

Bay of Plenty Labour Market Overview

(Quarterly Report April - June 2018)

*(When reading this note that **Western BoP** refers to Greerton, Tauranga, Mount Maunganui and Te Puke Service centres; **Eastern BoP** refers to Opotiki, Whakatane and Kawerau Service centres and **Central** refers to Rotorua, Taupo and Tokoroa Service Centres)*

Introduction

This report forecasts the Labour Market demand across the Bay of Plenty for the quarter April 2018 – June 2018. The conclusions are arrived at after assessing:

- those skills which have been subsidised over the previous quarter
- current vacancies advertised
- investment in building and construction by sector.

We have also looked at the same quarter from last year to assist with predictions in demand for this quarter.

Regional Economic Development and the Sector Workforce Engagement Programme

The Regional Economic Development (RED) initiative has been facilitated by government to optimise those sectors in the Bay of Plenty where there are natural and obvious opportunities. The Sector Workforce Engagement Programme (SWEP) has identified those sectors where, over the last decade, there has been an increase in the employment of migrant labour concurrent with a decrease in the employment of New Zealanders who have been in receipt of benefit.

The sectors common to both initiatives are:

- Horticulture
- Construction (both Civil and Building)
- Aged Care
- The visitor economy (Tourism and retail)
- Road Freight and Logistics

Forestry is the other significant sector in the Bay of Plenty.

An area of significance which will increasingly impact on the growth of the Bay of Plenty is the "Maori economy". The momentum of this is growing in the Bay of Plenty as more iwi finalise their Treaty settlements with government.

Provincial Growth Fund

The Government has created a Provincial Growth Fund of \$1billion a year for the next three years, which aims to lift productivity potential in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets. The Bay of Plenty has been earmarked for early investment from this fund.

He Poutama Rangatahi

This programme is led by the Ministry of Business Innovation and Employment. In the Bay of Plenty it is currently targeting young Maori in the Eastern Bay to be assisted into work and using local providers to facilitate this.

Geographic Demand

From a Labour market perspective the Bay of Plenty can be divided into three distinct areas:

- Western Bay of Plenty (this includes Greerton, Tauranga, Mount Maunganui and Te Puke Service Centres)
Growth in this labour market is across the board in all the sectors identified by the initiatives.
- Eastern Bay of Plenty (this includes Opotiki, Whakatane and Kawerau Service centres)
The demand for labour in the Eastern Bay of Plenty is relatively stagnant, and is characterised by seasonality of employment in the horticulture, forestry and manufacturing sectors.
- Central Bay of Plenty (this includes Rotorua, Taupo and Tokoroa Service Centres)
This Labour Market is experiencing growth in the demand for labour, led by the visitor economy and industries associated with forestry.

Specific Demand - Western Bay of Plenty

Is experiencing growth across most sectors led by the construction sector.

Horticulture

The changing make up of the kiwifruit crop (now approximately 50/50 gold and green) has meant a change in the harvest requirements – gold ripens first and cannot be left on the vines as long, so requires immediate harvesting before the green kiwifruit is ready. The green takes longer to ripen and can remain on the vine longer without getting damaged. So there is a spike in labour demand at the beginning of the season, which plateaus out over the harvest period.

The cut in student visas (traditionally 15% of the labour force) will see increased demand for local labour. In addition, we are hearing from the industry that fewer backpackers are making themselves available for the sector than in previous years (traditionally this source also supplied 15% of the labour force).

There will be ongoing demand for short term casual workers throughout this quarter.

Construction (civil, commercial and residential)

Investment in construction (either planned to start or on-going in this quarter) is worth \$1058 million. There are several large infrastructure projects and aged care facilities and subdivisions are continuing to be invested in. There will be demand in this sector and particularly for semi-skilled positions.

Aged Care: Health and Social Sector

Investment in this sector continues to be strong (over \$300 million either on-going or new for the quarter). The demand from the sector remains muted, as it did for this quarter last year.

Visitor Economy (Retail and Hospitality)

Relative to other sectors in the Western Bay of Plenty this sector is quiet at this time of year. The main indicator of demand is through the subsidised placements with two-thirds of all subsidies granted in Western Bay of Plenty being for retail positions. Through the winter months the majority of vacancies in Hospitality tend to be part time/Casual. There is a total of \$182 million worth of investment in the retail sector either planned or on-going for this quarter.

Administration, Management, "Professional" and Factory Processing (excluding Kiwifruit)

Historically there has been demand in this sector, especially for qualified and specialised people. This will continue throughout the quarter. There may not be significant demand that our clientele can meet but there will be some opportunities.

Education

Although there is significant investment in the sector either underway or planned for the quarter, the majority of this is in the new University campuses. There will be little demand in this sector for our clientele.

MAIN EMPLOYMENT OPPORTUNITIES

Horticulture – Kiwifruit pickers, forklift drivers, Pack house positions

Construction – hammer hands, labourers, wheels, tracks and rollers skills and experience, traffic management, Scaffolding, welding, painting and decoration

Aged Care: Personal Carers at home or residential carers

Visitor Economy – retail assistants, sales representatives, café assistants, food and beverage assistants, porters, cleaners

Driving and Logistics – Class 2 and Class 5 drivers, heavy machinery drivers, forklift drivers, Wheels Tracks and roller drivers

(note many jobs will require people with their full licence or reliable transport because of the working hours)

Specific Demand - Rotorua (Central Bay of Plenty) is experiencing relatively buoyant.

Horticulture

The changing make up of the kiwifruit crop (now approximately 50/50 gold and green) has meant a change in the harvest requirements – gold ripens first and cannot be left on the vines as long, so requires immediate harvesting before the green kiwifruit is ready. The green takes longer to ripen and can remain on the vine longer without getting damaged. So there is a spike in labour demand at the beginning of the season, which plateaus out over the harvest period.

The cut in student visas (traditionally 15% of the labour force) will see increased demand for local labour. In addition, we are hearing from the industry that fewer backpackers are making themselves available for the sector than in previous years (traditionally this source also supplied 15% of the labour force)
There will be ongoing demand for short term casual workers throughout this quarter.

Construction (civil, commercial – note does not include residential or anything under \$1 million)

Rotorua is experiencing approximately \$90 million worth of building either already underway or new, during this quarter. These projects require a variety of skills both specialist and entry level: at trades; civil; and commercial building. There are a number of subdivisions being constructed currently in Rotorua.

Aged Care: Health and Social Sector

In the next three months \$14 million of investment is either underway or planned. This is for one major project. Whare Aroha in Ngongotaha. There has been minimal demand for positions in the sector over the last three months and currently. It is likely that demand from this sector will be muted over the quarter, although there will be some opportunities.

Visitor Economy (Retail and Hospitality)

There is on-going demand in this sector and \$34 million worth of investment planned or underway. There is an opportunity for entry level positions and larger operators are looking at recruiting through the ACCOR Académie programme. Recruitment for this programme will commence this quarter. There is ongoing demand in Rotorua for this sector.

Administration, Management, “Professional” and Factory Processing (excluding Kiwifruit)

Historically there has been demand in this sector, especially for qualified and specialised people. This will continue throughout the quarter. There may not be significant demand that our clientele can meet but there will be some opportunities.

Forestry

There are a number of opportunities for planters in this industry over the coming three months.

MAIN EMPLOYMENT OPPORTUNITIES

Horticulture – Kiwifruit pickers, forklift drivers, Pack house positions

Construction – hammer hands, labourers, scaffolding, welding, painting and decoration

Visitor Economy – retail assistants, sales representatives, café assistants, food and beverage assistance, porters, cleaners, hotel front of office, laundry, maintenance positions

Driving and Logistics – Class 2 and Class 5 drivers, heavy machinery drivers, forklift drivers

Forestry – Silver culture planters.

(note many jobs will require people with their full licence or reliable transport because of the working hours)

Rotorua	Health and Social	Hospo	Trades/ Labouring (Civil Construcion)	Cleaning	Admin / Mgt	Retail	Factory / Processing	Education	Security	Driving / Warehousing	Forestry / Horticulture / Agriculture
Investment (millions)	\$14	\$34.30	\$89.40	0	0	0	\$120	\$1.50	0	0	0
Vacancies	1	3	1	2	12	9	2	0	0	0	10
Subsidies	0	1	5	0	0	6	2	1	0	0	0
Calendar											

Local Labour Market Snapshot Rotorua, March Quarter 2018

HOSPITALITY

The Hospitality industry continues to be busy with local hotels recruiting in all areas of their business. There is a huge demand for chefs, cooks and experienced food and beverage staff. While some employers are prepared to train there remains a tendency to bring people in from overseas, this is borne out by the SMR being requested through Job Connect.

BUILDING AND CONSTRUCTION

This sector remains very busy in the city with various projects underway. The Whare Aroha building is being demolished as is the old hospice and building in front of Queen Elizabeth Hospital. This work is laying the foundation for the new 5-star Hotel and Wellness Spa under the umbrella of Pukeroa Oruwata Holdings Limited.

Another significant building that is being deconstructed at the moment which is also owned by Pukeroa Oruwata Holdings Limited is the historic Lake House building on Lake Road. New units are also being built on a plot in Marguerita Street and a new subdivision in Ngongotaha for residential housing will be started upon Council sign off. Work continues at the site in Arawa street for the new Hotel owned by the Auckland based Chang Brothers. There are work opportunities for Carpenters, hammer hands, and general labours and as the new building take shape further trades will be needed. The former Geyser Hotel is almost certainly going to be demolished as it is now vacant due to the geothermal activity making it unsafe for occupation.

CIVIL CONSTRUCTION/ROADING

At present the demand for those with Traffic Management tickets, and class 2,4 and wheels, tracks and roller licenses who are experienced. There is significant road works in the area, and also a need as work continues around Paengaroa, Papamoa and Tauranga.

FORESTRY

This area remains extremely busy with numerous employers advertising for workers. Opportunities exist on-going for planters and pruners. Some employers are still showing some reluctance to hire locals and are looking to bring people in from overseas.

HEALTH SECTOR

This continues to be a very busy growth area across the sector. Care Home Workers, Community Care Assistants, Mental Health Workers are very much in demand creating a plethora of employment opportunities for those with various skill levels. A significant rise in the number of Medical receptionists and Dental staff needed has been noted through advertisements listed on both Seek and Trade Me sites. Lakes District Health Board have also been advertising positions for clerical staff in recent times.

RETAIL SECTOR/SERVICE INDUSTRY

There has been significant retail growth in the city in the last quarter and this in the main was attributable to the new K-Mart store opening in Trade Central with the employment of 102 staff, 18 of which were youngsters from the local Iwi and several direct from Work and Income. Further new shops are opening around the city and some stores are re-locating to bigger sites which in turn is creating further employment opportunities. In the city centre it is very noticeable how many small shops have opened in the beauty therapy business. Several new retailers will be opening the town soon.

There is also a significant increase in the number of workers required in the security area. This trend will continue to grow and the need for people to have a full drivers' license and COA is paramount for them to obtain work.

Also of note is the number of new Recruitment Agency's that have entered the market over recent months. Some Recruitment Agencies are specialising in specific industries.

Prepared by Anne 21/03/2018

