



Cleaning Industry WORKFORCE ACTION PLAN

A shared roadmap to develop the workforce

The Service sector is fundamental to New Zealand and New Zealanders. The future of the Service sector is exciting and has people at its centre.

Ringa Hora has worked with people from across industry to develop a shared roadmap to transform the Service sector workforce from its current state to the future that we aspire to.

The Workforce Development Plan looks across the Service sector and sets out the major factors shaping the sector and an overarching vision for the future.

Against that context, this Action Plan focuses on the characteristics and dynamics of the Cleaning industry and its workforce. It describes what the future could look like for this workforce, the current challenges faced by the industry, and sets out the actions we can take to tackle this wero | challenge.



Future Vision Cleaning Industry

Ringa Hora's Service Sector Workforce Development Plan is based on four aho | strands. 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
- ▣ Attracting and retaining the future workforce
- ▣ Developing broad skills for the future
- ▣ Creating mana-uplifting jobs and opportunities.

This is a future that embraces the demographic, cultural, and linguistic diversity that we know is characteristic of the Cleaning workforce (e.g. nearly a third of the current workforce are of Asian descent, and there is a strong migrant workforce).

It is a future where industry and the vocational education system recognise the skills and knowledge advantages that workers have from their previous work, educational, and life experience.¹ Importantly, it means people can see and access a clear pathway for career and education progression from entry-level to supervisory and management roles. This includes business ownership, given the industry has a strong tradition of self-employment that is likely to continue.



About the Industry

The Cleaning industry supports a vast range of businesses, people and communities; it is an essential service which is becoming increasingly recognised and valued as one that ensures people can live and work in a safe and clean environment, whether that's in commercial, domestic, or other public settings.

The Cleaning Services industry is one where much of the work is done out of the public eye (e.g. when the home, office, or other premises are vacant) and the results of cleaning are more apparent when the work is not done properly. Despite this low profile, the industry contributes nearly \$ 1.5b to the nation's economy and has immense value to society as an essential service. As observed throughout the pandemic, without cleaners the public is at risk of multiple health hazards and unsanitary living, working, and public environments.

The Cleaning industry is expected to have steady growth across both commercial and domestic areas. For commercial cleaning demand is expected to rise alongside profitability of businesses. For domestic markets the demands are driven by changing work patterns which means people have less time and are more likely to outsource cleaning tasks.

¹ Ringa Hora (2022). What makes the Service Sector resilient?

Top of mind

To help us get to the future state, we need to understand and tackle the challenges that the Cleaning industry faces, while also seizing the opportunities that already exist or are on the horizon. We've heard that the factors having a significant impact on the Cleaning industry, including its approach to workforce development include a labour and skills shortage, rising business costs and a gap in leadership roles.



Addressing labour and skills shortages

There are simply not enough people to meet current industry needs, from entry-level through to management. One reason for this is the significant number of transient workers in the cleaning industry; people who are specifically seeking short-term work in the industry and leave with no intention of returning. When looking at the pathways of employees who started in 2015, we can see that a third of people left the industry within a year, 60% had left within three years. In addition, the industry has an aging workforce with fewer young people being attracted into the industry. There are opportunities to shift this pattern and encourage slightly longer tenure, alongside efforts to attract more people to the workforce. The kinds of factors that we've heard as being associated with higher retention rates in the industry and wider Service sector include job stability, pay rates, work location and team culture.

Developing and recognising fit-for purpose training and qualifications

The industry is readily accessible, with 1 in 5 people entering without previous work experience or qualifications. With almost all training delivered at work, the cleaning industry offers its workforce valuable opportunities to gain foundational skills that can prepare them to progress within their chosen careers.

Training needs to be able to keep up with industry changes and keep the workforce safe by adopting emerging practices – for example moves towards chemical free cleaning and the uptake of advancements in technology such as using virtual reality to find germs after “normal” cleaning with full sanitisation².

Recognising the impact of business cost increases

Increasing costs of business, including increases to product and machinery costs and the minimum wage, add pressure to employers and are perceived to deepen labour shortage issues. Wage thresholds for some visas that are based on the median wage (currently \$29.66) exceeds what many industry employers can afford, in turn restricting their ability to attract migrant workers.³

Addressing the gap in leadership roles

There is a gap in leadership, especially supervisory and operations management roles. This is acutely felt when cleaners are sick, as people in these roles often have to provide cover to compensate for the absence. This in turn puts additional pressure on an already stretched part of the workforce as they must juggle both responsibilities, or they are simply unavailable to provide that leadership.

² INCLEAN NZ (2018) Training staff in chemical-free cleaning means quicker, more efficient results for DHB

About the Workforce

There are approximately 28,800 people working in the industry but this could be almost a third higher, or around 36,500 people, if non-standard work patterns such as casual or very limited hours are included.⁴

Embracing and celebrating diversity makes businesses more attractive to potential kaimahi, as well as creating economic and social benefits for employers, the workforce, and the wider community.

Using workforce participation data as a starting point shows that there are some strengths in the Cleaning industry, but also that there is work to be done to realise the aspirations and potential of Māori, Pacific peoples, and tāngata whaikaha | disabled people:

18% of the workforce identify as **MĀORI**

There is a high proportion of Māori in the Cleaning industry. Recently, there has been an increase in Māori owned cleaning companies which tend to have a whānau based approach, hiring and support Māori within the industry. This, combined with recent changes where Government is promoting supplier diversity in cleaning contracts, has meant that there are increasing opportunities for Māori-owned businesses to unlock procurement opportunities and for Māori workers to own their own business in the industry.

12% of the workforce identify as **PACIFIC PEOPLES**

There is a high proportion of Pacific peoples in the cleaning workforce. This may be because of the transient, flexible nature of the industry and the potential to start their own cleaning businesses. Pacific peoples make a positive contribution and play an essential role in the cleaning community. There is an opportunity to support individuals to progress within their chosen career pathways by ensuring on-the-job training is recognised and credentialised where possible so this experience and skills can support them wherever they go.

3.8% of the workforce identify as **TĀNGATA WHAIKAHA**

Tāngata whaikaha includes physical, mental, intellectual, or sensory impairments which can impact a person's life to varying degrees and in different ways. The industry has a higher proportion of workers who identify as tāngata whaikaha (3.8%) compared with the total proportion of the New Zealand workforce (2.6%), although this is still a very low participation rate.

⁴ Scarlatti (2023). WDC dashboard

CLEANING SERVICES

References:

1. Workforce demographic, businesses, and economy data is from Infometrics and relates to 2022 unless noted
2. Education and training data is from TEC administrative data and relates to 2022.

WORKFORCE



1. Number of workers

The total workforce in Cleaning Services is about 1% of the NZ total workforce.

Workforce change

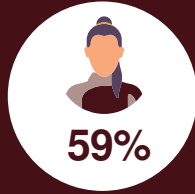
The workforce in Cleaning Services has decreased by 1.7% compared to 2021, but is 5.4% higher than 2019.

2. Proportion of rangatahi (aged 15 - 24)

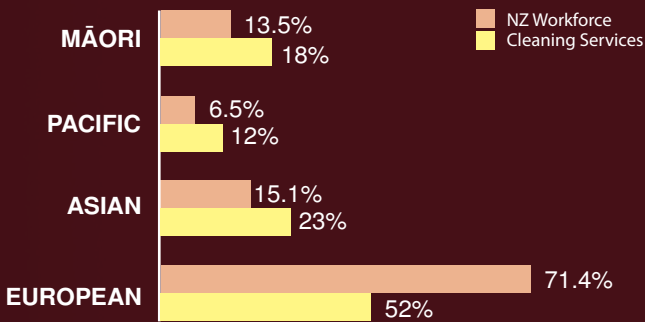
12%

The percentage of rangatahi in Cleaning Services is lower than the 14% in the NZ workforce.

3. Participation of wāhine



4. Ethnicity



5. Tāngata whaikaha

3.8%

This is compared to 3.1% of tāngata whaikaha in the wider New Zealand workforce.

6. Average annual income

\$36,800

The average annual income in Cleaning Services is much lower than New Zealand's \$65,800 in 2022.

7. Average annual income growth (2011-2022)



8. Workforce by Region



41%
Auckland



11%
Wellington



14%
Canterbury



BUSINESSES



1. Number of businesses

There are around 6,100 businesses in Cleaning Services, an increase of 6% compared to 2021.

2. Māori-owned business

Approximately 6% of Cleaning Services are Māori-owned businesses in 2022.



ECONOMY

\$1.5 Billion

In 2022, Cleaning Services contributed 1.5 billion to NZ's Gross Domestic Product (GDP)

EDUCATION AND TRAINING



1. Number of Learners 2022

New Zealand Certificate in Cleaning (Level 2)
450

New Zealand Certificate in Laundry Processing (Level 2)
5

New Zealand Certificate in Cleaning (Level 3)
420

2. Proportion of workers with no post-school qualifications

59%



Putting this into action for Cleaning Services

Transformational change in the Service sector workforce will take time but to achieve that change we need to start taking action now. The following plan includes the key areas of focus, medium term actions and short-term initiatives. These initiatives and actions can be thought of as individual threads that weave together to achieve workforce transformation.

	Māori succeeding as Māori	Attracting and retaining the future workforce	Developing broad skills for the future	Creating mana-uplifting jobs and opportunities
Actions: Where we would like to be	<ul style="list-style-type: none"> Māori business and workforces have opportunities to connect. The Service sector and vocational education system understands and acts on Māori views of success. The vocational education system is shaped by a Mātauranga Māori lens. 	<ul style="list-style-type: none"> Improve the availability and use of high-quality information about Service sector businesses and workforce Improve participation of Māori, Pacific peoples, tāngata whaikaha, and other population groups. Industry is visible and promoted to a wide range of potential ākonga and kaimahi. Roles and responsibilities of system level players are understood and have arrangements in place to work well together. 	<ul style="list-style-type: none"> Vocational education and training is flexible and adaptable to current and emerging industry requirements. Workforces and businesses are well prepared to adapt and innovate. Investment decisions are transparent and based on high quality advice. 	<ul style="list-style-type: none"> Workplaces are accessible and attractive to the current and future workforce. The workforce is recognised, valued, and safe. The workforce and businesses move through the cycle of employment (recruitment, on-boarding, retention, and progression) in ways that suit them. The range of roles is articulated and available. Learning and skills development supports upwards and lateral progression.
Initiatives: What we can do to get there Service Sector Initiatives	<ul style="list-style-type: none"> R I Establish and grow the Māori Service Sector Forum. R Ohu Ahumahi collaboration (Rōpū Kaitakawaenga) to build relationships with iwi and hapū to better understand Māori aspirations. R I Te Kāhui Mātauranga Māori to provide Mātauranga Māori lens to Ringa Hora product design and quality assurance approaches. 	<ul style="list-style-type: none"> R Undertake the Future Workforce project that aims to understand work, skills and training in New Zealand in 2040. I Amplify work that aims to grow participation of particular groups such as Pasifika Navigators of Tomorrow or Jobs for Mums. R Promote the use of Te Mata Raraunga, a collection of vocational education and workforce data. 	<ul style="list-style-type: none"> R Create a package of short, sharp, stackable credentials that meet industry need through Waihangatia te Āmua Ao Shaping the Future of Service Skills project. R I Amplify work that supports people to learn about broad skills for the Service sector, such as MBIE's Digital Boost initiative. 	<ul style="list-style-type: none"> R Develop an 'employer hub' that shares resources, information, and case studies of Service sector excellence – Targeted at SMEs. I Amplify approaches that improve diversity, equity and inclusion, such as Diversity Works NZ, Disabled Persons Assembly Information Exchange resources for employers, and Rainbow Tick.
Cleaning Industry specific initiatives Who is leading the initiative R = Ringa Hora I = Industry	<ul style="list-style-type: none"> I Improve cultural competency to support the adoption of contextually appropriate cultural practice e.g. observing tikanga when cleaning in morgues. R I Create opportunities to develop business skills that are specifically targeted at the growing number of Māori business owners. 	<ul style="list-style-type: none"> R I Advocate for cleaning as an important entry point for people entering the workforce for the first time I Support and collaborate with existing organisations that provide pastoral care to new entrants, such as Work and Income and community organisations. 	<ul style="list-style-type: none"> R I Improve the accessibility of training by providing choices of delivery modes: <ul style="list-style-type: none"> online, in other languages, or with the support of an interpreter, That have flexible hours for completion, That allow for demonstration of aptitude, rather than written tests. R I Support industry to recognise micro-credentials, qualifications and on the job training. R I Refine existing courses and training to ensure it prepares people for the cleaning industry. R I Industry, in conjunction with Ringa Hora, to further explore support for industry specific Language Literacy and Numeracy initiatives. 	<ul style="list-style-type: none"> R I Promote and endorse 'Thank Your Cleaner Day', an initiative by BSCNZ that aims to increase the visibility of cleaners across Aotearoa, and to encourage businesses that employ cleaners to establish a stronger relationship with them. I Articulate and promote pathways to leadership for Māori and Pacific Peoples.



RINGA HORA

Services

Workforce Development Council

How to get involved

- ▣ Partner with us on workforce initiatives
- ▣ Tell us what is working and what isn't
- ▣ Report to us on workforce actions progress
- ▣ Engage with us
- ▣ Use the products or initiatives listed in the sector workforce plan

Visit our website or contact us to find out more, receive updates and invitations to industry events.

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