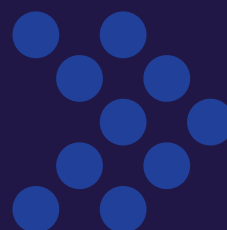
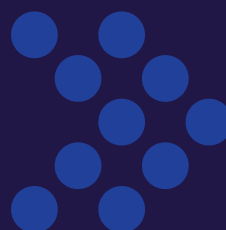
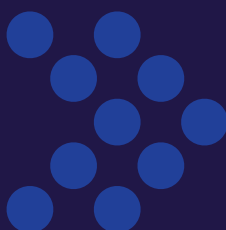




REGIONAL SKILLS LEADERSHIP GROUPS.

Bay of Plenty

Interim Regional Skills Leadership Group (iRSLG) Summary Report
December 2021





Cover image credit: Love Taupō

Inside cover image credit: Bay of Connections

He kōrero whakataki



The Bay of Plenty Interim Regional Skills Leadership Group (iRSLG) was created as part of the Government's response to COVID-19 and to support the regional initiatives already under way.

This report tells the story of the mahi of the Bay of Plenty iRSLG. It covers our work related to understanding the impact of COVID, our workforce planning project and the work the group undertook to ensure that the full RSLG is well positioned to continue addressing our region's workforce challenges and opportunities.

One of the steps our group took to support the future RSLG work was to identify the workforce needs of some of our region's key sectors and communities. We engaged with local stakeholders to collate and analyse data and develop insights as to what was happening within the workforce for these key sectors and communities.

We have developed and documented a methodology that the full RSLG may use to support their mahi to positively shift our workforce planning systems. This approach is summarised on page 5 of this report.

We recognise that the members of our interim group and our many regional partners have poured their time, their energy and their expertise into supporting the work and setting the waka on its path. We are tremendously proud of what we have built together.

Significant progress has been made by the interim group towards informing a workforce model that attracts more local people to the region. Further developments are key to building greater resilience and to supporting local people to achieve their full potential.

We recognise that 29% of our people are Māori and the amazing contribution Māori make in our region. Throughout our term we have paid special focus to the contribution this community makes to our region and taken care to capture data and insights for the full group to leverage moving forward.

Our group's insights into how to improve the labour market planning and related workforce development systems are critical to our region realising its full potential. These insights are available by accessing the comprehensive report via the link listed on page 13. These insights will underpin our Regional Workforce Plan (RWP) due for release mid 2022.

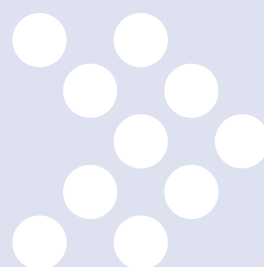
We welcome your interest in our mahi and praise your resolve as we all look to support the people of Te Moana a Toi (Bay of Plenty) to realise their full potential.



Chris Tooley
Co-Chair



Andy Blair
Co-Chair





RSLGs:

- › are independent, regionally based advisory bodies,
- › identifying better ways of meeting future skills and workforce needs and
- › improving labour market planning to help our welfare, education and immigration systems work better together.

Insights from our mahi include:

- › Horticulture industry workforce significantly impacted by border closures
- › COVID impact on communities heavily dependent on international tourism led to an increase in part time work and situations where people in employment still needing more work, especially youth, and some underutilisation of supporting services and infrastructure i.e. public transport.
- › Most affected demographics are Māori, youth, women and “older” sole traders in sectors such as hospitality and retail.

We will continue to work on:

- › Better understanding the long-term impacts for disproportionately affected people,
- › Building a more resilient horticulture sector and developing employment opportunities that are sought out by local workers
- › Refining our workforce pipeline tool and delivering a Regional Workforce Plan in 2022

The Bay of Plenty (BOP) region is diverse, comprising three distinct sub-regional communities and labour markets;

- › **Eastern** – including Whakatane, Kawerau and Opotiki;
- › **Western** – including Tauranga and Western Bay; and
- › **Central** – including Rotorua and Taupō.

With many businesses deemed “essential services” during the 2020 lockdown and the region’s strong forestry and horticulture base, the Bay weathered COVID-19 relatively well.

However, Māori, youth and women in the region were more adversely impacted due to a combination of workforce factors including a high proportion of remote, rural locations within the region, an over reliance on seasonally based employment sectors, and the drop in international visitor numbers which severely impacted Rotorua and Taupō’s economy.

There are ongoing viability concerns for the many tourism operators who are unable to reorientate their business towards the smaller domestic market. There is evidence that local SME’s have relinquished their business premises leases so the impact for them might be long term.

RSLG conversations identified that in Taupō, economic uncertainty brought about by Covid led to several major private sector investment decisions being paused, including the development of Contact Energy’s power station and a new dairy factory.

Across the region’s main centres, employment skills hubs and support services were established swiftly by local economic development agencies with support from central government funders. Sectors such as kiwifruit provided employment to people displaced from other industries.

Marae renovation projects, DoC’s kaimahi for nature programme, other government initiatives and the wage subsidies helped reduce the spike in unemployment. However, as the true impact of COVID became better understood some of the most affected people in our community – particularly females employed in the hospitality, tourism and retail sectors – remained at risk and with limited access to support.

Targeted apprenticeship and fees free training initiatives were effective with strong enrolment growth across our tertiary institutions, however these support mechanisms had limited relevance for mid-career working professionals who found themselves unemployed for the first time in their lives.

Despite the region responding well to COVID with the establishment of Employment Hubs in the main centres we still experienced similar redeployment challenges to other communities. Specifically, getting access to timely data, accurate at a sub-regional and TLA level, covering employment opportunities, skills and experience matches and transition support services were not easily, particularly for those with limited access to digital technologies.

By the latter part of 2020, the region was seeing a return to more normal trading patterns, with overall optimism in business confidence and employment intentions moving into 2021.

COVID accelerated a change to how people work, with many more working from home which amplified the impact of housing affordability. Analysis of some flexible work arrangements suggests people are working longer hours, with the blurring of working week boundaries leading to more work-related stress.

Housing and rental supply and unaffordability are region wide workforce issues, particularly in Tauranga and Rotorua where population growth has increased demand for housing driving up house prices and rents exacerbating the challenge.

The economic uncertainty caused by COVID also increased the pace at which decisions to close unviable businesses were taken. In the Bay this change of pace was evident with decisions related to the Kawerau and Whakatane mills

While the Whakatāne mill closure was ultimately avoided due to outside intervention the Kawerau mill has not been so fortunate and there has been a toll on both communities despite the end result.



iRSLG Sector Pipeline Development

Develop conceptual framework

Underpin thinking process and provide context for data and insight requirements for priority sector deep-dives; seeking a balanced view of supply and demand characteristics, plus a consideration of geography, ethnicity and productivity factors.

Collated data and insights

- › Relevant supply and demand data including demography
- › Education pipeline data
- › Share of the Maori economy for the sector
- › Trends for the sector.

Sense check

Each sector A3 was then considered at an iRSLG meeting with invited guest experts from the relevant sector present to add some deeper thinking and authentic narrative.

Final report produced

Each final sector report was ratified by the group Co-Chairs and shared with internal and external stakeholders.

Identify priority sectors

Priority was given to sectors of regional significance and the final selection made to ensure a diverse range of workforce issues were considered. The four sectors of the group agreed to focus on are:

- › Horticulture
- › Forestry & wood processing
- › Health & aged care
- › Digital economy & tech.

Report development

Data & Insights were collated and produced in a simple, graphical manner on a single A3 sheet.

Gather feedback & apply changes

All feedback from the group, further research/analysis and guest expert commentary was used to refine the A3 report

Our workforce story

Our region's average employment growth rate over the last decade has been higher than the rest of Aotearoa although the picture is highly variable across the region. The Bay remains an attractive destination to live and work with Tauranga being one of the fastest growing communities in NZ.

The Bay of Plenty is home to 381,000 which is 7.5% of NZ's population. The Western Bay accounts for just over half of the region's population, with 151,000 people living in Tauranga (39% of the region's population). Over 15,000 people migrated from overseas into the Bay of Plenty and an additional 10,000 people from Auckland between 2013 and 2018.

The region's economic growth is not a recent event. Analysis shows that some of our Territorial Authorities have been some of the fastest growing regions over the past 5 years. This growth continues to create new employment opportunities and chances to reshape our workforce.

10% of our filled jobs (including self-employed) are in the agricultural, fishing and forestry sector with around 6% of jobs in each of the health care and social assistance; construction and retail sectors.

Population growth has led to an increase in employment opportunities in the construction sector which now accounts for 7.5% of our local GDP. Construction activity looks set to remain strong as both non-residential and residential consents are up over the year to March 2021 (76% and 7.3% respectively). Non-residential consents are particularly strong due to a large factory consent in Tauranga in March 2021.

Ōpōtiki is the only district in the Bay with a decline in long term employment, down 0.4 percent p.a. over the last decade. This compared with strong growth in Tauranga and the Western Bay of Plenty where employment has grown on average 2.8 percent per year over the past decade.

Whilst the Bay has 16000 more women employed than 5 years ago we note from our COVID impact analysis that women are still over represented in the lower paid roles and in sectors that are more affected by seasonality or economic adjustments, i.e. hospitality, tourism and retail.

Accommodation, hospitality, and arts and recreation industries are among those suffering most, with the loss of international tourism driving the declines.

In December 2020 BOP NEET is 16.3% which is an increase on the previous year. In Dec 2020 proportion of Māori unemployed is 43%, Male (47%) and Female (53%). Female unemployment rate consistent with those industries mostly affected by international tourism down turn.



Image credit: Priority One



Sector Spotlight – Horticulture

The kiwifruit sector is the largest horticulture subsector for the Bay of Plenty providing the bulk of the country's production and represents the largest horticulture employer in the region. The sector reports critical skills shortage, due to expansion of orchards and high levels of global demand. Kiwifruit exports are worth \$2.3 billion per year (2019) to the New Zealand economy and 80% are produced in the Bay of Plenty.

As a result of COVID-19, the kiwifruit sector has put significant effort into shifting away from reliance on migrants. Now 70% of the sector's permanent workforce are local. Collaborative, innovative and flexible industry-led workforce initiatives have enabled this significant change. However the kiwifruit sector is also mindful that there is still room for improvement around its seasonal workforce in relation to attracting and retaining local labour. The sector is focused on addressing this challenge ahead of its next picking season.

Career progression coordinators, multi-employer contracts, banked hours and cross-sector collaboration with the aquaculture, forestry and horticulture coordinating the timing of their harvest are some of the sector's own solutions to address workforce challenges.



Sector Spotlight – Forestry



With increasing world-wide stimulus in infrastructure projects post-pandemic, alongside New Zealand's own housing growth, future demand is positive for the forestry sector.

Forestry is another sector weathering the COVID-19 shock well. Our region has the largest area of planted forests (33%) and trees of harvestable age (175,000 hectares) in New Zealand.

The vital role of forests and wood in the fight against climate change further strengthens the sector's future. This importance has been reaffirmed with the Government adopting a "timber first" policy for any buildings it commissions or builds itself.

But perceptions of the sector – physically demanding work in an inhospitable environment, poor safety, low wages and male dominated – are some of the challenges faced in attracting and retaining workers.

Establishing all-female planting and pruning crews in Rotorua has been one of the recent initiatives to appeal to a wider demographic in the region.

The transition from manual work to mechanised and automated operations is now advancing rapidly – five years away not 15 years away, some in the sector say. This change to the future of forestry work is being accelerated by increasing world-wide demand and our closed borders leading to labour shortages.

In response, a local collaboration with the industry and Toi Ohomai means forestry students now learn via a state of the art simulator, and in real excavators.

The sector is excited by the opportunity to attract more young people to take up more tech roles, using the power and popularity of gaming. The stop-start nature of industry training is however, proving a challenge for the sector to retain trainers alongside the demands to keep up with fast-paced technical developments.





Workforce Factors

The growth in Tauranga has created employment opportunities in a range of sectors, however the resulting prosperity is not shared equally across our region. The iRLSG identified three important workforce dynamics for the impact of COVID-19. These existed long before the pandemic and must be addressed as part of the full RSLG's mahi.



Productivity:

Lifting our region's productivity will enable our businesses to invest in our people and adopt new technologies. Productivity gains make our businesses more resilient and increases access to safer, more stable and better paid jobs for our people. GDP per employed person is a proxy measure for how well we are doing in lifting our productivity. The following analysis shows we still have some work to do!

The Bay of Plenty ranks 10th out of the 15 regions in the country when it comes to GDP per employed person while being the 5th most populous region in the country. Interestingly Kawerau and Taupō have the highest GDP per employed person measure intra-regionally, ranking higher than the national average, while Ōpōtiki has the lowest measure. One of the major contributors to low productivity generally is that half of the jobs in the Bay of Plenty are in fast growing and low earning industries. Added to this is the fact that the Bay is over-represented in low end qualifications.



Equity:

The Bay of Plenty is a 'Tale of Two Bays' when it comes to inequality. In particular the Eastern Bay has some of the most deprived parts of New Zealand while the Western Bay could be considered to be the exact opposite. The two sub-regions suffer a stark divide when it comes to income inequality – Ōpōtiki has an average household income of \$75,000, whilst Western BOP is \$101,000. Parts of the Eastern Bay, Rotorua and Taupō have lower than average health deprivation levels, higher crime and some of the lowest digital inclusion in the country. This stark divide is often glossed over due to aggregation of data and narrative for the Bay of Plenty when sub-regions that are doing well average out the picture and give the appearance that the region as a whole is doing fine.



Seasonality:

The Bay of Plenty is home to some of the largest seasonally affected sectors in the country. Much of NZ's horticulture exports are driven out the BOP, with 80% of export kiwifruit grown here and the largest share of avocados also grown here. The BOP is part of the largest wood supply region in NZ, being home to the Kaingaroa Forest covering almost 3000 km². Both the horticulture and forestry sectors are experiencing increasing demand for their products meaning the pressure to attract and retain labour and skills is high across the region. One of the keys to success is work with the sectors that are affected by seasonality, to mitigate against seasonal labour impacts by joining up peaks and managing their workforce collaboratively.

The Regional Workforce Plan will look to the future of work in the Bay, identify barriers to people securing good jobs (safe, stable, high wage) and improve the workforce planning systems.

We will continue to monitor other initiatives needed to address the equity issues and reduce the access to work barriers being faced by rural communities.



Image credit: Priority One

Workforce Opportunities

Our region's workforce is becoming more skilled with an increasing proportion of our people becoming qualified which supports a wider range of labour market opportunities for them. One example is a dramatic decrease in the number of Māori with no qualification over the last decade.

The Bay of Plenty has a higher concentration of those in lower skilled occupations like clerical and administration; sales workers; machinery operator and drivers and labourers than the rest of NZ.

New Zealand has committed to transition to a climate-resistant, low-emissions economy. This places obligation on us all to change how we operate, with particular emphasis on transport, forestry, agriculture, electricity and industrial and process heat industries which will need significant transition to lower their emissions.

Recent studies say that in the next 10-15 years we can expect around 14% of jobs to be automated globally.

Automation models indicate that adopting technology in New Zealand could cause employment growth in managerial, technical and associated professional, service and retail jobs.

Māori have identified ongoing investment opportunities in the horticulture sector, primarily Avocado and Kiwifruit, with some estimates showing a doubling of this investment over the next 10 years.

Investments in advanced technologies within these sectors will ensure employment opportunities in higher skilled, safer and better paid jobs and is likely to lead to greater productivity and competitiveness on the global stage.

Prices for the Bay of Plenty's primary exports remain strong. The Bay of Plenty is forecast to earn a \$915m dairy payout over the 2020/21 season, an increase of \$68m on a year earlier. Additionally, ANZ's commodity price index is showing strong growth in horticulture prices, indicating strong returns for the region's growers.

Our Regional Workforce Plan will map the emerging work models of our local industries with the skills required to achieve productivity growth and thereby good jobs for all our people.

Image credit: Comvita





"The involvement of a wide range of regional stakeholders and Government agencies through the RLSG has enabled the kiwifruit industry to articulate the current and future challenges and to identify potential solutions. Meeting the challenges and maximising the opportunities for the BOP region will require continued collaboration from regional and Government stakeholders and the RLSG can be the vehicle to achieve continued progress."

Nikki Johnson

www.clearhead.org.nz



"Labour and skill shortages across several industry sectors and housing affordability present a real challenge for the Bay of Plenty economy. The impacts of COVID-19 have exacerbated endemic issues in some communities, with youth and Māori unemployment levels consistently above the national average. Leveraging social procurement and central government investment in growth regions will enable employment outcomes in the short to medium term, while industry transformation plans in key sectors provide an opportunity to identify longer term skills needs. The Bay of Plenty RSLG has a vital role to play in providing an understanding of regional workforce supply and demand dynamics, identifying areas of need for pastoral care to support transitions into employment, and ensuring joined up thinking between industry, education providers and central government agencies".

Dean Howie

Programme Manager for Bay of Connections



"Most of us will need to rely on the health system at some stage. Having a well trained and accessible workforce is critical to the provision of health services. The RLSG provides access to cross government, and industry expertise that could potentially enable innovative solutions to workforce issues rather than the sector trying to solve these alone".

Ruth Ross

Regional Director of Workforce Development, HealthShare Ltd



Other related sites and information

Bay of Plenty Regional Skills Leadership Group:

<https://www.mbie.govt.nz/business-and-employment/employment-and-skills/regional-skills-leadership-groups/bay-of-plenty/>

Local Insights Reports:

<https://www.mbie.govt.nz/dmsdocument/14972-local-insights-report-bay-of-plenty-interim-rslg-may-2021-pdf>

Tech & Digital Economy:

[Digital economy](#) | Ministry of Business, Innovation & Employment ([mbie.govt.nz](https://www.mbie.govt.nz))

Health & Aged Care:

[Local insights report: Bay of Plenty interim Regional Skills Leadership Group](#) ([mbie.govt.nz](https://www.mbie.govt.nz))

Forestry & Wood Processing:

<https://www.mbie.govt.nz/dmsdocument/14606-local-insights-report-bay-of-plenty-rslg-april-2021>

Horticulture:

<https://www.mbie.govt.nz/dmsdocument/13817-local-insights-report-bay-of-plenty-rslg-march-2021>

COVID-19 Impacts:

<https://www.mbie.govt.nz/dmsdocument/12392-local-insights-report-bay-of-plenty-interim-rslg-oct-2020>

Economic Development Agencies:

Bay of Connections (Regional EDA):

<https://www.bayofconnections.com/>

Priority One (Western Bay):

<https://www.priorityone.co.nz/>

Rotorua Economic Development (Rotorua):

<https://www.rotoruanz.com/visit/about-rotorua-economic-development>

Toi EDA (Eastern Bay):

<http://www.toi-eda.co.nz/>

Amplify (Taupō):

<https://www.taupo.biz/>

Our BOP iRSLG Members



Olivia Dhanjee
Head of Youth and
Community Engagement
Toi Ohomai



Greg Simmonds
Chief Operating Officer
Priority One



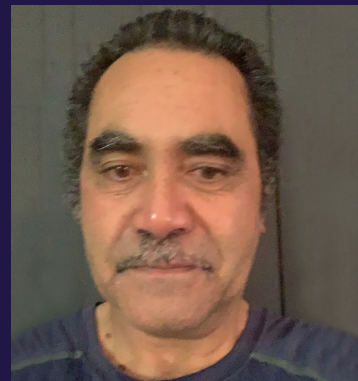
Andrew Wilson
Chief Executive Officer
Destination Rotorua



John Galbraith
Interim Chair and Trustee
Toi EDA



Ezra Schuster
Regional Public Sector
Lead – Bay of Plenty



Aubrey Wilkinson
Union/Workers' representative



Rick Keehan
Chief Executive Officer
Amplify



Te Horipo Karatiana
CEO – Te Awanui

We note our thanks to the following members who joined this mahi over the 2020/21 year:

- › **Michelle Templer**, former CEO of Destination Rotorua
- › **Kylie Hawker-Green**, former CEO of Enterprise Great Lake Taupō / Amplify
- › **Nicki Johnson**, former CEO of NZ Kiwifruit Growers Inc (NZKGI)
- › **Karen Vercoe**, CEO, Te Arawa
- › **Matt Te Pou**, (Jason to add role)
- › **Kirstin Miller**, First Union
- › **Shane Heremaia**, CEO, Tuwharetoa Maori Trust Board
- › **Heather Burton**, Workforce Development Manager NZKGI

