fields of career & transition education.)



The main activities being undertaken are STAR/Gateway programmes and the primary sector trades academy. Schools compete for work placements and can struggle to place students as some employers are too busy to engage and others are concerned about health and safety. Apprenticeships are hard to get. There is good engagement with UCOL (UCOL days and Big Day Out), but presentations from businesspeople have generally not worked well, due to either their performance or messaging.

The over-riding impression was that each school is doing its own thing with little professional guidance, relatively low direct engagement with employers and differing levels of effectiveness.

This is not a good situation and speaks to the need to focus on the quality of the school/tertiary/work transition and the support that is available in the passage through it. There is scope for a much more coordinated programme of engagement with industry. This needs to be a key focus of the RSLG.

2. Forecast skill demand

This is effectively a mathematical exercise, which requires judgment calls as to future skill demands, based on the scenarios.

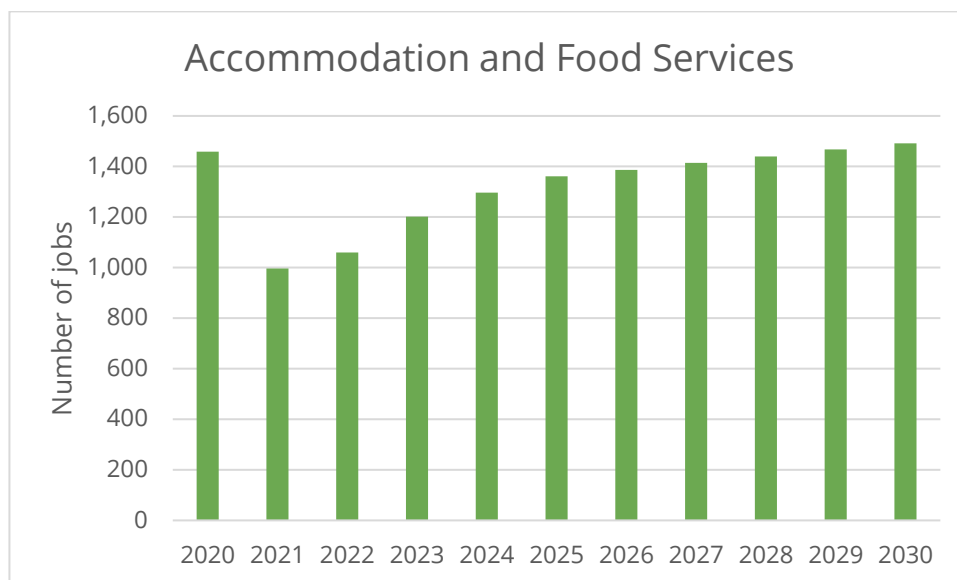
Given the imprecision of the task, we do not recommend producing different employment projections for each scenario. Rather, we propose to develop a most likely base case and then add best and worst cases. This will generate a range of possible skill demand levels by sector.

Taking into account the long term employment trends for Wairarapa that were evident pre-COVID 19 and the impact of COVID-19, and the latest Infometrics projections, we have forecast - for ratification by the sector groups - the employment levels for five and ten years from now for the main employing sectors.

Our assessment of the base case for ratification is as follows:

1. Accommodation and Food Services (proxy for Tourism and Hospitality)

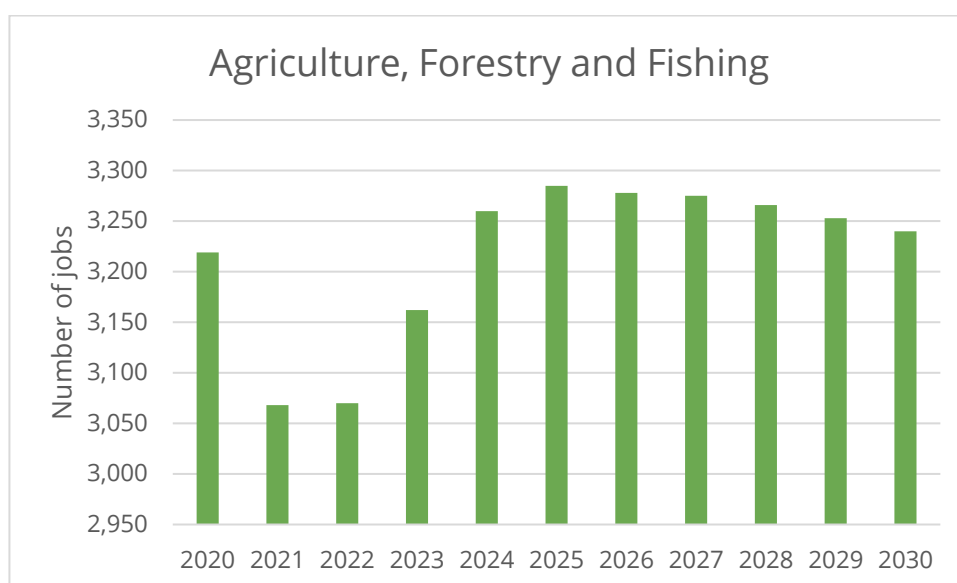
Infometrics projection



A significant loss of 462 jobs is forecast in 2021, with growth coming back immediately thereafter. 2020 employment levels are only reached again in 2029.

2. Agriculture, Forestry and Fishing (Primary industries)

Infometrics projection

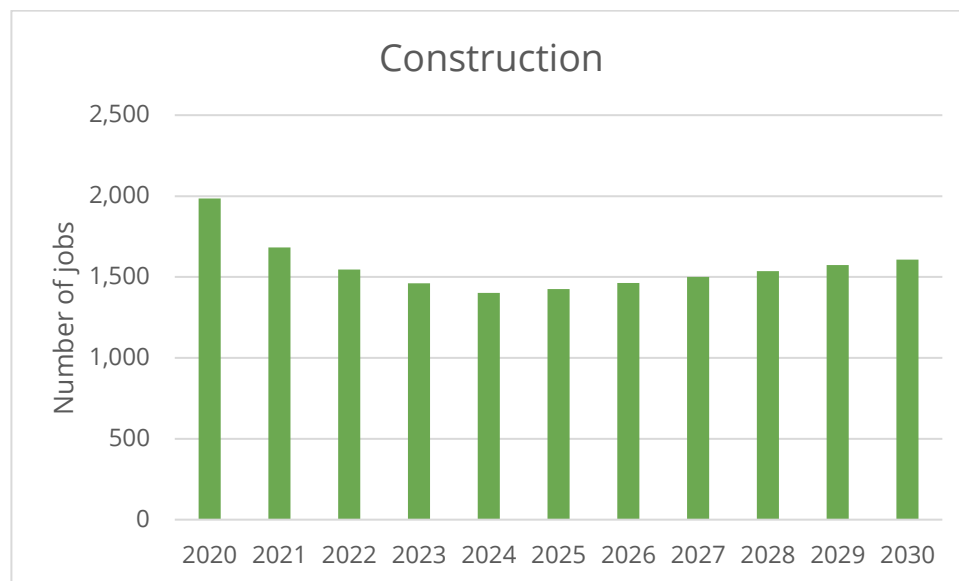




151 jobs are expected to be lost in 2021, with strong bounceback in 2023/2024 to exceed current employment levels, before dropping back again. This needs further consideration by the primary industries group. It is likely that there will be some shortages in the short term in tractor driving and picking, which are normally reliant on immigrant labour.

3. Construction

Infometrics projection

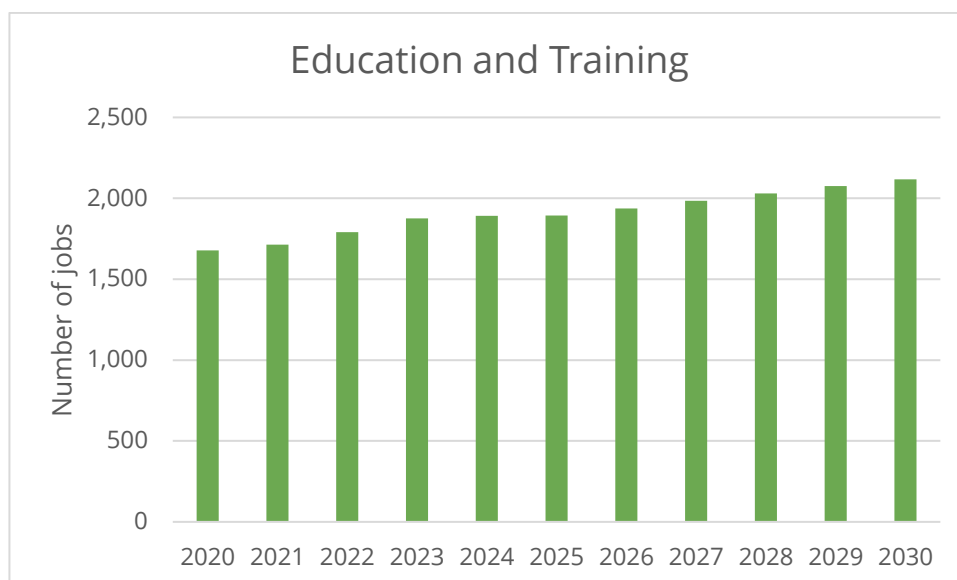


These forecasts indicate that (in percentage terms) the construction sector will be hardest hit over the coming five years with a steady reduction in employment.

This picture differs markedly from the views of our sector group and the construction sector survey (in which only 10% of people thought the number of jobs would reduce over this period). The construction leadership group is currently assessing what a realistic forecast will be. The current pipeline is strong.

4. Education and Training

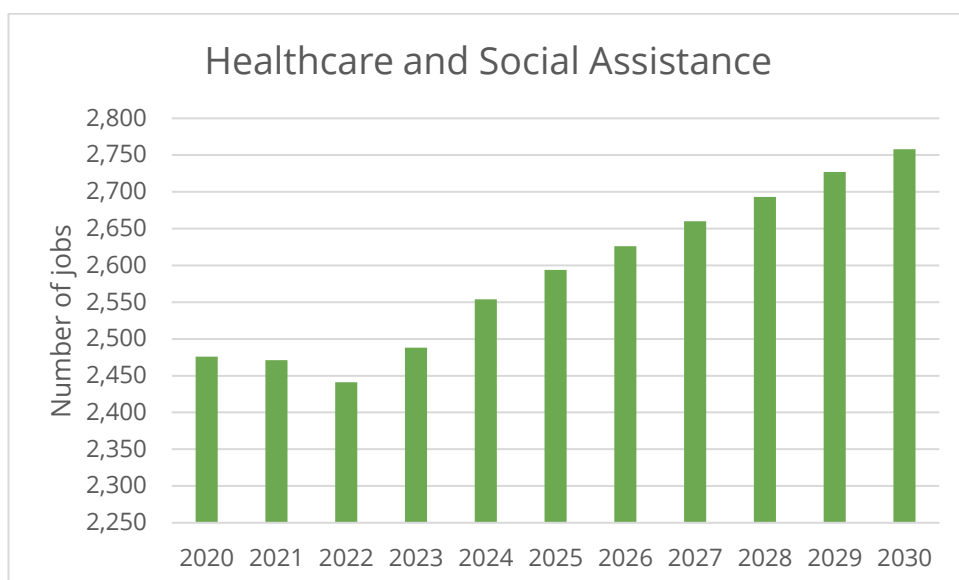
Infometrics projection



This is the only sector which is forecast to have steady growth over the next ten years.

5. Healthcare and Social Assistance

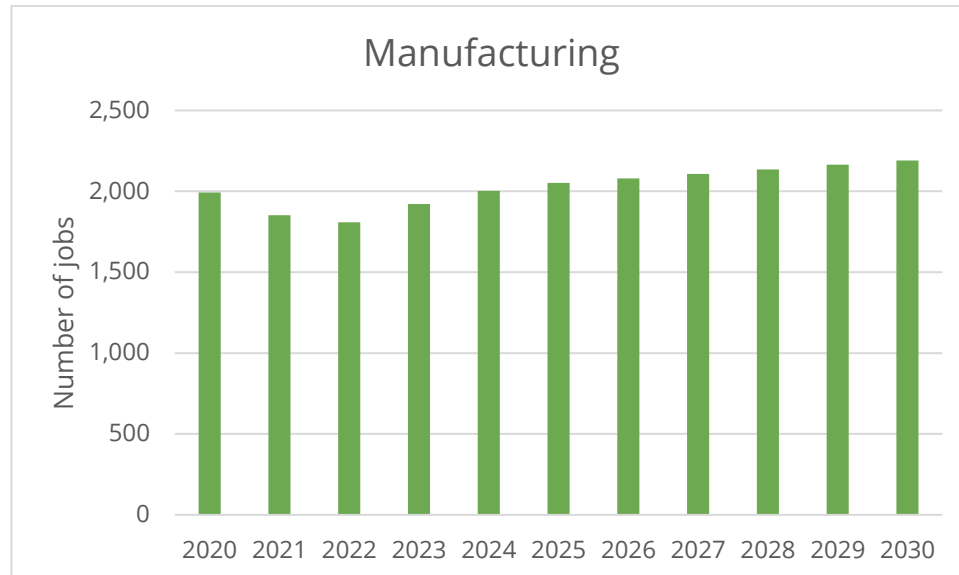
Infometrics projection



A short term contraction is forecast in 2022, with steady growth thereafter. It is not clear what is driving the reduction in 2022.

6. Manufacturing

Infometrics projection



COVID is, not surprisingly, expected to have an impact in 2021 and 22, with growth thereafter – with employment returning to 2020 levels in 2024.

7. Retail

Infometrics projection



A loss of 273 jobs is forecast in 2021 and a further loss of 41 jobs in 2022. There is strong growth back to current employment levels by 2025, with very small reductions year on year thereafter.

Summary

We have included the relevant figures on the chart on the following page (key industries highlighted in yellow).

The key points to be addressed are:

- How will we find suitable roles for people with accommodation and food services/retail skills through the coming five year period, during which the outlook for these sectors is bleak?
- Is the projection of 151 job losses over the coming year in the primary sector realistic and if so, what roles will these be? How can we gear up again to meet the increased employment requirements in 2023/24? What will these roles be?
- Do we believe the construction forecasts, which project job losses through to 2025? If so, how does this impact on our messaging to secondary school students who are considering the trades?
- Is the reduction in healthcare and social assistance jobs which is expected in 2022 realistic? What would drive that?
- How will we find suitable roles for the 184 people in the manufacturing sector that are expected to lose their jobs over the coming two years?

These are questions for the industry sector groups to address.

Employment projections (base case from Infometrics)

	2009-2019		2018-2019		2019		2020	2020-2025		2025	2025-2030		2030
Industry	Change No.	Annual Growth	Change No.	Annual Growth	Level	Share of total	Level	Change No.	Change %	Level	Change No.	Change %	Level
Accommodation and Food Services	200	1.40%	40	2.80%	1,500	7.30%	1,459	-98	-7%	1,361	130	10%	1,491
Administrative and Support Services	-60	-1.20%	-16	-3.20%	479	2.30%							
Agriculture, Forestry and Fishing	47	0.10%	-68	-2.10%	3,210	15.60%	3,219	66	2%	3,285	-45	-1%	3,240
Arts and Recreation Services	52	2.20%	-2	-0.70%	266	1.30%							
Construction	28	0.10%	178	10.20%	1,920	9.30%	1,985	-559	-28%	1,426	182	13%	1,608
Education and Training	202	1.30%	7	0.40%	1,662	8.10%	1,679	214	13%	1,893	224	12%	2,117
Electricity, Gas, Water and Waste Services	140	16.40%	31	21.40%	179	0.90%							
Financial and Insurance Services	-81	-3.20%	-2	-1.10%	209	1.00%							
Health Care and Social Assistance	465	2.10%	93	3.90%	2,454	11.90%	2,476	118	5%	2,594	164	6%	2,758
Information Media and Telecommunications	-28	-1.50%	-6	-3.40%	166	0.80%							
Manufacturing	8	0.00%	12	0.60%	1,989	9.70%	1,992	59	3%	2,051	139	7%	2,190
Mining	28	7.90%	23	74.90%	54	0.30%							
Other Services	123	1.60%	39	4.80%	841	4.10%							
Professional, Scientific and Technical Services	336	3.00%	40	3.10%	1,322	6.40%							
Public Administration and Safety	28	0.50%	11	1.90%	595	2.90%							
Rental, Hiring and Real Estate Services	-58	-1.10%	8	1.80%	475	2.30%							
Retail Trade	-108	-0.50%	8	0.40%	2,082	10.10%	2,074	6	0%	2,080	-19	-1%	2,061
Transport, Postal and Warehousing	-69	-1.30%	19	3.80%	510	2.50%							
Wholesale Trade	78	1.30%	5	0.90%	624	3.00%							
Owner-Occupied Property Operation	0		0		0	0.00%							
Unallocated	0		0		0	0.00%							
Total	1,331	0.70%	419	2.10%	20,536	100%							

In addition to validating the five and ten year forecasts and producing best and worst case scenarios, the sector groups should also consider estimates for each of the next five years, as there is likely to be an immediate period of contraction in most sectors.

Each group should also attempt to break down the figures by occupation to identify potential skill requirements, e.g.:

1. Primary industries
 - Farmers and farm managers
 - Skilled animal and horticultural workers
 - Farm, forestry and garden workers
 - Mobile plant operators
2. Construction
 - Construction trades workers
 - Mobile plant operators
 - Labourers
 - Store persons
3. Manufacturing (including value added food production)
 - Factory process workers
 - Machine and stationery plant operators
 - Store persons
 - Mobile plant operators
4. Tourism and hospitality (including accommodation)
 - Hospitality, retail and service managers
 - Hospitality workers
 - Food trades workers
 - Food preparation assistants
5. Retail
 - Hospitality, retail and service managers
 - Sales assistants and salespersons
 - Sales support workers
 - Store persons
6. Healthcare and social assistance
 - Health professionals
 - Health and welfare support workers
 - Carers and aides
 - Enquiry clerks and receptionists
 - Other clerical and administrative workers
7. Education and training
 - Education professionals
 - Clerical and office support workers
8. Digital Technology
 - ICT Professionals



The results of this exercise will be:

1. An estimate of the possible job losses in key sectors (with a focus on the post COVID-19 shock).
2. An estimate of the skill demands in key growth areas over time.

3. Ensure appropriate training is available

Based on the results from the industry survey, industry knowledge, and engagement with the wider sector, the industry sector groups should engage with the local vocational education providers - Polytechnics and ITOs in the short term, which will be combined into a local campus of the New Zealand Institute of Skills and Technology (NZIST) in the longer term - to ensure that appropriate training options are available. This work is already well advanced in the primary sector and discussions are just commencing in the construction sector.

In addition to engaging with the local vocational education providers, the industry sector groups will also need to engage with the relevant Workforce Development Council and (where there is one) the Centre of Vocational Excellence for their sector. Under the Reform of Vocational Education, there will be a gradual transition to national curricula, which will mean that it will be very hard to influence change through the local campus; it will occur via the Workforce Development Council through TEC to the NZIST.

Once the Reforms are fully operational, the role of the regional industry sector groups will be more focused on demand forecasting, supply availability and ensuring the quality of local delivery of the national curriculum.

The objective is to create an integrated continuum of lifelong learning. There are four parts to the training that is required:

- Work readiness
- Entry level training
- Mid-career upskilling
- Mid-career reskilling

Work readiness

It is easy to focus on hard skills and ignore the need to prepare young people for the world of work. This means a focus on soft elements such as punctuality, reliability, conscientiousness, teamwork, communication and presentation. This applies to all students, not just those not currently engaged in education, employment or training (NEETs).

Entry level training

It is important to ensure that high quality training is accessible in the Wairarapa which will develop the skills required to support the identified key industry sectors.

It will be important to ensure the training:

1. Is in line with current industry practice and trends (e.g. the latest technology and materials, environmental sustainability)
2. Covers all of the required skills (e.g. including soft skills, business management)

3. Is of the highest standard

Mid-career upskilling

It is important not to neglect that learning should be lifelong. It should not stop once you are in employment.

The primary sector skills group in Wairarapa has already recognised that there is a need for upskilling of mid-career farmers in some areas, e.g. soft skills, environmental sustainability and financial literacy. The construction sector group has also identified the need for soft skills, project and business management,

Each industry sector group should be required to identify potential upskilling requirements, and work with local vocational education providers to ensure that suitable courses/micro-credentials are available.

Mid-career reskilling

There has been a lot of talk over recent years about the changing nature of work and that some of the roles that people are currently performing will be overtaken by technology and artificial intelligence. Despite this, there is little evidence of action.

Each industry sector group will need to address the roles they believe may be at risk in their industry over the coming ten years. Once this exercise has been completed, the skills associated with each job should be assessed and a range of potential re-training opportunities identified in industries where there are expected to be continuing employment opportunities.

Each industry sector group should work with local vocational education providers to ensure that suitable courses/micro-credentials are available to be deployed at the appropriate opportunity (realistically this is likely to be as part of outplacement support that would include also including counselling, career advice, c.v. preparation and interview skills training).

There is an urgent need to address the expected job losses from COVID-19. These are most likely to be in:

- Accommodation and Food Services
- Retail
- Construction

Each person who loses their job will have individual skills and abilities. There is no 'one size fits all' approach. There is therefore a need for a 'skills hub' to include the following:

- 'Navigators', who will work with individuals to identify their skills and aspirations
- A database of potential employment opportunities from local employers, which navigators can 'match' people to (there is likely to be demand for fruit pickers for example and potential for civil construction)

We understand that this service is to be delivered by MSD through their employment centres. It will be essential for sector groups to work in partnership with them to avoid duplication.

The navigators should identify potential areas for micro-credentials to assist people to re-skill so that they can transfer between industries. They should engage with the local vocational training providers to ensure that appropriate micro-credentials are available.



In some cases, people may choose to switch to a different vocation (e.g. a trade) and the navigator would be able to broker this (ideally through an apprenticeship) as this would enable earning whilst learning).

While COVID-19 has created urgency around the need for a 'skills hub', there will be an ongoing need for this, as the nature of work continues to change over time.

4. Build the pipeline

In parallel to the above, the industry groups should start to build the pipeline of skills to match expected demand for the industry sectors that are forecast to grow.

We recommend that industry sector groups work with vocational education providers to develop a coordinated programme of engagement with secondary schools to:

- Promote their industries
- Promote the relevant training options
- Ensure that the school to learning and work transition is a good experience for learners.

This will require:

- Working with schools to ensure that careers advisers (and students) are aware of the future skills landscape
- Making secondary school students aware of the career opportunities where there are future skill requirements
- Working with local vocational education providers to raise awareness of their courses amongst Wairarapa secondary school students to encourage them to stay in the region

This programme should cover all of the key sectors and include:

- A central placement service for the STAR and Gateway programmes for each sector – to avoid schools competing for placements with the same employers
- An ongoing coordinated programme of activities operated in partnership between employers and vocational education providers (with appropriate coaching of the employers who front the engagement with students). This should inspire the students to make appropriate career choices and, at the same time, make them aware of the relevant vocational training options that are available.

The information currently available from TEC can be used to identify whether current enrolment numbers are adequate to meet expected demand. The TEC database can also be used to track whether students' choices of qualification and tertiary provider are changing over time in response to the implementation of this workforce plan.

5. Ensure the quality of school/tertiary/work transition

The need for learners and employees to have a good experience through this transition has been highlighted. All parts of the transition need to be well presented and managed. It is a case of the system being as good as its weakest link.

Each of these links of this chain are separate and independent agencies or organisations that set their own direction and agenda. This makes active collaboration to a common programme of action essential. It is to be hoped that this Wairarapa Workforce Plan will provide that programme.

6. Maintain a focus on NEETs

Wairarapa is committed to ensuring that those who have been disadvantaged have the opportunity to become work-ready

There is an ongoing need to continue to reduce the numbers of people who are not engaged in education, employment or training (NEETs). Continued investment in, and expansion of, the YETE programme and other similar initiatives will be essential.

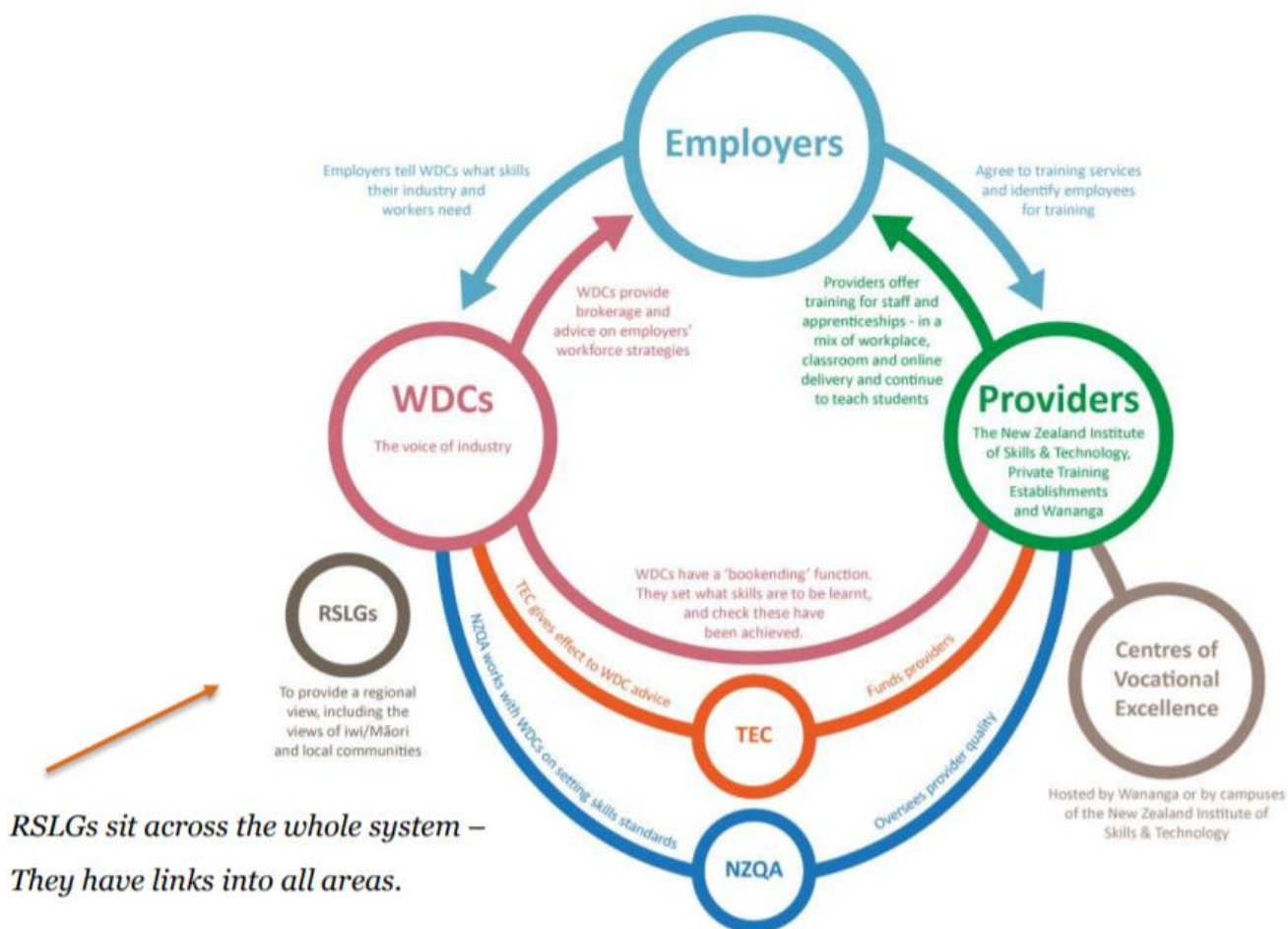
This work will need to be co-ordinated with the other activities.

The system framework and linkages

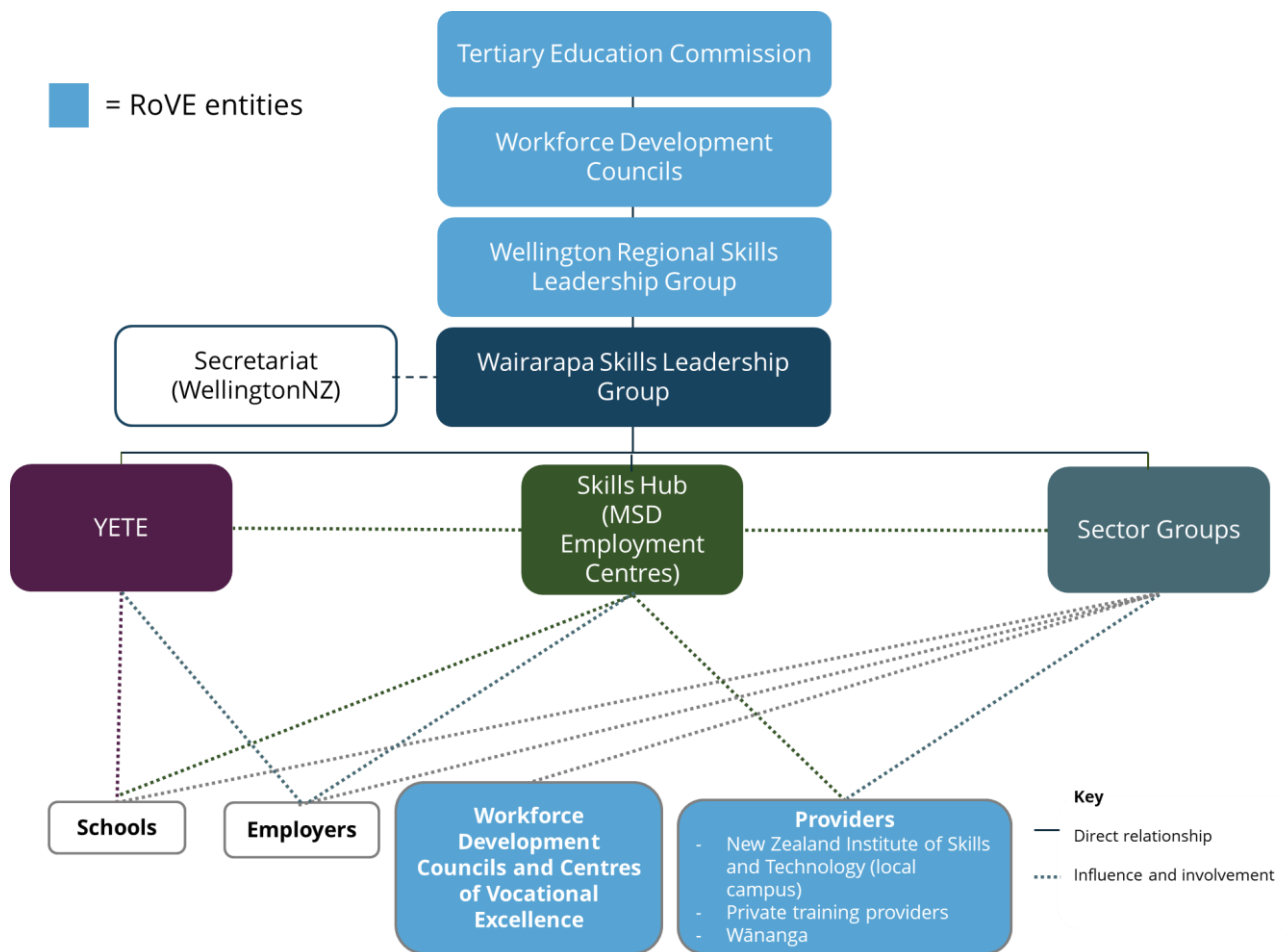
In order to be effective, this workforce plan requires efficient and effective linkages and active ongoing engagement between employers, secondary schools, and tertiary education providers.

The proposed interviews with all parties will be a litmus test as to the effectiveness of the current system and what changes, if any, are required.

The national vocational education framework is set out below:



The following supporting framework is recommended for Wairarapa:



For the system to work effectively, it must be driven by industry (the sector groups) and there must be regular engagement and communication across the system. If this is done effectively, the following outcomes will be achieved:

- Industry sectors, secondary schools and vocational education providers will have a clear and consistent picture of the future skill requirements for Wairarapa
- Secondary school students will be aware of the potential employment opportunities in the Wairarapa and the vocational education options that will enable them to transition to them
- Where possible, appropriate high quality vocational education options will be available in Wairarapa, Palmerston North or Wellington (or through other institutions via remote online learning)
- Lifelong learning career options will be available for all employees
- Those looking for employment will be able to access a navigator at the Skills Hub who will work with them to consider existing employment opportunities posted with the hub and also possible re-training options to make them more employable.
- The number of NEETS will reduce
- As far as possible, there will be a match between regional skill demand and supply
- Where this is not possible, this will be evident early, so that alternative strategies such as immigration settings can be properly considered.

Next steps

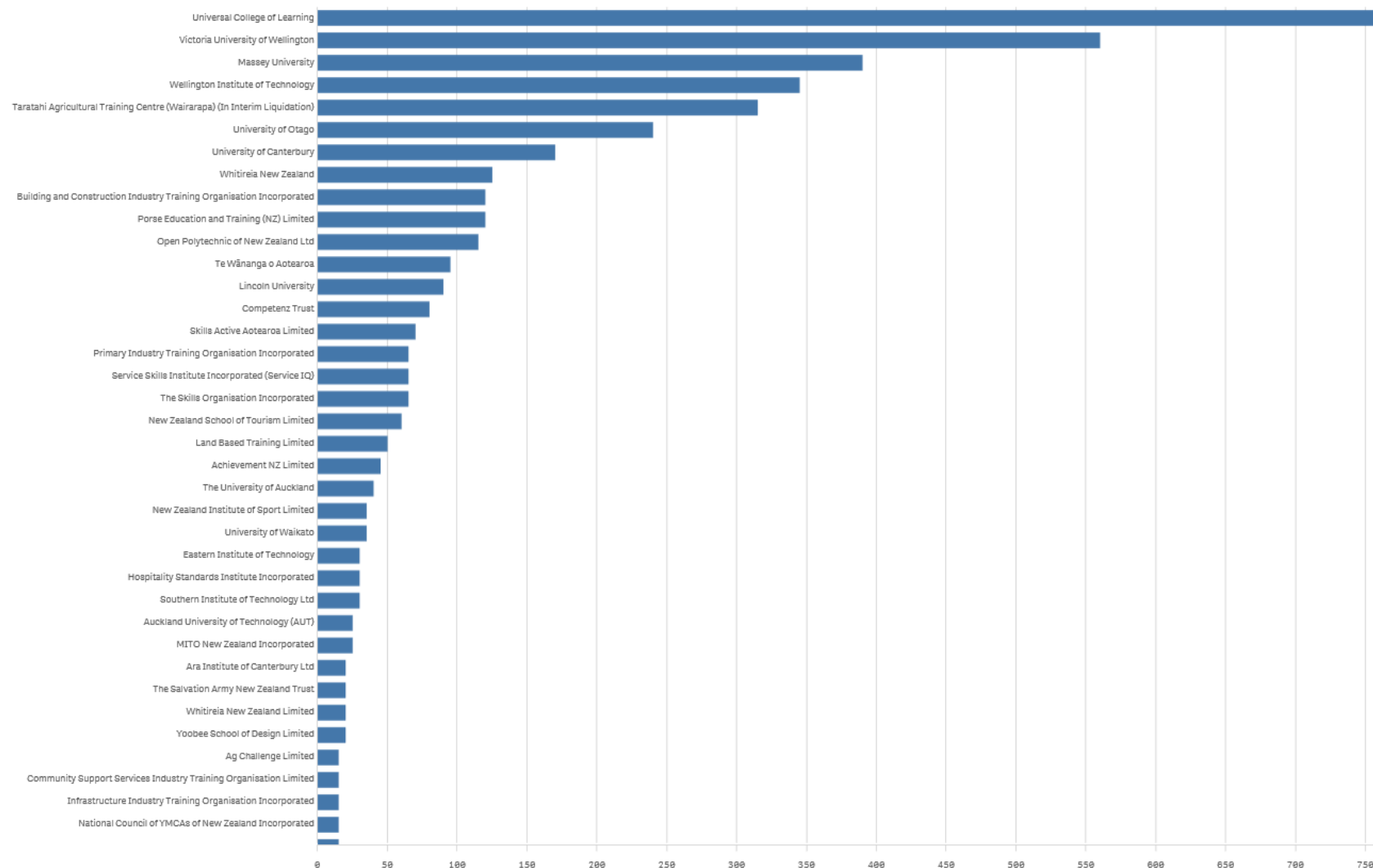
A number of the actions recommended in this plan are underway, particularly in the primary and construction sectors, for which industry sector groups are already in operation.

The next steps are:

1. Secure ongoing resources to support the work programme (support of the industry sector groups is essential, but resource hungry)
2. Establish the remaining industry sector groups:
 - a. Manufacturing, Engineering and Logistics – focused on manufacturing (including value added food production.)
 - b. Cultural, Creative, Recreation and Technology – two groups with the following specific areas of focus:
 - i. tourism and hospitality (including accommodation)
 - ii. digital technology
 - c. Healthcare and social assistance
3. Manufacturing sector group to undertake an industry survey for their sector
4. All industry sector groups to confirm job projections
5. Industry sector groups to engage with vocational education providers re training provision
6. Develop a coordinated engagement programme with secondary schools to build the pipeline (to meet projected skill requirements)
7. Engage with MSD to link the industry sector groups into the 'skills hub'/employment centre

Appendix 1: Which Tertiary Education Organisations Wairarapa school-leavers go to

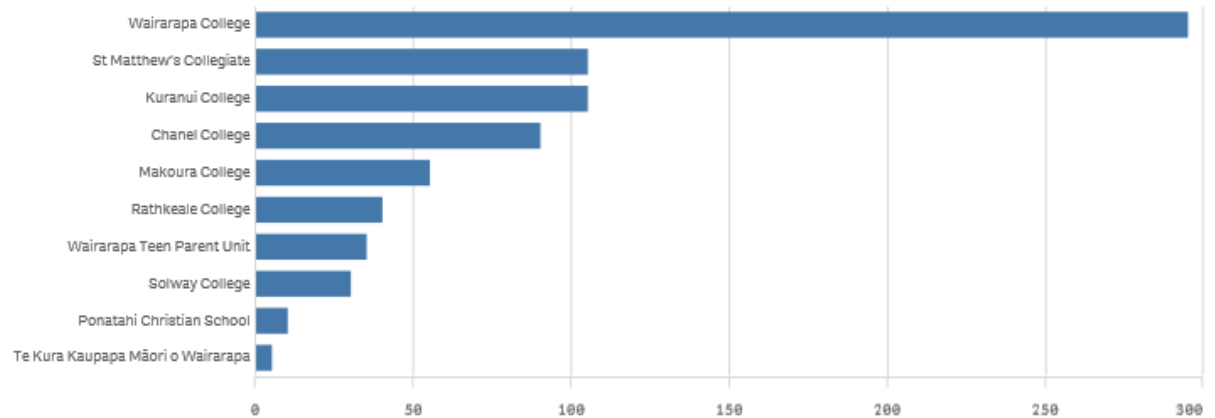
Number of enrolments by TEO



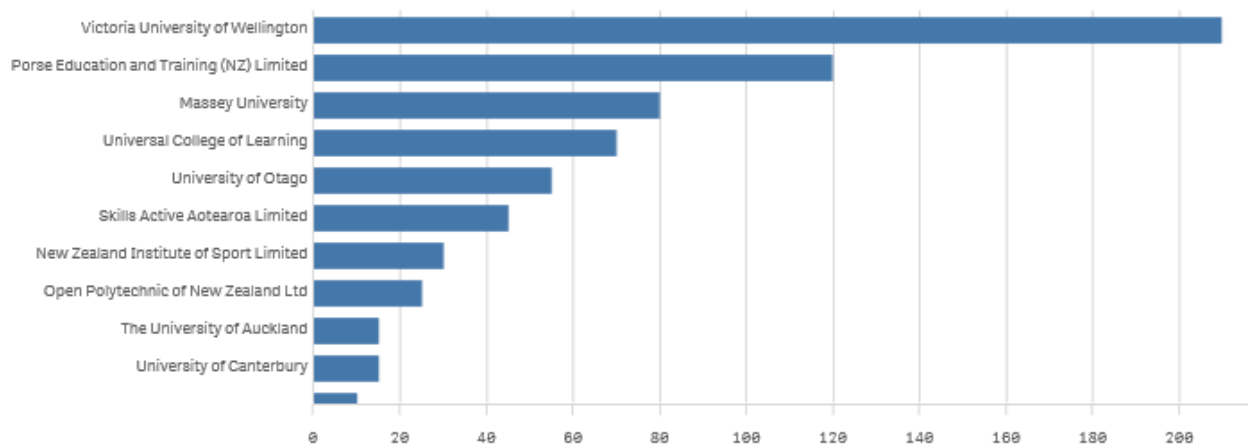
Appendix 2: The main Tertiary Education Organisations chosen for each qualification and by school

Society and Culture

Number of school leavers by school



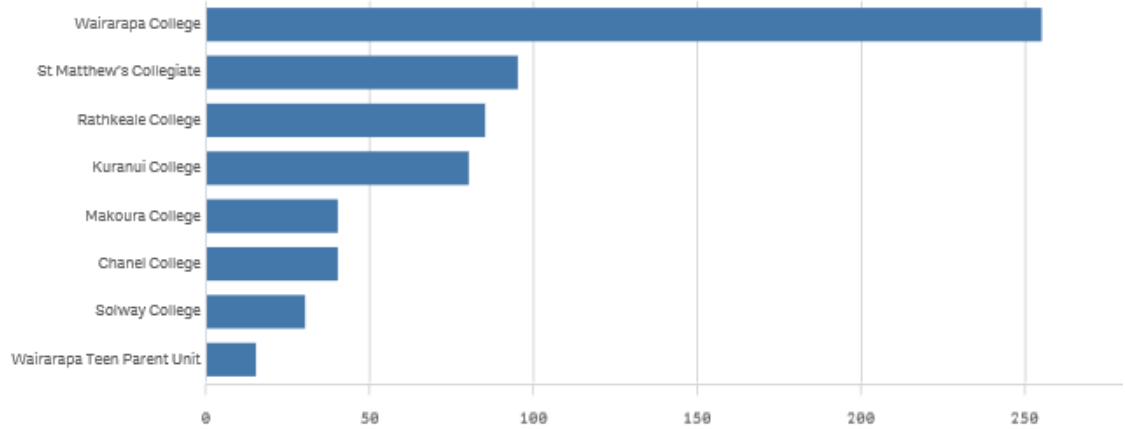
Number of enrolments by TEO



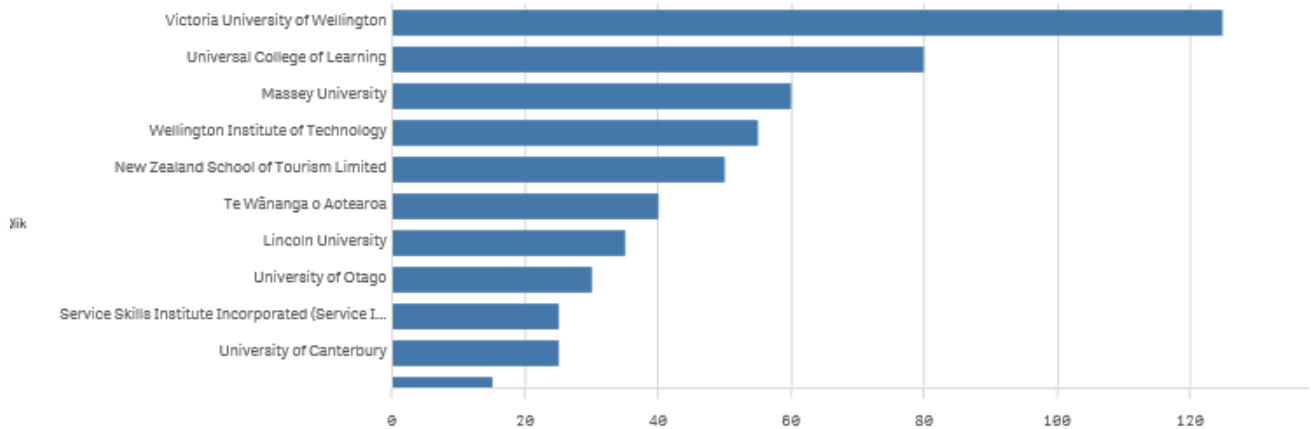


Management and Commerce

Number of school leavers by school

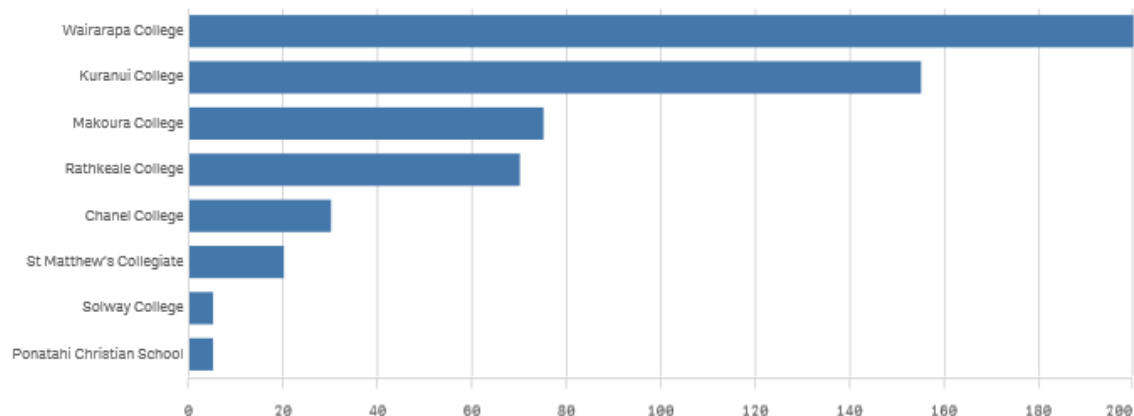


Number of enrolments by TEO

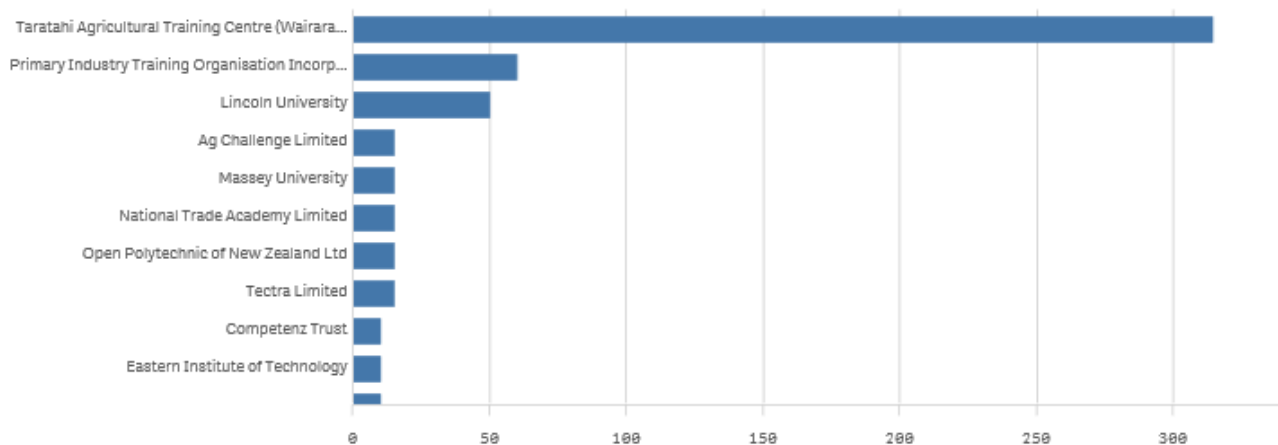


Agriculture, environmental and related studies

Number of school leavers by school



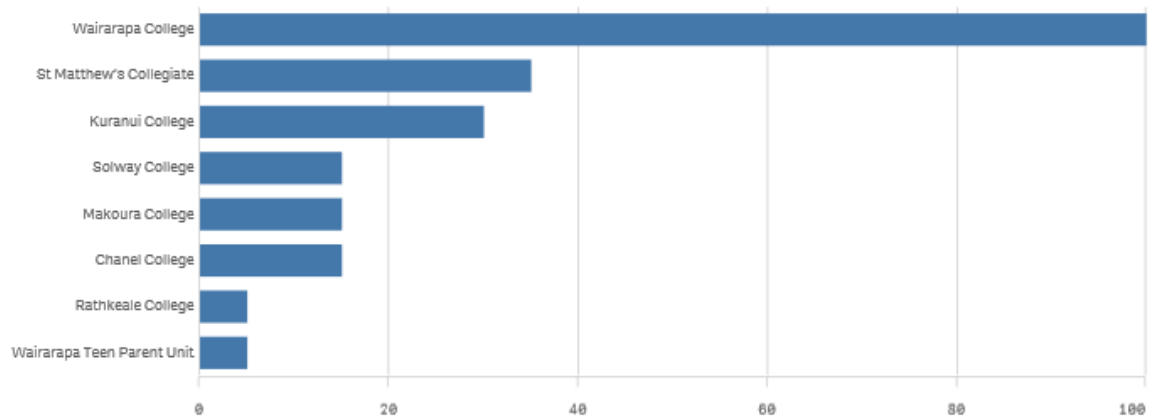
Number of enrolments by TEO



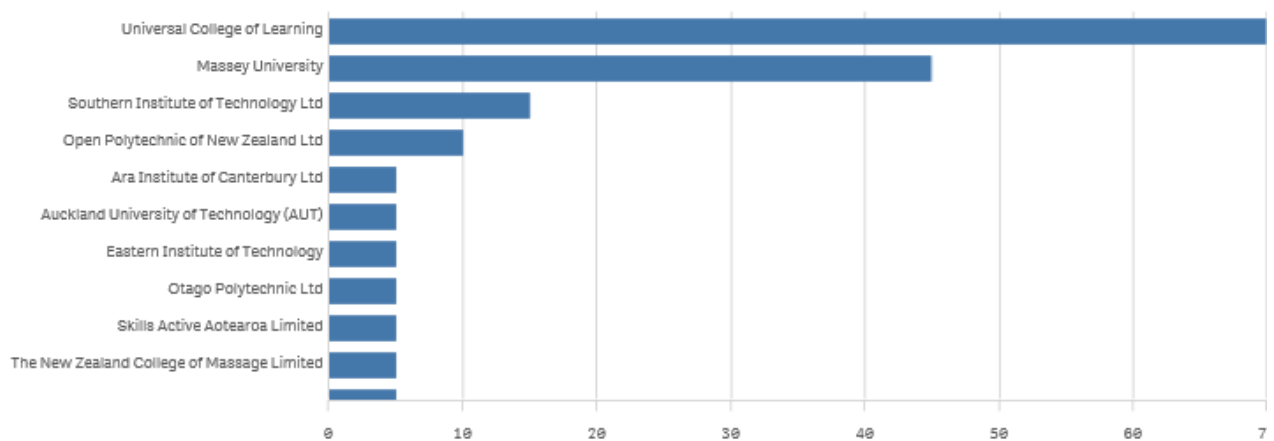


Health

Number of school leavers by school

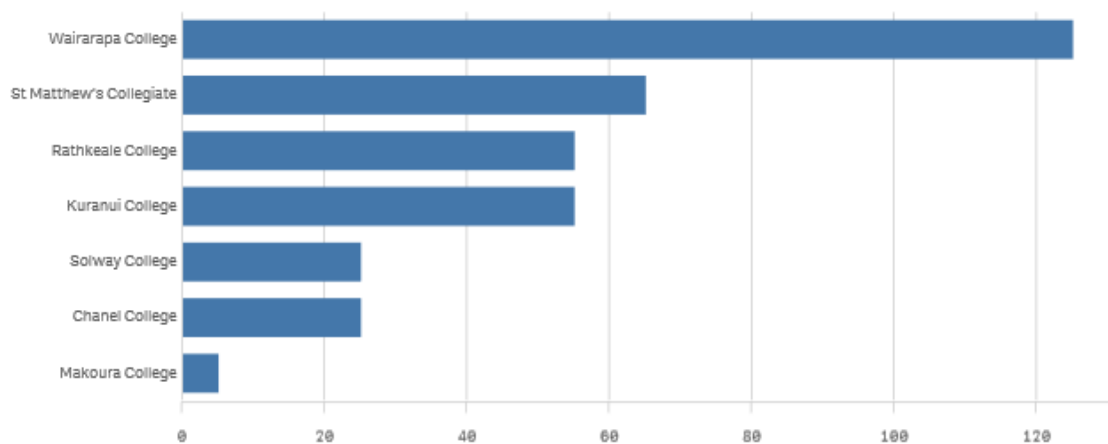


Number of enrolments by TEO

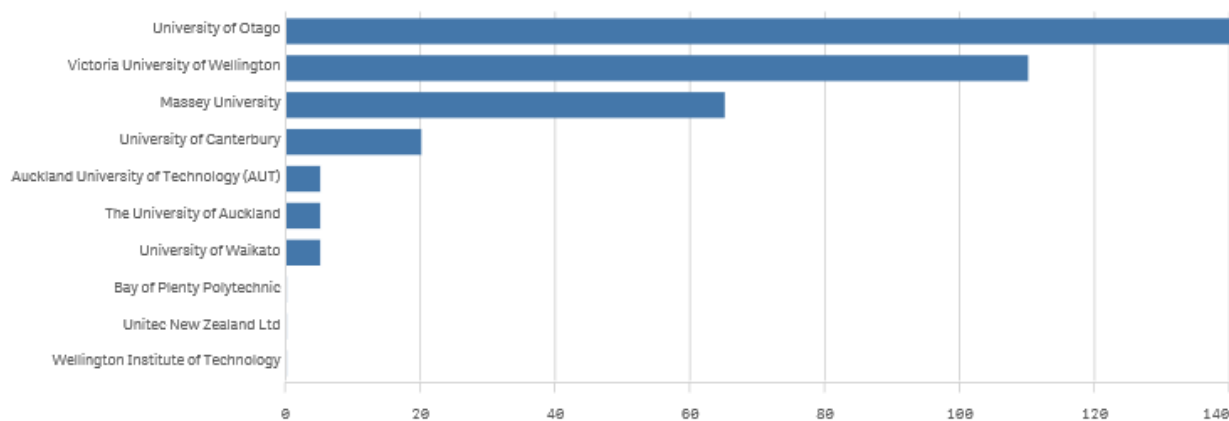


Natural and Physical Sciences

Number of school leavers by school



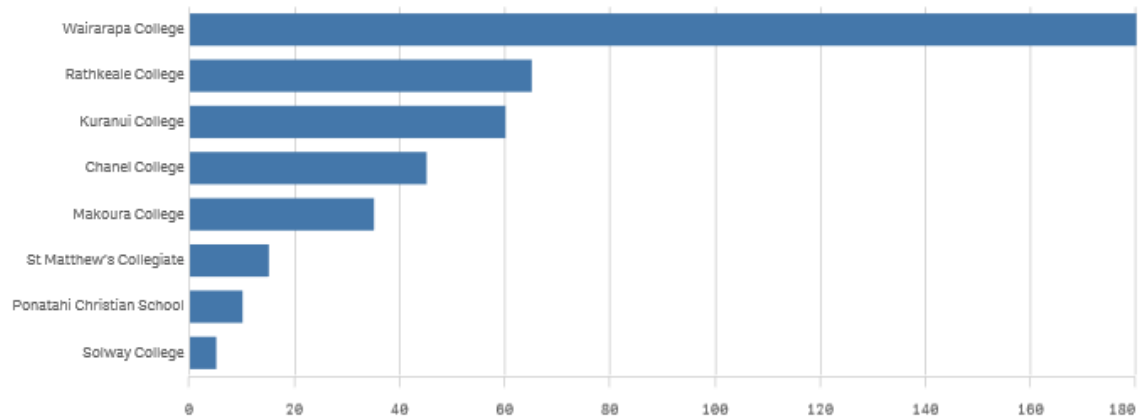
Number of enrolments by TEO



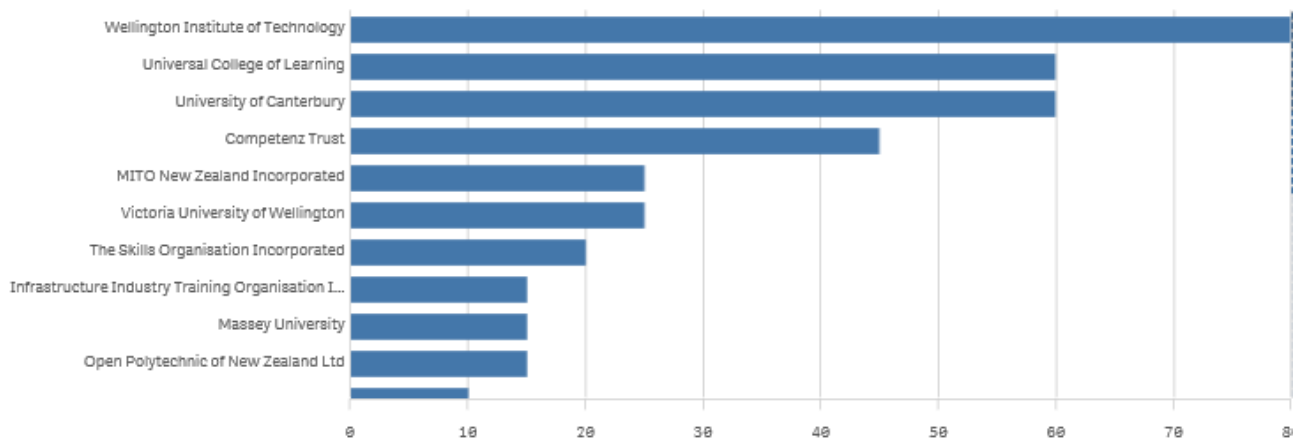


Engineering and related technologies

Number of school leavers by school

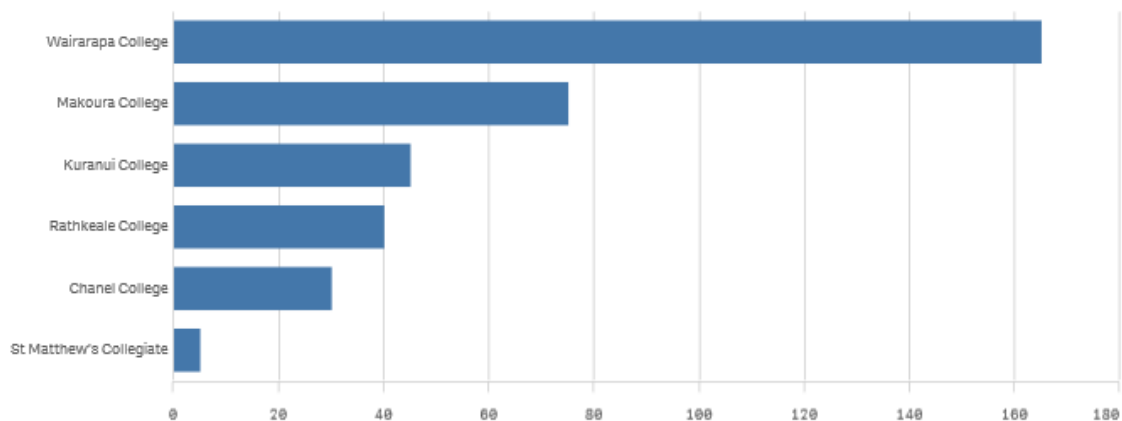


Number of enrolments by TEO

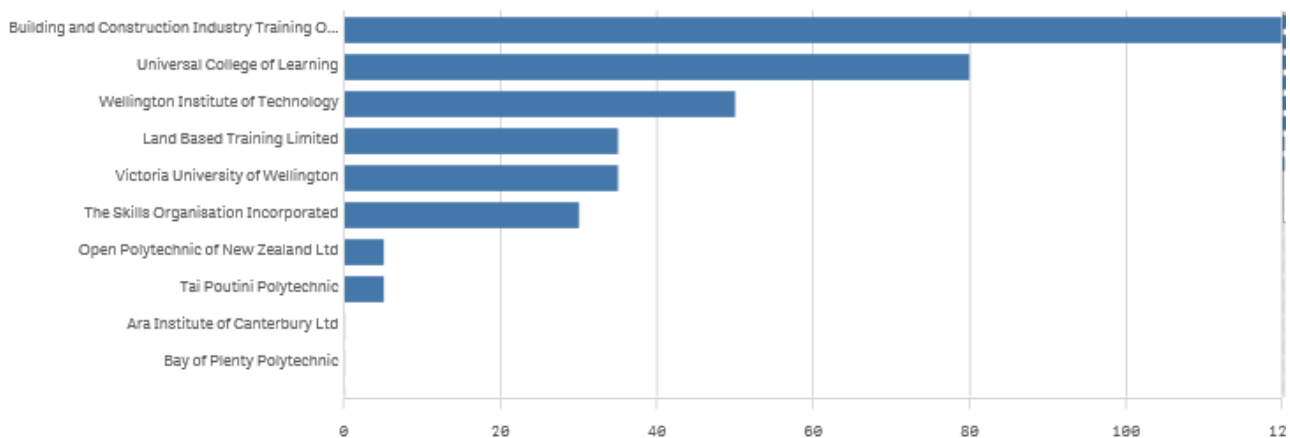


Architecture and building

Number of school leavers by school



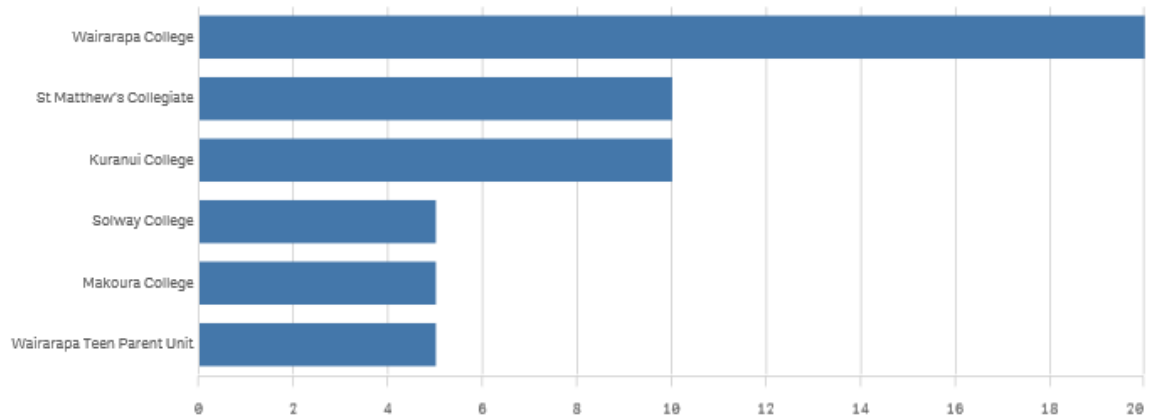
Number of enrolments by TEO



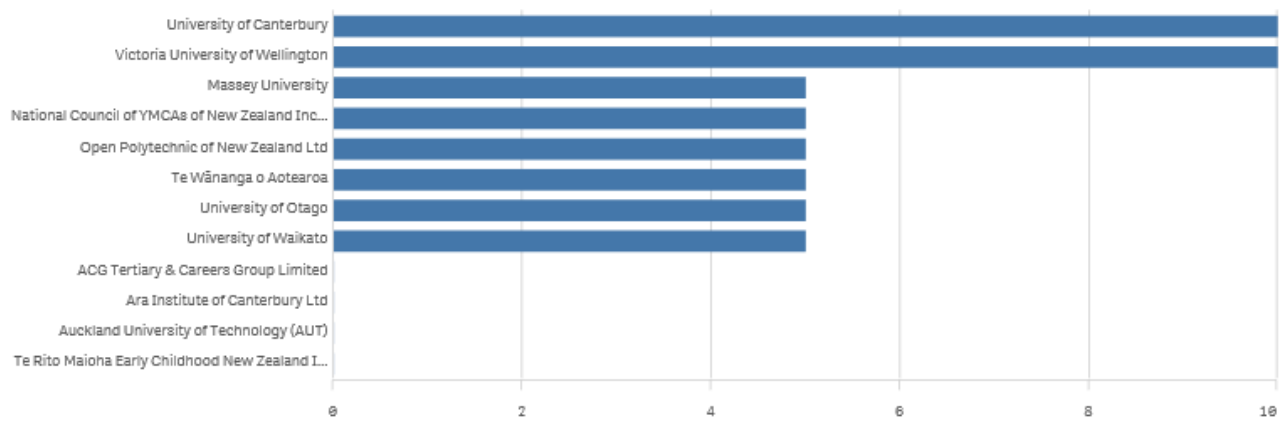


Education

Number of school leavers by school

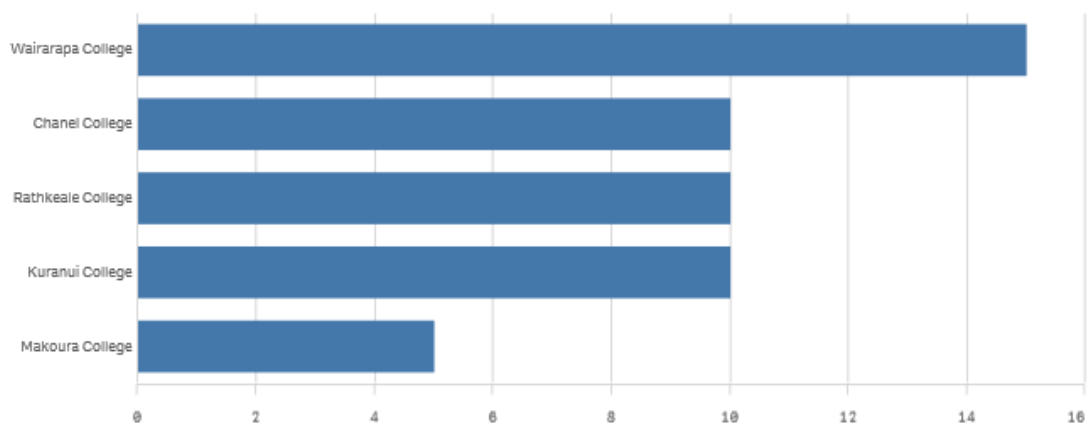


Number of enrolments by TEO

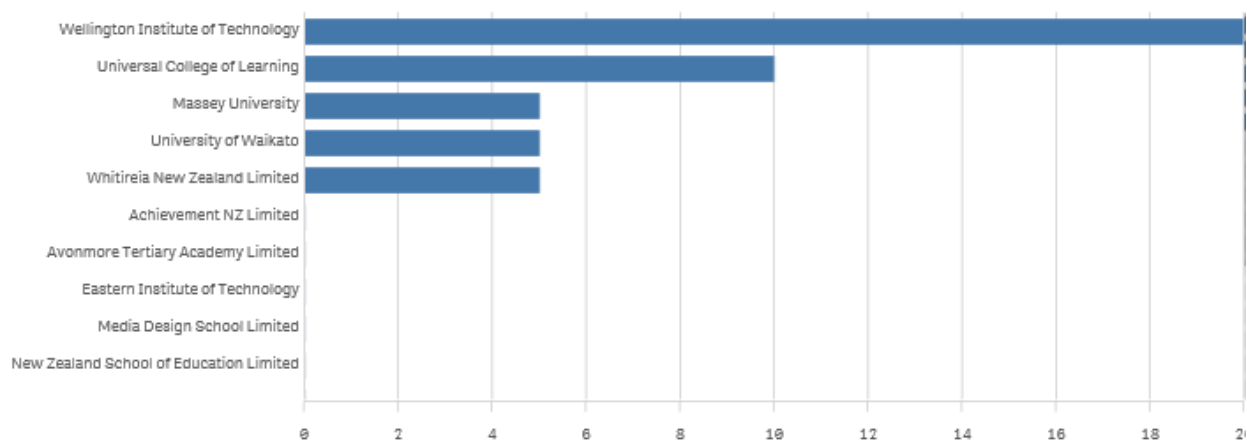


Information technology

Number of school leavers by school



Number of enrolments by TEO





Appendix 3: Construction Sector Survey Results

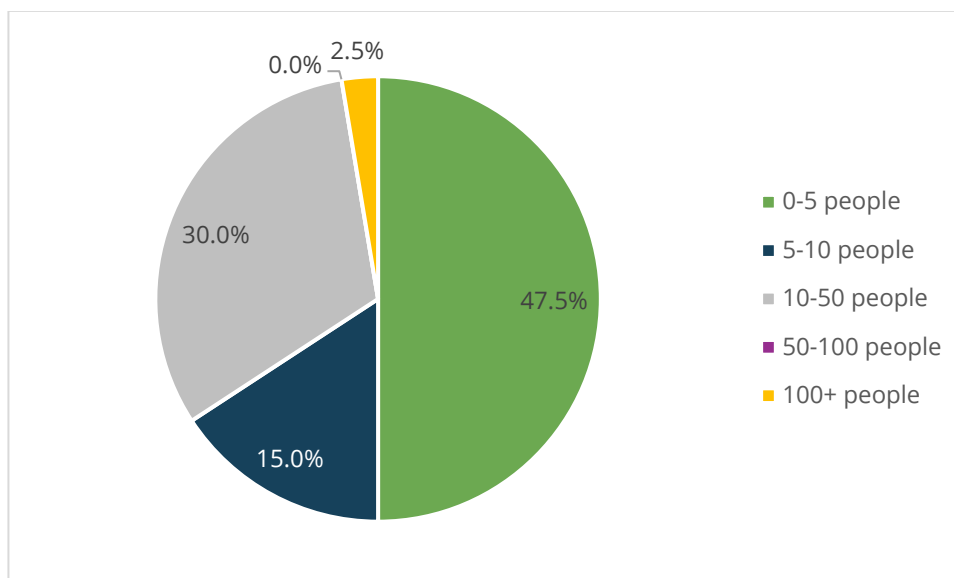
Number of responses

33 people completed the online survey.

An additional eight people (mainly involved in residential construction) completed the survey in hard copy format.

Size of business

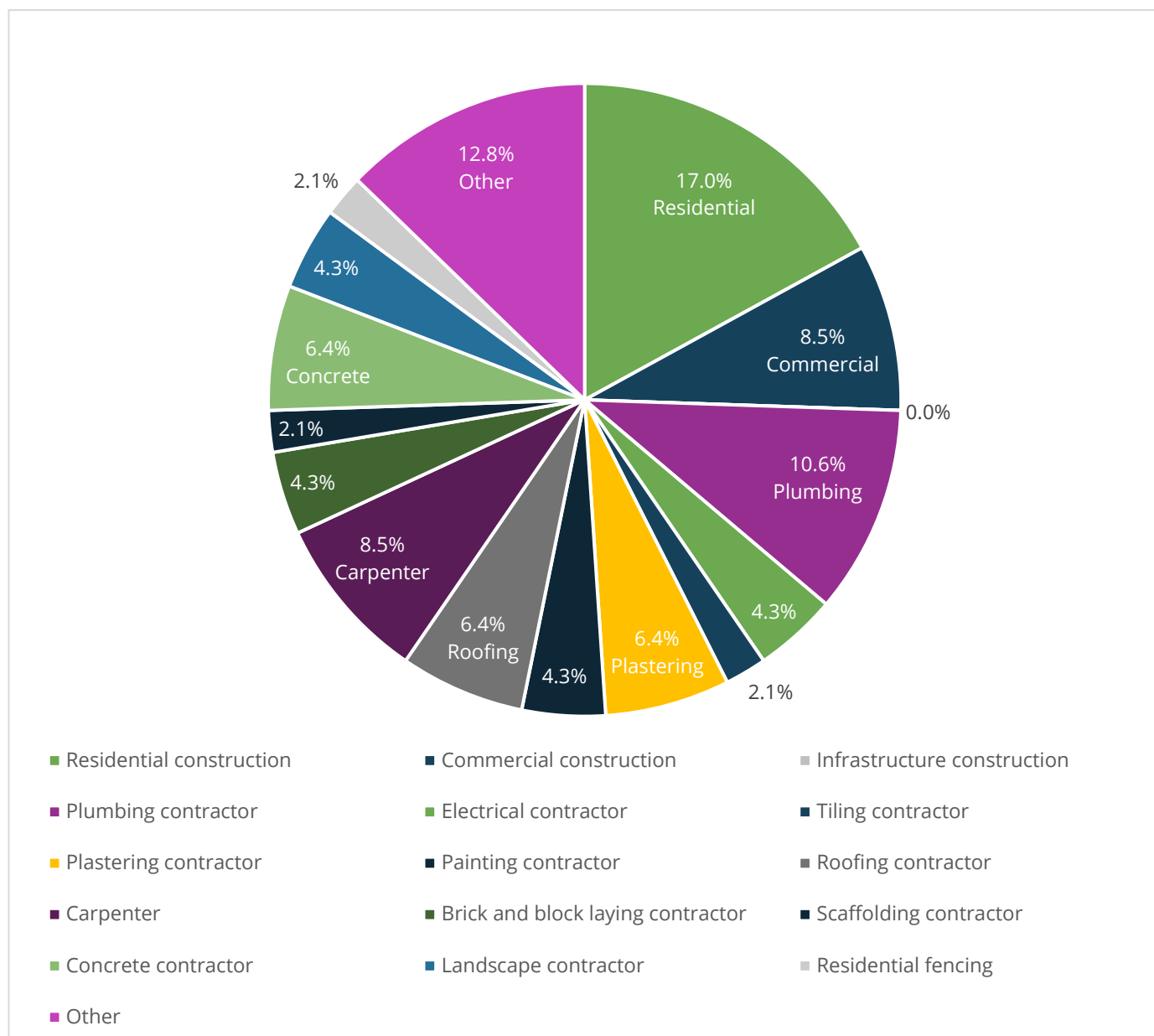
There was a good spread of businesses of different sizes



Type of business

A wide range of respondents, but mainly residential. No infrastructure construction companies completed the survey.

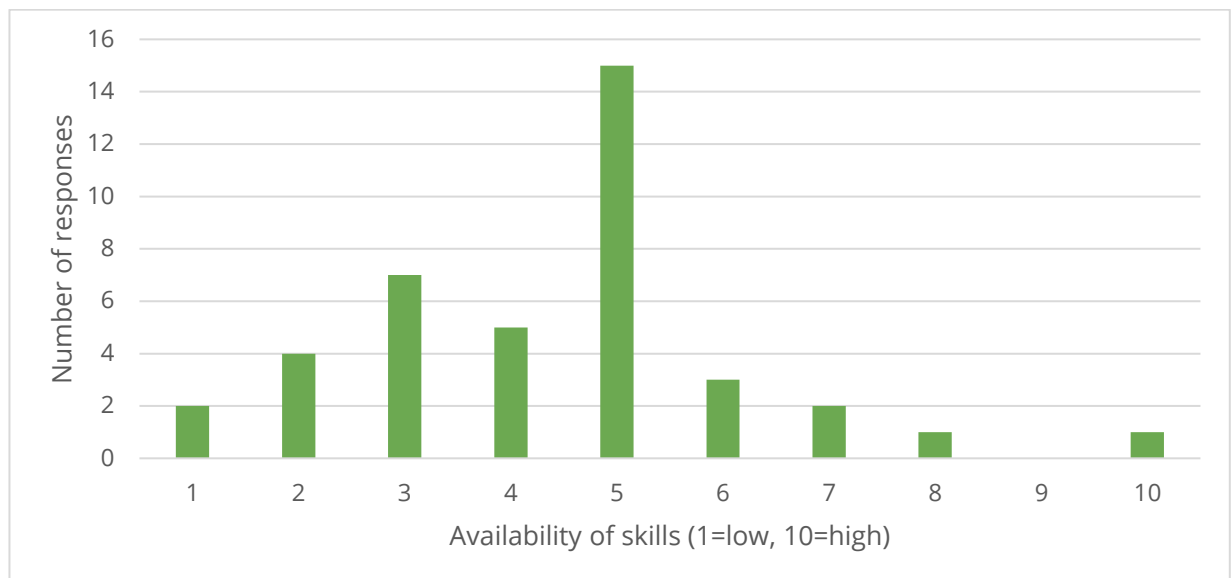
There were 52 responses (some respondents had multiple functions).





Availability of skills

1. How would you rate the availability of suitably skilled staff for the construction industry and related trades in the Wairarapa pre-COVID-19?



There are some skill shortages

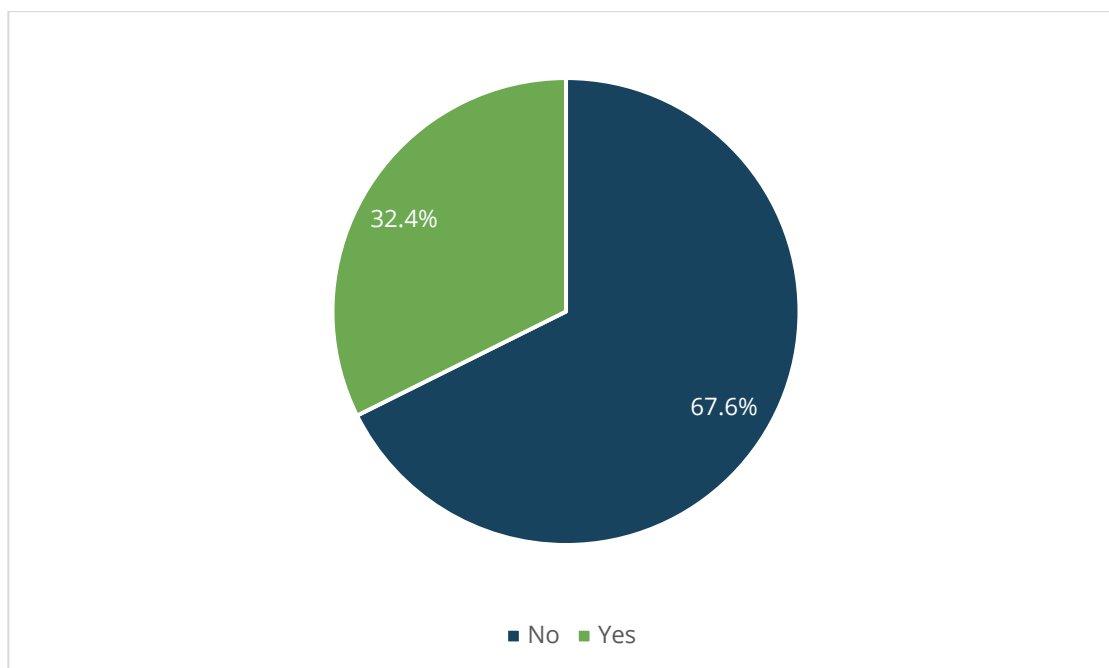
2. What skills were in short supply (if any?)

- Qualified tradesmen (all trades) – 5 mentions
- Plumbing – 6 mentions
- Concrete placers - 4 mentions
- Gas fitting– 4 mentions
- Gas servicing
- Qualified bricklayers - 4 mentions
- Qualified builders - 4 mentions
- Skilled carpenters - 4 mentions)
- Qualified/registered electrician – 2 mentions
- Drainlayers – 2 mentions
- Block layers
- Trained excavator drivers
- Basic foundation skills
- Joinery
- Painting
- Welder/fabricators
- Licensed designer and structural engineers
- Project management
- Scaffolders
- Tilers
- Roofers
- Plasterers
- Flooring
- Good reps from suppliers
- Site supervisors

- Building Control experience, legislative process, research skills.
- A few people mentioned the need for more experienced people.

Shortages appear to be across the board, no one category dominated

3. Did you experience any shortages in unskilled labour (pre-COVID-19)?



A third of employers are experiencing shortages in unskilled labour.

Quality of training provision

4. Which organisations are you aware of that provide skills training that is relevant to the construction sector and related trades?

- BCITO – 15 mentions
- UCOL – 10 mentions
- Skills NZ – 7 mentions
- Weltec – 4 mentions
- Etco (The Electrical Training Company) – 2
- Gateway – 2 mentions
- ATT (plumbing, gasfitting, drainlaying, electrical apprenticeships)
- Masterlink (plumbing, gasfitting, drainlaying and roofing apprenticeships).
- Connexis
- Taratahi
- REAP
- Polytech (unnamed)
- Driver Training (Jim Laird)
- ITAB (Industry Training Association Building)



- Future Skills
- BOINZ
- Open Polytechnic
- Ngā Kanohi Marae o Wairarapa- Marae-based training

There is highest awareness of BCITO, UCOL, Skills NZ and Weltec.

5. What is your view of the current quality of training from these providers (what is good and not so good)?

BCITO

- Good
- Ok
- Sub-standard. Qualifications are pushed through in too short a time frame resulting in good keen tradespeople with just the very basic skill set.
- Over-rated and inaccurate
- I only have experience with BCITO on their old content which was very outdated. I haven't experienced their new content. Current training supervisor does a good job with the apprentices, but our previous advisor based in Wellington was pushing hard for qualification early rather than pushing for quality of learning
- BCITO and Connexis - Good but there's been a focus on each individual credits and not enough on tying the whole job together
- UCOL and BCITO - Positive in carpenters only. Not broad enough
- Polytech and BCITO - Currently neither supply suitable reporting. Polytech is a little dysfunctional in my experience. BCITO have great resource material for the apprentices but no real teaching of theory is carried out, e.g. classroom. Polytech do have classroom lessons but only off and on,
- Weltec through BCITO – not sure
- Good
- BCITO provides more the platform and assesses the learners, but employers are the ones doing the training not the BCITO. Learners/apprentices are doing more self-directed theory learning. Could be more theory training evenings for apprentices.
- Very good
- Lacking in pastoral care hugely

Feedback variable implying inconsistent delivery/room for improvement

UCOL

- Average, guys have a small amount of knowledge but not so much practical skills
- UCOL and BCITO - Positive in carpenters only. Not broad enough.
- Good
- 50/50 I have employed two employees from UCOL; two have come and gone.
- Very good
- Coming out with the understanding of construction and willing to work
- Lacking in pastoral care hugely
- Very good

Relatively low level of feedback, implying higher engagement with ITOs

Skills NZ

- Some areas of communication between Skills and apprentices has improved recently but still no frequent unsolicited contact.
- I have not had a lot of experience to draw on myself but I am finding there are very few plumbing tradesmen pushing on to become certified plumbing
- Average
- The quality through skills is OK but a lot of the on job training by employers is appalling
- We get great service from our agent.
- Skills NZ and ATT - Average
- Skills NZ and ETCO - Info is available to the apprentices but they have no real timeframes to complete the work required
- Skills NZ and ATT – Average
- Weltec/Skills NZ - The delivery is good but the content is lacking up to date learning on new technology and materials. The majority of the training would have been relevant in the 80's but has become less so now that technology and materials have become so much more advanced and diverse.

Performance generally assessed as average - could be improved

Other

- Polytech and BCITO - Currently neither supply suitable reporting. Polytech is a little dysfunctional in my experience. BCITO have great resource material for the apprentices but no real teaching of theory is carried out, e.g. classroom. Polytech do have classroom lessons but only off and on,
- BCITO and **Connexis** - Good but there's been a focus on each individual credits and not enough on tying the whole job together
- **Weltec**/Skills NZ - The delivery is good but the content is lacking up to date learning on new technology and materials. The majority of the training would have been relevant in the 80's but has become less so now that technology and materials have become so much more advanced and diverse.
- **Weltec** through BCITO – **not sure**
- **Driver Training (Jim Laird)** - reasonably good
- **Masterlink/Skills** – Don't train just access. Not good
- **Gateway** - very good
- **Future Skills, BOINZ, Open Polytechnic** - Our trade is complex and very technical, there are occasions where the providers are not up to date with their information sharing

6. Do you see any gaps in the current training for the construction sector and related trades (e.g. skill requirements not being addressed)? If yes, what are these?

- No (4)
- **Excavator training**
- All trades need a pre-trade of at least 6 months training
- I would like to see **small courses for leadership** in any trade available for those apprentices looking to advance themselves within the industry. I believe there is a need for some classroom education in most trades.
- **Solid plastering!!**
- Not sure as I have not had any experience with the latest training for five years
- More on-site training
- **Wheels and tracks. Concrete work. Brick layer. Roofer**



- (For plumbing training:) **Heating, central heating in particular, gas servicing, and basic understanding of electrical theory** (nearly all gas appliances and many plumbing fixtures have electronic components.) While an associated trade licence is required to work on the electronic components, a basic understanding would go a long way to helping gasfitters and plumbers correctly diagnose issues.
- **Better time management** needed
- Many employers not fulfilling their obligation to provide quality, supervised on job training (plumbing)
- They don't get experience needed for the equipment (driver training)
- I think it would be good to have some **broader learning opportunities for apprentices that see them taken out of their usual building site** to see other areas. Field trips essentially. Things like visiting a commercial site, visiting a window manufacturer, kitchen joinery workshop, etc. Some of that outside learning would be helpful and easier to organise through someone like BCITO rather than builders each doing it with a solo apprentice.
- There is also opportunity to **assist builders with upskilling in how to train more effectively.**
- There is **not much hands on courses available it is all reliant in workplace teaching (tiling, plastering, painting, brick & block laying)**
- **More time required refining those skills (plastering).** Some off site training refining those basic skills with an independent tutor and practical assessment near the end of the apprenticeship again carried out by the independent tutor. A job for good tradesman nearing retirement
- There is no training available for my team as residential fencers, even though they are implementing the same skills as builders, concrete foundations, etc.
- It's definitely getting better.
- **Bricklayers, driving and driving with load/trailers; budget and money management; project management; site management; staff management**
- **Recycling and repurposing of waste in construction. Reduce waste and consideration for environment alongside.**
- The basics (painting).
- Not when we get the new person from the start - or problem is having the skilled person to train the newcomer.
- LBP's are being rushed through their time; often the council is being used as a quality control check rather than a regulator of compliance.

Main gaps appear to be:

- Excavator training, wheels and tracks, fencing, concrete work, tiling, plastering, painting, brick & block laying, roofing (do BCITO offer some of these elsewhere but not in the Wairarapa)?
- Environmental management
- Broader management and leadership skills.
- Upskilling employers in how to train more effectively

7. If you were able to change one thing about the current vocational training services and activities for construction and related trades that would improve things in the Wairarapa, what would that be?

- Availability of practice facilities/grounds/tutors
- More training for all trades
- A bigger push to get people into the trades from other areas, not just school leavers but older people
- More available training

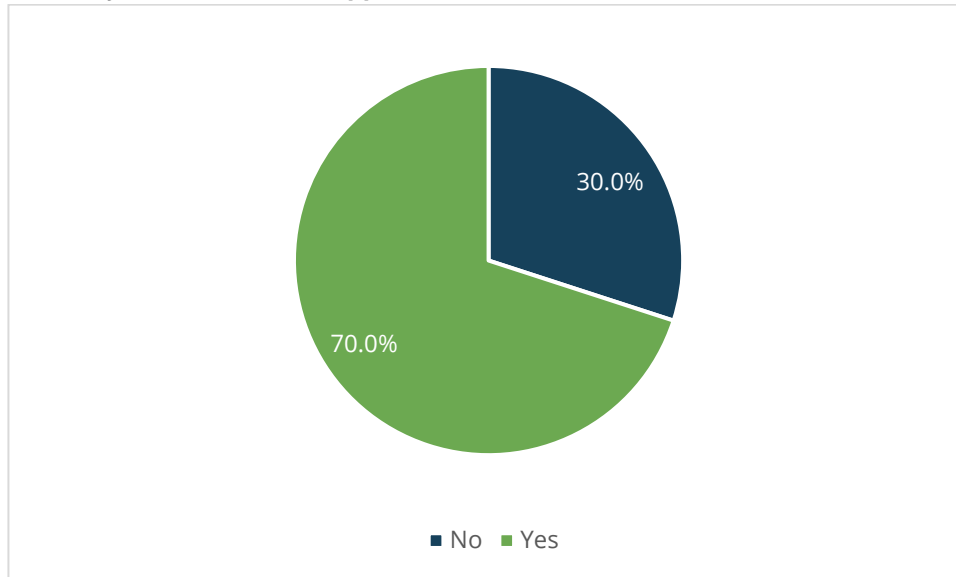
- Better support and credibility for trade training from college might foster a larger number of school leavers to consider a trade as a career. Few apprenticeship applicants for a start, then from this small group, very few are meeting the educational and academic requirements to gain an electrical apprenticeship. ETCO then require applicants to pass an aptitude test. Without a good academic foundation, the aptitude test is difficult to pass.
- More organised training provider. Block courses, so training is not solely site based. Skills seem to be in decline as older tradesmen retire, therefore site training is not as valuable as it once was. Theory in all trades is better done in a class environment, I don't believe on site learning gives enough.
- Engage with more school leavers / college kids
- Pride and professionalism and work ethics
- On job training
- Wairarapa based
- Night classes
- It has been done to an extent but study nights and block courses where students have to attend and get blocks of work done. Very hard to get paperwork completed with last two apprentices.
- Long term work-place skills training is required. Two months on site training more than just on the broom as free labour young kids get. They need to get their hands dirty.
- Modernising the content of plumbing, gasfitting, drainlaying apprenticeship
- More block course dates availability
- Greater onsite check of the standard of workmanship, training and supervision being given to apprentices by employers. Especially in the first three years of their apprenticeship and ensuring good practices and standards are been adhered to.
- To get a training organisation started.
- More cross pollination with events and joint learning opportunities.
- Offering specialised block courses.
- Independent off site tutoring and assessment. (More time required refining skills. Some off site training refining basic skills with an independent tutor and practical assessment near the end of the apprenticeship again carried out by the independent tutor. A job for good tradesman nearing retirement)
- An effective/trainable employee for me is one that has solid foundational skills, someone who can be reliable, excellent communication and has their personal affairs under control i.e.budgeting, counselling if needed, housing sorted, punctual, eager to learn.
- Focus on basic skills, speed and accuracy come with experience.
- Easy access to positive training and support
- More evenings offered for employers to get their apprentices to attend group sessions where they can do work on their theory and get support. Encourage and apprentices and employers more.
- Getting the young people to take on the trades and head through to start up courses.
- Central Online Hub for shared learning.
- Pastoral care

Key messages are:

- There needs to be a bigger push to get people into trades (both school leavers and older people)
- There is a need for more block courses/night classes
- Pastoral care also important

Apprenticeships

8. Have you ever taken on apprentices?



Over two thirds of respondents had taken on an apprentice - a very good result.

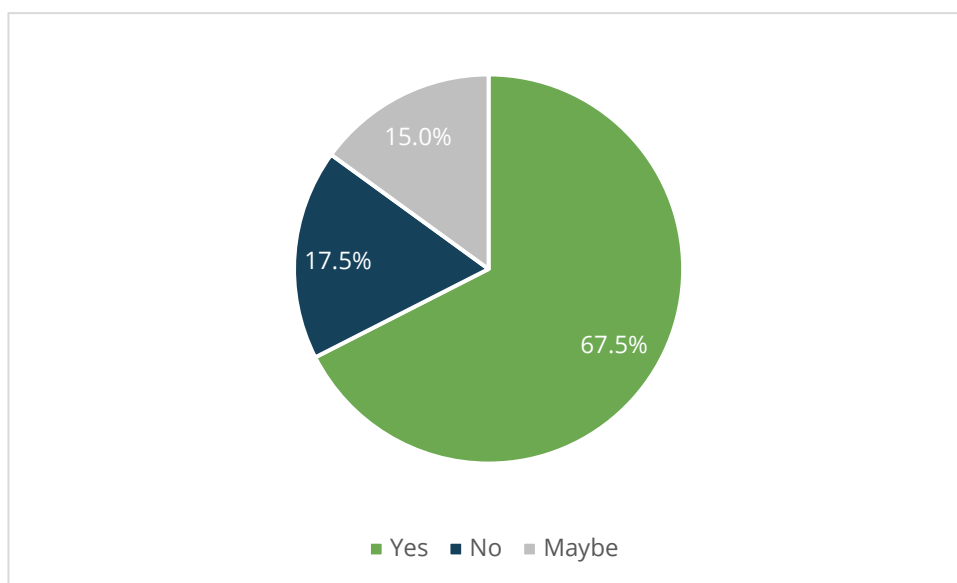
9. If, yes, how did that go?

- Well
- 70% still work for me, the rest didn't work out due to different reasons
- We continually have at least two apprentices in training. The disappointing thing is that of recent years apprentices will frequently move on as soon as they have gained their qualification and before we see any results from our investment.
- Good and Bad some young ones do not want to work, others excel. We are able to offer training in residential and commercial so the opportunity is there to gain experience in all types of construction.
- Great
- Have had three apprentices pass, two gave it up one still working as a bricklayer and had another two but one had health issues and the other had personal problems
- Very good but need to be managed
- Varied results. Most decide to move on once skilled
- Up's and down's depending on the apprentice
- Hard work, onsite not such a problem but had to commit wet days to sitting them down and helping with assessments which is to be expected to a degree but apprentices need to be more self-motivated
- Great, I did a Cadetship and in two years 2 out of 3 got apprenticeships.
- ETCO were easier on the employer than Skills are.
- So far so good.
- Generally good I have always endeavoured to ensure the apprentices I have trained from inception have learnt the best trade practice and standards. The apprentices I have taken on part way through their apprenticeship appear to have been severely let down by their previous employers
- So far so good, currently close to signing off our third apprentice. I am a firm believer in the importance of training

- Some better than others. Overall good
- Good, though most were deemed to be qualified before they were ready. Hard to continue training a 20yr old who has a piece of paper saying they are qualified.
- Always a struggle, with young people, lack of foundational skills hinder their learning.
- Still going, but in our company, they learn more when they are at work than on block course
- Good
- Good
- I have 5 apprentices from day 1
- Well, I have two staff that I have trained and others previously
- Successful, have 4 currently and another school leaver - potential apprentice
- Very well, we have trained a lot of the now owners of their own construction companies
- Going good
- In our trade (building consent authority) we refer to them as cadets, and the process is quite common. With the right training and support, a competent building officer can be developed in 3-4 years.

Experience with taking on apprentices varies but is generally good.

10. Would you consider taking on apprentices in the future?



Two thirds of employers would consider taking on apprentices in the future, around the same percentage as has taken on apprentices in the past

Engagement with Schools and Polytechnics

11. What contact (if any) do you have with your local schools/ UCOL/ Weltec/ other training providers?

There were 38 responses:

- 17 respondents (just under half) had no contact whatsoever.
- 9 have/have had contact with schools:



- We are working with Kuranui college gateway program
- Used to provide work experience via Wai College and Di Banks who was excellent but seem to have slipped off the radar and not been approached in recent years since she left
- We were training through the schools but that seems to have dropped off
- I have regular contact with some local schools and when I can I take students on through the work programme
- Local schools
- I have two Makoura college students currently doing work experience for me one day a week
- Makoura
- Gateway – Chanel College
- Waicol and Chanel, Gateway
- 4 had contact with BCITO
- 1 maintains contact with ETCO
- 1 has contact with UCOL
- I had minimal contact

Other answers were:

- We try to keep in contact, particularly with regard to reporting on the apprentices, but results are limited.
- Training organisations yes...schools not so much - actively looking as a company how to improve this...
- Very little, other than in relation to my children, I once gave a presentation to a primary school class on what planning is.
- Some, direct with tutors as required
- Little.
- Very little, they tend to send the misfits and drop-outs, ones they can't place anywhere else. I prefer people from their mid-twenties onwards preferably with a family to support
- Richard -who was trained by us to do this trade (Richard Sexton at UCOL?)

There is significant room for improvement in the level of engagement between employers and all parts of the education system

12. If you do engage with a school, polytechnic or other training provider, who is your contact person?

Names provided were:

- Daryl (unsure of surname) – BCITO
- Chris Senior (re local schools)
- David Newton, ETCO Wellington
- Peter Van der Veen – BCITO (2 mentions)
- Careers advisers
- Head of plumbing
- Sharon Dignan, Kuranui College (Pathways administrator)
- Fiona Omundsen, Makoura college (Careers administrator) – 2 mentions (0272 143 193)
- National/head office of training organisations
- Richard -who was trained by us to do this trade (Richard Sexton at UCOL?)
- Shelley Pender – Chanel College

- Charles Morunga - Ngā Kanohi Marae o Wairarapa -MBTT Marae-based training

Personal connections with schools, polytechnic or other training providers are very limited.

13. Do you have any suggestions as to how we can build relationships with schools?

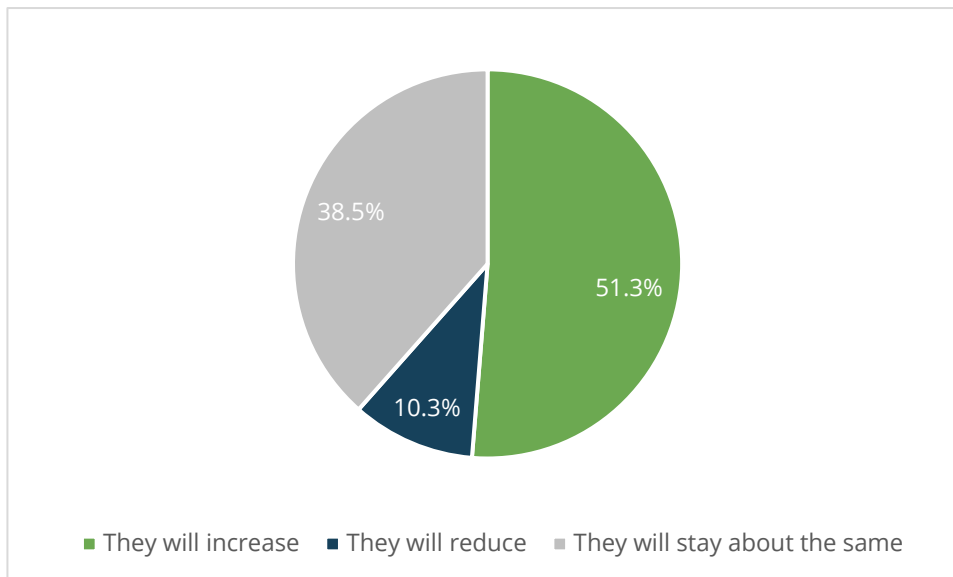
Suggestions were:

- Field days - the industry and schools either hire a paddock and put up stands for the weekend so kids can go with school/parents and meet companies/prospective employers or hire a series of buses/mini buses and visit sites to see what goes on and talk to people on site.
- Open days to sites to look at different builds commercial and residential.
- Success stories from apprentices or newly qualifieds shared with students from early days, say year 10 onwards, to encourage acceptance of trades as a good option for the high achievers, not just university. Prejudice of trades in favour of university quals from some senior faculty needs to be quietened so possible candidates are not unduly influenced.
- I don't think there is an issue with the relationship, we have, on the odd occasion contacted staff from a college for recommendations. This could be an avenue that is formalised a little more with the deans associated with tech in schools.
- Seek Govt help?? Chris Hipkins maybe... Post COVID lockdown could be the time to enquire about funding??
- Get potential trade workers out on work experience.
- It would be good if we could introduce our trade from our perspective and promote the benefits of what we do.
- Finance the companies willing to train.
- Schools put out a survey like this as to what is required. Get kids into workplaces early so employers can assess their suitability.
- Class trips to building sites, construction industry presentations to classrooms. Inspiration is key.
- Face to face meetings.
- Big problem is H&S and liability , we had a random visit from Worksafe recently who informed us that the after school lad that was cleaning up the workshop must be over 15yrs old, why would I take the risk of having school age kids on my premises in this climate especially as most are lacking any sort of practical life experience.
- Use the funding for unnecessary meetings and discussions on funding the learning departments.
- In house training about trades still being a viable option.
- More work experience.
- Encouraging careers advisors making contact with potential employers.
- Do a class for learning the trades.
- I'm sure the Gateway coordinator will have some ideas.
- Welcome more trades in to talk and work alongside students.
- Help them better understand the attributes required for the trades.
- Have a register of contractors who are willing to take students on work experience.
- Onsite training
- Get a speaker like Dale Williams to go into schools. It's the school leavers that need capturing
- Contact

There is a widely held view that there should be more direct engagement between employers and schools to showcase the opportunities the trades can offer

Future Skill Requirements

14. Do you think the number of jobs in your part of the construction industry in the Wairarapa will increase, reduce or remain about the same over the coming five year period?



Only around 10% of respondents think the number of jobs will reduce over the coming five-year period. Of the balance, around 50% of respondents think that the number will increase and around 40% think it will stay the same.

15. How do you think the skills required for the construction sector will change over the next five years (if at all)?

- Greater professionalism/knowledge required
- More technology involved as well as a need for ongoing training for qualified people
- We will need to look at quicker systems so that the productivity can increase to meet demand
- The basic skills will still be required, with a great leaning to incorporating IT and technology in the electrical trade at least.
- I believe the skills have dropped over a number of years; I think we should be trying to lift the level. My opinion is the skills required in the various industries will remain similar other than those trades like joinery where more use is made of computer operated machinery. Trades use their hands generally so this is basic knowledge. There is also a level of knowledge in mathematics, sciences and English required. Lifting the quality of tradesman on site will help lift the quality of training.
- Skills required remain the same but dictated by demand. Hope time pressures don't see introduction of apprentices rushed through training just to get kids qualified...
- Increase.

- I don't know but I know it has to - it is a mess at the moment
- More digitally based as far as reading plans etc is concerned. Better machinery coming online all the time to make our job easier and lighter.
- I do not think they will change significantly.
- Won't change
- Not really, it's only products and methods that change, the skills stay similar
- Project management and as above will be key resource missing.
- Needs to change towards education on new materials and technology and how to work with these things, energy efficiency and environmentalism are changing the products we are required to install, and the learning content is well behind the curve.
- Don't think it will.
- Stay similar.
- We will be more safety conscious.
- They may become more narrow within the sector like Australia & Britain whereby they only learn and deliver one aspect of a trade
- More mechanised.
- Increased need for people with good mix of building skills and people based skills. I think the people and management skills will become increasingly important to develop.
- Unfortunately, the current group of under trained tradespeople are training the next generation so I believe the overall standard of tradespeople will continue to fall.
- Depends what is changed through this process.
- Less unskilled labour will be required.
- Technology focus
- More environmental future proofing
- More upgrade in all sectors of what is required
- More IT, more document management, more quality management, technical research (building consents)

- The core skill requirements are expected to remain the same over the next five years, but there will need to change towards education on how to work with new materials and technology. Energy efficiency and environmentalism are changing the products the industry is required to install, and the learning content is well behind the curve.
- Project management and people and management skills will also become increasingly

Current challenges

16. What are the top two challenges facing your business at the moment?

- Meeting work volume. Hiring suitable staff.
- Lack of qualified staff
- Cash flow and staffing
- Feed and weather
- 1. Finding qualified and NZ registered electricians. 2. Uncertainty over the volume of upcoming work for the next couple of years.
- Getting qualified tradesman. Getting suitable applicants for apprenticeships.
- Lack of new kids coming through and lack of experienced older guys to train them...
- Motivated workers and young people with initiative
- Finding qualified staff.
- Employees/Government requirements
- Continuation of workflow.
- Skilled staff shortage, skilled staff shortage.



- I'm 63 and done my share of recessions and downturns so won't be doing another. I'm getting older and so is my plant and equipment so unlikely to reinvest in plant so it's that running down of business from older owners that could open up more gaps around losing experience but also is an opening for younger workers to step up.
- Quality project management. Brick layer and concrete placers. Sections in Carterton and Martinborough. Funding for clients and development. Lift kiwi saver from \$550 to \$690 and make available to anyone on their first new build.
- COVID. Lack of skilled tradesmen.
- Cash Flow - Busy but do not want to employ staff as this means increasing vehicle fleet and machinery with limited increase in turnover.
- Mainly weather.
- Availability of qualified tradesmen. Quality also.
- Labour and materials shortage due to seasonal peaks and troughs.
- Suitably skilled staff and financial downturn of the marketplace.
- Getting skilled operators
- Short of skilled concrete players. We've advertised for 18 months no luck
- Constance of work, staff.
- Having staff that can effectively run a site with less supervision. Having that longer term and broader experience base within my team to feed into the development of the rest of the team. Specifically, in terms of building skill.
- Finding great staff with great work attitudes
- The sub-par quality of workmanship we follow
- Supply of materials, supply of quality workers
- Continuity of work. Getting sprung with urgent, surprise jobs
- Subcontractors' availability
- Cashflow; Staff Management
- Meeting customer's high expectations
- Qualified skill sets shortage; pandemic challenges; community confidence; legislation and at Govt level handbrakes!!
- Getting qualified workforce, obtaining future workloads big enough to take on more staff.
- Trade skills - finding tradesmen
- Resourcing (having the right staff in the right place) and an uncertain and unpredictable work forecast – building consents

The most common challenge facing businesses at the moment is the lack of supply of high quality, suitably skilled qualified staff (19 out of 28 responses).

Other comments

- There is a significant disparity in expected hourly pay rate and what the trade is able to charge out. In order for trades to attract and keep good talent, the pay levels need to increase, therefore public perception of the value of tradespeople and the contribution they make needs to improve in order for the trade businesses to be able to charge appropriately for their services.
- Over the years there have been continual changes to the apprenticeship training systems/providers. I do not see the quality of tradesman coming out or trade training as compared to 30 years ago. Two reasons, attitude of younger people, and lack of good training. Not all is lost though: some apprentices will be amazing no matter how they are trained, due to attitude, and intelligence.

- Encouraging to see tv advertising pushing trades as a good option for school leavers. More could be done with Govt help and manufacturers working together.
- If your programme gets the go, I would be very happy to help out in the promotion of training in the brick and block sector.
- Put training first.
- This survey is a great first step.
- The Wairarapa Economic Development Strategy is a very well written document the challenge is to fully embed it into Council processes and decisions.
- Have enjoyed 37 years in construction but it's just getting harder every year, the industry has real cost and productivity issues , hard to get 40 hrs of work out of staff now let alone work some Saturdays, mobile phones should be banned onsite, poor motivation , general disinterest in the overall project from a lot of staff. Mental health, while very serious when real, is getting played on. Who looks after my mental health!! Of course, this is from a grumpy old person.
- The kiwi saver change would boost the market in the next few years.
- The trainers have a look at how they make the training sharper and work for both sides.
- The Transport Industry especially is struggling to get skilled drivers/operators for heavy equipment at the moment, unless they are going through training with a major company and up the different levels as a cadet/employee where they are signed off with their training. Others are importing drivers from overseas to cope with the shortage. Specialist gear needs specialist training. Some of the people that are obtaining their Truck Licences have no idea how to handle the gear.
- I would be available to further discuss my concerns and would be keen to have some input into this initiative
- If we don't act now, there will be a huge shortage of bricklayers and will possibly put a strain on other sorts of cladding and engineered block work.
- Other than a dent that COVID may create I would think the Wairarapa will remain an attractive place to build. There is a lot of bigger commercial jobs already in the pipeline as well. I would like to think our Construction stay pretty sound.
- Decromaster tiles - training; recycle; site sorting; repurpose and reduce waste

Key comments:

- The Transport Industry especially is struggling to get skilled drivers/operators for heavy equipment.
- There will be a huge shortage of bricklayers and will possibly put a strain on other sorts of cladding and engineered block work if we don't act now.



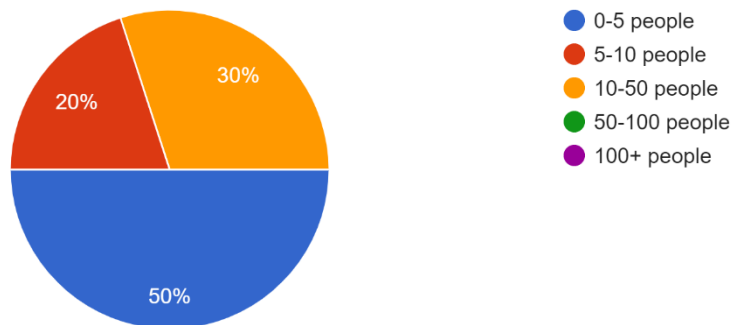
Appendix 4: Tourism and Hospitality Sector Survey Results

Number of responses

4 people completed the online survey.

Size of business

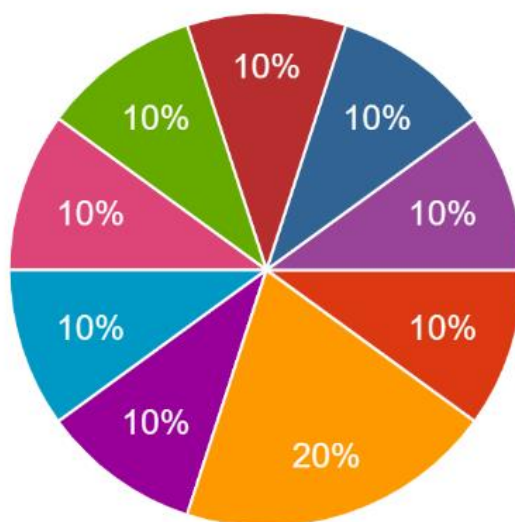
10 responses



A good range of responses

Nature of business

10 responses



- Tourist attraction
- Bar/restaurant
- Accommodation provider
- Event organiser
- Cafe, gift store
- Tours
- Winery restaurant and cellardoor
- Winery
- Second hand and antiquarian bookseller
- Both accommodation and tour provider
- Accommodation provider and vintage car hire

A good range of businesses

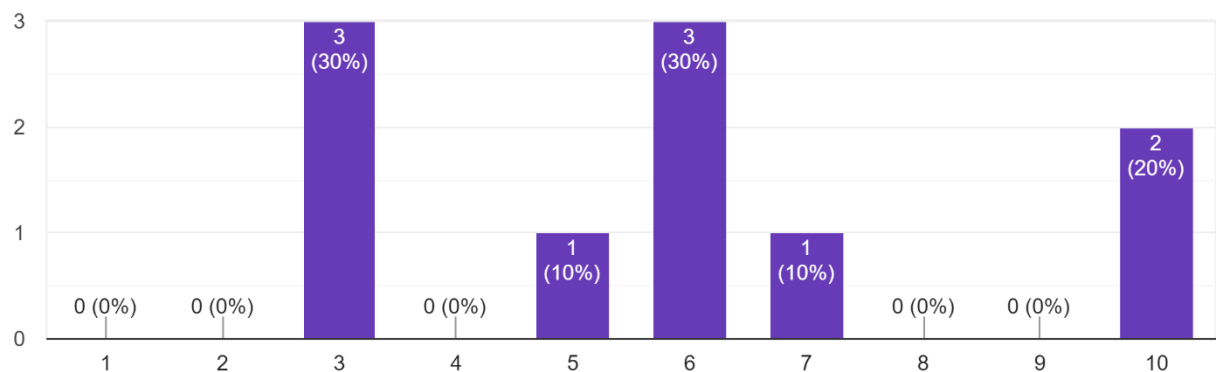


Availability of skills

1. How would you rate the availability of suitably skilled staff in the tourism and hospitality industry in the Wairarapa pre-COVID-19?

1. How would you rate the availability of suitably skilled staff in the tourism and hospitality industry in the Wairarapa pre-COVID-19?

10 responses



There are skill shortages in some areas, but not all

2. What skills were in short supply (if any?)

- Experienced and qualified front of house and chefs
- Professional bar and restaurant servers and chefs
- Wine knowledge
- IT developers
- Trusted cleaning staff
- Experience in hospitality at middle management level.

Shortages appear to be mainly in bars and restaurants. The reference to IT developers shows the growing importance of digital technologies

Quality of training provision

3. Which organisations are you aware of that provide tourism and hospitality skills training?

Four out of ten respondents (40%) were not aware of any training providers. The ones that were mentioned were:

- UCOL
- Waicol
- Le Cordon Bleu
- Restaurant NZ
- Service IQ
- Some polytechs
- NZ school of tourism
- New Plymouth

Almost half of the respondents were not aware of any training providers.

4. What is your view of the current quality of training from these providers (what is good and not so good)?

- Don't know
- Do not know
- N/A
- No experience
- I have no experience with their graduates
- Suitable for both managers and staffs, many different online courses available, affordable
- Moot, given that I don't know of any training providers
- Probably not exposed enough to answer that one.
- I am old fashioned and believe best training is on site.
- No idea

There was very low awareness of the current quality of training:

5. Do you see any gaps in the current training for tourism and hospitality (e.g. skill requirements not being addressed)? If yes, what are these?

- No
- Don't know
- Do not know
- I'm not familiar with any training programs but after working in the industry for over 20 years, I think the best way to train people is through work experience. Any training program should have a strong work experience curriculum.
- Ability for workers to complete liquor qualifications prior to commencing work
- I have not as of yet come across any professional servers' courses or apprenticeships. I feel skills should be recognised and encouraged more, hospitality is seen as a stop gap industry in NZ and we struggle to attract professional servers to this industry, this is not solely pay related issue, I feel we need to concentrate on training and job satisfaction.



- We need a technical institution
- I don't know if it's the training we are missing, but rurally, we don't have the people to choose from, we have a trusted cleaner now who is fantastic and can work on her own, but prior to her it was a real issue finding someone close to us who help out rather than doing it all ourselves.
- Maybe go back to onsite Management training, with certificate from Polytech to back it up.

There is a need for professional skills training, backed up by on the job experience

6. If you were able to change one thing about the current vocational training services and activities for tourism and hospitality that would improve things in the Wairarapa, what would that be?

- ?
- Do not know
- An ability for staff to achieve or retain their Managers Certificate under the Sale and Supply of Liquor without the requirement they be currently employed in this area. It requires businesses to take on unskilled staff, put them through training and wait 1-2 months until they can be appointed to the role sought
- I would like to promote it as a career choice with proper apprenticeship training and vision as a sustainable job for the future.
- As 5 above - having a broad range technical institution
- Not sure.
- Not sure as unsure of what is available
- None

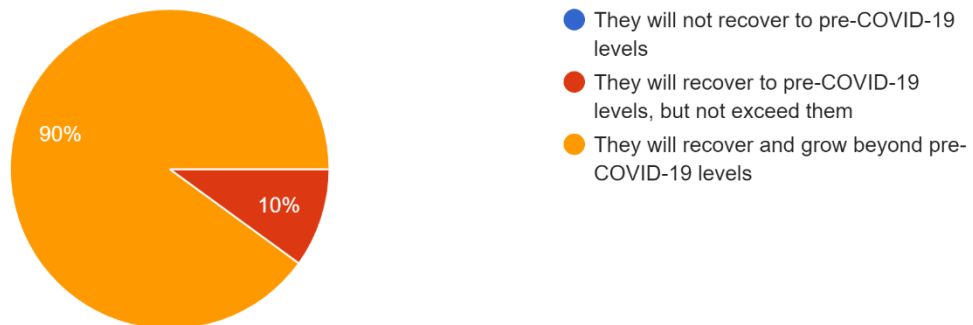
Key messages are:

- An ability for staff to achieve or retain their Managers Certificate under the Sale and Supply of Liquor without the requirement they be currently employed in this area. It requires businesses to take on unskilled staff, put them through training and wait 1-2 months until they can be appointed to the role sought
- The sector needs to be promoted as a career choice with proper apprenticeship training and vision as a sustainable job for the future.

Future Skill Requirements

7. What do you see as the employment prospects for the tourism and hospitality industry over the next five years?

10 responses



There is a high level of confidence about the future of the sector

8. How do you think the skills required for the tourism and hospitality will change over the next five years (if at all)?

- Need better skill.
- People will be looking for high quality, excellent customer service and professionalism.
- I think there will be a greater emphasis to learn more about "health" in health and safety.
- No change - flexibility and the willingness to perform a range of duties will always be required
- In order to stay on this upward trend in the Wairarapa I think we need to have professional hospitality industry staff; I think domestic tourism will expect the level of service in NZ to at least equal the experience overseas. If we can train our hospitality staff to a high level to compete with overseas experience, then we will be in a much better position to compete when the borders reopen.
- With less/no international visitors, employing staff able to speak different languages might not be a priority anywhere.
- If we can develop the training skills here, we will get small and medium size business investment
- A change in offer to those who interact well with NZers as opposed to an international audience, but I think we'll be a destination of choice once all of this blows over.
- Hopefully more competitive, and tougher to get the good jobs.
- Ideally more opportunity locally to train like the colleges in Taranaki and Queenstown so it is viewed as a career rather than a holiday job

There is a need to professionalise the industry to raise the quality of service provision



Other comments

- I suspect, like us, there are many owner-operators working locally in tourism. We are in a good position because a large percentage of tourism here is from the domestic market. However, we need to get beyond the cheap and cheerful book-a-bach market and market the Wairarapa as a 'quality, high end' destination.... but the service and products need to reflect that. Chicken and egg - not enough people, high-end businesses are not sustainable but without the product no-one will come! We keep going because we have other income streams but not all businesses can do that. We are also one of a handful of accommodation providers who have invested in Qualmark assessment to endorse our standards...it is not about the cost but about the value for money. I know the local I-site staff have in the past regarded us as 'too expensive' despite our 5-star rating and quality service (and Tripadvisor reviews!)

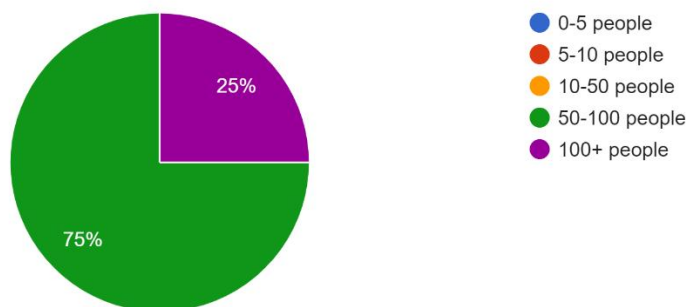
Appendix 5: Aged Care Sector Survey Results

Number of responses

4 people completed the online survey.

Size of business

4 responses

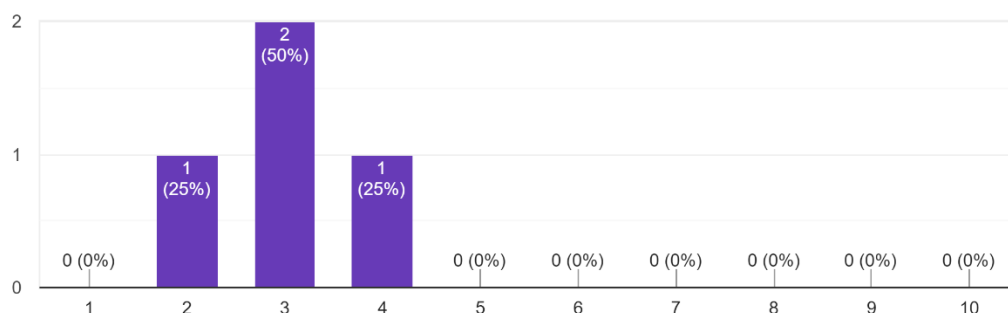


There are some large businesses in this sector

Availability of skills

1. How would you rate the availability of suitably skilled staff for the aged care sector in the Wairarapa pre-COVID-19?

4 responses



There are clearly skill shortages

2. What skills were in short supply (if any?)

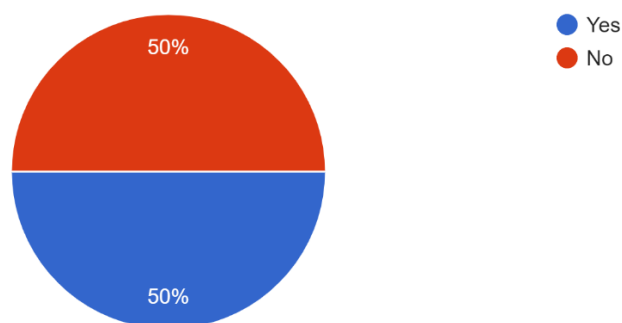


- Health care assistants, cooks, kitchen staff
- Registered nurses, kitchen managers, experienced caregivers
- Clinical
- Staff qualified in Health & Wellbeing Levels 3 & 4 or similar and Registered Nurses

Shortages appear to be across the board

3. Did you experience any shortages in unskilled labour?

4 responses



Half of the respondents have experienced shortages in unskilled labour.

Quality of training provision

4. Which organisations are you aware of that provide skills training that is relevant to the aged care sector?

- Careerforce (3 mentions)
- UCOL (3 mentions)
- Ignite
- Open Polytechnic
- Service IQ
- Online 'Bridge' training

There is high awareness of Careerforce and UCOL

5. What is your view of the current quality of training from these providers (what is good and not so good)?

- Careerforce and UCOL both poor. Have had staff come with qualifications at level 3 & above who have not the educational ability to understand what they are doing. There seems to be a policy if the person pays, they deserve to get the qualification and their IQ does not match
- Careerforce good personal support for caregivers and cleaners. Open Polytechnic and Ignite Online some free training. UCOL Local and Manawatu RN Training and CAP good partnership training. Service IQ Free excellent for Kitchen staff.
- We have accredited assessors on site for Careerforce. No experience of UCOL trained.

Quality hard to assess from such a small sample, but appears to be variable

6. Do you see any gaps in the current training for the aged care sector (e.g. skill requirements not being addressed)? If yes, what are these?

- A training organisation where you actually do have to achieve a level of competency before you gain your qualification
- Having on-site training alongside employment is hugely beneficial to the trainee, it provides real situations for learning.
- All have their strengths and weaknesses. Some of the online programmes are more difficult to navigate than others.

No specific gaps in current training identified

7. If you were able to change one thing about the current vocational training services and activities for aged care that would improve things in the Wairarapa, what would that be?

- That people actually have the ability and competency to work to their qualifications
- Promotion of working in the aged care sector, a career choice. Funding.
- Would be good to have an apprenticeship scheme with on the job training.

Key messages are:

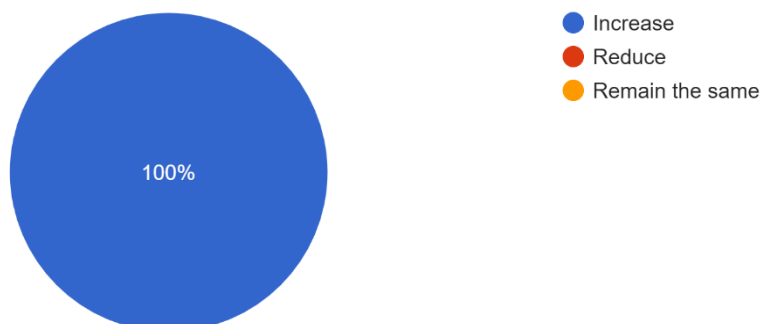
- Quality needs to be increased
- Apprenticeships would be good
- The aged care sector needs to be promoted as a career option



Future Skill Requirements

8. Do you think the number of jobs in aged care in the Wairarapa will increase, reduce or remain about the same over the coming five year period?

4 responses



All respondents think that there will be an increase in jobs in the aged care sector

9. How do you think the skills required for the aged care sector will change over the next five years (if at all)?

- HCA will need to be up skilled to meet the increasing clients' needs.
- Given the level of sickness and needs of our residents when they are admitted, the necessity to have more clinically based staff on site, I can only see as increasing. Rest home level care is not the norm but hospital level care is and we are not funded for this nor does the NASC recognise the actual needs of residents coming into care and the fact that they are at hospital level care as opposed to Rest Home level.
- The needs of residents admitted to rest home care in particular are much higher than 5 years ago. As more people are encouraged to stay at home longer, by the time they get to residential care they are often compromised in many ways. Staff managing many different care requirements need skill and expertise to manage such a wide range of needs. We are experiencing new admissions with a high level of cognitive impairment and all statistics indicate this will increase, particularly in Carterton with an aging population. Staff working in aged residential care will need to be qualified. Aged Care has not been attractive in the past, the future of aged care will be more hospital based.
- Increasing nursing and support skills required of home and aged care staff due to higher acuity being managed both at home and in aged care. EG HIH programme.

More clinical skills are expected in future. Staff will need to be qualified.

Current challenges

10. What are the top two challenges facing your business at the moment?

- Staffing and RN competency
- Funding and resourcing
- Funding. Staffing.
- Financial recognition of the contribution Registered Nurses make to Aged Care. Recognition of the acuity of the Aged Care Population.

The most common challenges facing respondents at the moment are funding and staffing (competency as well as shortages.)

Other comments

- Thank you for the opportunity to input. Aged Care has changed to high level care needs. Residents that used to be cared for in hospitals are now in aged residential care. New admissions are at much higher levels of need as people are supported in their homes longer.



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