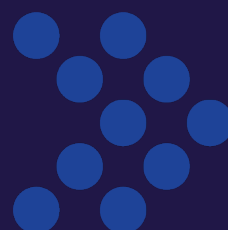
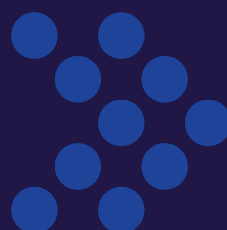
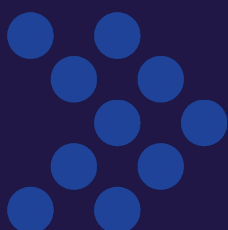
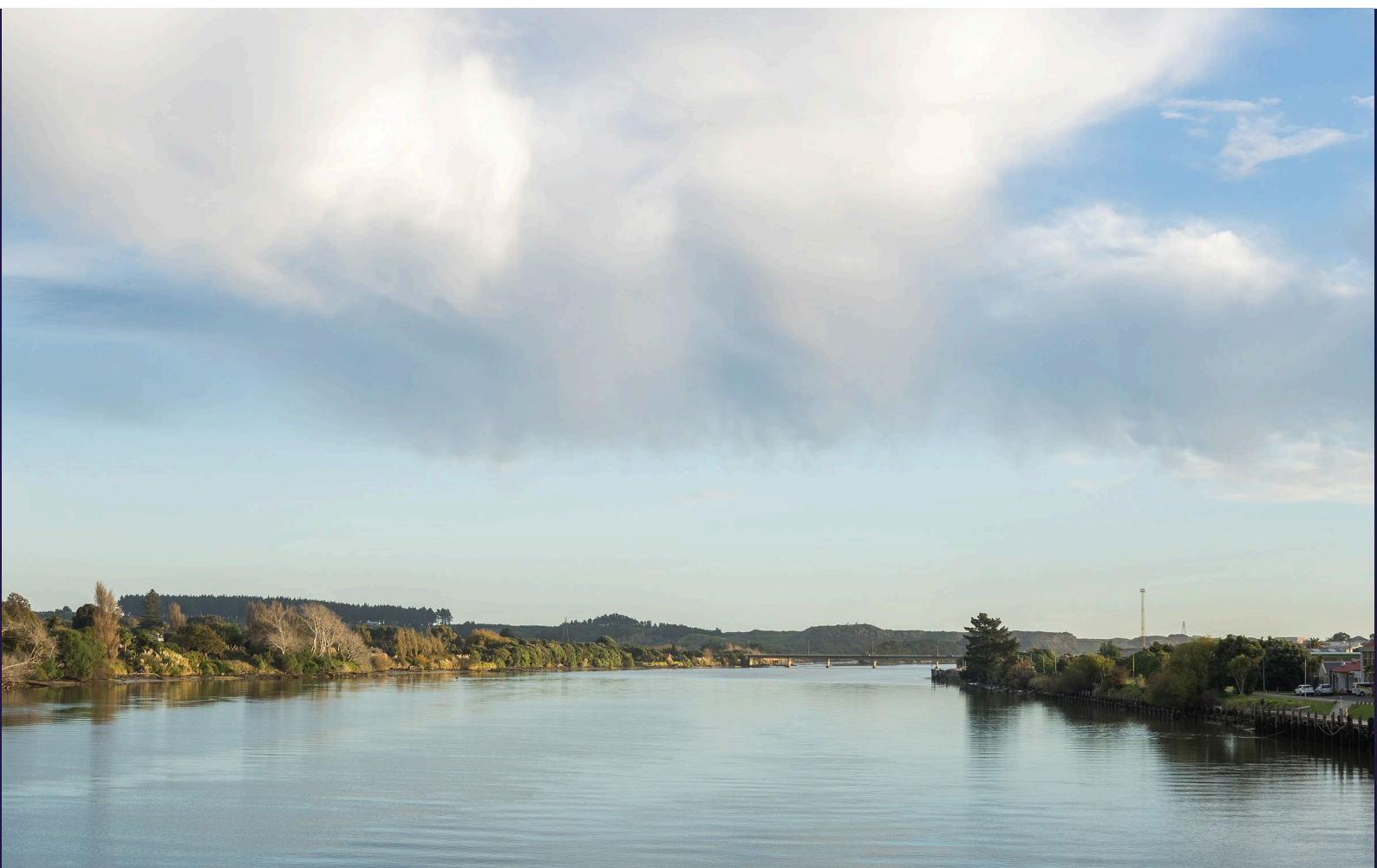


Manawatū-Whanganui Region Skill Needs – Advice for the Tertiary Education Commission

Prepared by the Manawatū-Whanganui Regional Skills Leadership Group

April 2023



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Introduction

Regional Skills Leadership Groups (RSLGs) are part of a joined-up approach to labour market planning that will see our workforce, education and immigration systems working together to better meet the differing skills needs across the motu. They are a fundamental part of the drive to build productive, inclusive, sustainable and resilient regions.

RSLGs have the ability to inform the Tertiary Education Commission (TEC) investment of tertiary education organisations in 2024 through the provision of specific regional advice. This document is the vehicle for this advice.

Broadly, the advice in this document will include:

- Key labour shortages in Manawatū-Whanganui and the seven districts within
- An overview of current engagements with relevant Workforce Development Councils and Tertiary Education Organisations around tertiary education related activities
- Tertiary education specific advice as it relates to direct investment for TEC

This document is in support of the Regional Workforce Plan, which includes a wealth of qualitative data as it relates to the first sector area of focus for the Manawatū-Whanganui RSLG; the Kaiāwhina Health Workforce. The release of the 2023/24 Regional Workforce Plan will cover the additional areas of the Seasonal aspects of the Horticulture Industry, and the Freight, Logistics and Warehousing Sector.

With seven distinct districts, the Manawatū-Whanganui region has distinct challenges and opportunities when it comes to tertiary education provision and uptake. The region boasts a high-level of highly skilled workers compared to the national level (38.8% vs 38.4% respectively), the region also has a high level of low-skilled workers compared to the national level (35.4% and 34.9% respectively). At a district-level, variances to skill levels are also noted, with 38.1% of workers classified as highly skilled in Rangitikei and 34.4% in Horowhenua. Despite the high level of skilled kaimahi, the region's productivity lags behind the national average (2.1% vs. 2.3% respectively), and with increasingly high levels of investment and growth within the region's main industries, there is an opportunity to close these gaps.

This document will draw on relevant labour market statistics and projections, paired with knowledge and advice from employers, iwi, unions, local and central government, Workforce Development Councils and other labour market influencers. While the primary purpose is to inform the TEC on the RSLGs recommended investment in the region, the RSLG welcomes training providers, industry and kaimahi to use this information to make informed decisions around training pathways and skills attainment.



Skill Shortages in Manawatū-Whanganui

The below skill shortages highlight the industries and occupations where there are projected skill shortages looking out to 2028. These projections are based on a range of factors including current levels of relevant training being undertaken, regional share of job openings, employment levels in the sector and forecast demand. These projections have been ratified by the Regional Skills Leadership Group, taking into account local knowledge.

Critical Skill Shortages in Manawatū-Whanganui

Demand within these sectors is very high. Jobs in these sectors make up a considerable number of all job openings in the region and demand is higher than the national average.

- ❖ Agriculture, Forestry and Fishing
- ❖ Health Care and Social Assistance
- ❖ Manufacturing
- ❖ Public Administration and Safety
- ❖ Retail Trade

Significant Skill Shortages in Manawatū-Whanganui

Demand for kaimahi within these sectors is very high. Jobs in these sectors make up a considerable amount all job openings in the Manawatū-Whanganui region.

- ❖ Construction
- ❖ Accommodation and Food Services
- ❖ Education and Training

High Regional Demand for Skills in Manawatū-Whanganui

These sectors have ongoing projected demand for kaimahi in roles within these sectors.

- ❖ Administrative and Support Services
- ❖ Arts and Recreation Services
- ❖ Rental, Hiring and Real Estate Services

Specific Occupations in Demand

These occupations have ongoing current and projected demand for kaimahi with relevant qualifications.

- | | |
|---|--|
| ❖ Community Worker (Kaiāwhina Health worker) | ❖ Construction worker |
| ❖ Truck driver, Forklift driver (classes 2-5) | ❖ Chef |
| ❖ Registered Nurse | ❖ Engineering Manager |
| ❖ Laboratory Technician | ❖ Project Manager |
| ❖ Farm Manager | ❖ Supply and Distribution Manager |
| ❖ Scaffolder | ❖ Defence – combat personnel, maintenance and ground staff |
| ❖ Roofer | |

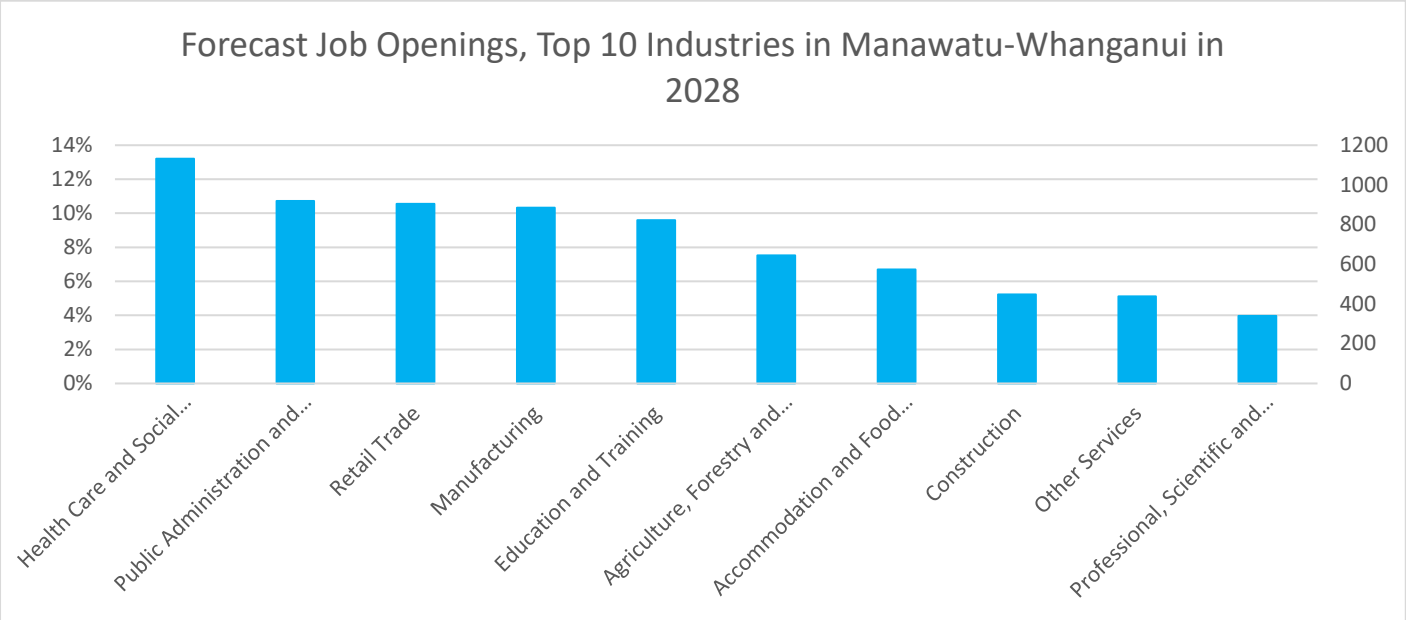
Skill Shortages for Emerging Industries in Manawatū-Whanganui

While the exact skill needs of emerging industries is not yet known, any training and upskilling courses supporting the following industries will be in demand in Manawatū-Whanganui:

- ❖ Roles relating to Wind Power Generation roles, including (but not limited to) Wind turbine design, manufacturing, development and maintenance
- ❖ Roles relating to Hydrogen production, transportation and storage
- ❖ Roles relating to Agri-Tech, including (but not limited to) robotics, automation, biotechnology and engineering
- ❖ Roles relating to Engineering, ICT and Science Technicians and Construction roles

Projected Regional Industry Outlook

Manawatū-Whanganui currently has 12.4% of the regional workforce employed in the Health Care and Social Assistance sector, which is projected to grow to 12.7% by 2028. Manufacturing is currently the second largest workforce in the region and is forecast to remain as such to 2028. Public Administration and Safety job openings will increase significantly in the next five years.



Projected Regional Skills Outlook

This section has a focus on forecasts¹ that provide an indication of the skills required to fill the future workforce needs for the previous and current focus areas of the Manawātū-Whanganui RSLG (Kaiāwhina health workforce, Freight, Logistics and Warehousing, and Horticulture). The picture is created by looking at

- ❖ The size of the workforce (number of kaimahi)
- ❖ Predicted job openings (brand new jobs and replacement jobs for kaimahi retiring or leaving the industry)
- ❖ The corresponding qualifications needed to fill new job openings (Levels 1 to 7)

The forecast data is compared to 2022 current workforce information.

Kaiāwhina Health

Given the increased pressure our health system is currently facing across Aotearoa New Zealand, the Manawātū-Whanganui RSLG decided to focus specifically on the Kaiāwhina Health workforce. As this sector is constantly evolving, for the purposes of this information a decision has been made to use data relating to the wider health and social care workforce in order to paint an accurate picture of the skills and training needs in Manawātū-Whanganui.

Forecasts 2028

The Health Care and Social Assistance workforce (sector defined as Health Care and Social Assistance²) for Manawatu-Whanganui is predicted to be 16,810 by the year 2028.

By 2028, it is estimated that this sector will have 5,261 job openings. This estimates the number of people required to fill new job openings (1,315) and replace workers (3,946) who move to another sector.

In order to fill these job openings, the following predictions indicate the qualification requirements:

Certificate (Level 1-3)	1,930
Certificate (Level 4)	196
Certificate (Level 5-6)	720
Degree (Level 7+)	2,413

Current 2022

The Health Care and Social Assistance workforce for Manawatu-Whanganui currently sits at 15,495. This sector is the second largest contributor to GDP. Workers are estimated as being distributed across the following occupations (top five):

Consistent with regional demographic trends, Māori are making up an increasing percentage of the Health Sector workforce (16.3%, compared to 14.2% in 2013).

The Health Sector remains a female dominated industry, with 79.3% identifying as female in 2022.

Personal Care Assistant	2,163
Registered Nurse (Medical)	1,825
Community Worker	545
Early Childhood Teacher	491
Age or Disabled Carer	480

¹ The employment forecasts in this profile have been generated from the Infometrics Industry Model. This model produces forecasts of employment for 54 industries using a mix of principal component and regression techniques to link macroeconomic key indicators (e.g., inflation, interest rates, unemployment, the exchange rate, business profitability etc.) to prospects for each industry. A key aspect of this approach is that it produces an outlook for an industry that takes into account the recent performance of that industry, the impact of key influences on business performance in that industry and is also constrained to ensure that the sum of production in all industries equals our forecasts of overall economic activity. That is, an industry can only grow faster than overall economic growth if past industrial performance and business conditions indicate that it will increase its share of national output. Infometrics then decomposes these forecasts to a detailed industry level and uses industry-occupation employment matrices for New Zealand in order to measure total employment in a defined sector.

² Health Care and Social Assistance includes workers in Hospitals, Medical and Other Care Services, Residential Care Services and Social Assistance Services.

Freight, Logistics and Warehousing

Manawatū-Whanganui is primed to be the Freight, Logistics and Warehousing multi modal distribution hub of the lower North Island. While this sector is difficult to define from a statistical standpoint, for the purpose of this analysis, the sector definition of Transport, Postal and Warehousing from the Infometrics website has been used.

Forecasts 2028

The Freight, Logistics and Warehousing workforce (sector defined as the Transport, Postal and Warehousing industries³) for Manawatu-Whanganui is predicted to be 4,027 by the year 2028.

By 2028, it is estimated that this sector will have 1,193 job openings. This number is made up of 113 new job openings and 1,080 replacement roles (roles previously held by kaimahi who are retiring or moving to another sector).

In order to fill these job openings, the following predictions indicate the qualification requirements:

Certificate (Level 1-3)	1,015
Certificate (Level 4)	16
Certificate (Level 5-6)	62
Degree (Level 7+)	100

Current 2022

The Freight, Logistics and Warehousing workforce for Manawatu-Whanganui currently sits at 3,914. Kaimahi are estimated as being distributed across the following occupations (top five):

Consistent with regional demographics, 80.4% of the workforce are of European ethnicity. The percentage of the workforce identifying as Māori increased by 2.4 percentage points (to 21.4%) between 2013 and 2018.

The Freight Logistics and Warehousing sector remains a male-dominated sector, with 76.1% of kaimahi identifying as male in 2022.

Truck Driver	819
Courier	233
Bus driver	184
Labourers	171
Taxi driver	158



³Transport, Postal and Warehousing includes Road Transport, Rail Transport, Water Transport, Air and Space Transport, Other Transport, Postal and Courier Pick-up and Delivery Services, Transport Support Services, Warehousing and Storage Services

Horticulture

The Horticulture sector remains crucial to economic viability of the Manawātū-Whanganui region. While the RSLG made a conscious decision to focus on the Horticulture sector, for the purposes of this publication the wider People, Food and Fibre⁴ definition of Muka Tangata has been used. This wider data set allows for a greater picture of the workforce needs to be created.

Forecasts 2028

The People, Food and Fibre workforce for Manawatu-Whanganui is predicted to be 14,151 by the year 2028.

By 2028, it is estimated that this sector will have 3,884 job openings. 98% of these job openings are for replacement jobs (as kaimahi will have retired or moved to other sectors). It is expected that the number of new jobs will not increase until 2026.

In order to fill these job openings, the following predictions indicate the qualification requirements:

Certificate (Level 1-3)	1,882
Certificate (Level 4)	323
Certificate (Level 5-6)	204
Degree (Level 7+)	1,475

Current 2022

The People, Food and Fibre workforce for Manawatu-Whanganui currently sits at 14,059. Workers are estimated as being distributed across the following occupations (top five):

Consistent with regional demographics, 82.5% of the workforce are of European ethnicity. The percentage of the workforce identifying as Māori increased by 3.7 percentage points (to 17.2%) between 2013 and 2018.

The sector remains a male-dominated industry, with 67.8% of kaimahi identifying as male in 2022.

Mixed Crop and Livestock Farm Worker	1,597
Mixed Crop and Livestock Farmer	1,011
Labourers	271
Agricultural and Horticultural Mobile Plant Operator	259
Gardner (general)	193



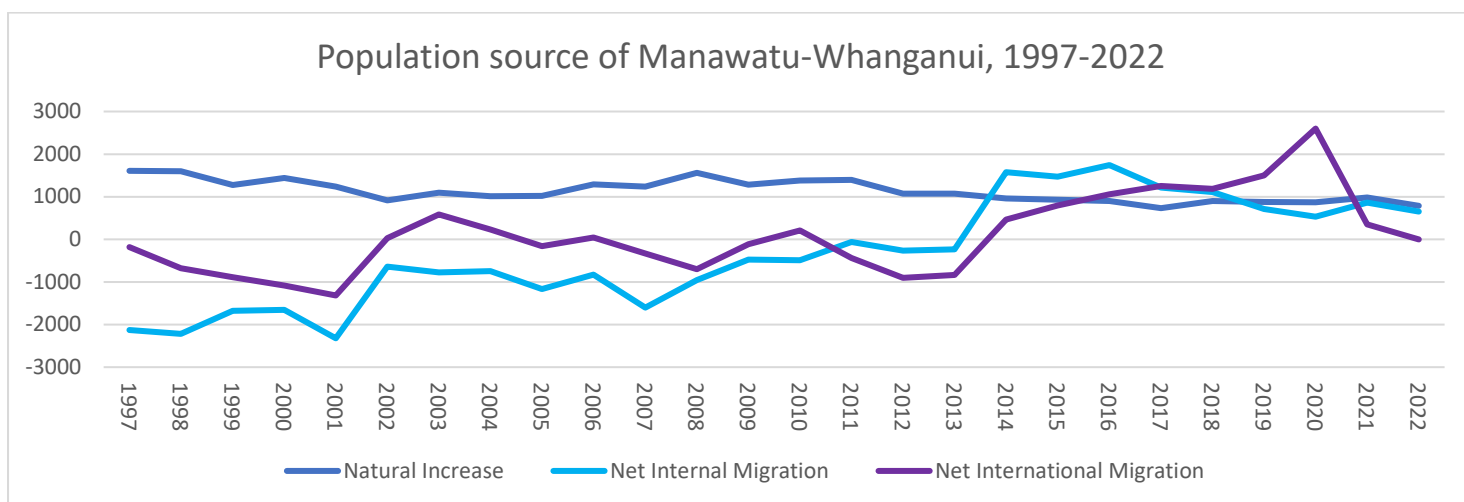
⁴ Muka Tangata – People, Food and Fibre Workforce Development Council represents 14 industries including dairy, sheep, beef, deer, pork, poultry, and other livestock farming; arable farming; vegetables and fruit growing; viticulture and winemaking; forestry; seafood; apiculture; equine, dogs and racing; veterinary; nursery, turf and gardening; and food and fibre support industries.

Regional Labour Market Trends

Population

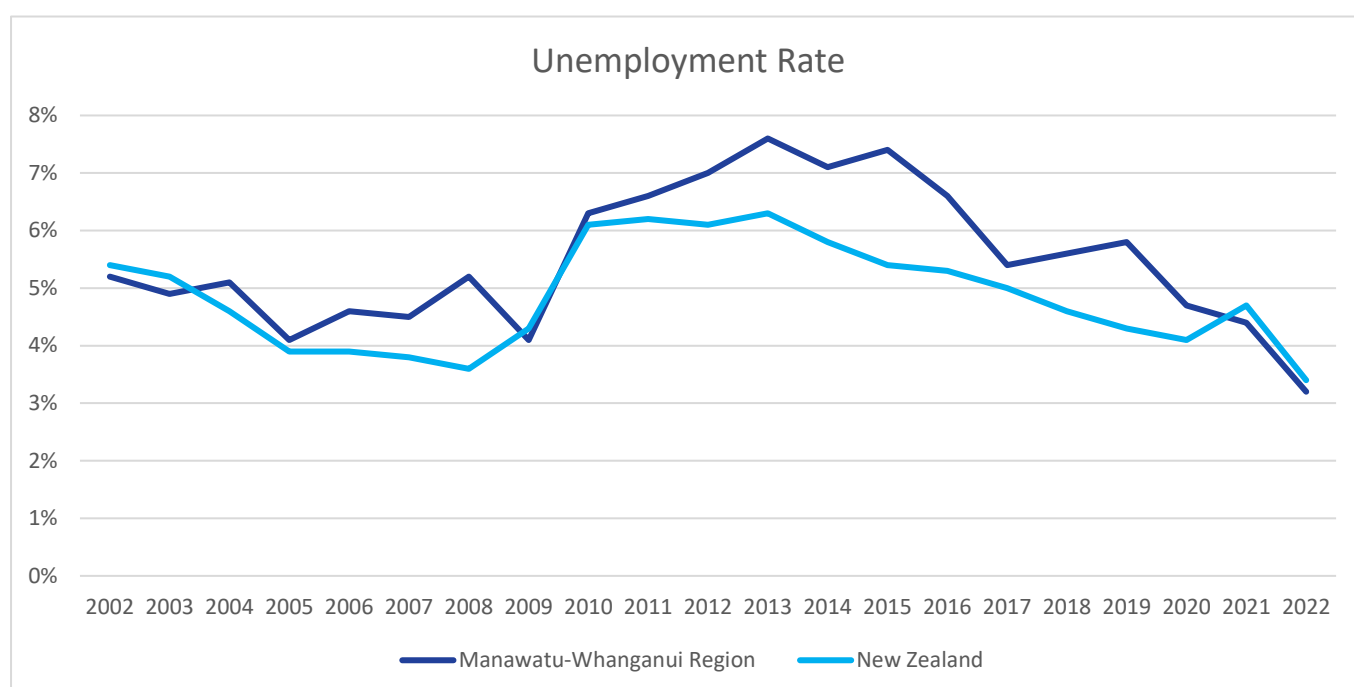
Manawatū-Whanganui holds a relatively stable resident population, afforded by a large agricultural base and a relatively large public administration sector (Defence), with ebbs and flows of growth and decline between -0.3% and 1.6% over the last two decades. The many benefits of living in Manawatū-Whanganui include affordable housing relative to other regions, minimal traffic, rich cultural heritage, quality education and varied career options. These culminate in a steady stream of individuals and whānau calling Manawatū-Whanganui home.

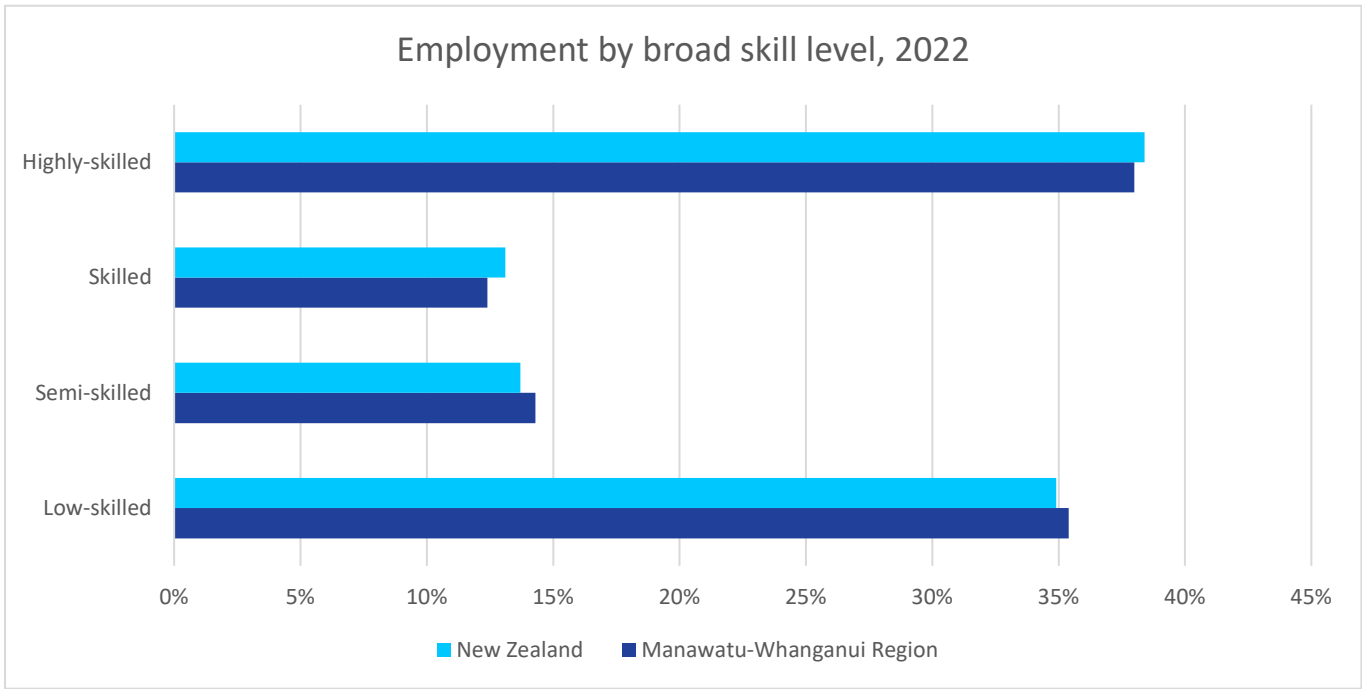
International migration plays a steady role in the available workforce in Manawatū-Whanganui, particularly when it comes to meeting high-skilled, niche roles. For example, in 2019 and 2020, the region saw a large increase in international migrants (1,100) which corresponds to a general increase in all visa types granted from 2019 to 2020.



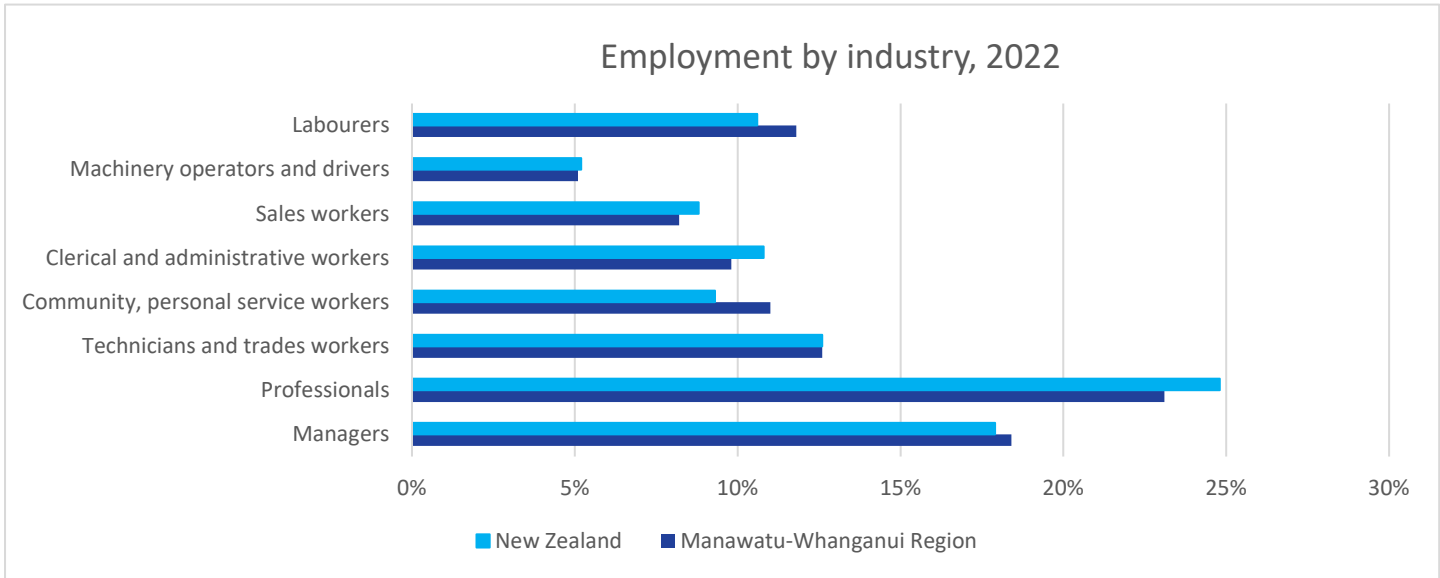
Employment Indicators

Manawatū-Whanganui's unemployment rate currently sits below the national average at 3.2% (compared to 3.4%), breaking a decade-long trend (2009 – 2020) of remaining slightly higher than the rest of Aotearoa New Zealand.





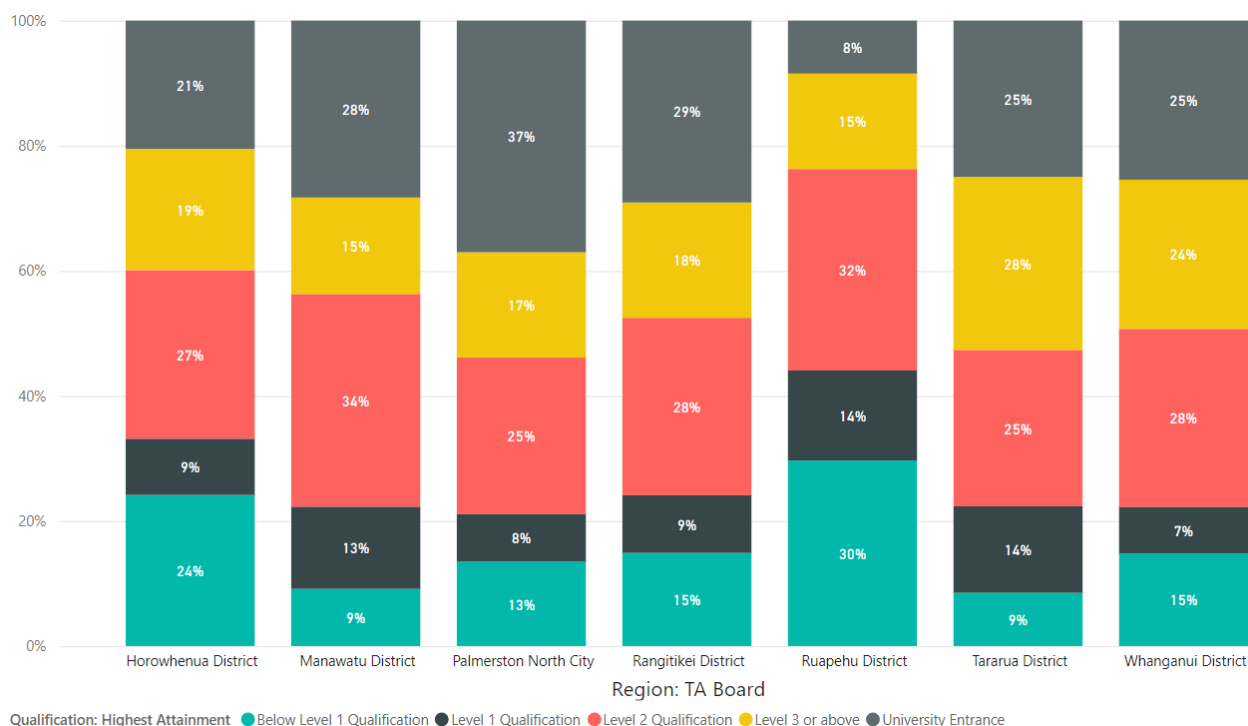
Manawatū-Whanganui has both a high level of ‘highly-skilled’ (47,540) and ‘low-skilled’ (44,137) jobs filled in 2022. While the percentage of these roles, 38% and 35.4% of total jobs, is reflective of the national average, what is concerning is the low level of ‘skilled’ roles compared to the other broad skill level classifications. Ideally, we would want to see the greatest percentage of roles trending towards the higher skill areas. This would show available training pathways are being utilised across the rohe. The 2022 data indicates a significant broad skill gap exists for kaimahi and employers to contend with. In positive contrast to this is the growth of knowledge intensive employment (those in which the generation and exploitation of knowledge play the predominant part in the creation of economic activity). These sectors represent an increasing share of Aotearoa New Zealand economy’s output and employment and may be a source of future productivity growth. Manawatū-Whanganui currently has 27% of the working population employed in knowledge intensive employment, compared to 30% nationally.



Trends for Rangatahi

When it comes to our future workforce, rangatahi are our immediate focus. With 33 secondary and composite schools / kura in the rohe it is imperative that our rangatahi are equipped with the skills and knowledge they need to be successful in the future. Achievement rates in Manawatū-Whanganui are below national averages, with only 48.7% of school leavers achieving NCEA Level 3 or above (compared to 55.8% nationally), and only 85.1% achieve NCEA Level 1 (compared to 87.3% nationally). Furthermore, Manawatū-Whanganui is also below national levels for the percentage of school leavers enrolled in tertiary education options within one year of leaving school / kura (56.8% vs. 64.8%). Educational achievement varies significantly between the seven districts, as demonstrated below.

School Leavers Highest Attainment, 2021



Nearly half of Manawatū-Whanganui's school leaver cohort do not go on to tertiary education/training in any given year. This translates into approximately 1400 Manawatū-Whanganui ākonga leaving school each year and not going on to tertiary training. Developing education and training provision that works for this cohort needs to be a regional priority. While not all training needs to be at a tertiary level, training that can staircase ākonga to this level is in demand in Manawatū-Whanganui.



What We Have Heard from Tertiary Education Providers in Manawatū-Whanganui

Kaimahi and ākonga in Manawatū-Whanganui are currently supported by a wide range of education providers and delivery models. Opportunities for kaimahi and ākonga are vast, from farming and agriculture through to specialist architectural technology training. For the purposes of this advice, tertiary education providers that offer training relevant to Horticulture, Health and the Freight, Logistics and Warehousing sectors have been prioritised.

Tertiary education providers have identified the following drivers of ākonga interest in their courses and desired modes of delivery:

- ❖ A flexible mixture of on-the-job and online training that caters to the need of both the learner and employer
- ❖ Micro-credentials are increasing in popularity as ākonga either look to upskill in a certain area, or are trying a new industry before committing
- ❖ Online options are proving popular, but this does require ākonga to have access to suitable technology and materials, which has hindered providers from offering these courses as it is costly to send materials to enrolled ākonga
- ❖ Current funding models are not conducive to flexibility for online (extramural) delivery, and favours provider-based training. This contradicts what ākonga are demanding in more rural areas of the rohe
- ❖ Pre-employment training that is targeting those with historically low achievement rates has proven highly successful, with many looking to expand these programmes

Manawatū-Whanganui is home to various training and tertiary education providers, although the majority are located in the main centres; Whanganui and Palmerston North. To enable all ākonga throughout the rohe to access training, many tertiary education providers are looking to offer a flexible mixture of extramural and on-campus training.



What We Have Heard from Industry

The focus areas the RSLG consulted with (Kaiāwhina Health, Horticulture, Freight, Logistics and Warehousing) are all in need of skilled kaimahi. The maturity of the industry and enterprise often determines the likelihood that kaimahi can receive upskilling opportunities, either on or off the job. When industry is looking to upskill their kaimahi, this is what we've heard:

- ❖ Training is largely not delivered in proximity to job sites in the Horticulture Sector. As a result, kaimahi need to travel to other parts of the rohe, reducing their time for personal commitments, as well as temporarily reducing capacity for the employer. This limits the number of kaimahi that can be upskilled at any one time
- ❖ Cadetship programmes are increasing due to the pathways into and within industry they promote
- ❖ Often the bottleneck for training is the number of assessors / instructors. As a result, many employers are opting to develop in-house training in order to maintain flexibility and meet their individual business needs. This model is less achievable for SME's and therefore kaimahi from those businesses are at times not able to be upskilled
- ❖ The breadth of the kaiāwhina health workforce is vast. Micro-credentials are being demanded so employers and kaimahi can demonstrate skills they have learnt (often on-the-job)
- ❖ Partnerships between industry and education providers work well where co-design principles and experience on job sites is a learning requirement
- ❖ There are limited qualifications available for dispatchers in particular, resulting in kaimahi only moving to these roles based on tenure. This makes workforce planning difficult, and limits options for kaimahi within, and wanting to enter into, the Freight, Logistics and Warehousing sector
- ❖ Many employers are appreciative of the provision of Private Training Establishments due to their agility and ability to operate in more isolated districts

The needs of industry are diverse and complex due to the geographic sparsity of the rohe and the changing nature of work. A one-size fits all approach to training our future workforce does not provide sufficient opportunity for employers to meet skill needs. To accommodate the various needs of industry and kaimahi, a call for more flexibility and diversity in training opportunities remains a priority of the RSLG. Partnerships between education providers, Workforce Development Councils and industry has been a key theme throughout the rohe, particularly for smaller employers.



Alignment with Workforce Development Councils

This advice has been presented with a distinct focus on the Kaiāwhina Health Workforce, Seasonal elements of horticulture, and Freight, Logistics and Warehousing in Manawatū-Whanganui. For that reason, we have opted to focus our alignment with relevant Workforce Development Councils Hanga-Aro-Rau, Muka Tangata and Toitū te Waioira. The below summary highlights where alignment is between the relevant Workforce Development Council and findings from the Manawatū-Whanganui RSLG.

Hanga-Aro-Rau

Hanga-Aro-Rau Workforce Development Council represents the manufacturing, engineering and logistics industries including wood manufacturing, bakery, butchery, mechanical, automotive and marine engineering, dairy processing, extractives and drilling, and transport.

Alignment between Hanga-Aro-Rau and the Manawatū-Whanganui RSLG includes recommendations to the Tertiary Education Commission to:

- ❖ Support the unit standard review of the Level 3 Primary Products Food Processing Qualification with strands in Laboratory Skills, Environmental Systems, and Product Quality.
- ❖ Support of a Passenger Ropeways / Ski-Lift Mechanic Qualification
- ❖ Support of a Transport Engineering qualification
- ❖ Support of a Ports qualifications review

Muka Tangata

Muka Tangata is the Workforce Development Council for the food and fibre sector. This sector comprises 14 industries including dairy, sheep, beef, deer, pork, poultry, and other livestock farming; arable farming; vegetables and fruit growing; viticulture and winemaking; forestry; seafood; apiculture; equine, dogs and racing; veterinary; nursery, turf and gardening; and food and fibre support industries.

Alignment between Muka Tangata and the Manawatū-Whanganui RSLG includes recommendations to the Tertiary Education Commission to:

- ❖ Support the inclusion of holistic approaches to training provision which includes physical, mental, spiritual and cultural health and wellbeing of ākonga.

Toitū te Waioira

Toitū te Waioira (Community, Health, Education, and Social Services) Workforce Development Council represents sectors including care services, youth services, disability services, education and educational support services, funeral services, and mental health and addictions services.

Alignment between Toitū te Waioira and the Manawatū-Whanganui RSLG includes recommendations to the Tertiary Education Commission to:

- ❖ Increase provision of all health-related qualifications/courses at Level 2-4 being recommended by Toitū te Waioira in Manawatū-Whanganui

Conclusion

To achieve a strong and more prosperous Manawatū-Whanganui, our people need access to the training to enable their future success. Training needs to vary based on a range of factors including current education level, employer and industry, geographic location and personal demand. Kaimahi and ākonga will not undergo training unless it is relevant, accessible and delivered in a way that meets their needs.

We have heard from industry that current training provision does not provide a clear pathway into the sector, particularly for Freight, Logistics and Warehousing. Provision of qualifications that are bespoke, coupled with a clear career pathway up and through the sector, will enable both industry and ākonga to meet skills demand within their sector. Partnerships with training providers and industry are likely to be the catalyst for providing such qualifications.

The 'traditional' education models are no longer serving our ākonga well. They want the option to study on-the-job while earning, and our kaimahi are seeking recognition of their current skills before committing to longer qualifications. The options of micro-credentials are appealing for those seeking 'bite-sized' learning opportunities and to staircase to a formal qualification where possible. There is hesitancy from some employers to undergo accreditation for their in-house training, however a standardised approach will benefit kaimahi if/when they make career changes.

Manawatū-Whanganui is amidst a period of large private sector, local and central government investment. With large scale projects coming online such as Te Utanganui Central New Zealand Distribution Hub the RSLG expects training providers and employers to respond to the broad skill needs accordingly. There are many skilled kaimahi already in the rohe, and through additional training, recognition of current skills and strategic workforce planning, our people can be equipped for success in these areas.

The Manawatū-Whanganui RSLG continues to be an advocate for a range of tertiary education options in the rohe, while recognising that tertiary-level education may not be desired by all our people. Where there is a clear need for training to be developed and delivered in Manawatū-Whanganui, the RSLG hopes that the Tertiary Education Commission takes this advice into consideration when developing the Supplementary Plan Guidance for 2024.

