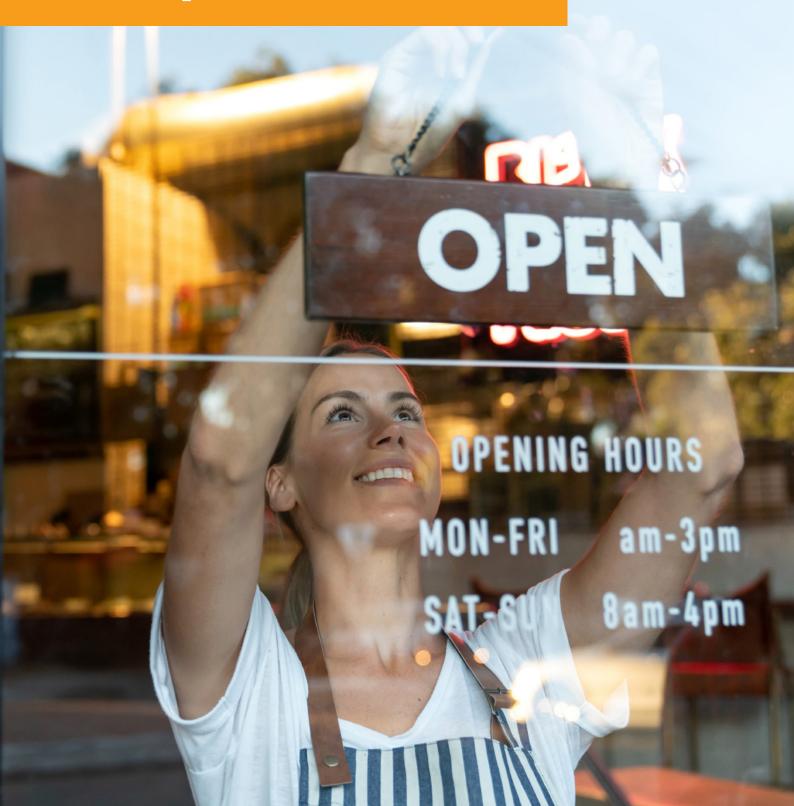


Workforce Development Plan 2022



He wero – a challenge

Kua takoto te mānuka. The challenge has been laid down.

E rau rangatira mā, tēnei te mihi ki ā koutou. Our greetings to you all.

This first Workforce Development Plan for Ringa Hora was prepared while emerging from the COVID-19 pandemic. Across the Service sector, businesses have continuously responded to the varied, sudden, and repeated shocks to their operations. People across the motu | country have been impacted, including those serving and leading Service businesses and their customers. For many, this has come at great personal cost, and we want to firstly acknowledge the work of our industries who put the needs of Aotearoa first. Whether it was providing essential services during lockdowns, converting hotels into MIQ facilities, rapidly adjusting to deliver core services to the public from home, or temporary closures of business – people across Services responded.

Throughout this period, we have also seen how resilient businesses and people can be. While the impacts of the pandemic have not been experienced equally, we have heard many stories of Māori entrepreneurs with businesses born from the opportunities of the pandemic. In this first Workforce Development Plan, Ringa Hora seeks to tap into and build on that remarkable resilience. While, as in the whakataukī | proverb above, the challenge has been laid down, it is how we rise to it that will make a lasting difference.

This plan is not the answer to the workforce deficit that many across our industry currently face. It is the start of a korero so that together we can build a plan for a sustainable and resilient foundation for Services to thrive in the future. Vocational education is one of the levers for rebuilding the mana of a sector that provides a third of all jobs across Aotearoa. The actions that we identify will need to be taken alongside others across regions, including providers, businesses, iwi and/or government.

As Chair and CEO of Ringa Hora, we stand here today thanks to the skills and experiences we gained while starting work in Services. Many across the motu will share similar beginnings. In building a new future for Services, we must also think about the generations beyond us. How do we reimagine the future for our mokopuna | grandchildren? Our Services industries grow excellent communicators, problem solvers, collaborators, and leaders. We see a future where these skills are seen as essential to all jobs. A future where Services in all its forms are valued as excellent learning pathways and opportunities for all.

After the talk, what matters is action. We know that our plan and actions will continue to evolve as we, in Ringa Hora, grow our capability alongside the industry to meet the needs of future generations of New Zealanders. We look forward to partnering with you, our industries, the government, our iwi partners, and our providers to lay the foundations for businesses to attract and retain great people. This will mean our businesses can continue to deliver the manaakitanga | hospitality and service which is at the heart of our sector.



Hinerangi Edwards

Chair Ringa Hora Services WDC



Kari Scrimshaw

CEO Ringa Hora Services WDC

About Ringa Hora

Ringa Hora Services Workforce Development Council is one of six Workforce Development Councils established as part of the Reform of Vocational Education (RoVE).

Through RoVE, we have a once-in-a-generation opportunity to create a strong, unified, and sustainable vocational education system that is fit for the future of work and delivers the skills that learners, employers and communities need to thrive.

As a key part of the future of vocational education in Aotearoa, we aim to partner with the industry, Māori and iwi businesses, and other collaborators to deliver on the four key promises of RoVE, which aim to build a vocational education system that:

- honours Te Tiriti o Waitangi and supports Māori-Crown relationships
- is industry-led
- is regionally responsive, accessible, and relevant
- demonstrates excellence in vocational education.

Our name 'Ringa Hora' is made up of the words 'ringa' meaning 'hands', and 'hora' meaning 'spread out' and, in this case, facing upwards. 'Ringa Hora' - the upturned, outspread hands, symbolises manaakitanga which is fundamental to and pervades the whole Service sector.

Our role is to channel and amplify the voice of the Service sector within the vocational education system by providing investment advice to the Tertiary Education Commission, as well as setting standards, developing qualifications and helping shape the curriculum of vocational education. We will partner with the industry, highlighting their needs and advocating on their behalf to affect system changes. Our aim is to support Service industries to tackle skill shortages, adjust to the future of work, build a strong skills base, and have the right training available at the right time.

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Our vision

Ko ngā pae tawhiti, whāia kia tata Ko ngā pae tata, whakamaua kia tina

The potential for tomorrow is determined by what we do today.

Introduction

The Service sector is fundamental to New Zealand and New Zealanders. Through millions of interactions a day, businesses across our sector advise, assist, and serve others. Whether it is visiting the local grocery store, talking to a government agency or taking a longanticipated holiday, these small interactions make a big impact. More than a third of all working Kiwis have jobs thanks to businesses large and small across the sector. More than 30% of New Zealand's GDP is generated from the service economy. Over the last year, a visit to an essential service may have been the one chance for many New Zealanders to interact with others in person. While the industry coverage for Ringa Hora is broad, all are bound by a common thread. It is people who foster connections, helping customers and citizens to navigate and meet the ever-changing needs of our lives.

For many people and businesses – particularly those within the Service sector – the past two years have been incredibly challenging with significant job losses, disruptions, and wider economic challenges. COVID-19 measures that helped keep New Zealand healthy, dramatically changed our operating environments. For those serving others, this too became their new reality. Rolling lockdowns, self-isolating, distancing, and ongoing mask use have reduced face-to-face interactions while highlighting the importance of the connections between people that many of us took for granted.

Trends such as digitisation, increasing focus on environmental sustainability, and changes in the demographic make-up of New Zealand have been exacerbated since COVID-19 arrived in early 2020. These challenges of the last few years, combined with ongoing global uncertainty, create an opportunity to rethink what the Service sector workforce could look like now and in the future. A future where service jobs deliver amazing experiences for customers, provide opportunities for people to build valuable life skills, and where reciprocity of service is reflected in business success.

Like all good visions, this future won't be here tomorrow. Skills shortages are likely to be a real struggle for a while. However, every day we don't act towards realising the opportunity together means the future remains where it is, staunchly unattainable.

We want to hear from you

This initial Workforce Development Plan presents a high-level summary of the people working in the Service sector today, the factors shaping the workforce in the coming years, and the actions we could take to develop the future workforce together. As our first plan, it is based on readily accessible, quantitative information, and qualitative insights gleaned from the many early conversations we've had with people from the sector.

There has already been a great deal of thinking in this space with strategies, action plans, and activities that have been created by and for employers and industry groups; kaimahi | workers and their representatives; Māori, iwi and hapū; Pacific peoples; disabled people; central and local government organisations; and communities across the motu. We've drawn on this mahi, and early korero with people from the sector, to inform this initial plan.

From the work that has been done to date, we have identified some of the major factors that will likely shape the Service sector in the coming years. We've proposed a framework for actions to be co-created with all those involved within the sector.

This is to ensure our focus as a Workforce Development Council reflects the aspirations of the sector and actions are driven by people from across the sector.

To make this a reality, the future Workforce Development Plan needs to be driven by people who know the Service sector best – people like you. We want to spend from now until early 2023 talking with you, working with you, and creating a plan that has the sector at the centre. We aim to publish the next iteration of the Workforce Development Plan in mid-2023 as a shared roadmap to transform the Service sector workforce.

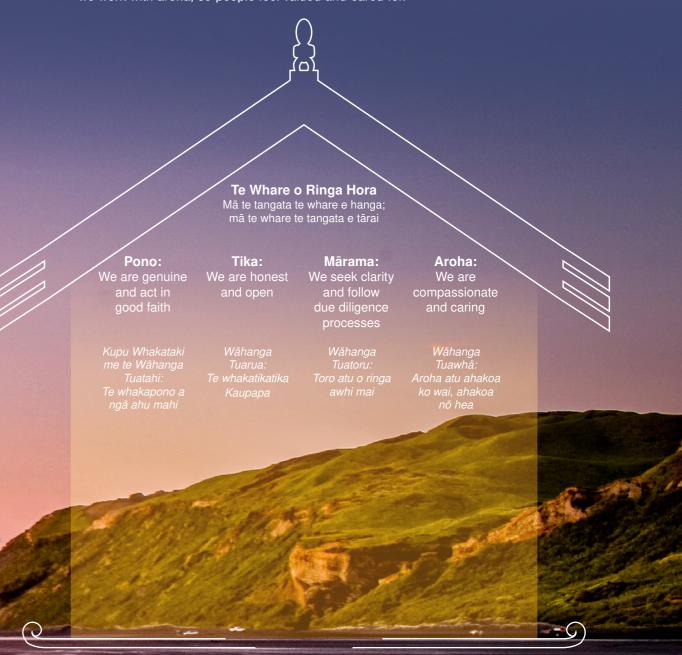
Our commitment to Te Tiriti o Waitangi

Our navigational guide in developing this Workforce Development Plan, and in all aspects of our work, is Te Tiriti o Waitangi.

During the establishment phase of Ringa Hora, we were gifted a set of interim values, which you can see in the picture below. We have used these values of pono, tika, mārama, and aroha as our pou | pillars to cement our Te Tiriti o Waitangi framework. This framework forms our core and guides the way we enter trusted, meaningful, and empowering relationships with Service industries and Māori entities, iwi, and hapū. It will help us deliver on the transformational outcomes for the Service sector and respond to the desires of Māori, iwi, and hapū.

Aligning the four pou within Ringa Hora, our desire is to co-create the future of the Service sector with industry businesses and Māori entities, iwi, and hapū, by ensuring:

- · we are tika in all things we do, so we are seen as trustworthy
- we create visibility over our decision-making, activities and accountabilities, so we are seen as relevant
- we bring pono to our name Ringa Hora, so industries feel safe giving us their insights
- we work with aroha, so people feel valued and cared for.



The Service sector is essential to the economy¹

The Service sector workforce is undergoing a period of significant change. The impacts of COVID-19 have been profound, with major service disruption, job loss, and new pressures for businesses and people across the sector. As we emerge from the acute disruptions of the past two years, businesses that remain are faced with significant labour shortages. Many people previously employed in the sector have moved into other industries, young kiwis are taking long overdue OEs, and overseas migrants are yet to return. In this new environment, it is more important than ever before for businesses to actively focus on developing their workforce.

OVER ONE THIRD

of all workers in **New Zealand work** in the Service sector.



Employing around

people in 2021

The Service sector contributes over

per year to New Zealand's Gross Domestic Product (GDP), or just over 30% of the total GDP.

The contribution from the sector to **New Zealand's GDP** fell in 2021 by 1.1%, which is the first fall in contribution since 2009.

Over 60% of the Service sector kaimahi are employed in businesses covering Retail & Distribution services, Hospitality & Food services, and Business & Professional services. While the number of people working in the sector has grown every year from 2011-2020, in 2021, employment fell by 1%. Losses were heavily concentrated in the Tourism and Aviation industries, where the lasting effects of COVID-19 will likely be felt for the longer term.

There are

Service sector businesses in New Zealand, representing around half of all businesses in the country.

These businesses employ an average of 3.2 people.



They are predominantly small businesses, with

almost half of all business owners in the sector being self-employed.

Around 39% of Service sector businesses are

located in Auckland, 12 % in Canterbury, and 11% in Wellington. Employment in the sector is over-represented - relative to the whole New Zealand economy - in Auckland and Wellington - and underrepresented in all other regions.

Infometrics 2021 data was used in this section. While we acknowledge that this data may not be complete or accurate - especially with regard to Māori and Pacific - it is the most accurate data we have available at this point in time.



Māori in the Service sector

Even before the signing of Te Tiriti o Waitangi, Māori were adept entrepreneurs and had an eye for both business and overseas trade opportunities. In recent years, Māori business has increasingly flourished and is seen as part of the unique identity of the sector, most notably within the Tourism industry. In addition, the Maori population is growing at a much faster rate than the NZ population as a whole. It is expected to make up a larger share of the workforce, particularly the young workforce, over the next decade.

There are



The percentage of Māori workers varies considerably from 8% in Aviation and Financial & Advisory Services to more than workers in 18% in Contact Centres & Industry Support the sector Services and Cleaning Services.



Again, this varies considerably from 4% in Financial & Advisory Services to more than 10% in Contact Centres & Industry Support Services and Cleaning Services. These businesses range from large iwi-owned entities to small businesses owned by Māori entrepreneurs..



Te Öhanga Māori asset base for **Real Estate Services**

Smaller but still significant assets are held in other parts of the Service sector, including Accommodation, Retail, Food Services and Financial & Advisory Services.

While the contribution of Māori to the Service sector is already significant, the potential for future growth is limitless.

Te ao Māori | the Māori worldview is increasingly being embraced and celebrated across New Zealand. The celebration of Matariki in 2022 as the first new public holiday in 50 years, the increasing use of te reo in mainstream media, and a growing understanding of Māori culture and practices are just a few examples of this shift. The manaakitanga at the heart of the Service sector is well aligned with te ao Māori. Based on insights gathered so far, businesses that embrace Māori culture in a real and meaningful way tend to have a point of difference and will be well placed to flourish both economically and socially.

Looking to the future of the workforce, there is a growing number of young Māori who have been through a kaupapa Māori education, who are comfortable being in a mātauranga Māori | grounded in Māori knowledge environment and will actively seek workplaces that align with their cultural values. Businesses that can embed these values will be far more attractive to rangatahi Māori, both as kaimahi and as customers.

Despite the growing presence of Māori in the Service sector, the current statistics suggest that Māori within the sector are more likely to be employed in lower-wage roles. There is an urgent need to lift the representation of Māori in higher-wage roles.

Further, rangatahi Māori are more likely than non-Māori to be disengaged from tertiary education and employment. This is significant as people who are disengaged during this transitional phase are at higher risk of poor long-term outcomes. Creating an environment where Māori can succeed as Māori will be beneficial for individuals and their whanau while allowing businesses access to the untapped potential that rangatahi Māori hold.

Spotlight on Service sector kaimahi

The demographics and other characteristics of our population are dynamic – whether that's in terms of ethnicity, age, gender, or the experience of a disability.

By 2038, more than 50% of our workforce will be Māori, Pacific, or Asian, which will have significant implications for our services. At the most basic level, it will change who services are delivered for and by. That, in turn, carries different expectations of what the Services could or should look like.

Each of these groups makes a unique contribution to the Service sector, and businesses will benefit from recognising this contribution and being responsive to their individual needs. With current labour shortages, developing a committed and responsive relationship with these groups will help realise the proven economic and social benefits for employers, the workforce, and the wider communities in which services are delivered.

What follows is some information about the characteristics of selected population groups in the Service sector and what we've heard about the opportunities and challenges they present.

Tāngata Moana Nui a Kiwa | Pacific

The Pacific workforce makes up 7% of all workers in the Service sector. This workforce is very diverse, including people from a number of different Pacific Island cultures. There is also a growing number of Pacific-owned businesses in the sector, most of which are small-to-medium enterprises.

Concentrated predominantly in Auckland, the Pacific workforce makes up 11% of Service sector workers with higher representation across Contact Centres & Industry Support Services, Cleaning, and Aviation compared to other industries.

The wave of Service sector business closures due to COVID-19 has created lasting challenges for many Pacific families and communities. This has resulted in an increase in young people leaving school early to work in low-wage jobs as a means of helping support their households, compromising career options and further educational opportunities. In addition, young Pacific people are affected by a growing digital divide, education affordability, and a lack of culturally-receptive support in many workplaces.

There are significant opportunities for innovation within the Service sector to respond to the aspirations of the Pacific workforce and customers. Recognising and celebrating the value of cultural identity in the workplace, exploring pastoral care, and promoting career pathways that support Pacific identities will encourage Pacific communities and businesses to flourish.



Wāhine | Women

Women make up 55% of workers in the Service sector, but have been disproportionately impacted by job losses due to COVID-19. Sectors that experienced the most job losses were Retail, Accommodation, Hospitality, and Administration & Support Services – industries where over one-infour women work.

Furthermore, with women taking on the majority of caregiving responsibilities, lockdowns which required parents to take a more active role in childcare or other types of care, hit particularly hard for women. Some women struggled to hold down employment on top of these additional responsibilities.

On the other hand, the pandemic highlighted that greater flexibility, including where, when and how people work, is possible. Possibilities for women to work in ways that are non-conventional and that can flex with responsibilities beyond employment are now a more realistic option. While these new ways of working are promising, they are yet to be widely normalised and adopted across some parts of the sector, making it difficult for women to access job flexibility across some high-paying roles.

Occupations that do offer flexibility and part-time options are more likely to be lower paid. This has a limiting effect on women's earning potential, even within sectors that have high female representation in the workforce. For example, though the Hospitality sector has the highest percentage of women employed out of all Ringa Hora sectors, women represent the majority in lesser paid roles, making up 78% of wait staff but only 33% of chefs. For wāhine Māori, Pacific women, and for disabled women, these inequities are felt more severely. They will compound existing barriers to participation in the workforce in ways unique to the landscape of each demographic.

There is also an opportunity to increase the mana of Service sector occupations that already have a high percentage of women, such as Cleaning and Hospitality. This will elevate the status of women in these lines of work and encourage more visibility and public recognition of the essential nature of these roles in contributing to the nation's economy.





Tāngata Whaikaha | Disabled People

Disability can be understood not only as a physical, mental, intellectual, or sensory impairment, but also in the way that wider attitudes, behaviours, and the built environment can inhibit full and equal participation in different aspects of life, including work.

There are some challenges in accessing quality information about the prevalence and experience of these different aspects of disability, especially when narrowing the scope to the Service sector. However, there is a case for doing things differently even at the highest level of available data, especially when paired with stories of people's lived experiences, priorities, and challenges.

Nearly a quarter of New Zealanders have a disability. Disabled people have lower rates of employment and lower incomes than non-disabled people. They may face social stigma that adversely impacts job opportunities. This is despite evidence of the importance of education and meaningful work in supporting economic, social, and cultural wellbeing outcomes for disabled people, not to mention the economic and social-good benefits for employers of having a diverse workforce. At its heart, this is also a matter of human rights, and we want to acknowledge that New Zealand has ratified the United Nations Convention on the Rights of Persons with Disabilities. This Convention strives for disabled people to experience dignity, autonomy, participation, inclusion and accessibility, non-discrimination and equality, and respect for difference.

It is clear that we need to establish and develop relationships with disabled people and networks to guide our strategies in making the Service sector more accessible. On the foundations of this relationship, we can amplify the voices of disabled communities in establishing the attitudes, practices, and environments that fully and equally enable people to participate in the Service sector.

Pakeke | Older workers

The number of older New Zealanders is growing rapidly, and people increasingly want to work beyond the traditional retirement age, although often for fewer hours or in a different role. This means there is a growing workforce that the Service sector can draw on, particularly if businesses can make work more flexible or part-time. There is also increasing interest in how the older workforce may help meet seasonal peak demand as people continue to want to contribute through work for some time whilst retaining the opportunity to enjoy other activities for the rest of the year.

There are relatively few older workers across the Service sector, with 12% of workers aged 60 or over, compared to 14% of the total economy. However, this varies considerably across parts of the sector, with 23% of the Real Estate workforce being in this age group, compared with 8% of the Hospitality workforce.

Older workers bring a wealth of knowledge and lived experience to the workplace and are critical to passing on key essential skills to younger generations. In addition, they can mentor younger colleagues and bring balance to teams. Challenging stigma and ageist attitudes toward older demographics will create opportunities for the sector to meet widespread labour shortages and transform how we perceive age in shaping a person's employability.



Rangatahi | Youth The Service sector is a commo

The Service sector is a common entry point for young people into the world of work. Large numbers of people have had their first role in Services, especially in Hospitality and Retail. Rangatahi aged 15 – 24 make up 36% of workers in Hospitality and 27% of workers in Retail. Many of these young people are working in the sector part-time while they are still at school or undertaking tertiary study.

The role of work in the lives of rangatahi is widely varied. As a result, what they need and expect from their workplace also varies. Young people are increasingly choosing to work for companies that reflect their culture and align with their values. Businesses within the Service sector that can respond to these changing attitudes are more likely to be able to attract young people and retain them for longer.

The skills that rangatahi learn while working in the Service sector are foundational to Aotearoa's workforce. If, or when, rangatahi venture beyond the Service sector as they grow in their career pathways, they will build on the skill foundations that these different industries equipped them with. Rangatahi will be the pioneers of Aotearoa's workforce, with the next generation of digital natives likely to bring great technology adoption and innovation skills with them to work in a sector with changing technological needs. This highlights the immense potential of the Service sector to embrace and support rangatahi, who will play a significant role in shaping core skills and characteristics of the workforce for the next generation.



State of Vocational Education in the Service sector

In 2021 there were over 60,000 learners enrolled in Service sector-related qualifications in post-secondary education¹.

Total enrolments (both in providers and in industry training) in Service sector qualifications have been in decline over the last five years, even prior to the COVID-19 pandemic, with the number of learners falling by more than 25% across the sector and by close to 50% in Retail, Tourism & Travel, Aviation and Security. This represents a serious issue for the sector in ensuring the supply of trained workers.

Number of learners













Almost two-thirds were enrolled with education providers.

This means that more learners are in classroom or distance learning environments rather than learning in a workplace. Many of these people were enrolled in general business education programmes that relate to a broad range of Service sector occupations.

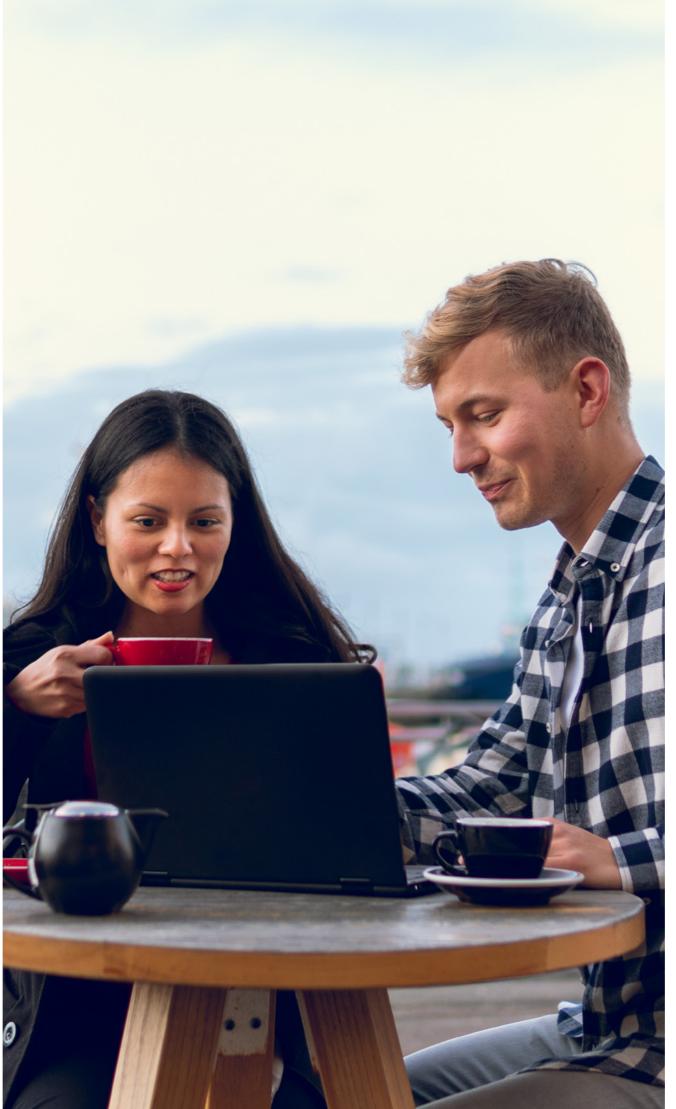
In-work training for Tourism, Hospitality, and Aviation has significantly reduced since 2020, meaning that the demand for skilled workers in the future is unlikely to be fully met.

By way of contrast, apprenticeship enrolments in the Service sector grew from a base of between 230 to 350 apprentices per year to almost 1,800 apprentices in 2021.

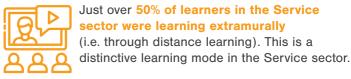
Apprenticeships have, in the past, been concentrated in Aviation (New Zealand Apprenticeships in Aeronautical Engineering and Aviation apprenticeships) and in the Hospitality sector (in Catering Services, Cookery, Food & Beverage, and Food Services apprenticeships).

A combination of COVID-19's impacts on Retail, and the lowered cost of training resulting from the Government's Apprenticeship Boost, has seen enrolments in the new New Zealand Apprenticeship in Retail expand to more than 1,250 enrolments in 2021, with enrolments in this programme eclipsing those in other apprenticeships in the Service sector.

¹Information in this section was sourced from TEC and NZQA supplied data. ²Information on Service sector apprentices was sourced from ServicelQ.



There were nine providers that enrolled 1,000 or more learners. Together these learners accounted for 75% of all learners in the Service sector. A total of 12,600 learners (or 37% of the total) were enrolled at the Open Polytechnic, and all of these learners were in just three industries - Business & Professional, Real Estate & Rental, and Financial & Advisory Services.



Just over 50% of learners in the Service sector were learning extramurally (i.e. through distance learning). This is a

Total enrolments and learner gender

There are slightly more female learners (53%) than male learners (46%), a split that has remained much the same over the past five years and is broadly in line with the gender split in the Service sector workforce.

Levels of study



Around 93% of learners were at levels 3 - 5, with 40% at level 4. While this may be at a higher level than in some other vocational education and training sectors, there is limited evidence that people are progressing to higher level qualifications (at diploma and degree levels).

Ethnicity of learners



Service sector learners are much more diverse ethnically than the population of learners as a whole.

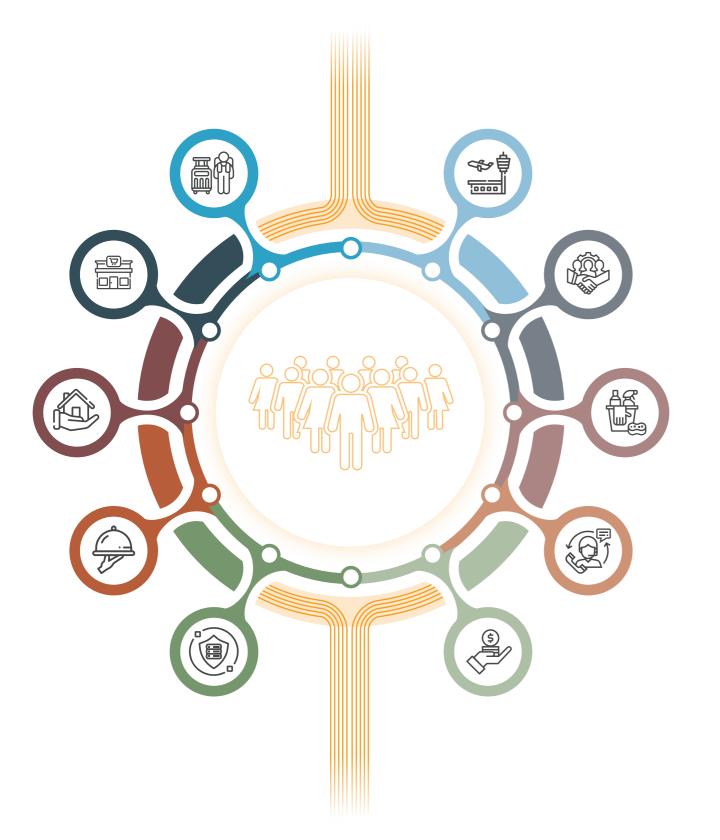
Only 27% of Service sector learners are European, over 21% are Māori, 18% are Asian, and 16% are Pacific learners.

This reflects higher levels of immigrants working in the Service sector (e.g. in Accommodation, Hospitality, Travel, and Aviation industries). It also reflects high levels of Māori learners in certain industries (such as Tourism). There has been no significant change in the ethnic makeup of learners in the Service sector domains over the last five years.

Our ten industries are an ecosystem

The Service sector includes a huge variety of people in a wide range of businesses doing everything from working in airports, to selling houses, to cleaning buildings. We have created ten industry groupings based on the types of things businesses focus on, and the types of roles people play. While each of these groups are different, they all

They are also all connected to one another. Together they form a rich ecosystem, and things that impact part of the ecosystem have a ripple effect on the whole Service sector. In that context, it's important that we work together and focus on developing all parts of the Service sector.

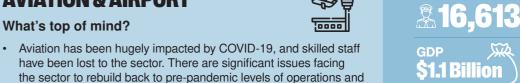




AVIATION & AIRPORT

What's top of mind?





no post school



employment across all roles. Reduction in available funding due to Unified Funding System (UFS) changes is a critical issue for this sector. Proposed changes here

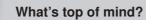
· The funding cap for flight training providers has not been reviewed since 2012.

may result in a significant reduction of funding per student.

So what?

- · Shortage of qualified people in many roles, from Flight Attendants to Aeronautical Engineers to Commercial pilots.
- The highly regulated environment results in a higher cost of entry into jobs. The impacts of this must be considered when advocating for underserved learners joining the industry.
- · Large variety of roles that offer many possibilities. There are varying levels of entry criteria for different roles, and the training offered may also vary in terms of duration and cost across providers.
- The flow of trainees into certain areas could be shaped to take into account prior knowledge and experience.
- Meeting the projected demand will require a focus on all operations. For instance, providers such as the Nelson Marlborough Institute of Technology (NMIT) are in discussions to expand operations at Woodbourne to cater for the projected demand for aeronautical engineers.

BUSINESS & PROFESSIONAL



- · Business and Professional Services includes a wide range of businesses, like legal services, accounting, sex work, business administration, and labour associations.
- · Some occupations in this industry require high-level qualifications, while others have limited education and training options.
- · Heavily concentrated in Auckland (44% of workers) and Wellington (17%).
- Parts of the industry are facing increased compliance and Health & Safety requirements.
- Technology is enabling customers to do more straightforward tasks themselves, which increases the skill demands for people employed in the industry.

So what?

- There is potential to create training and career pathways for people working in occupations in the sector where these are relatively limited.
- Business management training could be better contextualised for parts of the industry like parking services or sex work services where there are currently limited relevant options.
- There is a need to raise the awareness of these industries and the many different roles and opportunities within them.

164,069

\$17.2 Billion

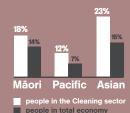




no post school qualification

29,245





CLEANING

What's top of mind?

- Perceptions of the industry increased during the COVID-19 pandemic, but there is further opportunity to raise the mana of cleaning.
- Significant growth has occured over the past few years resulting in associated labour and skill shortages.
- With a workforce that is ethnically diverse, female-dominated, and mostly middle-aged, there is potential to help many people gain qualifications for the first time in their lives.
- · Many cleaners work long hours, have multiple jobs along with family and community responsibilities, limited previous learning success. and language literacy and numeracy (LLN) challenges. This presents unique learning needs.
- Technology is changing the workforce skill needs with increased use of devices and scans as well as some robotic cleaning.
- · Fair Pay Agreements and the impact for Cleaning Services.

So what?

- Training is critically important in terms of the Health and Safety of staff
- A greater appreciation of the sector could provide mana for those in roles across cleaning businesses.
- Bite-sized training would better suit the workforce in terms of their demands and learning needs. This could be in new areas such as robotic cleaning.
- Other transferable skills like leadership and communication could be used to develop a supervisory pathway for cleaners, including skills for engaging with multiple cultures.



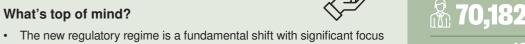
FINANCIAL & ADVISORY

current scarcity of qualified advisers.

What's top of mind?

financial advisers.

consumer credit.

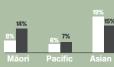


\$18.8 Billion

ed 15 - 24



no post school



people in total economy

So what?

 Current provision of Financial Services training has not delivered opportunities for all learners.

on meeting licensing requirements and processes by March 2023.

Regulatory changes have restricted the entry of new professional

· The industry has recognised a current lack of diversity in the provision of Financial Services training to increase Māori and Pacific representation.

· Significant churn has been experienced in recent years, resulting in a

· Parts of the sector have recognised the need to lift professionalism,

including exploring level 5 qualification options, specifically in

- Online delivery of programmes may be a barrier to learning for Māori and Pacific students, as opposed to face-to-face or blended learning options.
- There is a strong sense that the NZCFS L5 qualification delivers the minimum requirement for base knowledge. However, associated costs to support new entrants to obtain the qualification are disproportionately
- There are suggestions about gaps in provider support and delivery of the Level 5 qualification.
- The industry is interested in the inclusion of sector-specific content into university provision of financial qualifications, given the pipeline of university graduates into the sector.

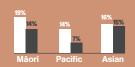
292,828

\$4.0 Bi



no post school

qualification



people in total economy

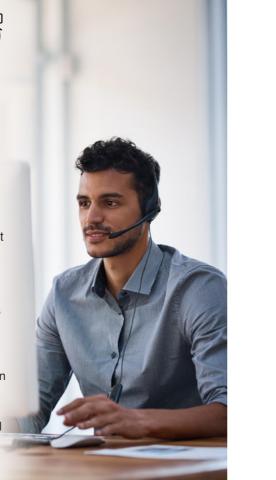
CONTACT CENTRES & INDUSTRY SUPPORT

What's top of mind?

- · This industry grouping has a range of roles and businesses, from Call Centres to Recruitment Services to Office Administration Services.
- · More than a third of all workers in Contact Centres & Industry Support Services have no post-school qualification.
- Changes in technology, including speed and pace to market. Organisations moving toward a 'self-service' option for customers.
- Mobility of workforce saw more people move into contact centre operations, particularly from retail and hospitality, due to the impact of COVID-19.

So what?

- There is the potential to offer credentials for specific industry knowledge and recognise prior learning in customer service that is applicable, i.e. from Retail and Hospitality.
- · Training and qualification mode of delivery by technology (i.e. online) could be explored further, mirroring consumer behaviour (i.e. self-service). This may include training the workforce in relation to a hybrid model of working.
- Supporting the recovery from COVID-19 by working with industry to understand needs, and workforce movement, including potential pipelines as the Service industries recover from COVID-19.
- With 70% of the workforce based in Auckland and Wellington, there is an opportunity to explore training and workforce development possibilities across the motu.



GOVERNMENT, SECURITY & DEFENCE

What's top of mind?

- · The role of lwi in the decision-making process for regional councils around the motu is growing in significance (e.g. referencing the Te Arawhiti Capability framework).
- While there are opportunities for training and development, it is often not accredited by NZQA, and that can deter staff from participating.
- New training initiatives and credentials (e.g. security apprenticeships) to upskill staff across the sector for defined skill sets are a popular initiative.
- Pay and conditions in local government may be less competitive than the wider market, possibly exacerbating pressures on staff retention.

So what?

- Accessibility to kaimahi with sufficient te reo me ona tikanga | Māori language and cultural practices will be essential to support the level of aspirations for transformation across the public sector to deliver on Te Tiriti o Waitangi commitments.
- Public sector kaimahi may fund their own foundation training (e.g. Certificate of Approval for the Security sector). However, additional constraints, such as time, workplace culture, costs etc., may preclude completion of a full qualification.
- Further resources should be devoted to assessing future trends and identifying common key competencies for public sector employees, and delivering NZQA accredited products accordingly.
- · A significant proportion of employees in public agencies are already tertiary qualified and contribute to the older demographic make-up of the workforce. Many will wish to further their established skill sets in other areas of interest and need (particularly management & leadership, marketing and communications).

A 102,370

GDP \$11.0 Billion



(m) **27.6%**

no post school qualification







\$6.4 Billion

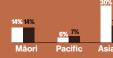
36% aged 15 - 24





no post school qualification

\$34,800



people in the Hospitality & Foo Services sector

people in total economy

262,147

\$21.2 Billion

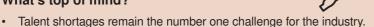
(<u>(())</u> 40.1%

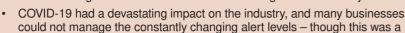
no post school

qualification

HOSPITALITY & FOOD

What's top of mind?





time of loss, a lot of businesses showed innovation in exploring contactless services and other alternatives.

- The Hospitality industry holds a significant number of young people and migrants.
- Hospitality is likely to be the first industry that many workers will engage with at the beginning of their careers.
- Hospitality employees have specific learning needs (night shifts, part-time, multiple jobs to supplement study or community responsibilities).
- The lower earnings potential of the sector creates a lack of incentive to remain and continue a career pathway.
- Concerns about the new immigration settings and the ability to recruit migrant workers.

So what?

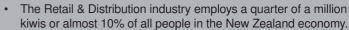
- Core Hospitality skills, such as customer service, form the foundation of careers in subsequent industries and jobs. There are further opportunities to recognise the value of such hospitality skills for their transferability across different sectors.
- As Hospitality shapes the career trajectories of young people, the industry plays a massive work-based learning role in the population's educational journey.
- Recognising the value of soft skills is an important area for qualification development in the Hospitality industry.
- The Government's Apprentice Boost initiative has resulted in an increase in apprentices and the employment of apprentices, and the extension has been welcomed by the industry.





What's top of mind?





- Technology was already having a big impact on the industry, and COVID-19 has sped up that change with a shift to online shopping and self-service.
- Big box retailers are some of New Zealand's largest employers, while there are also a large number of very small businesses.
- Perceptions of Retail & Distribution have changed over the past two years, with more people recognising the critical role of the industry, and the precariousness of supply chains.
- The industry is increasingly operating in a global context as customers have access to overseas retailers, and overseas tensions impact the availability of products.

So what?

- Many young people have their first job in Retail & Distribution, and the skills they learn in the industry can be applied to future roles, both within Services and beyond.
- Retail & Distribution has very low rates of participation in formal vocational education and training, with almost a quarter of Service sector workers but only 6% of Service sector learners.
- The mix of skills needed by Retail & Distribution workers is changing with increased demand for high-level customer service, problem-solving, and technology skills.

Please note – these statistics relate to the parts of Retail & Distribution covered by Ringa Hora. Parts of the sector are covered by four other WDCs.

223,300

GDP \$19.3 Billion

27% aged 15 - 2



50%

no post school qualification

\$46,300

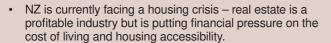


people in the Retail & Distribution Services secto

people in total economy

REAL ESTATE & RENTAL

What's top of mind?



- Perceptions of the industry are controversial in the wake of the housing crisis, and landlords and property investors are being vilified.
- It's a relatively fast-growing economy, increasing by 2.7% per year from 2016 – 2021. That's faster than the 1.6% growth of the New Zealand economy overall.
- The industry has a large number of very small businesses, with most salespeople being commission-based only, while residential property managers are generally salaried.

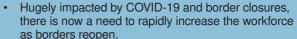
So what?

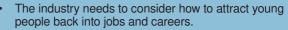
- There is a need to attract more personnel in branch management (to negate the regulatory risk, i.e. not having enough branch managers per salespeople).
- There is an opportunity to build Māori and Pasifika capacity across a range of occupations in the sector to better reflect customers and adapt to the changing workforce.
- Exploring alternate models for entry into the sector could remove barriers, encourage greater diversity, and attract younger people.



TOURISM & TRAVEL

What's top of mind?





- Immigration is a major concern as the sector has relied on short-term migrants to meet seasonal workforce peaks.
- The sector has adapted during the COVID-19 pandemic to cater to the domestic market and now has an opportunity to balance both the international and domestic market.
- The global trends of sustainability and conservation offer both challenges and opportunities for the Tourism & Travel industry.

So what?

- Raising the perceptions of careers in the sector, particularly for young people and their whānau.
- There is an opportunity to better recognise the essential skills that people gain from working in the industry.
- Rapid changes in the sector, such as increasing use of technology, need to be incorporated into programmes and qualifications.

&146,000

\$9.2 Billion

23% aged 15 - 2

58% fema

(ii) **39.6%**no post school

qualification

Average earning 2020

\$49,000



people in the Tourism & Trave

people in total economy

Factors shaping the sector

Our workforce is changing.
Our customers are changing.
Businesses need to respond to these changes to thrive.

The New Zealand workplace and workforce are evolving rapidly, with a number of factors having a big impact on what we're doing, how we do it and why. These changes are also reflected in consumer decisions about how they interact with the Services sector.

COVID-19 accelerated some existing trends in the changing nature of work, while in other cases, the pandemic has completely upturned the way services could be delivered. Some changes are likely to endure (such as the uptake of online shopping), while others could return to previous patterns (such as travel). The hard reset and evolving recovery provide an opportunity to re-imagine what services may look like in the future.

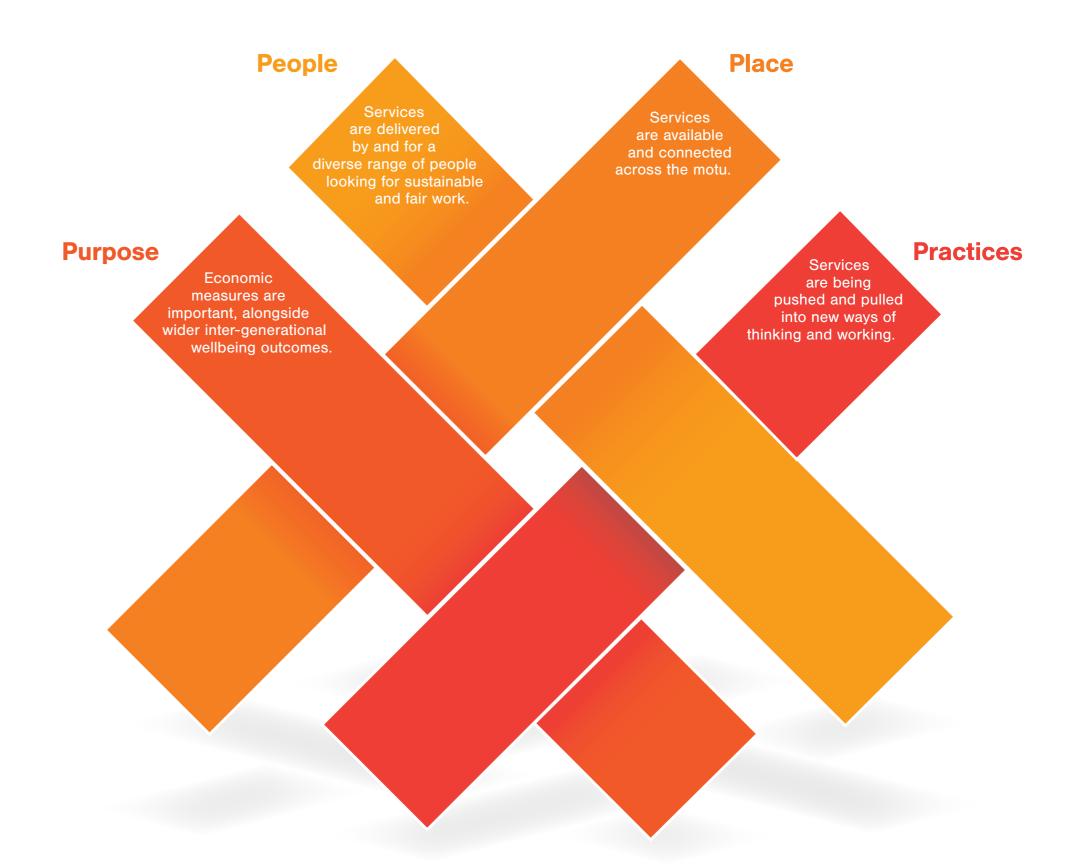
We've drawn on existing mahi and early korero with people from the sector to identify the changes the Service sector is navigating now and moving into the future. We have grouped these changes into four factors - people, place, purpose and practices.

These factors are all interconnected and, when woven together, paint a picture of how the sector is changing. They enable us to start thinking about the impacts they will have on our workforce.

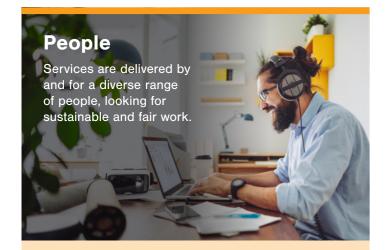
The level of importance and way these factors are experienced differs within and across the Service industry and workforce.

More detailed descriptions of how these play out for different people and industries within the Service sector are included in the kaimahi and individual snapshots section.

This is the early stages of our korero – we really want to hear more about the factors shaping your businesses and workplaces as we progress this mahi.



Why do these factors matter and how are they playing out?





People involved in delivering and using services are increasingly diverse.

The demographics of our workforce and customer base are changing. By 2038, more than 50% of our population will be Māori, Pacific, or Asian. Embracing and celebrating diversity makes businesses more attractive to potential kaimahi and customers, as well as creating economic and social benefits for employers, the workforce, and the wider community.

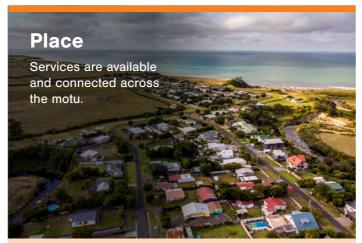


People are looking for sustainable and rewarding work.

People are looking for work that offers security and can be a step on a career journey while also aligning with their values. At the same time, increasing numbers of people want flexibility about when, where and how they are working.



In recent years, there have been significant changes to employment legislation, including Fair Pay Agreements, the provision of vocational education and training, and immigration policy settings, with more on the horizon. These changes may require doing things in different ways or thinking outside the box to get the workforce businesses what they need while also responding to any equity issues they create.





The Service sector is embedded in communities across the motu, from our largest cities to our smallest towns.

The Service sector is found throughout the motu and is well placed to contribute to thriving communities. This presence means the sector offers people opportunities to work and learn close to home, which can help retain connections with whenua | land, whanau, and other support structures. In addition, public services are increasingly focused on meeting local needs by being designed and delivered in local partnerships between government agencies, iwi, hapū, whānau, local employers, and the wider community.



Some industries can move away from place-based work and draw on a wider workforce.

Parts of the Service sector are well placed to embrace the opportunities that technological and digital innovation brings by moving roles or specific tasks to online or self-service models. This opens the door to a wider range of people and skills by breaking down a barrier for people who might not otherwise be able to participate, helping people to balance work with other commitments, and enabling employers to draw on skills from across the motu rather than just what's available locally.





Economic resilience is tested as the pace and shape of recovery vary.

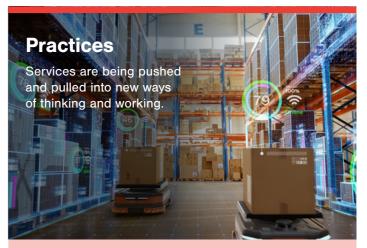
New Zealand continues to navigate the evolving challenges that COVID-19 has bought, including business closures, gradual reopening of the border, and changing Government requirements and support. At the same time, we are experiencing the highest inflation in 30 years, labour shortages and a housing crisis. These conditions have a big impact on businesses, with small businesses especially vulnerable. They are also experienced disproportionately by Māori, Pacific, disabled people, and others whose position in the labour market is more vulnerable. In this environment of uncertainty, businesses may need to adapt business models and practices.



Values and inter-generational wellbeing are at the heart of many business, workforce, and consumer decisions

People are increasingly conscious of social, cultural, and environmental impacts and considering how today's decisions effect future generations.

These values can impact decisions as varied as deciding business models, what makes an attractive employment option, or what services to use and consume. This plays out in many ways, including values-based business models such as social enterprises or an emphasis on katiakitanga, social and sustainable procurement models that look beyond price, prioritising mental health and wellbeing, and paying a Living Wage.





Innovation and technological disruption.

Innovation and technological advancements are changing the way we work, the types of things people are doing, and the range of skills people require. Automation of routine transactions, use of devices in previously manual tasks, local entrepreneurship facilitated by digital means, and access to a wider depth and breadth of customer data are just a few of the ways that these changes are playing out in the sector. This change will be most successful when paired with behaviours and attitudes that embrace their adoption while being balanced by the need for human expertise to handle unpredictable or sensitive situations.



Focusing on the environmental impact of how we live and work.

The Service sector is being shaped by the physical environment, including the immediate shocks of severe weather events and the longer-term impacts of climate change. Customers are increasingly demanding that businesses take an interest in sustainability and principles of the circular economy through things such as regenerative or restorative approaches, local food systems, alternative energies, reusable options, and sustainable procurement.

Key areas of focus

We want to build a resilient and capable workforce that enables economically, socially, and culturally thriving people, businesses, and communities.

We have identified four key strands, or aho, that are important for developing the workforce. Each of these aho will strengthen the workforce, but when woven together, as a taura whiri, we can achieve real transformation of the workforce.

Māori succeeding as Māori

Māori success is fundamental to the success of the Service sector. Māori business is thriving, Māori culture is increasingly being embraced, and Māori are experiencing strong population growth and making up a larger share of the young workforce.

In this context, creating an environment where Māori succeed as Māori will benefit individuals, businesses, and the Service sector as a whole.

Laying the platform for success starts with whānau and hapū, and it is then up to the education system to enable the talent Māori learners were born with. Taumata Aronui, a group of Māori education experts, innovators, business leaders, and student advocates, were brought together by the Minister of Education to provide independent advice on how tertiary education can better respond to the needs of Māori learners, communities, and employers, and to help improve learner and community outcomes. In May 2022, Taumata Aronui released Manu Kōkiri, a think piece calling for transformational change to ensure more Māori success in tertiary education for the benefit of all New Zealanders.

The paper takes a broad view of "success" for Māori. Traditional measures of success focus on engaging in and completing tertiary education and gaining meaningful employment. However, success should also include the development of the mana, health, and wellbeing of the individual and, even more widely, the collective mana, health, and wellbeing of iwi and the Māori community.

Similarly, in the workplace, success for Māori can be thought of broadly and include employment that is mana enhancing for both individuals and communities, business practices which are founded on genuine partnership, and making mātauranga Māori part of the unique identity of our sector.

Attracting the future workforce

Prior to 2020, the Service sector faced sustained skill and labour shortages. In recent years, COVID-19 significantly altered the landscape of the sector, with some industries facing more extreme shortages while others were forced to make staff redundant. Looking forward, we anticipate the labour market will remain tight, and the Service sector will need to continue to work hard to attract the workforce needed for the future.

Part of successfully attracting the future workforce is considering what the future of customer demand could look like and how to best respond to that demand while factoring in the changing expectations people have of work. One thing is for certain; the future workforce will have more people who are Māori, Pacific, and Asian, fewer young people and more people working past the traditional retirement age. People in the workforce are increasingly wanting things like more flexible hours, remote work, and other conditions that enable them to better balance work and other priorities.

Technology is rapidly changing the skills required in a range of roles across the sector. If businesses can embrace technology to do some of the more routine tasks in the sector, then this changes the number of people they need and also the nature of work that people do. Reducing some of these automatable tasks may help make some sector roles more attractive to a wider range of potential workers.

If the sector can successfully attract the workforce that we have in New Zealand, and keep them engaged in the sector for longer, then we can look to reduce reliance on short-term migration. This will help increase productivity and wages, reduce some poor workplace practices, and create opportunities for local people and communities.

Developing broad skills for the future

It is critical that people in the sector have the skills that will help individuals and businesses thrive now and in the future. As work is changing rapidly, people need a strong base of core skills, including literacy, language, and numeracy, as well as a broad range of skills that enable them to be adaptable and responsive and give them the ability to continue to learn throughout their lives.

The changing nature of work is increasing the demand for "soft" skills like customer service, communication, and problem-solving. Technology skills are also now needed for all roles, and the level of technical capability needed is increasing all the time.

These skills are fundamental to Service sector roles. People who hone their soft skills in the Service sector can apply them across any future roles, both within the sector and in the wider economy. If we can credentialise these skills, it will enable people to change roles more easily, and for businesses to have better signals about the people they are hiring.

As part of this, we need to ensure we have an education system where the essential skills that come from learning while in employment can be carried forward for life. At the heart of our businesses are skills that can be building blocks for careers – within the Service sector or across other sectors – that support people with their unique needs and choices. This new world enables learners to earn while they are working and learn wherever they are located. This is of real importance to hapū and iwi, who lose their rangatahi to places where learning is situated. Creating a strong, resilient workforce that is built on skills gained through short, sharp, and stackable learning opportunities benefits the industry, individuals, and Aotearoa.

Creating mana-enhancing jobs and opportunities

The Service sector has a huge variety of roles ranging from highly skilled, highly paid roles to those that have traditionally been very low paid and seen as very low skilled.

The past two years have shifted views of what is "essential" both in our interactions and in the way we view workers in various roles. It has become clear that many Service sector roles like cleaners and supermarket shelf stockers, who have previously been taken for granted, are critical to New Zealand on a day-to-day basis. There is a significant opportunity to maintain and build the mana of people in these roles, increase the pay they attract, and recognise the opportunities they offer.

This is especially important as the Service sector is often a gateway to employment for people who are new to the workforce or who may have been out of the workforce for some time. If we can equip people with a range of skills, including soft skills and technology, businesses will be more adaptable while workers will have the tools to transition into other roles either in the Service sector or in the wider economy.

Building the mana of Service sector roles also has benefits for businesses, whānau, and the community. For businesses, having staff engaged in more meaningful work is likely to lead to lower turnover and more highly productive staff. Building staff capability and skills helps build resilience and enables people to adapt more readily to changes, both to longer-term shifts and shocks like COVID-19. For whānau and communities, the benefits of having more highly paid and highly valued Service sector roles include the direct benefit of people having increased money to spend and wider impacts like increased esteem and aspirations for children and others connected to people in Service sector roles.

Initial actions

Achieving transformational change requires action from a range of people and groups across the industry and beyond. There are things that could be addressed at a macro and Government policy level, through to actions for small business owners, and everything in between.

Some initial ideas for actions that have been raised through early consultation are shown below.

These actions focus on the Service sector as a whole, but there will also be more detailed actions that are specific to a particular industry or group within the Service sector.

Over the coming year, we would like to work with you to identify and promote where things are working well, facilitate connections, and further develop actions.

Māori succeeding as Māori

- Encourage providers to develop te reo Māori and te ao Māori programme strands.
- Build partnerships between iwi, hapū, providers, and industry bodies to focus on improving Māori participation and achievement in tertiary education.
- Identify and share examples of good practices that already exist.
- Identify opportunities for kaupapa Māori to be embedded in our qualifications and standards.

Attracting the future workforce

- Advocate for increased education provision in sectors most hard hit by COVID-19.
- Ensure tertiary provision is in line with regional aspirations.
- Create a shared marketing campaign to highlight the attractiveness of the Service sector.
- Investigate and promote ways to meet seasonal demand and surge capacity.
- Actively engage in immigration policy development and recognise the impacts this has on the Service sector.

Developing broad skills for the future

Potential collective action

- Build connections between providers and employers to ensure training meets business needs.
- Develop stackable micro-credentials to speed up skills uptake.
- Strengthen aspects of provider programmes to meet rapid changes in skill requirements.
- Promote the value of formal, credentialised learning to businesses.
- Credentialise soft skills learned through the Service sector, so these are recognised when people apply for future roles.
- Review and rationalise existing qualifications, credentials and standards to ensure they meet industry needs.

Creating mana-enhancing jobs and opportunities

- Create career pathways in Service sector industries that are lower paid and/or not held in high esteem.
- Promote the essential nature of roles and parts of the sector that have traditionally been overlooked.
- Include a wider range of roles in sector promotional materials.
- Contribute to the discussion around Fair Pay Agreements and their potential role in the Service sector.

Potential actions for individual businesses

These could include:

- Embedding te ao Māori in recruitment and HR practices.
- Fostering relationships with whānau and communities of staff.
- Creating opportunities to celebrate Mātauranga Māori culture.

These could include:

- Recognising and celebrating diverse cultures within your workforce.
- Offering work conditions that align with the values of the future workforce, including flexibility and location of work.
- Considering whether some less desirable tasks can be replaced or reduced through the introduction of technology.
- Developing relationships with local schools and offering employment opportunities to young people
- Exploring the use of labour-hire or other ways to flexibly hire workers across firms.

These could include:

- Offering workers the opportunity to take part in formal, credentialised, work-based training.
- Giving workers exposure to a range of tasks and experiences so they can develop a wide range of skills.
- Developing career pathways that recognise the skills that people have gained.

These could include:

- Working with employees to put in place job conditions that meet the needs of individuals and the business.
- Offering upskilling and learning opportunities to people in all roles, particularly around soft skills and technology.
- Celebrating the contribution of all roles.

What other actions do you think would make a difference?
What things could you or your organisation do?

Where to from here?

It's important for us to hear your views about what we're proposing in this plan. This will help us all be confident that future plans reflect Service sector needs and aspirations and includes actions that are meaningful, action-oriented, and sustainable.

We'll be reaching out to you in different ways, including arranging hui and attending industry events, but we also encourage you to get in touch with us directly.

Let us know what you think about the proposed content of the plan

Through to early 2023, we want to know how much of what we've shared here resonates with you. For example, what do you agree or disagree with and why, is there anything we've missed, what actions do you think would make a difference, and what things could you or your organisation do?

Let us know how you'd like to engage with the plan as it shifts from design to delivery

We want to hear from you about what the accountability and operational arrangements for the plan should look like.

Get in touch with us if you or your organisation:

· are interested in:

♦ kaitiakitanga | stewardship

- » the vision and direction of the plan
- » understanding how well the plan is working or where we need to adapt

♦ hohenga | supporting and delivering practical actions

- » providing advice on a regular or as requested basis
- » amplifying existing mahi
- » identifying opportunities to design and deliver new things
- has the passion and knowledge for the Service sector, paired with networks and connections to activate it
- owns, works in, uses, or has central or local government responsibilities relating to the Service sector
- · has interests at a local or national level
- can champion the views of Māori, Pacific people, disabled people.

Ringa Hora has been mandated, through RoVE, to not only support the creation of a workforce development plan but to actively participate in delivering its vision. We will walk alongside and support the sector at each level.

By June 2023, we will publish the next iteration of the Workforce Development Plan.





