



Tourism 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 Tourism 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 for Tourism

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 | rope, 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.

For Tourism services, this means ensuring that the future of the Tourism industry is one where it is recognised for providing skills for life; one where it effectively upskills the workforce and prepares them for the future of tourism. This includes a workforce which is regarded as culturally competent, authentic storytellers; is able to adopt new and emerging technology to help their businesses grow; and one where everyone working in the industry is proud to be working within the sector and has meaningful mana-uplifting mahi.



About the Industry

At its core, Tourism services is an industry where people interact and experience a variety of activities, predominantly leisure and recreational activities, entertainment, hospitality, retail, accommodation, and travel.

The industry is cross-cutting and crucial to the economy, attracting visitors and showcasing New Zealand on both a global and domestic scale. The industry was severely impacted by COVID measures and border closures, but is now bouncing back with the return of international visitors. Tourism contributes approximately \$10b to the economy and it is only growing, with a predicted annual growth of 5.7 % between 2023–2028.

As an important economic growth driver, the tourism industry has been signalled as a Government priority in its economic strategy through the Tourism Industry Transformation Plan (ITP) and the subsequent He Mahere Tiaki Kaimahi | Better Work Action Plan.

Demand for tourism offerings is evolving. Customers are increasingly demanding more meaningful, connected experiences. As a result, there is a shift to smaller volume, higher yield tourism products. Māori tourism is already operating in this space with their histories, stories, world views and cultural experience forming an integral part of New Zealand's identity.

Top of mind

To help us get to the future state, we need to understand and tackle the challenges that the Tourism Services sector faces, while also seizing the opportunities that already exist or are on the horizon. We've heard that the factors which have a significant impact on the Tourism Services industry, including its approach to workforce development, include the need to attract and retain staff with skills that reflect industry needs, ensuring that these skills are developed and recognised in fit-for-purpose qualifications and training, supporting cultural competency and pursuing innovation.



Rebuilding capacity and capability

The industry was significantly impacted by COVID-19 lockdowns which caused the industry to lose a significant share of its workforce. The Tourism industry is now rebuilding and is projected to grow 5.7% annually between 2023 and 2028, but is struggling to attract and retain enough people with the right skills.

The Tourism Industry Association 2022 Workforce and Industry Readiness survey indicated the industry needed to fill approximately 1,400 roles. However, there is a general lack of applicants, with 61% of job applications receiving fewer than five applications per role.

Reducing industry reliance on migrant workers

There is an increasing reliance of the migrant workforce. On average, 20% of tourism employers' workforce is made up of overseas workers on temporary work visas. However, employers also report policy settings and compliance costs are barriers to hiring overseas workers.

Promoting career pathways and using seasonality to the industry's advantage

Currently, many workers enter the industry short-term and are unclear how they can progress and develop their career in the industry. Showcasing pathways within the industry is fundamental to retaining these workers longer term and reducing industry churn. Some short-term employment patterns reflect seasonal peaks and troughs characteristic in the industry. However, these peaks could be used to the industry's advantage by upskilling people to work across related industries and reducing barriers for people holding multiple jobs across the year.

Developing fit-for-purpose education and training

As the Tourism ITP highlights, people are the foundation of enabling the Tourism industry, and fit-for-purpose education and training is a priority that can promote transformational shifts. However, the number of tourism learners across tertiary education organisations in Aotearoa declined by 55%, from 4,625 in 2017 to 2,090 in 2021.

Industry is already reconsidering how qualifications and training are delivered, with a growing push for micro-credentials. These micro-credentials could cover topics like business management, leadership development, customer service, storytelling and many others.

Addressing the need for cultural competency and ensuring authentic storytelling

Improving cultural competency will build a better workplace culture for employees, where their cultural values (including Te Ao Māori values) are understood and respected. This will promote a more diverse and inclusive workplace more long-term.

In addition, this will enable the industry to tell more authentic stories. The industry contains many genuine, knowledgeable storytellers who have a connection to their whenua and who can genuinely incorporate Te Ao Māori views and perspectives into their offerings. There is scope to spread this knowledge further as there are still cases of businesses sharing stories and history without consideration for their cultural significance.

Recognising the need to lift technology uptake and innovation

Technology changes are impacting the way businesses run; with innovations such as the growing use of Artificial Intelligence and virtual reality. Early adoption gives the industry an advantage and is critical to progress. There are a range of opportunities to increase adoption of technology across the Tourism industry to boost business efficiencies and lead to better work, as well as to stimulate more innovation.

About the Workforce

The heart of Tourism Services is person to person interaction and connections formed with people, places and experiences unique to Aotearoa. The Tourism industry employs around 145,000 people.

The industry workforce is youthful, with 27% of workers under the age of 24 and a total of 48% under 34 years old. This means the Tourism industry is well placed to uplift our rangatahi and provide them with the opportunity to gain skills and experience which will help them progress within their chosen career.

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.

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

13% of the workforce identify as **MĀORI**

Connecting people through Māori tourism attracts visitors and embraces people who are regionally and locally based. Māori tourism is manaakitanga and kaitiakitanga in action. NZ Māori Tourism identified 537 Māori tourism businesses in 2020, from small and medium businesses through to larger entities and iwi owned enterprises. More than half of the Māori tourism sector are arts and recreational services, or accommodation and food services industries.

6% of the workforce identify as **PACIFIC PEOPLES**

There is a relatively low proportion of Pacific peoples in the industry. Many Pacific peoples in the industry have been disproportionately impacted by tourism job losses in recent years. Helping employers recognise, value and build skills in public speaking could help fill the skills shortage of guiding and storytelling. Upskilling the Pacific workforce already in the industry will support retention and promote progression into leadership and management roles.

2.1% 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. We acknowledge that data on tāngata whaikaha is limited and it is important that we create more growth opportunities within the sector for our tāngata whaikaha workforce.

TOURISM 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 Tourism Services is about 5.4% of the NZ total workforce.

Workforce change

The workforce in Tourism Services has increased by 1.0% compared to 2021, but 3.0% lower than 2019.

2. Proportion of rangatahi (aged 15 -24)

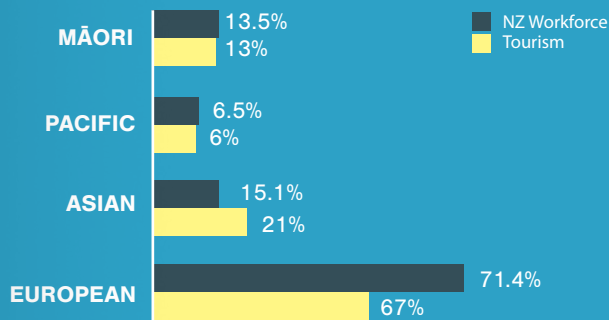
23%

The percentage of rangatahi in Tourism is higher than the 14% in the NZ workforce.

3. Participation of wāhine



4. Ethnicity



5. Tāngata whaikaha

2.1%

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

6. Average annual income

\$48,600

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

7. Average annual income growth (2011-2022)



8. Workforce by Region



21%
Auckland



10%
Wellington



14%
Canterbury



BUSINESSES



1. Number of businesses

The number of businesses in Tourism Services has remained relatively stable over the past few years, ranging from 23,000 to 23,600.

2. Māori-owned business

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



ECONOMY

\$10.3 Billion

In 2022, Tourism Services contributed \$10.3 billion to NZ's Gross Domestic Product (GDP).

INDUSTRY



\$27 Billion

1. Tourism expenditure 2022



\$47 Billion

2. Pre-pandemic tourism expenditure 2019



200,700

3. International arrivals April 2023



279,500

3. International arrivals April 2019

EDUCATION AND TRAINING



1. Number of Learners

2. Proportion of workers with no post-school qualifications

39.6%

New Zealand Certificate in Tourism (Introductory Skills) (Level 2)

65

New Zealand Certificate in Tourism (Level 3) with strands in Aviation, Tourism and Travel, and Visitor Experience

338

New Zealand Certificate in Tourism (Level 4)

405

New Zealand Certificate in Travel (Level 4)

102

New Zealand Diploma in Tourism and Travel (Level 6)

224



Putting this into action for Tourism 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.

Actions:
Where we would like to be

Māori succeeding as Māori	Attracting and retaining the future workforce
<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.

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.
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Tourism specific initiatives



Who is leading the initiative

R = Ringa Hora

I = Industry

<ul style="list-style-type: none"> R Identify and support Māori industry bodies. R I Map qualifications development designed in collaboration with mana whenua for regional NZ History to identify links with storytelling for regional tourism. R I Support and enhance existing training strategies that work for Māori: <ul style="list-style-type: none"> Investigate existing values-based training methods utilised by Māori for skills training. R I Enhance visibility of Māori tourism and values in action specifically manaakitanga and kaitiakitanga. R I Providers work with Māori to ensure qualification delivery, skills and training are relevant, accessible and digestible for Māori learners. 	<ul style="list-style-type: none"> R I Support the development of a new NCEA Tourism Achievement Standard at NCEA levels 2 and 3 in school education that facilitates broad entry pathway. (ITP) I Industry Implements the 'Careers in Tourism' package to attract future workforce. (TIA) R I Improve visibility and understanding of pathways into the industry. R I Investigate tourism apprenticeship model and flexible in-work training options.
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Developing broad skills for the future

<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"> 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.
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<ul style="list-style-type: none"> R I Industry works with Ringa Hora to implement workforce development, education, and training elements of the Tourism Industry Transformation - Better Work Action Plan. R I Working partnership between Ringa Hora and peak industry bodies, to build a cohesive work programme that shapes educational needs of industry. (ITP) R I Enhance industry wide recognition of Mātauranga skills sets including Manaakitanga, Pūrākau, Waiata, Haka. 	
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Creating mana-uplifting jobs and opportunities

<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. 	<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.
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<ul style="list-style-type: none"> I Industry, maintain open communications and foster opportunities to connect across tourism, other industries and with the New Zealand public. (TIA) I Tourism businesses ensure the quality of the employment that they provide contributes to the employment attractiveness of the industry. (TIA) I Industry fosters an environment that strengthens relationship building for Māori and non-Māori Tourism stakeholders. I Industry advocates and educates on environmental sustainability & biodiversity matters at a local and national level. (ITP) 	
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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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