

# Hawke's Bay Region Skill Needs – Advice for the Tertiary Education Commission

Prepared by the Hawke's Bay 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 a 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 from the Hawke's Bay RSLG.

Broadly, the advice in this document will include:

- Key labour shortages in Hawke's Bay and the four districts within (Wairoa, Napier, Hastings, and Central Hawke's Bay)
- An overview of current engagements with relevant Workforce Development Councils and Tertiary Education Organisations around tertiary education related activities
- Tertiary education specific advice for the TEC as it relates to direct investment.

This document is in support of the Regional Workforce Plan which includes a wealth of qualitative data as it relates to the first areas of focus for the Hawke's Bay RSLG; Primary Sector, Construction, Wāhine (Women) in the Workforce, School (Kura) Transitions and Work Ready job seekers.

In addition to the workforce challenges previously identified by the Hawke's Bay RSLG, the region is now facing additional widespread challenges due to Cyclone Gabrielle. This cyclone has impacted regional infrastructure, housing, marae, businesses, education providers, and wellbeing of the people of Hawke's Bay. As a region there is a substantial focus on recovery and rebuild that will require peaks in skill and labour needs. Through the rebuild, considerations need to be given to how the economy can rebuild in such a way that is underpinned by more technology, higher skills, increased productivity and ensures due respect is given to the voice and needs of mana whenua and community.

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 actors. While the primary purpose is to inform the TEC on the Hawke's Bay RSLG's recommended investment in the region, the RSLG welcomes training providers, industry and kaimahi (employees) to use this information to make informed decisions around training pathways and skills attainment.





# Hawke's Bay RSLG Recommendations to the TEC

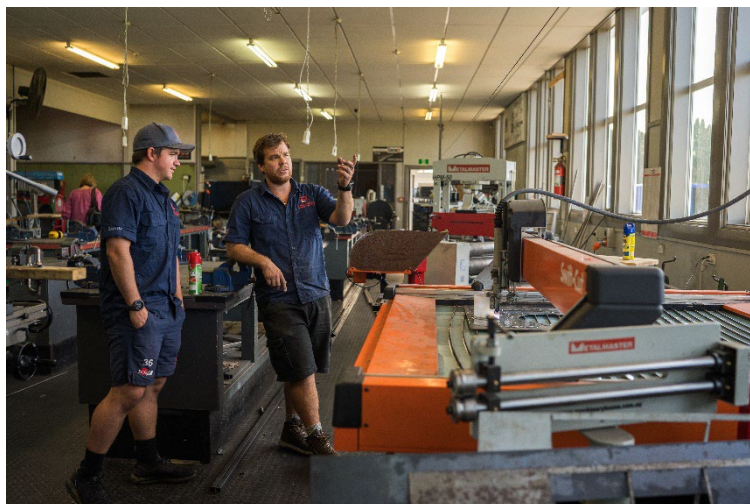
Tertiary education is a longer-term solution to skill needs, however there are opportunities for kaimahi and ākonga to have access to suitable training in the Hawke's Bay that will aid in the recovery from Cyclone Gabrielle right now. There are resulting significant short-term impacts on the regional workforce, including displaced horticulture and viticulture kaimahi and a shortage of fencers and the resulting training provision should be a priority for TEC in Hawke's Bay.

The Hawke's Bay RSLG, in alignment with regional Cyclone Recovery priorities, recommends the TEC to prioritise the regional provision of:

- ❖ The New Zealand Certificate in Resource Recovery (Level 2), be accessible within the region
- ❖ Micro-credentials recognising the importance of pastoral support and the positive impact this can have for younger kaimahi
- ❖ Pre-employment programmes with a focus on Construction and Infrastructure
- ❖ Micro-credentials that pathway kaimahi into higher skilled roles in the Construction and Infrastructure Sector
- ❖ Fencing short courses and micro-credentials, including those at Level 3 (pre-employment)
- ❖ Pre-employment programmes with a focus on horticulture and viticulture production
- ❖ Horticulture and viticulture production short courses and micro-credentials
- ❖ Provision of New Zealand Certificate in Electrical Pre-Trade (Level 3) in Hawke's Bay
- ❖ Increased provision of all health-related qualifications or courses at Level 3 and 4
- ❖ Support the development of digital skills in manufacturing and engineering to support the adoption of technology and enable staff to contribute to continuous improvement.

In addition to the above regional provision, the Hawke's Bay RSLG recommends that the TEC recognise the need for increased investment alongside the following advice:

- ❖ Increase funding available for the region to meet recovery skill demand, such as, but not limited to, the New Zealand Certificate in Resource Recovery (Level 2)
- ❖ Confirm a mechanism to enable providers (TEO's and PTE's) to shift delivery site, content and models to meet recovery skill demand
- ❖ Confirm a mechanism to allow providers flexibility to formally recognise on job training that is relevant to the recovery skill demand
- ❖ Give priority to existing Hawke's Bay providers seeking 'in-year amendments' to their funding to meet recovery skill demand.



# Skill Shortages in Hawke's Bay

The data below pre-dates Cyclone Gabrielle and needs to be viewed accordingly.

The skill shortages set out below 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 are taken from mahi (work) that Infometrics have undertaken to support the RSLGs, and from insights provided by local stakeholders. The information has been endorsed by the Hawke's Bay Regional Skills Leadership Group.

## Critical Skill Shortages in Hawke's Bay

Demand for skilled kaimahi 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 (Central Hawke's Bay, Hastings and Wairoa Districts in particular)
- ❖ Healthcare and Social Assistance (Hastings District in particular)
- ❖ Manufacturing (Central Hawke's Bay, Hastings and Wairoa Districts in particular).

## Significant Skill Shortages in Hawke's Bay

Demand for key kaimahi within these sectors is very high. Jobs in these sectors make up a considerable amount all job openings in the Hawke's Bay region.

- ❖ Retail Trade (Napier City in particular)
- ❖ Education and Training (Napier City and Wairoa District in particular).

## High Regional Demand for Skills

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

- ❖ Accommodation and Food Services
- ❖ Construction (Central Hawke's Bay and Napier City in particular)
- ❖ Public Administration and Safety (Napier City in particular)
- ❖ Administrative and Support Services.

## Specific Occupations in Demand

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

- |                                |   |
|--------------------------------|---|
| ❖ Builder                      | ❖ Chef, Barista and Front of House Manager                                  |
| ❖ Electrician                  | ❖ Class 5 Truck Driver and Bus Driver                                       |
| ❖ Project Manager              | ❖ Disability Support Worker   |
| ❖ Planning and Consent Officer | ❖ Community Health Worker (Aged Care, Mental Health and Addiction Services) |
| ❖ Registered Nurse             |   |
| ❖ Halal Butcher                |   |

## Skill Shortages for Emerging Industries in Hawke's Bay

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 Hawke's Bay:

- ❖ Roles relating to the growing technology industry – such as those associated with 'Hi-Tech Hawke's Bay', and to support the upcoming Te Awanga Film Studio
- ❖ Roles relating to onshore wind turbine generation including design, manufacturing, development and maintenance

# Cyclone Gabrielle

On 14 February 2023 Cyclone Gabrielle hit Aotearoa New Zealand with record rainfall and flooding. Hawke's Bay was one of the hardest hit regions leaving many communities and businesses damaged or destroyed. 16% of the Hastings District was flooded. Initial estimates<sup>1</sup> suggest approximately 1,600 homes were flooded across Hawke's Bay, some with up to seven metres of water. Across the region over 1,000 properties have been either yellow or red stickered<sup>2</sup>. Homeowners in severely impacted areas are anxiously waiting on central and local government to make decisions around the future use of their land.

28 days after Cyclone Gabrielle, the State of Emergency was lifted in Hawke's Bay. The region has now entered a phase of recovery and rebuild, and this will require a significant investment from industry, iwi, central and local government. Estimates put the expected national rebuild cost in excess of \$13 billion. Fundamental to the recovery is the need for regionally-led leadership and direction. Local leaders have worked together to develop a Hawke's Bay Cyclone Gabrielle Regional Recovery Framework to provide a structure for recovery efforts. Actions will be led by Matariki governance partners but will include an oversight board made up of directors with relevant skills and competencies needed for each specific area of recovery. Cyclone Gabrielle has shown the fragility of the region's critical infrastructure, so underpinning all recovery activities will be the need to ensure future resilience against catastrophic events.

The impact on Hawke's Bay's workforce is anticipated to be significant. Traditionally March is a peak employment period for Hawke's Bay, however 2023 has seen the opposite to this with increasing unemployment numbers reported. The situation is expected to worsen over the coming months. The Hawke's Bay RSLG is primed to support the expected workforce recovery activities. By working collaboratively with local labour market contributors, the Hawke's Bay RSLG will ensure the region has kaimahi (workers) with the right skills in place, at the right time. A substantial focus of the RSLG will be initiatives that retrain displaced kaimahi and support them into redeployment opportunities, particularly around recovery efforts. Critical to the retraining is the view that kaimahi need transferrable skills and information on how to capitalise on these skills. This will allow kaimahi to move confidently into other industries at the completion of recovery activities.

## Predicated Workforce Impacts

### Hauora and Wellbeing

The Hawke's Bay RSLG have identified that hauora (health) and wellbeing is both a barrier and enabler to people upskilling, regularly attending work and being present for whānau (family) and communities. Living through a natural disaster has long term psychological and psychosocial impacts on whānau and the community. Impacts are not limited to those who have experienced loss, individuals who were involved in the aftermath are also vulnerable. The mental health challenges that whānau may face include, but are not limited to, post-traumatic stress disorder, anxiety, depression, suicidal ideation and sleep complaints. The full extent and impact of these disorders will not be felt until the months and years following the cyclone. The Government has acknowledged the additional support required to ensure the hauora of the region and has invested \$3.25 million in the existing mental health support networks across Hawke's Bay.

### Construction and Infrastructure

Businesses and kaimahi in the Construction and Infrastructure Sector were at the forefront of the immediate cyclone response, aiding communities with the workforce and machinery critical in accessing and clearing property. In the move to recovery, the Hawke's Bay RSLG are cognisant of the ongoing role this sector will be play. Re-establishment of critical infrastructure and housing in the region will take years and will require the rebuilding of roads, railways, bridges, and homes.

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<sup>1</sup> <https://www.dragonfly.co.nz/news/2023-02-17-cyclone-gabrielle.html>

<sup>2</sup> <https://www.building.govt.nz/managing-buildings/managing-buildings-in-an-emergency/rapid-building-assessment-placarding-system/>

## Horticulture

Horticulture remains vital to the Hawke's Bay economy and as such continues to be a priority area for the Hawke's Bay RSLG. Initial estimates put orchard losses from the cyclone at approximately 30% for apple orchards and other crops, but with rot induced organisms slowly killing non-damaged trees, this number is expected to climb. The supply of replacement trees is far below required numbers, with commercial nurseries predicting it will take up to five years to be able to meet cyclone induced demand.

## Viticulture

Hawke's Bay is the second largest wine-producing region in Aotearoa New Zealand and was only a few weeks away from harvest when Cyclone Gabrielle hit. Estimates put the loss of grapes for the season at 11% of the total crop, with the number of vines and trellis systems irrecoverable still to be fully determined. Short-term implications for flood hit vineyards include inaccessibility of harvesting machinery due to wet ground, lack of kaimahi to pick by hand due to the physicality of the mahi and flood-swept collection bins now missing.

## Agriculture

The impact on the rural communities in Hawke's Bay's has been devastating, particularly for farmers. The challenges farmers face as they begin the clean-up include loss of stock, loss of grazing and damaged infrastructure. Destroyed farm tracks and bridges have left parts of farms inaccessible. Thousands of kilometres of fencing is irreparable and will take significant resource to replace.

### *Potential workforce impacts across the region:*

- ❖ Increased need for mental health support for kaimahi and tauira (students) in training and pre-employment programmes
- ❖ Reduced productivity due to wellbeing needs and considerations
- ❖ Increased demand for mental health and addiction qualified kaimahi
- ❖ Restructuring of grower businesses leading to potential role losses as cost efficiencies are sought
- ❖ Loss of work for kaimahi employed in smaller grower businesses due to profitability timeframes
- ❖ Increased demand for nursery businesses and kaimahi to meet the increased demand for apple trees
- ❖ Increased demand for fencing labour and skills to replace damaged trellis systems
- ❖ Shifting labour and skills needs if innovation is successfully adopted during re-build
- ❖ Increased demand for businesses, labour and skills in the following industries:
  - Roding
  - Concreting
  - Bridge building
  - Building and associated sub-contractors
  - Fencing

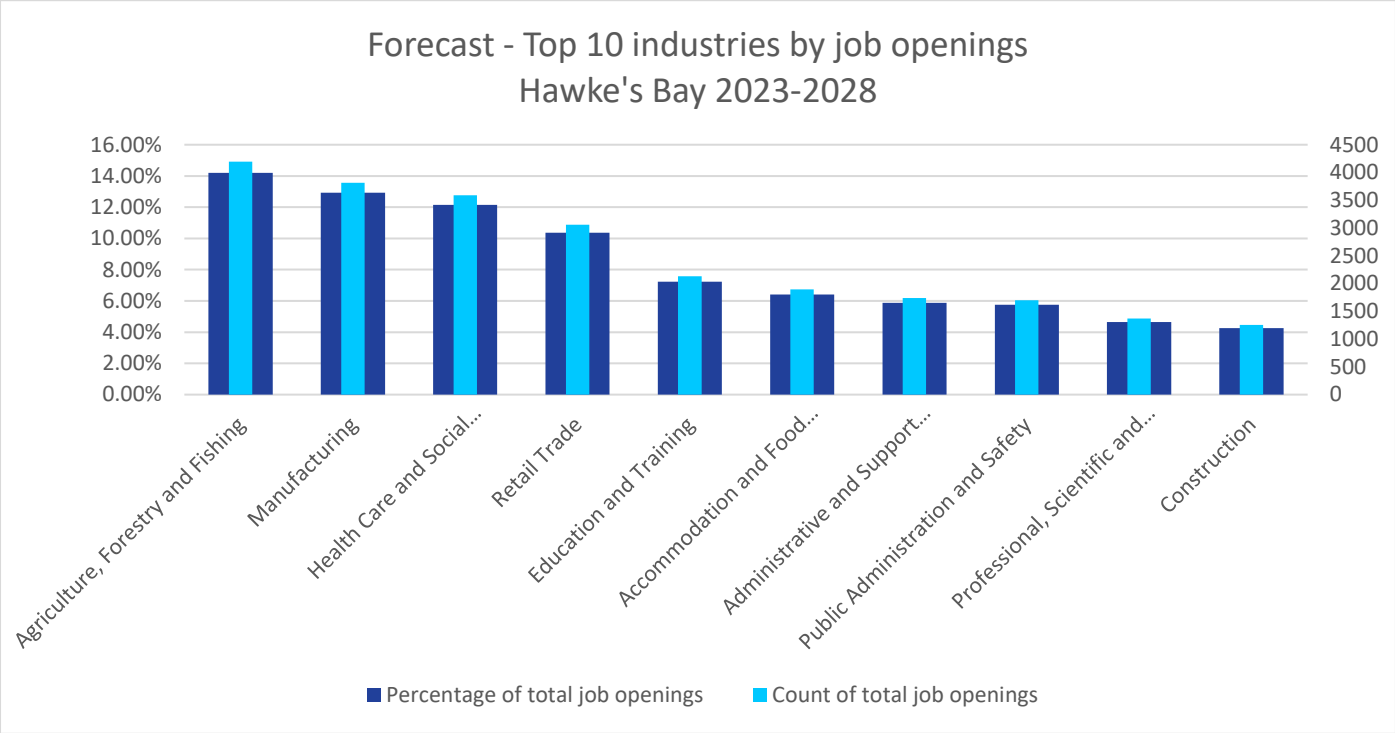


Photo Credit: RNZ



# Projected Regional Industry Outlook

Hawke’s Bay currently has 12.5% of the regional workforce employed in the manufacturing sector, the largest employing sector, which is projected to be overtaken by Agriculture, Forestry and Fishing by 2028. Agriculture, Forestry and Fishing is currently the second largest workforce in the region. Agriculture, Forestry and Fishing job openings will have the highest job openings in the next five years.





# Projected Regional Skills Outlook

This section has a predominant focus on forecasts that provide an indication of the skills required to fill the future workforce needs for the previous and current focus areas of the Hawke's Bay RSLG – the Primary (Horticulture and Meat Processing), Construction & Infrastructure, and Health sectors. This 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 (Level 1 to 7+)

This data is compared to 2022 current workforce information.

## Health

Workforce pressures in the health sector are not new to Hawke's Bay, and with a new public hospital planned for Hastings, these workforce pressures are expected to increase. There is ongoing demand on the Kaiāwhina (unregulated) workforce across the aged care and community mental health and addiction services, with differing skill needs and increased patient workloads. Due to the importance of the sector and the health of kaimahi in all sectors a focus for the RSLG, this sector remains a focus.

### Forecasts 2028

The Health Care and Social Assistance sector<sup>3</sup> for Hawke's Bay is predicted to be 11,432 by the year 2028. This predicted growth will mean that the Health Care and Social Assistance sector will account for 12.1% of the regional workforce.

It is estimated that this sector will have 3,592 new job openings over the next five years to 2028. This includes 950 new jobs and 2,642 replacement roles (roles previously filled by kaimahi who have retired or moved to a new sector).

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

Certificate (Level 1-3)	<b>1,324</b>
Certificate (Level 4)	<b>130</b>
Certificate (Level 5-6)	<b>471</b>
Degree (Level 7+)	<b>1,665</b>

### Current 2022

The Health Care and Social Assistance workforce for Hawke's Bay currently sits at 10,482, which is the third highest employing sector in the region (11.7% of the total workforce). Workers are estimated as being distributed across the following six areas set out in the table:

Reflecting a national trend, the large majority (79.2%) of kaimahi in this sector identify as European, with only 18.3% identifying as Māori. There are slightly more kaimahi identifying as Asian (6.6%), than are represented across all industries in the region (5.6%). Only 15.4% of kaimahi identify as male in the health workforce in Hawke's Bay (down from 19.4% in 2003).

Personal Care Assistant	<b>1,371</b>
Registered Nurse (Medical)	<b>1,353</b>
Community Worker	<b>413</b>
Early Childhood (Pre-primary) Teacher	<b>393</b>
General Medical Practitioner	<b>338</b>
Age or Disabled Carer	<b>308</b>

<sup>3</sup> For the purposes of this analysis, the Health Care and Social Assistance Sector includes employment in the following occupations: Hospitals, General Practice Medical Services, Specialist Medical Services, Pathology and Diagnostic Imaging Services, Dental Services, Optometry and Optical Dispensing, Physiotherapy Services, Chiropractic and Osteopathic Services, Ambulance Services, Aged Care Residential Services, Child Care Services and other Allied Health Services (Kaiāwhina).

## Construction and Infrastructure

Mounting workforce pressures in the Construction and Infrastructure sector are a result of significant public and private sector investment. This workforce pressure will be compounded by the repair and rebuild programme as a result of Cyclone Gabrielle. Social procurement, pre-employment programmes and leadership initiatives provide opportunities for growth, especially for the Māori kaimahi and businesses who operate in this sector. The Hawke's Bay RSLG have heard that industry has absorbed as much inexperienced labour as they can, so attention needs to be focussed on upskilling and development of employer's existing kaimahi, ensuring the new workforce supply are well-prepared for employment, and looking at different approaches to construction methods.

### Forecasts 2028

The Construction sector<sup>4</sup> for Hawke's Bay is predicted to be 10,025 by the year 2028. While this is similar to current levels, there is a strong rebound after an expected decline period from 2024 onward.

In 2028, it is estimated that this sector will have 1,988 new job openings. It was forecast, prior to Cyclone Gabrielle that new jobs would reduce by 511 roles, while the sector would require 2,509 replacement job openings (job openings due to kaimahi retirement or moving to another sector).

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

Certificate (Level 1-3)	<b>645</b>
Certificate (Level 4)	<b>536</b>
Certificate (Level 5-6)	<b>215</b>
Degree (Level 7+)	<b>602</b>

*These projections are likely to underestimate the overall need due to the impacts of Cyclone Gabrielle.*

### Current 2022

The Construction and Infrastructure workforce for Hawke's Bay currently sits at 10,537, accounting for 7.5% of the total workforce. Workers are estimated as being distributed across the areas identified in the table:

Reflecting a national trend, the large majority (84.9%) of kaimahi in this sector identify as European, with only 18.4% identifying as Māori. From 2013 to 2018 there was an increase in 641 more kaimahi identifying as Māori within the sector.

Only 18.6% of kaimahi identify as female in the construction and infrastructure workforce in Hawke's Bay.

Construction Trades Workers	<b>1,874</b>
Specialist Managers	<b>1,719</b>
Electrotech & Telecoms Trades Workers	<b>756</b>
Design, Engineering, Science Professionals	<b>743</b>
Construction and Mining Labourers	<b>495</b>

<sup>4</sup> For the purposes of this publication the classification of Waihanga Ara Rau's sector has been selected. This includes Construction (retail, on site and wholesale), off site manufacturing, electrotech & telecoms, finishing trades, access trades, plumbing, drain laying and gas fitting, civil infrastructure, three waters, energy and telecoms and construction and infrastructure services.

## Primary Sector

Notwithstanding the recent cyclone, Hawke's Bay's Primary Sector is the largest contributor to the region's economy. While Hawke's Bay had a significant economic reliance on horticulture, the impact of Primary Processing and wider farming practices deserve consideration in economic and workforce planning. Both the Horticulture and Primary Processing Industries struggle to attract and retain kaimahi. The Hawke's Bay RSLG is continuing to work with industry to identify and support initiatives that address the barriers to creating sustainable workforces.

### Forecasts 2028

The Food and Fibre Sector<sup>5</sup> in Hawke's Bay is predicted to be 13,864, by 2028. This estimated figure would have the sector accounting for 14.7% of the total regional workforce.

Between 2022-2028, it is estimated that this sector will have 4,892 new job openings. This estimate includes 1,080 new jobs and 3,812 replacement jobs (job openings due to kaimahi retirement or moving to another sector).

Primary Manufacturing was not included in the 'Food and Fibre workforce' data; however, this industry is projected to be 5,160 by the year 2028. For new roles in 2028, over 65% will require a Certificate (Level 1-3), showing a significant shift in skills needs within the Primary Manufacturing Industry.

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

Certificate (Level 1-3)	<b>2,838</b>
Certificate (Level 4)	<b>394</b>
Certificate (Level 5-6)	<b>256</b>
Degree (Level 7+)	<b>1,397</b>

### Current 2022

The Food and Fibre workforce for Hawke's Bay currently sits at 12,784 people, which is a drop of 4.1% from 2021. Workers are estimated as being distributed across the six areas set out in the adjacent table.

Pasifika account for 11.4% of the Food and Fibre workforce (but only 5.3% of the total regional population). From 2013 to 2018 there has been a decrease of 11.2 percentage points of Europeans in the sector, and an increase of 5.2 percentage points for Māori in the sector.

45.4% of the sector report having no post-school qualifications in 2018 (down from 57.9% in 2013).

Within Primary Processing in particular, the following occupations make up the current workforce (top four):

Māori are significantly overrepresented in the Primary Manufacturing sector, making up 48.8% of the workforce in 2018 (compared to 22.4% of regional makeup). 24.7% of the Primary Manufacturing workforce report having no qualifications in 2018.

Mixed Crop and Livestock Farm Worker	<b>874</b>
Fruit or Nut Farm Worker	<b>772</b>
Fruit or Nut Grower	<b>628</b>
Mixed Crop and Livestock Farmer	<b>558</b>
Agricultural and Horticultural Mobile Plant Operator	<b>433</b>
Labourer	<b>432</b>

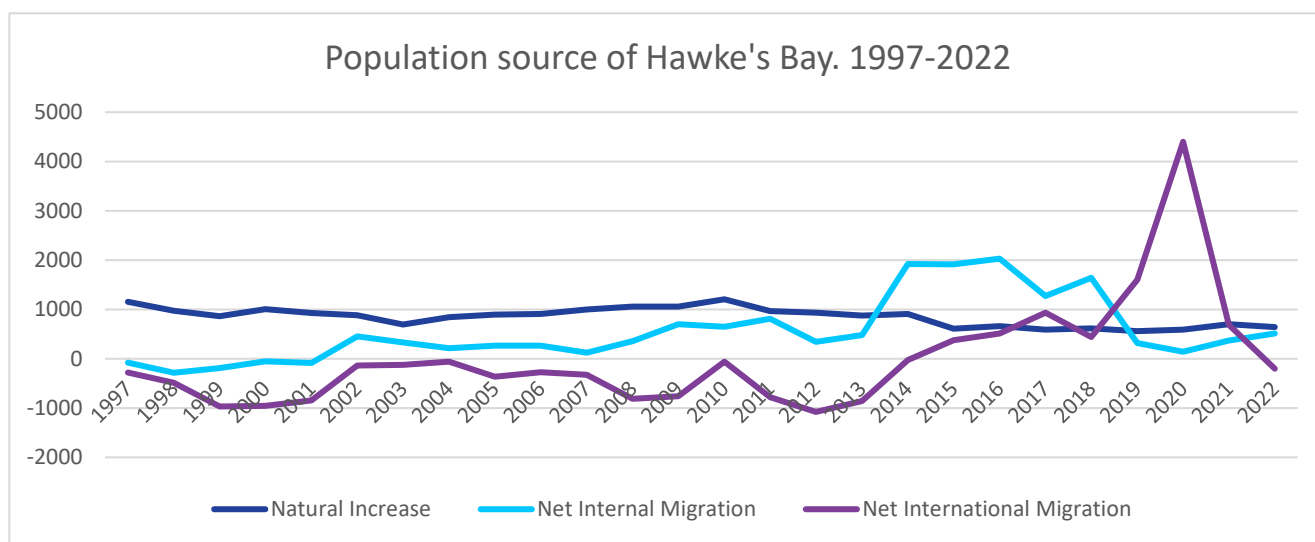
Meat Process Worker	<b>599</b>
Labourers	<b>514</b>
Slaughterer	<b>307</b>
Meat Boner and Slicer	<b>188</b>

<sup>5</sup> This sector has been defined using the definitions from *Muka Tangata* – People, Food and Fibre Workforce Development Council. They represent 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

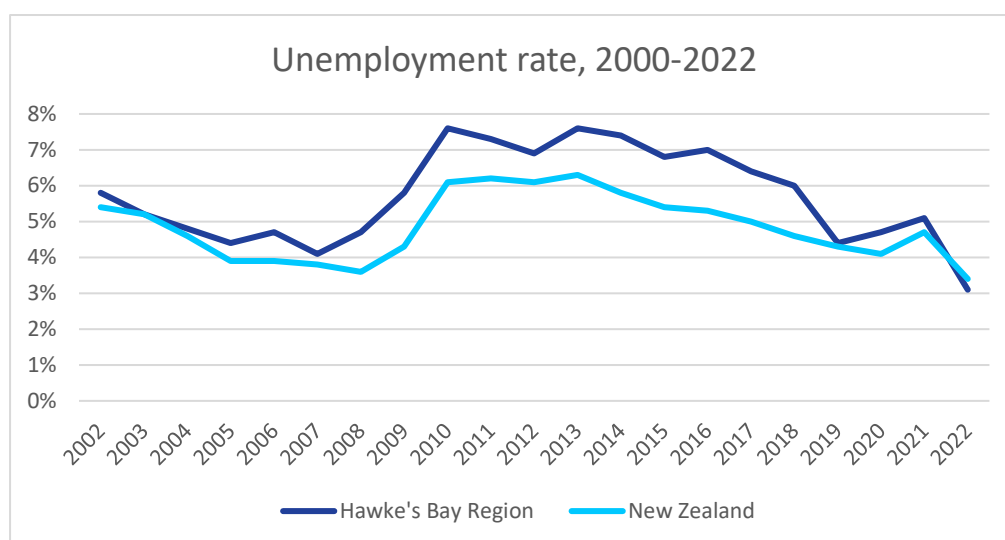
## Population

Hawke's Bay has a relatively stable resident population, growing between 1% and 3% each year since 2002. Internal migration plays a constant role in the available workforce in Hawke's Bay. Hawke's Bay had a significant increase in international migration in 2019-2020 with Horticulture and Viticulture visas making up much of the growth. The decline from 2020 onward can largely be attributed to the changing visa requirements for seasonal workers and the accreditation requirements for employers.



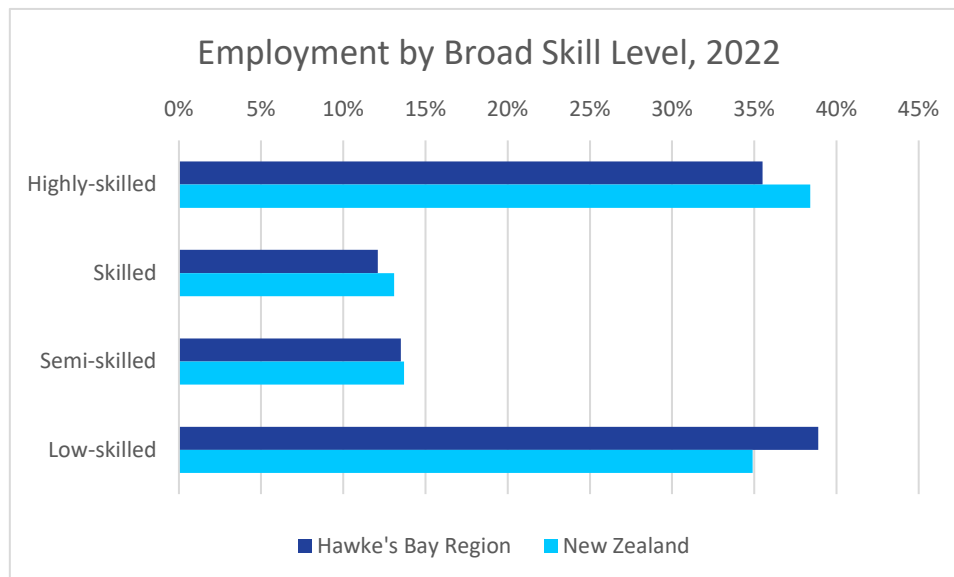
## Employment indicators

Hawke's Bay's unemployment has had a downward trend, similar to New Zealand as a whole for the past decade. The rise in unemployment from 2020 to 2021 can be attributed to COVID-19 and business confidence surrounding policy announcements.

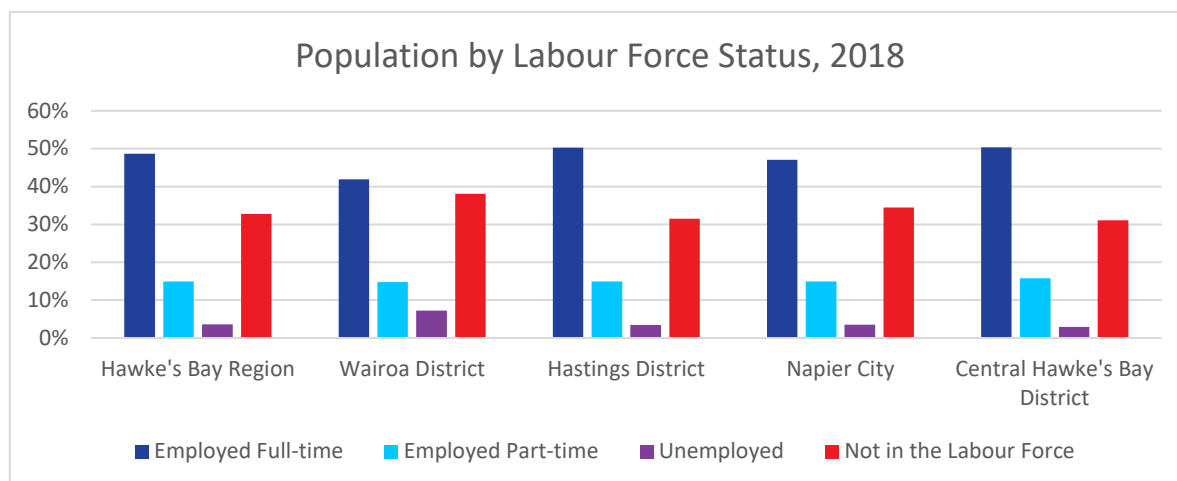




Hawke’s Bay has both a high-level of highly skilled<sup>6</sup> jobs (31,717) and low-skilled (34,697) jobs filled in 2022. Of filled jobs in 2022, low-skilled roles are over-represented which highlights an opportunity for the region to have investment in relevant training needs for ākonga and kaimahi. The prevalent industries in Hawke’s Bay (Horticulture and Primary Manufacturing) have historically not relied on qualified kaimahi, however the RSLG is noticing a change in these sectors as they strive for efficiencies and industry growth.



Hawke’s Bay had relatively similar levels of employment across all four districts in 2018. The Central Hawke’s Bay District and Hastings District had slightly higher full-time employment levels (50.4%, and 50.3% respectively), with Wairoa District having the lowest level at 41.9%. The unemployment rate was highest in Wairoa District at 7.2%, compared to 2.9% in Central Hawke’s Bay District.



<sup>6</sup> *Highly skilled* occupations typically require a bachelor’s degree or higher qualification and include professionals such as accountants, teachers, and engineers, as well as most managers such as chief executives. This category is consistent with skill level one of the Australia New Zealand Standard Classification of Occupations (ANZSCO).

*Medium-high skilled* occupations typically require an NZ Register Diploma, an Associate Degree or Advanced Diploma. The category includes some managers (such as retail managers) and technicians (such as architectural draftspersons, ICT support technicians and dental hygienists). This category is consistent with skill level two of the ANZSCO classification.

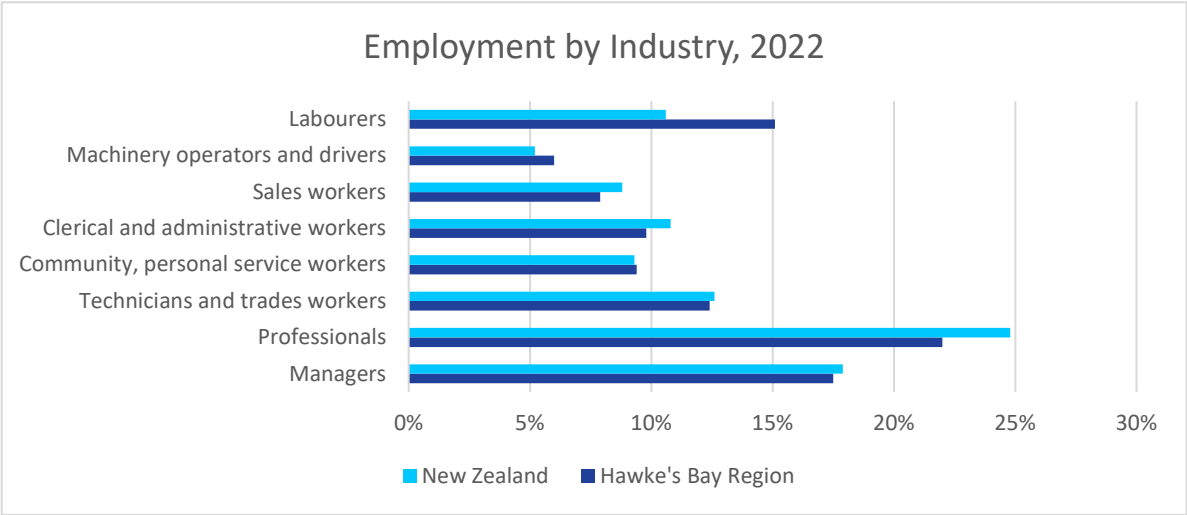
*Medium skilled* occupations typically require an NZ Register Level 4 qualification. The category includes tradespersons (such as motor mechanics), skilled service workers (such as firefighters), as well as skilled clerical and sales workers (such as legal secretaries and estate agents). This category is consistent with skill level three of the ANZSCO classification.

*Low skilled* occupations typically require an NZ Register Level 3 qualification or lower. It includes a range of lower skilled occupations from general clerks, caregivers, and sales assistants, through to cleaners and labourers. This category is consistent with skill level four and five of the ANZSCO classification.

The levels of those Not in the Labour Force is significant across the rohe, these people represent an interesting cohort as they are of working age however are not seeking employment. These people may be early retirees, students who are not actively seeking work, stay-at-home parents, anyone permanently unable to work, those who are voluntarily inactive (i.e., not wanting to work) and anyone currently in an institution (i.e., incarcerated). This cohort is of interest to the RSLG given the tight labour market experienced in the rohe.

As would be expected given the predominant industries in Hawke’s Bay, labourers make up a significant (15.1% or 13,480 people) portion of the regional workforce. This industry is third behind ‘Professionals’ and ‘Managers’, which are not unique to any one sector. Interestingly, Technicians and Trades workers as an occupation grew 5% between 2021 and 2022, followed by Professionals (4.1%) and Sales Workers (3%).

22,289 kaimahi are employed in knowledge intensive industries in the Hawke’s Bay. Knowledge intensive industries are those in which the generation and exploitation of knowledge play the predominant part in the creation of economic activity. The largest contributor towards this in the rohe is Hospitals, followed by Primary and Secondary Education.

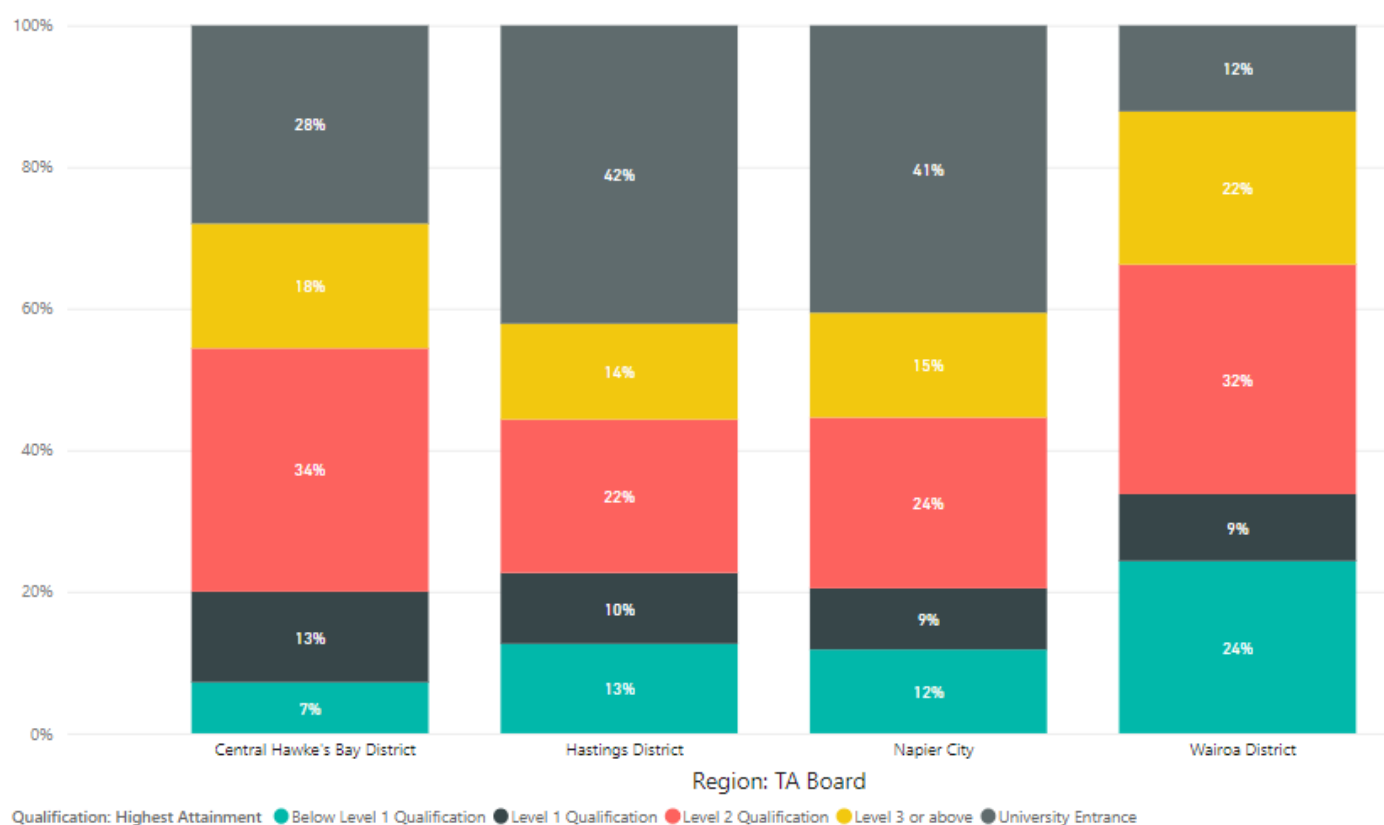


## Trends for Rangatahi

When it comes to our future workforce, rangatahi (youth) are the Hawke's Bay RSLG's immediate focus, specifically our school / kura leavers. With 28 secondary and composite schools / kura in the region, it is imperative that our rangatahi are equipped with the skills and knowledge they need to be successful in the future. 2021 achievement rates of Hawke's Bay ākonga were around national averages<sup>7</sup>, with approximately 54% of school leavers achieving NCEA Level 3 or above (compared to 55.8% nationally), and 78% achieving NCEA Level 2 (compared to 78.7% nationally). Although these levels are similar to national levels, the RSLG continues to hear that our rangatahi are not equipped with the skills and knowledge they need to make informed career choices after school / kura. Educational achievement varies between the districts, as demonstrated below.

Hawke's Bay still has around 40%<sup>8</sup> of the school leavers cohort that do not go on to tertiary education/training in any given year. That means around 800-900 Hawke's Bay secondary ākonga will leave school /kura each year and not go on to tertiary training. Developing education and training provision that works for this cohort needs to be a regional priority.

School Leavers Highest attainment, 2021

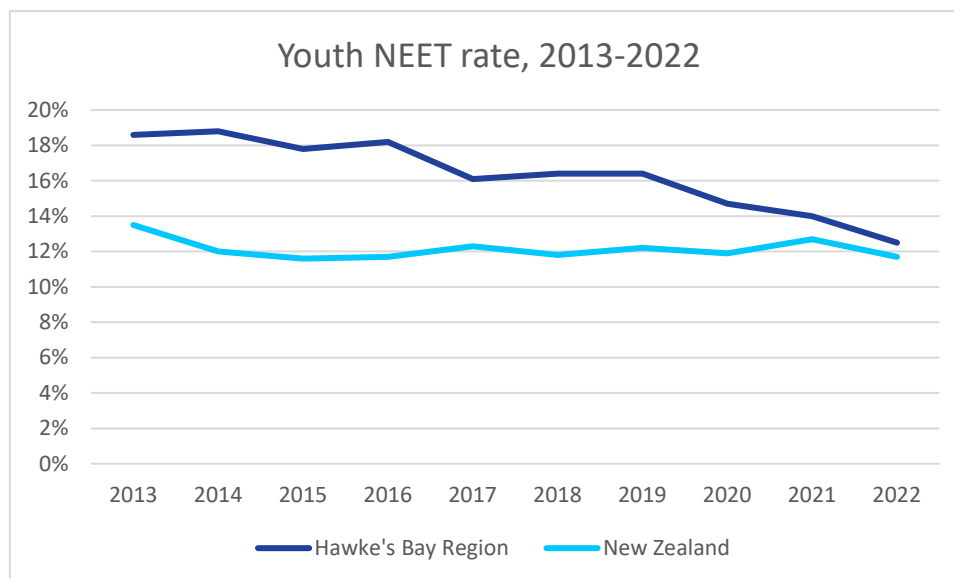


<sup>7</sup> <https://www.educationcounts.govt.nz/know-your-region/region/region-summary?district=&region=6>

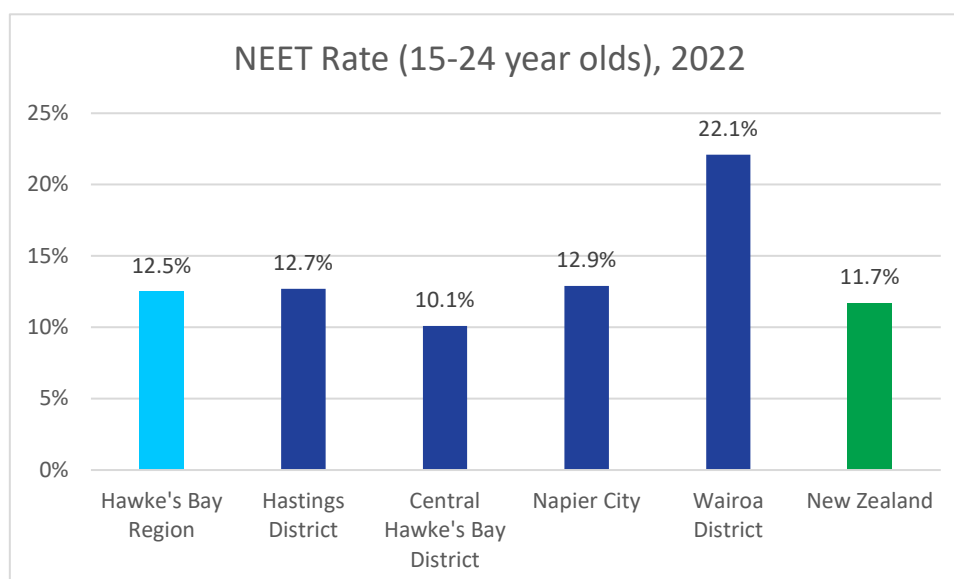
<sup>8</sup> <https://www.educationcounts.govt.nz/know-your-region/region/progression-to-tertiary?district=&region=6>

## Youth Not in Education, Employment and Training

Hawke's Bay has high youth (15-24 year old) NEET (not in education, employment and training) rates. The Hawke's Bay NEET rate has remained above the national level since 2013. Despite a positive downward trend from 2019, youth NEET remains an area of concern for the Hawke's Bay RSLG. In 2022 the NEET Rate for Hawke's Bay was 12.5%, and nationally this rate was 11.7%.



While the regional NEET rate has been declining, the NEET rate in Wairoa District is significantly higher than the other districts at 22.1%. Wairoa's remoteness from urban centres, fewer employment opportunities, lack of public transport and limited drivers licencing programmes are collective barriers to training and employment. Without the correct driver's licence or use of a private vehicle, rangatahi are unable to access opportunities available to them.





# What we've heard from Tertiary Education Organisations in Hawke's Bay

Kaimahi and ākonga (students) in Hawke's Bay are currently supported by a variety of education providers and delivery models. The range of opportunities for kaimahi and ākonga is vast from horticulture through to electrical engineering. Tertiary education providers have identified the following drivers of ākonga interest in their courses and desired modes of delivery:

- ❖ There is a commitment to support the delivery of training for post-cyclone critical roles for recovery, rebuild and resilience against future events
- ❖ More training provision that reflects mātauranga māori kaupapa is needed
- ❖ A mixture of on-the-job and structured training/classroom time is well received by ākonga
- ❖ Online options are popular, but this requires ākonga to have access to suitable technology and internet connectivity which can be limited in rural areas
- ❖ There is a growing interest in the delivery of micro-credentials as ākonga do not want to commit to long periods of study when they may not be able to earn at the same time
- ❖ Pre-trade courses work well for ākonga, who do not have the formal requirements or confidence to move straight into apprenticeships
- ❖ Some employers do not have capacity to send kaimahi on block training courses; night courses and online options have helped mitigate this. This has however shifted the onus of training to the kaimahi's personal time
- ❖ More leadership development programmes specifically targeting tāne (male) and wāhine Māori are needed to address their under-representation in managerial and professional tiers
- ❖ Technological advances in the Construction sector are coming online and ākonga and kaimahi need training to take advantage of this
- ❖ There is increased demand for training related to solar and alternate energies as these industries become more important to the resilience of Hawke's Bay.



## What we've heard from Industry and Kaimahi

Ongoing stakeholder engagement across the rohe (region) informs the Hawke's Bay RSLG on the needs of employers and kaimahi on their employment and training challenges, and expectations. The following statements reflect feedback from stakeholders in the Primary, Construction and Health Sectors, and often relate to Wāhine in the Workforce, School Transitions and Work ready job seekers:

- ❖ Employer funded pastoral care programmes are a big cost to the business and can be seen as a risk to business sustainability
- ❖ There is a need to focus on the pre-employment exemplars applying Te ao Māori models, as this is shown to result in more preferable employment outcomes for ākonga and kaimahi
- ❖ Rangatahi are not taught the skills at school that are useful for employment e.g. work ethic, time management and how to study
- ❖ Many kaimahi struggle with the theoretical aspects of apprenticeships, which requires additional support from employers. Where skills can be assessed on the jobsite, kaimahi are having greater success levels.
- ❖ Mental health and wellbeing programmes in the Construction and Infrastructure Sector are not responsive to the needs of Māori
- ❖ Kaimahi are not offered upskilling opportunities due to low staffing levels
- ❖ Kaimahi in rural communities such as Wairoa struggle with limited options and lack of transport to access relevant training in the larger centres
- ❖ Kaimahi and employers are expressing a desire to have initiatives targeting wāhine linked to the NZQA framework so that formal recognition is achieved
- ❖ There is increased expectation that kaimahi undertaking apprenticeships will be exposed to appropriate cultural competency modules
- ❖ Recognition of prior learning needs to be a priority if kaimahi are committing to further education and training
- ❖ 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 meet their individual business needs
- ❖ Partnerships between industry and education providers work well where co-design principles and experience on job sites is a requirement of the course
- ❖ The agility and responsiveness of Private Training Enterprises is valued where 'niche' courses can be developed to upskill kaimahi in certain industries.



# Alignment with Workforce Development Councils

This advice alignment has been presented with a distinct focus on the Hawke's Bay RSLG's priority workforce sectors of Primary, Construction and Health. The RSLG has engaged with the six Workforce Development Councils (WDCs) and the following areas of alignment with Hawke's Bay's Regional Workforce Plan and recent findings:

## Waihanga Ara Rau

*Waihanga Ara Rau is the Workforce Development Council for Construction and Infrastructure. They represent industries including concrete, construction, electricity, gas, infrastructure, plumbing, roading, telecommunication, and water. Alignment includes:*

- ❖ Support for the review of Level 4 Carpentry and the need for 'soft skills' to be included as a component of the qualification
- ❖ Support the exploration of vocational education fast track opportunities within the carpentry and infrastructure areas to provide low-friction experiences for learners and employers
- ❖ Support the need to develop onsite leadership capability.
- ❖ Support the need to partner for greater diversity in the construction and infrastructure workforce
- ❖ Support the need to develop industry awareness of cultural competency, especially Te Ao Māori.

## 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 includes:*

- ❖ Increase provision of micro-credentials in leadership for primary industry
- ❖ Support the need to develop pastoral care capabilities across learners, employees, employers and providers
- ❖ Support for the need to develop training that caters to the needs of multicultural learners.

## Toitū te Waiora

*Toitū te Waiora (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 includes:*

- ❖ Increase provision of all health-related qualifications or courses at Level 3 and 4
- ❖ Have regard for kaiāwhina training that has been developed in consultation with Māori businesses
- ❖ Have regard for kaiāwhina training providers that are attracting Māori trainees
- ❖ Support the development of a pastoral support micro-credential applicable across all industry.

## 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 includes:*

- ❖ 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 the development of digital skills in manufacturing and engineering to support the adoption of technology and enable staff to contribute to continuous improvement.

## Ringa Hora

*Ringa Hora is the Workforce Development Council for services. They represent many industries including advisory services, aviation, cleaning services and business services. Alignment includes:*

- ❖ Support for credentialing soft skills learned through the Service Sector
- ❖ Support for the development of management level qualifications
- ❖ Support the need to invest in provision that supports Māori to succeed by:
  - Increasing Te Reo Māori
  - Embedding Te Reo Māori
  - Partnerships with iwi and Māori organisations
  - Mātauranga Māori provision
  - Embedding mātauranga Māori/cultural capability.





## Conclusion

Hawke's Bay is a resilient region. The region is committed to a rebuild that is underpinned by more technology, higher skills, increased productivity and ensures due respect is given to the voice and needs of mana whenua and community. The Hawke's Bay RSLG play a vital role in the rebuild as the training and skill needs of the region are highlighted and advocated on a national level. The RSLG have identified the immediate skill needs of the region, and remain committed to ensuring that kaimahi, employers and ākonga have access to the skills and training they need to be successful in the future.

This advice highlighted the need for recognition of skills that kaimahi gain during the recovery phase, with an additional call for expansion of training provision to account for the immediate skills needed, such as fencing and horticulture & viticulture production, construction and infrastructure development. Underpinning these skill needs is the recognition of hauora and wellbeing for the wider Hawke's Bay community. The impacts of recent Cyclone Gabrielle are not yet fully understood, and the region needs to be equipped to ensure that they can recover and thrive in the new economic and physical landscape.

Flexibility and resource requests underpin this advice as the RSLG are cognisant that the skill and training needs within Hawke's Bay may change as the year goes on. The RSLG is in support of mixed modes of delivery, TEC working alongside central and local government partners, and the importance of ensuring mana whenua have input into delivery design that is fit for purpose.

The lack of opportunities and barriers for those in rural communities such as Wairoa remain. By increasing relevant offerings for these communities, the RSLG would expect to see increased uptake, greater success in employment outcomes and lower NEET rates. Investment into the region from both the public and private sector are ongoing, and with these investments come increasing skill needs. Projects such as the public hospital rebuild, the development of Te Awanga Film Studio and iwi-led developments all come with skill requirements that the RSLG remain committed to understanding.

While Hawke's Bay is in a period of recovery at the time of this advice, the RSLG want to reiterate the importance of long term planning for skill needs and trust that the TEC will view this advice accordingly in their development of the Supplementary Plan Guidance for 2024.

