KĀPITI COAST DISTRICT: WORKFORCE PLAN 2022

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PREFACE

This report has been prepared for the Kāpiti Coast District Council by Patrick McVeigh, Ben Craven and Sharyn Jones from MartinJenkins (Martin, Jenkins & Associates Limited).

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EXECUTIVE SUMMARY

Introduction

Kāpiti District Council has prepared this Workforce Plan on behalf of the District as a whole. This Plan sets out a programme of action that will be pursued to enhance workforce outcomes for the District's communities and businesses.

This Plan recognises that enhancing workforce outcomes, for the Kāpiti Coast's residents and businesses, is critical to improving the District's overall wellbeing and prosperity. Residents need the skills, experience and connections to secure quality jobs. Businesses in turn need access to workers with the skills and talent to meet their current and future needs.

Considering both the needs of communities and businesses across the District is central to this Workforce Plan. This Plan is based upon an up-to-date analysis of the District's labour market, its strengths and weaknesses, and has been informed by a survey of local businesses and extensive engagement with partners and stakeholders across the Kāpiti Coast.

Kāpiti Coast's labour market

Kāpiti Coast benefits from its proximity to Wellington City and its integration with the regional labour market. Approximately one in four of Kāpiti Coast's employed residents work outside the District, creating challenges and opportunities for the Kāpiti Coast's economy and impacts the operation of the District's labour market.

While commuting is important, offering residents access to a wider range of jobs and higher average earnings, there are also local employment opportunities across several sectors including Construction, Health Care, Professional and Technical Services, Education and Training, Manufacturing, Retail Trade, and Accommodation and Food Services.

The Kāpiti Coast offers a high quality of life and amenity for residents and there are further opportunities to enhance resilience, increase economic diversity and leverage the District's natural assets and advantages, including its arts and cultural offer and attractiveness as a business location.

Workforce challenges

The Kāpiti Coast also faces workforce challenges. The District's population is aging, and many younger residents have been leaving the District for education and employment. The Kāpiti Coast's working age population is smaller and more constrained, with lower rates of labour market participation than many other regions. Consequently, many local businesses find it hard to access the talent and skills they needed to succeed.

While unemployment rates are generally low, there is high incidence of underemployment, suggesting that many people who are participating in the labour market would like to work more than they currently do.

Māori experience generally poorer outcomes in the District, including higher unemployment rates and a higher likelihood of working in low skilled or semi-skilled jobs. Māori and Pasifika are also more likely to have lower levels of qualification attainment, which narrows opportunities, choices and the potential to earn more to support their whānau or aiga.

Preparing for the future

Kāpiti Coast's economy is also forecast to grow and ensuring that local businesses have access to employees, and that residents have access to employment opportunities, will be essential to enhancing community wellbeing and prosperity.

The Council has previously highlighted the importance of these issues, including in the recently adopted Kāpiti Recovery Plan and Kāpiti Economic Development Strategy and Implementation Plan. The District's Economic Development Kōtahitanga Board has identified skills and education, and this Workforce Plan, as a key focus.

The development of this Workforce Plan comes at a critical juncture. The national Review of Vocational Education, the establishment of Regional Skills Leadership Groups, and the creation of Workforce Development Councils are all significant national policy developments. There is an opportunity for the District to use this Plan to engage with these processes and advocate for the best outcomes for the Kāpiti Coast.

There are also important connections between this Plan and wider local and regional spatial planning processes, including the preparation of the Kāpiti Growth Strategy and the implementation of the Government's National Policy Statement for Urban Development and the Wellington Regional Growth Framework.

Strategic framework

The purpose of this Workforce Plan is to:

To give effect to the skills and capability objectives of Kāpiti Coast's existing strategies and plans and to inform and influence wider regional and national strategies, plans and policies to ensure the best outcomes for the Kāpiti Coast.

Considering this purpose, three clear goals have been established for this Workforce Plan.

1. **Effective Pathways -** Support wellbeing outcomes by creating more effective pathways to education and employment opportunities for communities throughout the Kāpiti Coast.
2. **Better Jobs -** Increase incomes and create opportunities by improving labour market outcomes for residents and addressing inequalities across the Kāpiti Coast.
3. **Resilient Economy -** Create a productive, inclusive and diverse economy and ensuring the Kāpiti Coast's businesses can find the skills they need now and into the future.

Six strategic objectives support these three goals:

1 **Education and training** - Increase accessibility and choice for rangatahi.

2 **Employment and careers** - Greater employment and career opportunities for workers including priority groups.

3 **Connectivity** - Enhance labour market access across the Kāpiti Coast by connecting communities and workers to employment opportunities

4 **Opportunity** - Enable quality employment for all workers by removing barriers and promoting progression.

5 **Workforce Skills** - Work to ensure that employers can access the skills and talent they need to succeed now, and in the future.

6 **Diversified Economy** - Encourage the attraction and growth of new value added industries and businesses across the Kāpiti Coast.

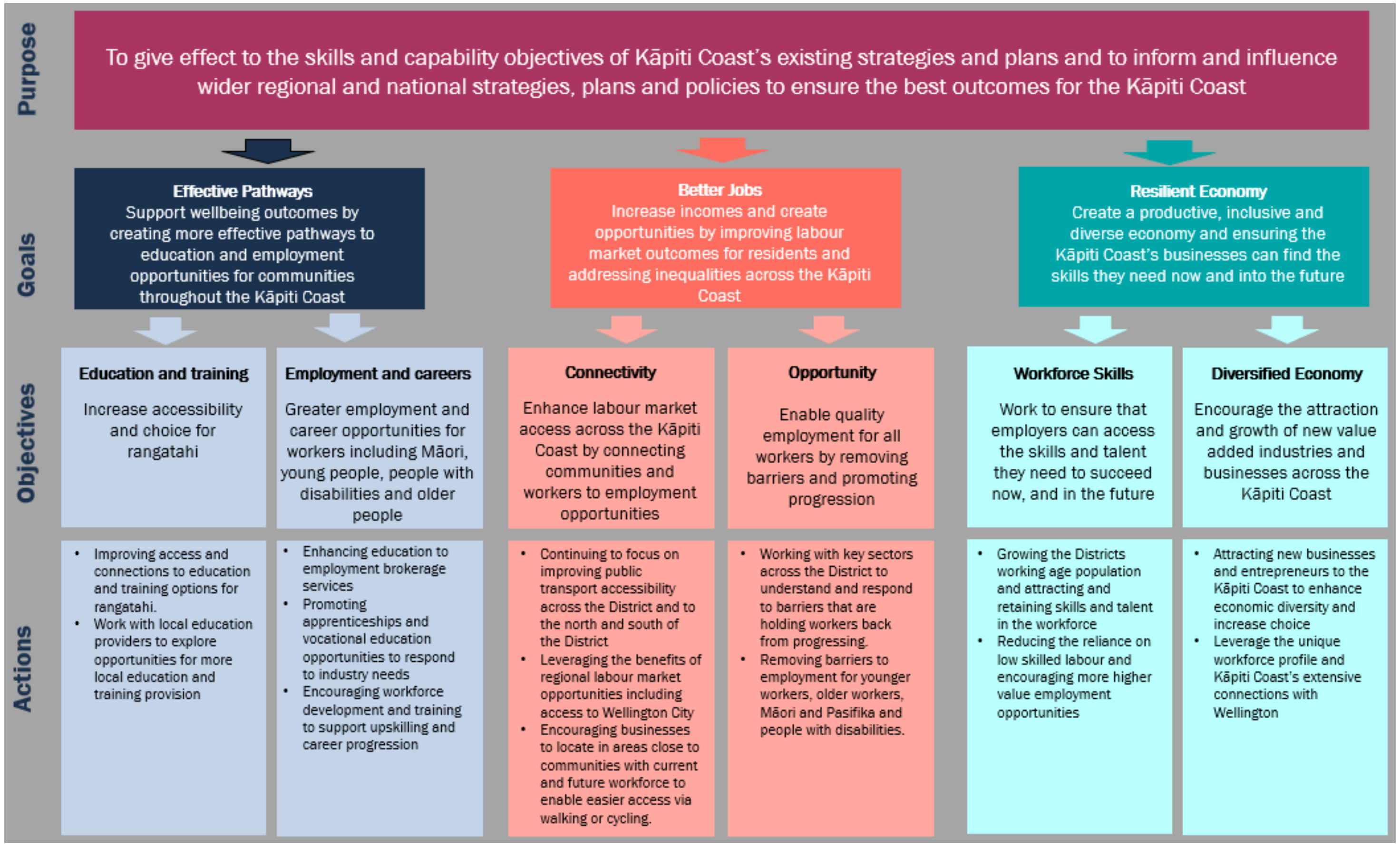
The programme of actions and activities that form the core of this Plan are summarised in Figure 1.

Delivering this Plan

Many of the issues highlighted in this Workforce Plan are known, and implementation is imperative. This Plan has been prepared to provide a basis for collective action. The delivery and implementation of this Plan requires a partnership approach. Coordination and collaboration will be essential, the Council can play an important role in facilitating collaboration and coordination of activities across the District but cannot deliver or fund the actions and activities on their own. To inform collaboration, Kāpiti Coast District Council will be seeking inputs, support and endorsement from its partners and stakeholders, including from tāngata whenua who have their own aspirations and priorities for the future.

Subsequent sections of this Plan set out the wider context for these objectives and the perspectives of key partners and stakeholders. Alongside the strategic framework, this Plan also contains a detailed action plan and details of the proposed implementation, governance and monitoring arrangements.

Figure 1: Kāpiti Coast Workforce Plan Purpose, Goals, Objectives and Actions



INTRODUCTION AND CONTEXT

The Kāpiti Coast economy and labour market

The Kāpiti Coast has a rich and diverse history, with population and economic growth having played an important role in shaping the District's places and communities. Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga, Ngāti Toa Rangatira are tāngata whenua and their migration can be traced to the early 19th Century.

Improving the wellbeing and prosperity has always been an important part of the District's history. Te Rauparaha, one of the leading chiefs of Ngāti Toa Rangatira, urged the people to migrate to the region, where there was an abundance of land and resources, and greater opportunity to trade with Pākehā.

The District's economy benefits from its proximity to Wellington City and its integration with the wider regional labour market. Approximately one in four of Kāpiti Coast's employed residents work outside the District, with the majority commuting to Wellington City.

This is a natural relationship, given the scale of the Greater Wellington region and the economic pull of Wellington City. This relationship creates challenges and opportunities for the Kāpiti Coast's economy and impacts the operation of the District's labour market. The District's GDP is less than 8% of Wellington City's and the employment opportunities offered by Wellington City are significant. In addition, given the industrial structure, concentration of economic activities and rates of labour productivity, jobs within the City naturally attract higher salaries and opportunities for progression.

The Kāpiti Coast also offers a high quality of life and amenity for residents, making the District attractive to commuters who work across the wider Greater Wellington region. However, the District is not only a commuter economy and offers a range of employment opportunities. Significant local industries include Construction, Health Care, Professional and Technical Services, Education and Training, Manufacturing, Retail Trade, and Accommodation and Food Services.

The District's economy has also held up relatively well through the Covid-19 pandemic and is well placed for future growth. There are further opportunities to enhance resilience, increase economic diversity and leverage the District's natural assets and advantages, including its arts and cultural offer and attractiveness as a business location.

Despite these opportunities, the District faces several workforce challenges. Even before Covid-19, many local businesses were finding it hard to access the talent and skills they needed to succeed. Kāpiti Coast's population is older than national or regional averages and the District has been losing younger residents. Consequently, Kāpiti Coast's working age population is smaller and more constrained, with lower rates of labour market participation than many other regions.

While unemployment rates are generally low, there is high incidence of underemployment, suggesting that many people who are participating in the labour market would like to work more than they currently do.

Māori experience generally poorer outcomes in the District, including higher unemployment rates and a higher likelihood of working in low skilled or semi-skilled jobs. Māori and Pasifika are also more likely to have lower levels of qualification attainment, which narrows opportunities, choices and the potential to earn more to support their whānau or aiga.

In addition, the opportunities presented by the wider regional economy and City are only available to those residents that have the qualifications, skills and transport accessibility.

Purpose of the Workforce Plan

Kāpiti Coast's economy is forecast to grow and ensuring that local businesses have access to employees, and that residents have access to employment opportunities, will be essential to enhancing community wellbeing and prosperity.

These are key issues for the District's Economic Development Kōtahitanga Board, established to support the implementation of Kāpiti Coast's Economic Development Strategy. The Board has identified skills and education, and this Workforce Plan, as a key focus.

Workforce challenges across the District are well known and have been highlighted in previous strategies and plans developed by the Council. Now is the time for action and the importance of working together to improve labour market outcomes is paramount.

This Workforce Plan, which has been prepared on behalf of the District by Kāpiti Coast District Council, sets out a programme of action that will be pursued to ensure that the District, its people, places and business, thrive and that opportunities are accessible to all residents.

The process of developing this Plan has involved:

- Review of the local, regional and national strategic context for workforce development and employment.
- Analysis of the district's labour market performance, outcomes and forecasts.
- Interviews with system stakeholders including national and regional agencies.
- Engagement with a wide range of local stakeholders and partners.
- A business survey to understand employment, skills and workforce issues.
- Community workshops held in Ōtaki and Paraparaumu.

Partners and stakeholders, including iwi partners, education and training providers, the Chamber of Commerce, national and regional agencies, and organisations working with young people, people with disabilities and with older people, were all invited to participate in the process of developing this Workforce Plan.

Workshops have also been held with Kāpiti District Council staff and the Economic Development Kōtahitanga Board, there has also been engagement with young people via the Council's youth advisory panel.

Strategic context

In preparing this Workforce Plan, consideration has also been given to the wider strategic local, regional and national context that will shape Kāpiti Coast's economy and labour market. These extant strategies and plans provide important context and highlight the connections and dependencies at the national, regional and local level that need to be taken into account. Aligning activities locally and regionally, as well as informing and influencing national policy and priorities to benefit Kāpiti Coast is a key element of implementing this Plan.

Local strategies and plans

Kāpiti Coast District Council have several long-term strategies and plans that set a vision for the district and inform Council's activities and use of resources. While all these strategies and plans have some relevance to this Workforce Plan, three key documents are of particular strategic importance:

- Kāpiti Coast Economic Development Strategy and Implementation Plan.
- Kāpiti Recovery Plan.
- Māori Economic Development and Wellbeing in Kāpiti.

Kāpiti Coast Economic Development Strategy and Implementation Plan

The genesis of this Workforce Plan is directly linked to the Kāpiti Coast Economic Development Strategy and Implementation Plan. The Strategy was adopted in 2020 and covers the period 2020 to 2023. The Strategy[1] provides a roadmap for Council, business and the community to continue to foster a thriving economy and outlines how Council and businesses can work together to harness local knowledge, skills and resources, while setting goals to help make the best decisions.

The vision for the Economic Development Strategy is:

Through partnership, support the growth of a vibrant, diverse Kāpiti Coast economy that provides increased opportunity, resilience, and wellbeing for all.

To achieve this vision, the strategy identifies five pillars, Ngā Pou:

- **Kōtahitanga**: Strengthening partnerships and leadership - Delivery and implementation through strengthened partnerships and leadership and recognises the significant relationship with iwi as mana whenua.
- **Manaakitanga**: Supporting key sectors - Grow industries and sectors that provide the most potential for supporting improved economic well-being.
- **Whānau**: Growing skills and capability - Enable employment, innovation, creativity and entrepreneurship and improve capacity for mana whenua participation.
- **Kaitiakitanga**: Open for opportunity - Facilitate quality growth that protects and enhances the District and its natural environment.
- **Whakapapa**: Positioning the Kāpiti Coast - Celebrate our rich culture, natural environment and identity and highlight the opportunities and advantages of the Kāpiti Coast.

The Whānau Pou, which is focused on growing skills and capability includes the specific commitment to developing a Workforce Plan, as well as actions to: facilitate the growth of international education; advocate for local tertiary and apprenticeship linkages; enhance business networking and training opportunities; and develop a business investment and support matching programme.

[1] https://www.kapiticoast.govt.nz/media/38433/eds-implementation-plan-2020-2023.pdf

The identified medium and long-term outcomes of these activities are:

- **Medium term outcomes**
  - Improved match between workforce needs and skills available.
  - Increase in employment and training pathways for young people, people with disabilities and Māori.
  - Increased business networking and awareness of training and support.
- **Longer term outcomes**
  - Increase level of qualification attainment.
  - Decrease in proportion of young people/rangatahi not in education, employment or training (NEET).
  - Decreased rates of unemployment.
  - Increase in investment into key industries and businesses.

Kāpiti Recovery Plan

Workforce issues are also a key part of the Kāpiti Coast's Recovery Plan, which was prepared in response to the immediate impacts of the Covid-19 pandemic. Kāpiti Coast District Council adopted the Recovery Plan in October 2020[2]. The Plan's vision is:

> Working together to restore our community wellbeing and regenerate a thriving Kāpiti economy

The principles of the Recovery Plan are:

- **Pūkengatanga**: Build on existing work
- **Ūkaipōtanga**: Adopt a holistic approach to wellbeing
- **Whanaungatanga**: Form strong partnerships
- **Kaitiakitanga**: Focus on climate and resilience

The associated aims are:

- **Whakapapa**: Reconnecting our community – bringing our people back together and strengthening the connections we have to each other as a community.
- **Kōtahitanga**: Restoring our social wellbeing – understanding wellbeing needs of our community, and ensuring social support is available to those who needs it, and that organisations providing services are supported.
- **Manaakitanga**: Reactivating our businesses and our economy – ensuring that our people, businesses and visitors can contribute to a resilient and thriving Kāpiti.

[2] https://www.kapiticoast.govt.nz/media/38739/kapiti-recovery-plan-2020.pdf

These aims are supported by six specific objectives:

- Strengthen partnerships and leadership
- Enabling resilience in our economy and non-government organisations
- Loving local
- Growing skills and capability
- Staying warm, healthy and safe
- Encouraging connections and kindness

The objective focused on growing skills and capability, which is aligned with the Kāpiti Economic Development Strategy and Implementation Plan, is focused on ensuring that people have the right skills to access quality local jobs and have a range of education and training opportunities in Kāpiti. Specific actions under this objective, many of which are of direct relevance to this Workforce Plan, include:

- Increase awareness and uptake of COVID-19 support for workers and employers.
- Enable youth transitions from education to employment by progressing the Economic Development Strategy commitment to developing a Workforce Plan and Youth Initiative.
- Promote uptake of Targeted Training and Apprenticeship Fund for relevant sectors across the Kāpiti Coast.
- Engage with the Regional Skills Leadership Group and ensure that the regional Workforce Development Plan considers the Kāpiti Coast's future skill needs across key sectors.
- Engage with the Wellington Regional Skills Leadership Group to ensure the education and vocational training needs of the district are being met Work with school principals, kura and tertiary education providers to ensure that Kāpiti youth are supported to be tertiary study and/or work ready.
- Support Kāpiti iwi to explore options for greater operational funding and capacity to directly provide social and community services to Māori in Kāpiti
- Explore opportunities for Council and other major employers in Kāpiti to provide apprenticeships for Māori youth, through supporting initiatives such as Mana in Mahi and the Regional Apprenticeships Initiative.

Māori Economic Development and Wellbeing in Kāpiti

While prepared prior to the Economic Development Strategy and Recovery Plan, it is also relevant to consider the Kāpiti Coast's Māori Economic Development and Wellbeing Strategy[3]. The Strategy was adopted in 2013 and recognises that Māori economic development is important not only for Māori but for New Zealand's overall economic performance, and that tāngata whenua make a strong contribution to Kāpiti's economic, environmental, social and cultural outcomes.

The strategy emphasises that wellbeing for Māori:

- is individual and whānau/ hapū and iwi based
- links tāngata whenua to the district
- contributes to the wider community
- is inclusive of building opportunities for all Māori

3 https://www.kapiticoast.govt.nz/media/34315/strategy-maori-economic-development-wellbeing-kapiti.pdf

- is holistic - not just about business but including health and wellbeing
- is inclusive and encompasses – land, water, forests, coastal, moana etc
- is inclusive of existing businesses, knowledge transfer and mentorship
- may provide opportunities to explore partnerships post treaty settlement.

Amongst other issues, the strategy recognises that Kāpiti's Māori population is young, growing and forecast to make up a larger proportion of the district's workforce. Kāpiti's Māori economy, which is tightly integrated into the New Zealand economy, encompasses all individuals, households, businesses and collectives that self-identify as Māori, as well as Māori entrepreneurs and employees.

The strategy includes a strong focus on workforce issues and seeks to influence participation and skills for Māori in education and the workforce. The strategy aims to build and leverage collective resources, knowledge, skills, leadership and capabilities to enable Māori to maximise their potential. This is reflected in three core themes:

- **Manaakitangata** – leveraging the potential of rangatahi and building whānau capacity
- **Kaitiakitanga** – Whatungarongaro te tangata toi tu te whenua – working with the whenua
- **Kōtahitanga** - supporting whānau to achieve economic wellbeing – capacity, collaboration, innovation and Māori Business.

The focus of Manaakitangata is to lift education and skills levels to ensure strong Māori participation in the workforce, strengthening the Māori economy, improving whānau wellbeing and creating the conditions for financial security, this includes:

- assisting whānau and hapū develop their own plans for economic development
- preparing rangatahi for career choices by building linkages with secondary and tertiary sectors
- supporting rangatahi to access industry training courses
- linking with training providers to facilitate relationships that enhance rangatahi completion to courses
- working with existing education providers to improve communication between supporting transition courses
- strengthening information on employment opportunities through apprenticeships.

Kāpiti Growth Strategy

In addition, to these extant strategies and plans, the District is also in the process of updating its Growth Strategy, The Growth Strategy provides a framework for future development and will help the Council to shape land development now and in the future.

The Growth Strategy will replace the District's current Development Management Strategy and will consider:

- Kāpiti Coast Council's Long Term Plan 2021-41.
- Work that is currently underway to prepare a Housing Needs Assessment for Kāpiti Coast.
- Government's National Policy Statement for Urban Development.
- The Wellington Regional Growth Framework.

There are important connections between these strategies and plans and the functioning of the District's labour market and the implementation of this Plan.

Regional and National Plans and Strategies

Alongside local plans and strategies, there are also several regional and national plans and strategies of relevance to this Workforce Plan.

Relevant regional plans

Of relevance at the regional level is the Wellington Region Workforce Development Plan which recognises the changes and challenges that the regional workforce faces. These include a shortage of skilled workers in specific industries, the inability of those leaving education to find work in the field they trained for, the divergence of job opportunities with limited jobs at the mid-skill level, demographic shifts and technical impacts on jobs.

The plan seeks to address these changes and challenges by focusing on three key areas:

- Maintaining and further developing the competitive advantage the region has in creative, technology and knowledge -intensive services. To be achieved by attracting talent and supporting businesses, with particular emphasis on technology skills and services.
- Expanding the workforce by helping those who are older, those who have left and are returning to the workforce, those unemployed and younger people (over age 15 but not classed as unemployed) into employment.
- Re-focusing on creating and retaining jobs across the wider region, outside of Wellington City centre where most workers are centralised.

In addition, from a spatial perspective, consideration also needs to be given to the Wellington Regional Growth Framework, the region's spatial plan which sets the long-term vision for how Greater Wellington will grow in a way which maximises the benefits for growth across the region.

The Framework identifies challenges:

- Sufficient and affordable housing and investment in infrastructure.
- Natural hazards, climate change and enhancing the region's natural environment.
- Inequitable access to social, educational and economic opportunities.
- Poor access to affordable housing choices for Māori.

These challenges have informed six project objectives, several of which are relevant to this Workforce Plan, including the objectives to:

- Improve multi-modal access to and between housing, employment, education and services.
- Create employment opportunities.

Relevant national plans and policies

At the national level, the New Zealand Employment Strategy and the supporting Youth Employment Action Plan and the Review of Vocation Education are important policy developments.

The Employment Strategy outlines five key areas of Government focus:

- Build a skilled workforce that meets current and future business needs.
- Support provincial New Zealand and industries to be successful.
- Work with industry to develop modern workplaces and ensure decent wages.
- Prepare for the changing nature of work, making sure responses are equitable.
- Ensure an inclusive and fair labour market.

Individual action plans to support the overarching strategy will be created for: young, disabled, Māori and Pacific people as well as older workers and refugees, recent migrants and ethnic communities.

The first of these action plans, the Youth Employment Action Plan is focused on young people aged 15-24 years. It has three key focus areas: Improving young people's foundations for success, supporting young people to make informed choices and transition through complexity and ensuring young people have employment opportunities and they are supported in overcoming employment barriers.

Specific actions include:

- Developing a Careers Systems Strategy to improve careers support and employment opportunities.
- Reforming the Vocational Education Sector (RoVE) and making changes to NCEA.
- Implementing (and developing) a transition support service to support those (aged 15-26 years) leaving state care and youth justice to independence.
- Linking youth to local employment opportunities through Workforce Engagement Programme Hubs.
- Reviewing Youth Health and Safety Regulations with respect to education, training and employment.
- Introducing a School Leavers' Toolkit.
- Providing support for young people to get their drivers' license through the Graduated Driver Licenses System.

Review of Vocational Education

The government has embarked on a once in generation reform of the vocational education system, the Review of Vocational Education ('RoVE').

RoVE is intended to deliver a unified, collaborative and sustainable vocational education system that better serves the future needs of New Zealand's employers and learners.

RoVE aims to overcome challenges of the current system, including skills shortages across industry sectors; a division between provider-based and work-based education, lack of industry input; and organisational challenges faced by the 16 ITPs.

RoVE has created three main types of entity which will have a bearing on how and where skills are developed, and how regions and districts might influence this process. This includes:

- **The creation of Te Pūkenga - the New Zealand Institute of Skills & Technology** which brings together the 16 polytechnics into one institute, operating at regional and national levels. A legislated charger requires Te Pūkenga to, among other things, be responsive to the needs of regions, communities, learners, industries, and employers. Whitireia and UCOL are now subsidiaries of Te Pūkenga.
- **Regional Skills Leadership Groups (RSLGs)** will develop Regional Workforce Plans which will set out the local current and future skill needs, and will inform the Tertiary Education Commission, WDCs and local providers on local workforce needs for the delivery and assessment of programmes. The Kāpiti Coast is part of the Wellington RSLG. The RSLGs will be developing regional workforce plans over 2021 and 2022.
- **Workforce Development Councils (WDCs)** will direct the way programmes in their field are taught and assessed, ensuring that learners meet industry requirements and standards – taking responsibility for sector skills leadership.

These changes represent a significant shift in how skills are considered and create new avenues for Kāpiti Coast to influence and promote its workforce and skills needs.

Māori Economic Resilience

Also of relevance is the work of Te Puni Kōkiri focused on supporting Māori economic resilience. This recognises that national, regional and local investment being made to support the recovery form Covid-19 can build a more sustainable, resilient and inclusive Māori economy.

Te Puni Kōkiri Strategic Plan for 2020-2024[4], He Takunetanga Rautaki, identifies Māori economic resilience as a strategic priority and under the Plan's employment focus areas there is a commitment to Influencing partner agencies to maintain labour market attachment and get more Māori into higher skilled jobs.

The agency is engaging with other economic agencies across three pou:

- Skills and workforce.
- Community and infrastructure resilience.
- Enterprise.

These areas of focus create opportunities for collaboration with Kāpiti Coast and there are important synergies with this Workforce Plan.

[4] https://www.tpk.govt.nz/en/a-matou-mohiotanga/corporate-documents/he-takunetanga-rautaki-strategic-intentions2020-24

KEY CHALLENGES AND OPPORTUNITIES

Workforce and labour market issues

Beyond the strategic context set out above, it is also necessary to understand the trends and underlying issues that are shaping the performance of the Kāpiti Coast labour market. This section examines the:

- District's labour market trends and performance.
- Recruitment experiences of employers.
- Stakeholder views and perspectives.

Labour market trends

Appendix 1 provides a detailed analysis of the Kāpiti Coast labour market, which is summarised below.

Older and more constrained working age population

In 2020, Kapiti was home to 57,000 people. This is around 10.5% percent of the Wellington region and 1.1% of total NZ population. The population is older with a more constrained working age population. In comparison to other areas, the Kāpiti Coast has:

- a higher proportion of people aged 50 and over, at 47 percent in Kāpiti Coast compared to 34 percent nationally.
- a much greater proportion of people over the age of 65 in Kāpiti Coast 26 percent of the Kāpiti Coast's population is over 65 compared with 15 percent nationally.
- a noticeable hollowing out of Kāpiti Coast's population between the ages of 15 – 44 (23 percent of Kāpiti Coast's population are in this age bracket compared with 34 percent of New Zealand's population).

Overall, these structural differences mean that Kāpiti has a much lower proportion of working age population (usually defined as 15-64) compared to other districts and New Zealand as a whole. This is reflected in a lower labour market participation rate than comparator regions.

Highly integrated with Wellington

Table 1 summarises how the Kāpiti Coast's economy and labour market compares to that of the Wellington region as a whole and Wellington City specifically. The data shows that despite 11 percent of the region's population living in Kāpiti Coast, the District's economy only accounts for 5 percent of the region's GDP and 6 percent of the region's employment.

Consequently, Kāpiti Coast's productivity sits at 82 percent of the regional average and is lower still than Wellington City's rate which sits at 111 percent. This is reflected in Kāpiti Coast's significantly lower mean earnings, which at $50,064 are considerably lower than the regional figure of $71,150 and the Wellington City figure of $80,271.

This earnings differential is one of the key factors which explains why approximately 1 in 4 of Kāpiti Coast's employed residents work outside the district, with the majority (around one in five of the District's workforce) commuting to Wellington City.

This is a natural relationship, given the scale of Wellington and the economic pull of Wellington City. The employment opportunities offered by Wellington City are significant, and Wellington City's labour productivity is more than a third higher than Kāpiti Coast.

Table 1: Key Comparisons - Wellington City and Kāpiti Coast District

	Wellington Region	Wellington City	% of Region	Kāpiti Coast District	% of Region
Population	542,000	216,200	40%	57,000	11%
GDP	$43,426m	$27,835m	64%	$2,176m	5%
Employment	298,894	173,312	58%	18,192	6%
Productivity	$145,290	$160,605	111%	$119,585	82%
Mean earnings	$71,150	$80,271	113%	$50,064	70%

Source: Infometrics Regional Database and MartinJenkins analysis

A diverse service-focused economy

In 2020, the Kāpiti Coast's top ten employing industries accounted for 87 percent of all employment, while the top ten industries contributing to GDP accounted for 68 percent of GDP.

Construction, Health Care and Social Assistance, and Professional and Technical Services were all key contributors to both employment and GDP, contributing 40 percent of employment on the Kāpiti Coast, and 30 percent of GDP.

More broadly, the Kāpiti Coast's diversity is reflected in five 'key sectors', comprising:

- Construction (16 percent of employment and 10 percent of GDP).
- Health care (14 percent of employment and 10 percent of GDP).[5]
- Professional and technical services (10 percent of employment and 10 percent of GDP).
- Education and training (9 percent of employment and 4 percent of GDP).
- Manufacturing (6 percent of employment and 9 percent of GDP).

These sectors provided the greatest contribution to employment growth in Kāpiti Coast between 2015 and 2020. Other notable sectors include Retail Trade (12 percent employment and 6 percent GDP), and Accommodation and Food Services (7 percent employment and 2 percent GDP)

5 Kāpiti Coast District Council has also identified Aged Care as a key sector. Aged care is not a StatsNZ standard sector definition; as such is not included in this list – but is considered in Appendix 2.

Varied labour market performance

Despite the District having a low labour market participation rate, the district has relatively strong, but varied, labour market performance, with:

- **Low unemployment** – decreasing from 6.1 percent in 2010 (following the GFC) to 3.9% in 2021, the lowest of all comparator areas.
- **High underemployment** – which at 18 percent is now double the rate of Wellington City and is higher than all comparator areas. This suggests that nearly one in five people participating in the labour market would like to work more than they currently do.
- **A youth NEET rate in line with national trends** – which has been declining overall since 2013.

The Kāpiti Workforce fared better through Covid-19

The Kāpiti Coast has a higher proportion of its working age population receiving a benefit than the national average – in 2020, this was 9.5 percent compared to 8.5 percent nationally.

Covid-19 had a noticeable impact on benefit receipt. Between February 2020 and May 2020, receipt of 'Jobseeker Work Ready' increased by 36 percent. However, this rate decreased quickly and in June 2021 was only 6 percent higher than February 2020, compared to 28 percent in Wellington City and 16 percent in Porirua.

Positive education and skills outcomes

While the Kāpiti Coast has a lower proportion of residents with Bachelors degrees than Wellington City, it has similar levels of qualification attainment to the national average and the Wellington Region generally.

The District has strong educational attainment, with a more than half of its students receiving University Entrance in 2020 (52 percent) compared to 44 percent nationally. At the other end of the scale, Kāpiti Coast has an overall low proportion of students not achieving at least NCEA Level 2 (13 percent), compared to 20 percent for New Zealand generally.

Over 2009-2019, Kāpiti Coast had 6,640 school leavers, of which, 5,765 enrolled with a tertiary education provider, a transition rate of 87 percent. This is in line with the Wellington region, at 86 percent, and slightly higher than the national average, at 85 percent.

These enrolments were typically with providers relatively nearby to the Kāpiti Coast. Approximately two thirds of the transitions were with six providers who have campuses nearby to the Kāpiti Coast, including

- Whitireia Polytechnic (25 percent of transitions)
- Victoria University (21 percent of transitions)
- Massey University (7 percent of transitions),
- Wellington Institute of Technology (6 percent of transitions)
- UCOL (4 percent of transitions), and
- Te Wānanga o Raukawa (2 percent of transitions).[6]

[6] The data does not confirm which campus a young person studied at. Some providers have campuses in other centres (for example, Auckland), so this data should be treated as indicative.

In addition, over the period, 7 percent went to the University of Otago, 4 percent undertook Porse Education and Training, and 3 percent joined BCITO.

Poorer outcomes for Māori

However, Māori experience generally poorer outcomes in the Kāpiti District, including[7]:

- Higher unemployment rates, with unemployment of 4.9 percent in 2020 compared to 3.6 percent for the Kāpiti Coast generally. Māori unemployment peaked at 15 percent following the GFC in 2013, compared to 6.8 percent for the District.
- In 2019, the unemployment rate for Māori in Kapit Coast District was 8.0 percent, compared to 7.5 percent in the Wellington region and 8.7 percent across New Zealand.
- Māori are more likely to be working in low skilled or semi-skilled jobs than the Kāpiti Coast population generally, and less likely to work in skilled or highly skilled jobs.
  - In 2019, high skilled employment for Māori in Kāpiti Coast District was 27.5 percent compared to 35.2 percent for the District as a whole.
- Māori and Pasifika are also more likely to have lower levels of qualification attainment. In 2018:
  - Māori (19 percent) and Pasifika (20 percent) had a higher proportion of population with no qualifications, compared to 16 percent for Kāpiti Coast as a whole, and 12 percent for Asian people.
  - Māori (16 percent) and Pasifika (13 percent) had a lower proportion of population with a Bachelors degree or higher, compared to 23 percent for Kāpiti Coast as a whole, and 34 percent for Asian people.

Jobs are growing, and forecast to continue

The number of filled jobs on the Kāpiti Coast was 18,200 in 2020. The District experienced strong job growth over 2001–2008, before flattening after the global financial crisis. Job numbers have trended upward again since 2013, and in 2020 grew slightly faster (1.9 percent) than the overall population (1.8 percent).

Infometrics are projecting nearly 3,000 new jobs in the Kāpiti Coast between 2020 and 2026, as well as nearly 5,000 replacement jobs. Across the District's key sectors, the forecast job openings are:

- 674 job openings in Aged Care (10 percent).
- 1,188 job openings in Construction (17 percent).
- 505 job openings in Education and Training (7 percent).
- 1,010 job openings in Health Care (15 percent).
- 370 job openings in Manufacturing (5 percent).
- 605 job openings in Professional services (9 percent).
- 2,611 job openings in other sectors (37 percent).

[7] This section draws upon available national data and data from Te Puni Kōkiri and Infometrics provided by Te Rōpū Pākihi

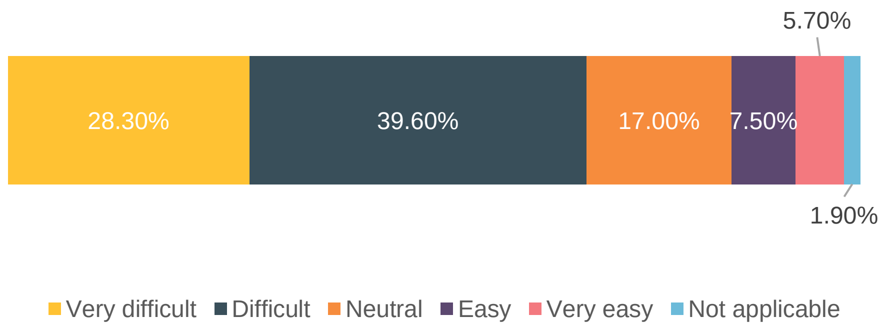
Appendix 2 looks in more detail at these key sector skills needs and forecasts.

Employers report difficulty meeting their workforce needs

It is also useful to understand the direct experience of local employers. To this end, a business survey was conducted, the results of which are set out in Appendix 3.

One of the key findings from this survey, show in Figure 2, was that more than two thirds of survey respondents indicated that it was 'difficult' (39.6 percent) or 'very difficult' (28.3 percent) to recruit locally for their business.

Figure 2: Ease of Recruitment



When ranking the key challenges, businesses identified the top three challenges to recruiting locally as features of the local workforce, including:

- Experience.
- Attitude of workers.
- Interpersonal and soft skills.

Businesses identified the main trends that would affect their workforce needs. In the next five years:

- 79 percent are expecting to adopt new technologies
- 52 percent are expecting to adopt more flexible approaches to working
- 49 percent expect to increase their use of automation
- 45 percent are expecting to move into additional sites or new premises
- 27 percent are expecting to offer online or remote services.

When asked what kinds of skills would be needed most over the next five years, a quarter of businesses pointed to industry specific or technical skills (for example horticultural workers, or mechanical skills, or sales skills) while nearly one in five pointed to soft skills, including interpersonal skills and a positive attitude, as being most needed. A small contingent also pointed to digital skills, including online marketing. Nearly half of respondents did not think that these needs were currently well met.

Stakeholder perspectives

Alongside the analysis set out above, it is also important to consider the perspectives of local stakeholders and partners and their views on the performance and direction of Kāpiti Coast's economy and labour market.

Through interviews and workshops, a clear set of challenges and opportunities were identified that need to be considered alongside the labour market data and business survey findings.

Key challenges

Partners and stakeholders identified several challenges that were impacting Kāpiti Coast's labour market, as well as the wellbeing and prosperity of residents. These included:

- Ongoing difficulties finding skilled and experienced workers.
- Demographics and migration settings creating further recruitment challenges.
- The relative lack of scale and depth of the local economy.
- The impact of limited access to local education and training options
- Broader connectivity and accessibility issues which impact labour market choices and options.
- The impact of unequal labour market outcomes on wellbeing and prosperity.

Skills and recruitment

Mirroring the results of the business survey, stakeholder and partner interviews and workshops, highlighted the fact that recruitment was an ongoing challenge across the District.

This was an issue prior to the Covid-19 pandemic, employers were finding it difficult to fill key roles and that this was now even harder. Competition was strong across all sectors and there were challenges retaining workers as opportunities were available in many sectors, across the District and throughout the Wellington Region.

Demographics and migration

It was recognised that part of Kāpiti Coast's workforce challenge was a consequence of the District's small and aging population and there was pressing need to think differently about the future labour force, including how to increase rates of participation and make the best use of the skills and experience of older residents.

There were concerns that younger residents were continuing to leave the District, for education and employment and that many of these would not return. The lack of opportunities locally for young people was seen as a barrier to getting more young people to stay in the District and had a direct impact on the local labour pool.

In addition, New Zealand current migration settings, including the impact of closed borders, was further shrinking the labour pool and making it even harder for businesses to find the skills and workers that they need.

Scale and diversity

It was argued that employers needed to do more to widen their recruitment practices and approaches, including providing more opportunities for young people and being open to recruiting older workers, people with disabilities and Māori and Pasifika workers. This included taking more responsibility for training and development to create opportunities for career progression and wage growth.

Stakeholders acknowledged that the District's high proportion of small businesses meant that it was sometimes harder for these businesses to do this effectively and that recruitment and training were an expense, as well as risk given the challenge of retaining staff. However, those that were able to manage these risks and create positive company cultures, including valuing and incorporating te ao Māori, would see benefits.

More generally, it was noted that there was a need for greater economic diversity across the local economy and that more could be done to attract new industries and employers, leverage underlying Kāpiti Coast's strengths including arts, culture and the natural environment to create more local jobs that provided more choice for residents and communities.

Education and training

While the business survey did not necessarily see access to education and training options within the District as a key issue, this came out strongly in some of the stakeholder and partner discussions, including those with the Economic Development Kōtahitanga Board.

Since the 2019 closure, for financial reasons, of Whitireia's campus in Paraparaumu, learners have had reduced local education and training choices. While it was recognised that Te Wānanga o Raukawa in Ōtaki was playing an important and growing role, many young people no longer had the same range of choices available to them.

It was also noted that many of the vocational routes open to young people, including many of the free apprenticeships available, were outside of the District, which also made it harder to retain these learners in the District, especially once they had built relationships with employers as part of any practical education components.

Connectivity and accessibility

Partners and stakeholders also highlighted that transport and housing options, within and across the District, created further barriers for residents and impacted the accessibility of training and employment options.

There was a strong view that this was a particular issue for Ōtaki, which in turn impacted Māori communities who are concentrated in the north of the District, and therefore these communities were effectively cut off from wider employment and learning options.

Access and affordability of public transport, and drivers licencing were subsets of this challenge and while investment was planned, the impacts were real and ongoing. There was also a recognition that while new transport infrastructure would eventually open more opportunities for residents and give more equal access to a wider labour market, there were some concerns that transport to the north of the District was still a challenge and that this disadvantaged Ōtaki residents. In addition, it was also noted that while improved transport links were important, some stakeholders also noted that this might make it even harder for local businesses to find the skills they needed, as more residents access the wider regional labour market.

Equity and inclusion

One of the most significant challenges highlighted by partners and stakeholders, and confirmed by the labour market analysis, was the fact that the District's labour market continued to deliver unequal outcomes for residents.

It was noted that many young people, older people, Māori, Pasifika, and people with disabilities were still not seeing the benefits of growth and were unable to easily access or progress in employment. While it was recognised that there were many factors contributing to this, the impacts of this on the inclusion, wellbeing and prosperity of residents were significant.

There were concerns that the ongoing impacts of the Covid-19 pandemic created a risk that current inequities would be reinforced and that this could lead to further disengagement of those that were already excluded. This includes those that are experiencing underemployment, which was also seen to be concentrated amongst Māori, and that this would continue to suppress income levels and negatively impact whānau wellbeing.

Enabling and empowering tāngata whenua to address these issues was seen as a priority, along with support Māori economic development, entrepreneurship and job creation.

Key opportunities

Alongside these challenges, partners and stakeholders identified a series of opportunities that could be leveraged to deliver better labour market outcomes for the Kāpiti Coast, including:

- A strong strategic vision for the Kāpiti Coast's future
- A lifestyle offer that was increasingly attractive.
- A diverse population and community.
- A central and connected location.
- The opportunity to grow existing and attract new industries.

Strategic vision

It was acknowledged that a lot of work had been done in recent years to set out a compelling vision of the Kāpiti Coast's future, and that there was investment being put into delivering this vision. The Council had adopted several strategies and plans to support this vision and the importance of enhancing labour market outcomes across the District was well understood.

The impacts of Covid-19 and the focus on recovery, as well as the commitment to 'build back better' was an opportunity to accelerate this vision and to deliver a better and fairer economy for all communities. The investment in infrastructure and the changing dynamics created by national policy and Covid recovery creates an opportunity for the District to redefine its role in the regional economy.

There was also recognition of the need to enable and unlock Ōtaki, with partners and stakeholders noting the importance of enhancing economic outcomes for the community, address inequalities and supporting Rangatahi employment and whānau wellbeing.

Attractive lifestyle

The Kāpiti Coast is already known for its attractive lifestyle, including a strong arts and culture offering, easy access to the outdoors and connectivity to the City. This is one of the reasons why the District is an appealing location to commuters working within Wellington City and the wider region.

Partners and stakeholders noted that depending on the 'age and stage' of commuters there was also a pattern of migration that meant some workers eventually looked for opportunities within the District as the daily commute became less desirable.

This lifestyle switch already brought valuable skills and experience to the local labour market and there was a suggestion that with more and more professionals working from home because of Covid-19 this trend may well accelerate. In addition, the Kāpiti Coast lifestyle would become increasingly attractive to more people and entrepreneurs and could be leveraged to grow the District's overall population and workforce.

Unique population and community

One of Kāpiti Coast's assets was seen to be its unique population and skills mix. While the population continues to age, inward migration has brought significant skills and experience to the District which could be better harnessed and leveraged. Businesses would benefit from being flexible and finding ways to tap into this experience and expertise.

While the Kāpiti Coast's population continues to age, recognising the continuing attractiveness of the District to retirees, it is likely that a greater proportion of younger residents and of the working age population will be Māori and Pasifika. There is an opportunity to embrace this diversity and harness the potential benefits to businesses and the local economy, recognising that these young people bring unique skills to the workplace.

Linked to this, there was also recognition that supporting Māori enterprises to establish, and grow was another way of generating employment opportunities for Māori, as Māori are more likely to employ Māori.

Central location

Generally, Kāpiti Coast is already well connected to the wider region and Wellington City, which creates opportunities and give residents access to a wider labour market and range of career opportunities. This is a locational asset which will continue to be an advantage for the District.

This connectivity will be further enhanced by current and planned infrastructure investments and the finalisation of the Wellington Regional Growth Strategy. This enhanced connectivity will open up more labour market opportunities, reducing journey times and connecting more parts of the District to a wider labour market, north and south of Kāpiti Coast.

Business attraction

In addition to opening up the regional labour market, new infrastructure will also enhance the Kāpiti Coast's attractiveness as a business location. Attracting new businesses, be they in existing industries or in new industries, will deepen the District's economy, creating resilience and diversity.

As a business location, Kāpiti Coast could tap into the changing attitudes and ways of working, which have been accelerated by Covid-19, and promote the District as a preferred location for industry, with good connectivity, resilience and an attractive lifestyle. This could include back office and business continuity functions as well as the opportunity to decentralise government functions from Wellington City.

This attractiveness could also be leveraged to attract entrepreneurs to the District and encourage the growth of new businesses and new industries, including 'digital nomads' who can work remotely for companies across New Zealand and the world.

Implementation imperative

Throughout the engagement and discussion with partners and stakeholders, they were also keen to emphasise the importance of working together to address known issues that were holding back the District's economy, impacting the competitiveness and productivity of businesses, and stopping people and communities from reaching their full potential.

There was acknowledgement that the recently adopted Economic Development Strategy and Recovery Plan had identified the importance of enhancing workforce and employment outcomes for Kāpiti Coast and that the Workforce Plan needed to give effect to these plans.

Partners and stakeholders were also cognisant of the significant national and regional developments which would impact the education and training system including the Review of Vocational Education (RoVE) and the establishment of Te Pūkenga, the New Zealand Institute of Skills and Technology.

These developments, together with the creation of the Wellington Regional Skills Leadership Group, a Regional Workforce Plan and the network of Workforce Development Councils, presented opportunities and risks for the Kāpiti Coast and there was a need for the District, the Council and the Workforce Plan to engage with these developments.

In addition, partners and stakeholders recognised that there were wider aspects of Council's activities, including procurement, which could support and influence the implementation of the Workforce Plan. This includes the opportunity for Council to be an exemplar employing and using its own service delivery and recruitment practices support desired workforce outcomes.

The following section sets out the goals, objectives and actions of this Workforce Plan, recognising the importance of implementation and delivery, and considering the need to work with existing and motivated organisations and communities and leveraging national and regional investment and resources.

STRATEGIC FRAMEWORK

Context for action

The Kāpiti Coast is a diverse, connected and culturally rich District, with an attractive quality of life, strong communities and compelling proposition. However, as set out in previous sections, and examined in more detail in the supporting appendices, the District's economy and labour market is not delivering equal outcomes for all residents.

Many of the District's businesses and key industries are struggling to find the skills that they need locally and are competing for workers with other employers and across the wider regional labour market. The District's proximity to Wellington City is both an asset and a risk, providing a wider range of employment and career opportunities for residents, but also attracting many of Kāpiti Coast's talented workers and young people away from the District, sometimes permanently.

Te Wānanga o Raukawa plays an important role in the District's education and training system and are investing in the future, including planning for a new technology training hub, Beyond this, local education and training options are limited, and most young people leave the District for further and vocational education opportunities. Transport and accessibility, particularly for Ōtaki and the north of the District is a barrier, and the availability and cost of housing is also becoming an increasing challenge.

These issues are known, and recent strategies and plans have confirmed the need for action. This Workforce Plan reflects these issues and the concerns of stakeholders and partners. Given this context, the purpose of this Workforce Plan is to:

To give effect to the skills and capability objectives of Kāpiti Coast's existing strategies and plans and to inform and influence wider regional and national strategies, plans and policies to ensure the best outcomes for the Kāpiti Coast.

As with other Council strategies and plans, partnership will be essential to achieving this purpose of this plan. This commitment to collaboration extends to the delivery of goals, objectives and actions set out below.

Goals

Considering the above, three clear goals have been established for this Workforce Plan.

1. **Effective Pathways** - Support wellbeing outcomes by creating more effective pathways to education and employment opportunities for communities throughout the Kāpiti Coast.
2. **Better Jobs** - Increase incomes and create opportunities by improving labour market outcomes for residents and addressing inequalities across the Kāpiti Coast.

3 **Resilient Economy** - Create a productive, inclusive and diverse economy and ensuring the Kāpiti Coast's businesses can find the skills they need now and into the future

Each of these goals is underpinned by specific strategic objectives and focused areas for action, which have been informed by stakeholder and partner engagement. These are detailed below and summarised in Figure 3.

Goal 1: Effective pathways

The first goal of this Workforce Plan is focused on supporting wellbeing outcomes by creating more effective pathways to education and employment opportunities for communities throughout the Kāpiti Coast.

This recognises that the transition to further education and from education to employment is a challenge for rangatahi and their whānau. It is important that learners across the District have access to a range of quality learning options that give them the skills and experience they will need to access and progress in the labour market, to support long-term wellbeing and prosperity.

While access to local learning and employment options within the District will be important, there is also a need to leverage the benefits of the wider regional labour market, given the range of opportunities, career options and higher wages that will continue to be available.

It is critical that young people, as well as career changers, are aware of available education and training options and associated pathways to employment. Understanding learning options and pathways will be particularly important for Māori and Pasifika communities, as well as people with disabilities who are experiencing worse labour market outcomes than other groups.

The strategic objectives to support the goal of creating more effective pathways to education and employment opportunities are:

- **Education and training** - Increase accessibility and choice for rangatahi.
- **Employment and careers** - Greater employment and career opportunities for workers including priority groups.

Strategic objective 1: Education and training

The specific actions to support the objective of increasing accessibility and choice for young learners and rangatahi will include:

- Improving access and connections to education and training options for rangatahi.
- Working with local education providers to explore opportunities for more local education and training provision.

Strategic objective 2: Employment and careers

For the objective of providing greater employment and career opportunities for workers including Māori, young people, people with disabilities and older people, actions will include:

- Enhancing education to employment brokerage services.
- Promoting apprenticeships and vocational education opportunities to respond to industry needs.
- Encouraging workforce development and training to support upskilling and career progression.

Goal 2: Better jobs

The second goal of this Workforce Plan is focused on action to increase incomes and create opportunities by improving labour market outcomes for residents and addressing inequalities across the Kāpiti Coast.

This goal recognises that while there are jobs available across the District, with many businesses and sectors experiencing difficulties finding staff, there are still residents who are unable to secure meaningful employment.

Unemployment rates are generally low and the number of young people who are NEET has been reducing, but underemployment is still an issue and some groups, including young people, older people, Māori, Pasifika and people with disabilities face additional barriers to employment and are looking for opportunities.

Labour market outcomes are worse for Māori and Pasifika communities and there is a need to empower and tangata whenua to deliver their Māori economic development objectives, support Māori enterprises to establish and grow, raise prosperity and enhance wellbeing.

In addition, while the District benefits from its proximity to the Wellington regional labour market, particularly to Wellington City which provides good employment choices and higher wages, not all parts of the District, or all communities benefit from this connectivity.

Removing these barriers and connecting residents to opportunities will be important. The strategic objectives to support the goal of increasing incomes and creating opportunities by improving labour market outcomes are:

- **Connectivity -** Enhance labour market access across the Kāpiti Coast by connecting communities and workers to employment opportunities
- **Opportunity -** Enable quality employment for all workers by removing barriers and promoting progression.

Strategic objective 3: Connectivity

To enhance labour market access across the Kāpiti Coast by connecting communities and workers to employment opportunities, the key actions will include:

- Continuing to focus on improving public transport accessibility across the District and to the north and south of the District
- Leveraging the benefits of regional labour market opportunities including access to Wellington City.
- Encouraging businesses to locate in areas close to communities with current and future workforce to enable easier access via walking or cycling.

Strategic objective 4: Opportunity

To enable quality employment for all workers by removing barriers and promoting progression, key actions will include:

- Working with key sectors across the District to understand and respond to barriers that are holding workers back from progressing.
- Removing barriers to employment for younger workers, older workers, Māori and Pasifika and people with disabilities.

Goal 3: Resilient economy

The third goal of this Workforce Plan is focused on creating a productive, inclusive and diverse economy and ensuring Kāpiti Coast businesses can find the skills they need now and into the future.

This goal recognises that the Kāpiti Coast's economy and labour market will only thrive if its industries and businesses thrive. Given the District's high proportion of small businesses, and tight labour market, recruitment is a significant investment for employers and while they are experiencing difficulties finding staff, they also need to ensure that they can find and retain the right skills to help them succeed.

Competition is strong, with the District and across the regional labour market, and employers need support to find people and assistance to look beyond traditional approaches and reach into communities to access untapped skills and experience, including older workers and people with disabilities who are willing to work but need more flexibility.

There is also a need to grow the overall working age population, leveraging the District's amenity and lifestyle offer to attract new workers and entrepreneurs to the Kāpiti Coast. Attracting new businesses will also be important, particularly higher value industries that can offer quality jobs to local residents and help build depth and diversity into the local economy.

The strategic objectives to support the goal of creating a productive, inclusive and diverse economy are:

- **Workforce Skills -** Work to ensure that employers can access the skills and talent they need to succeed now, and in the future.
- **Diversified Economy -** Encourage the attraction and growth of new value added industries and businesses across the Kāpiti Coast.

Strategic objective 5: Workforce skills

To ensure that employers can access the skills and talent they need to succeed now, and in the future, the key actions will include:

- Growing the Districts working age population and attracting and retaining skills and talent in the workforce.
- Reducing the reliance on low skilled labour and encouraging more higher value employment opportunities.

Strategic objective 6: Diversified economy

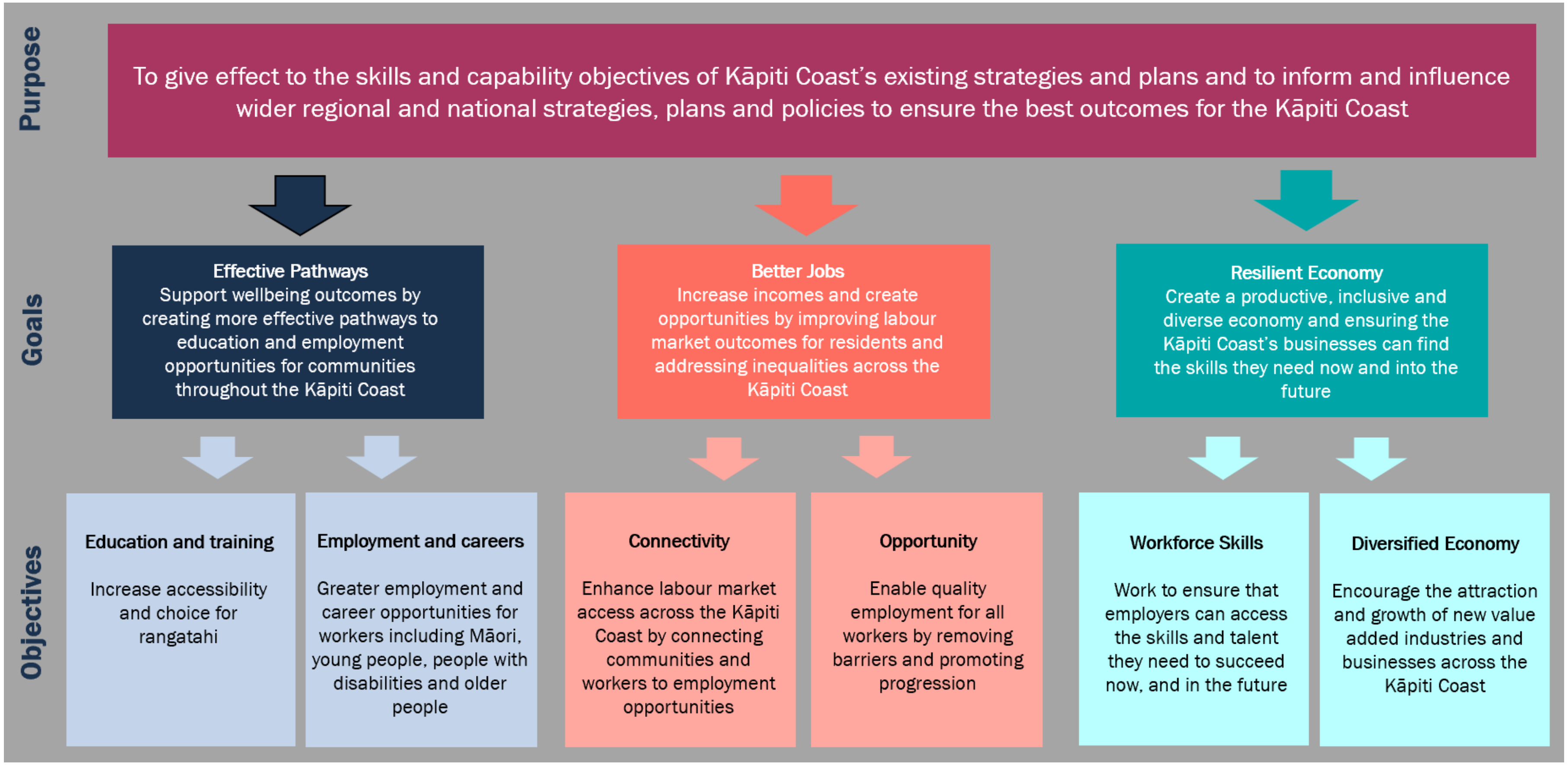
To encourage the attraction and growth of new value added industries and businesses across Kāpiti Coast, key actions will include:

- Attracting new businesses and entrepreneurs to the Kāpiti Coast to enhance economic diversity and increase choice
- Leverage the unique workforce profile and Kāpiti Coast's extensive connections with Wellington

Overarching strategic framework

Figure 3 illustrates this overarching strategic framework and the follow section sets out a more detailed action plan.

Figure 3: Kāpiti Coast Workforce Plan Strategic Framework



KĀPITI COAST WORKFORCE ACTION PLAN

Goal 1: Effective pathways

Support wellbeing outcomes by creating more effective pathways to education and employment opportunities for communities throughout the Kāpiti Coast

OBJECTIVES	ACTIONS	ACTIVITIES	TIMEFRAME	OUTCOME
Education and training Increase accessibility and choice for rangatahi.	• Improving access and connections to education and training options for rangatahi.	• Engage with Te Pūkenga to understand how their organisational strategy and emerging operating model will support outcomes for the Kāpiti Coast, including how they will enable a network of vocational education and training provision across the Kāpiti Coast.	Short Term (12 – 18 months)	**Kāpiti Coast residents and workers have a better understanding of education and career pathways**
		• Following engagement with Te Pūkenga, complete a needs assessment and feasibility study for local learning hub(s) to improve access to further vocational and tertiary training on the Kāpiti Coast.	Short Term (12 – 18 months)	
		• Advocate for increased access to local education and training pathways as part of the vocational education review.	Medium Term (18 months – 2 years)	
	• Work with local education providers to explore opportunities for more local education and training provision.	• Engage with Whitireia/Weltec, Horowhenua Learning Company and other relevant providers to explore options for improving access and enhancing local education and training provision.	Short Term (12 – 18 months)	
		• Support the aspirations and strategy of Te Wānanga O Raukawa in Ōtaki. and maintain an ongoing relationship to support growth opportunities for Te Wānanaga o Raukawa.	Short Term (12 – 18 months)	
Employment and careers Greater employment and career opportunities for workers including Māori,	• Enhancing education to employment brokerage services.	• Work with existing organisations such as Workbridge, Work Ready Kāpiti and Kāpiti Youth Services, Te Rōpū Pakihi as well as recruitment agencies to connect residents to employment opportunities.	Underway and Ongoing	

OBJECTIVES	ACTIONS	ACTIVITIES	TIMEFRAME	OUTCOME
young people, people with disabilities and older people.		• Explore use of job fairs or other events to connect schools, local employers with local workers and whānau and promote and understanding of career opportunities and pathways.	Underway and Ongoing	
		• Work with employers, Council Departments and Government Agencies to promote work trials and work experience options for young people, older people, Māori and people with disabilities.	Medium Term (18 months – 2 years)	
	• Promoting apprenticeships and vocational education opportunities to respond to industry needs.	• Promote key local industries in alignment with sector strategies, starting with the food and beverage sector, and map employment and career pathways.	Medium Term (18 months – 2 years)	
		• Advocate for training and career pathways in opportunity sectors such as horticulture and the creative sector.	Medium Term (18 months – 2 years)	
		• Engage with Te Pūkenga to understand and promote relevant opportunities for Kāpiti Coast residents and businesses.	Longer Term (2 years – 3 years)	
	• Encouraging workforce development and training to support upskilling and career progression.	• Work with education and training providers to promote upskilling and career development opportunities, including growing skills related to new technologies and automation.	Medium Term (18 months – 2 years)	
		• Engage with emerging Workforce Development Councils to understand and discuss their role in supporting workforce development and training in Kāpiti Coast District.	Longer Term (2 years – 3 years)	

Goal 2: Better jobs

Increase incomes and create opportunities by improving labour market outcomes for residents and addressing inequalities across the Kāpiti Coast

OBJECTIVES	ACTIONS	ACTIVITIES	TIMEFRAME	OUTCOME
Connectivity Enhance labour market access across the Kāpiti Coast by connecting communities and workers to employment opportunities	• Continuing to focus on improving public transport accessibility across the District and to the north and south of the District.	• Support access to drivers licencing and training for young people.	Underway and Ongoing	**Kāpiti Coast workers have better access to quality employment opportunities**
		• Advocate for improvement of accessibility for Ōtaki and explore interim transport solutions for Ōtaki workers and students.	Short Term (12 – 18 months)	
	• Leveraging the benefits of regional labour market opportunities including access to Wellington City.	• Encourage employers and education providers to consider alternative shared transport arrangements including shuttles or vans.	Medium Term (18 months – 2 years)	
	• Encouraging businesses to locate in areas close to communities with current and future workforce to enable easier access via walking or cycling.	• Consider whether there is sufficient supply of business land and premises across the District that are accessible and connected to public transport.	Medium Term (18 months – 2 years)	
		• Actively promote Kapiti Coast as a destination for new business and new industries.	Longer Term (2 years – 3 years)	
Opportunity Enable quality employment for all workers by removing barriers and promoting progression.	• Working with key sectors across the District to understand and respond to barriers that are holding workers back from progressing.	• Set-up key sector working groups, starting with food and beverage, to consider current strategies in place and ways to enable Kāpiti Coast workers to be employed and upskill.	Underway and Ongoing	
		• Support employers and employer groups to develop targeted approaches to addressing barriers to progression and development.	Medium Term (18 months – 2 years)	
		• Encourage employers to provide opportunities for career progression, retraining, and development of workers.	Medium Term (18 months – 2 years)	
		• Develop and deliver a pilot programme to address specific barriers identified through key sector working groups.	Longer Term (2 years – 3 years)	

OBJECTIVES	ACTIONS	ACTIVITIES	TIMEFRAME	OUTCOME
	• Removing barriers to employment for younger workers, older workers, Māori and Pasifika and people with disabilities.	• Ensure ongoing holistic support and pastoral care for rangatahi and their whānau.	Underway and Ongoing	
		• Advocate for a workforce focus in the District's Aging Sector Strategy.	Short Term (12 – 18 months)	
		• Work with relevant organisations such as Accessibility Tick, to understand and address barriers to employment for older workers and for people with disabilities.	Medium Term (18 months – 2 years)	
		• Work with Māori economic development and Māori business networks within the Kāpiti Coast, such as Te Rōpū Pakihi, to encourage and support the establishment and growth of Māori enterprises in order to support Māori employment in the District.	Medium Term (18 months – 2 years)	

Goal 3: Resilient economy

Create a productive, inclusive and diverse economy and ensuring the Kāpiti Coast's businesses can find the skills they need now and into the future

OBJECTIVES	ACTIONS	ACTIVITIES	TIMEFRAME	OUTCOME
Workforce Skills Work to ensure that employers can access the skills and talent they need to succeed now, and in the future.	• Growing the Districts working age population and attracting and retaining skills and talent in the workforce.	• Raise awareness of range of job opportunities and employment agencies across the District and the wider Wellington region.	Short Term (12 – 18 months)	**Kāpiti Coast employers have more confidence in their ability meet workforce needs and leveraging the District's connectivity**
		• Promote quality job opportunities and career pathways in growth industries across the Kāpiti Coast.	Short Term (12 – 18 months)	
	• Reducing the reliance on low skilled labour and encouraging more higher value employment opportunities.	• Encouraging the adoption of new technology, automation and robotics to enhance productivity.	Medium Term (18 months – 2 years)	
Diversified Economy Encourage the attraction and growth of new value added industries and businesses across the Kāpiti Coast.	• Attracting new businesses and entrepreneurs to the Kāpiti Coast to enhance economic diversity and increase choice.	• Promoting the Kāpiti Coast as a business continuity / decentralised location for Government and national agencies.	Medium Term (18 months – 2 years)	
		• Complete a feasibility study exploring the potential for co-working hubs for entrepreneurs and remote workers.	Medium Term (18 months – 2 years)	
		• Encouraging new sectors to locate, develop and grow across the District.	Longer Term (2 years – 3 years)	
	• Leverage the unique workforce profile and Kāpiti Coast's extensive connections with Wellington.	• Promote Kāpiti Coast as a home for flexible working and remote provision of services.	Medium Term (18 months – 2 years)	
		• Attract talent and skilled workers to the District and enable the overall growth of the working age population	Longer Term (2 years – 3 years)	

IMPLEMENTATION, GOVERNANCE AND MONITORING

Approach to implementation

The delivery and implementation of this Workforce Plan requires a partnership approach. This recognises that across the District there is already work underway to support improved labour market outcomes as well as the prosperity and wellbeing of communities. No single organisation has responsibility, mandate, or resources to deliver this Plan in isolation.

Coordination and collaboration will be essential and effective engagement with national and regional agencies will be critical. The Council has already established an Economic Development Kōtahitanga Board who are well placed to support this collaboration and to engage with industry to facilitate their involvement and commitment.

The Council itself has limited direct resources but can support implementation by looking across all its services and activities and seeking to enable labour market outcomes. In some instances, work is already underway, and the Council is playing a role delivering and supporting activities that support the goals of this Plan. There are also opportunities for Council to leverage its size and scale and to join up activities across Departments to facilitate workforce outcomes.

Council will work with regional partners, including WellingtonNZ and Greater Wellington Regional Council, to join up activities and leverage relevant national and regional initiatives. The Council will also engage with Kānoa, Government's Regional Economic Development and Investment Unit to explore opportunities for funding and partnership to deliver better outcomes for the District's workforce and economy.

As an employer, the Council can be an exemplar and can pave the way for other organisations and businesses. Council can also ensure that its procurement processes encouraging local employment and support local businesses, including Māori and Pasifika owned businesses.

The Council's Economic Development Team will play a central role in coordination, across the Council, within the District and with regional and central government agencies, including MBIE and Te Puni Kōkiri. Engagement with the Wellington Regional Skills Leadership Group will also be an immediate priority, ensuring that the unique characteristics of the Kāpiti Coast labour market and workforce and taken into consideration.

There is also an important role for Council in working with iwi to ensure that their aspirations are reflected in any interventions or activities undertaken in support of this Workforce Plan.

Governance, monitoring and reporting

This Workforce Plan has been prepared by Kāpiti Coast Council and once adopted this Plan will become a key Council document and one which supports the implementation of the Kāpiti Economic Development Strategy and Implementation Plan, as well as the Kāpiti Coast Recovery Plan. Council will therefore continue to oversee the implementation of this Plan, providing governance, oversight and resources.

The Kōtahitanga Economic Development Board have been established to support and advise Kāpiti Coast District Council and will therefore have a key role to play in supporting implementation and progress of this Workforce Plan. In addition, the Board has prioritised the investigation of the feasibility of establishing a Learning Hub as a key initiative and will play a central role in exploring the feasibility of the hub.

Monitoring progress in delivering this Plan will primarily be achieved through the Council's regular reporting arrangements to stakeholders, partners and the Kōtahitanga Economic Development Board and the Council.

APPENDIX 1: LABOUR MARKET ANALYSIS

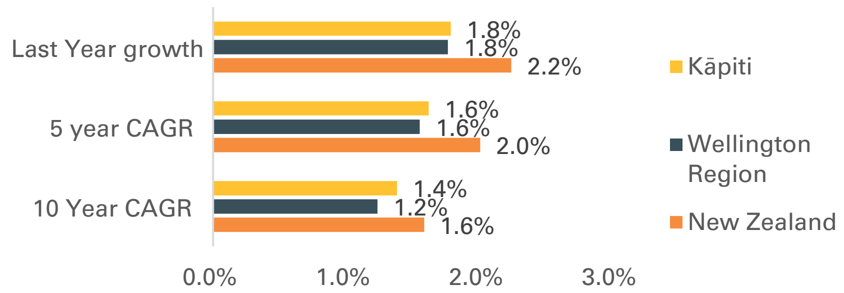
A growing population

Population is the basis of a regions labour market. In 2020, Kapiti was home to 57,000 people. The district represents 10.5% percent of Wellington region population (up from 10.3% in 2008) and 1.1 percent of total NZ population. (Figure 5).

Kapiti's population has grown faster in recent years (Figure 4). In the 5-years leading up to 2020, the district grew by 1.6 percent per year compared to 1.4% percent per year in the past 10-year period. In the past year alone, district population grew by 1.8 percent.

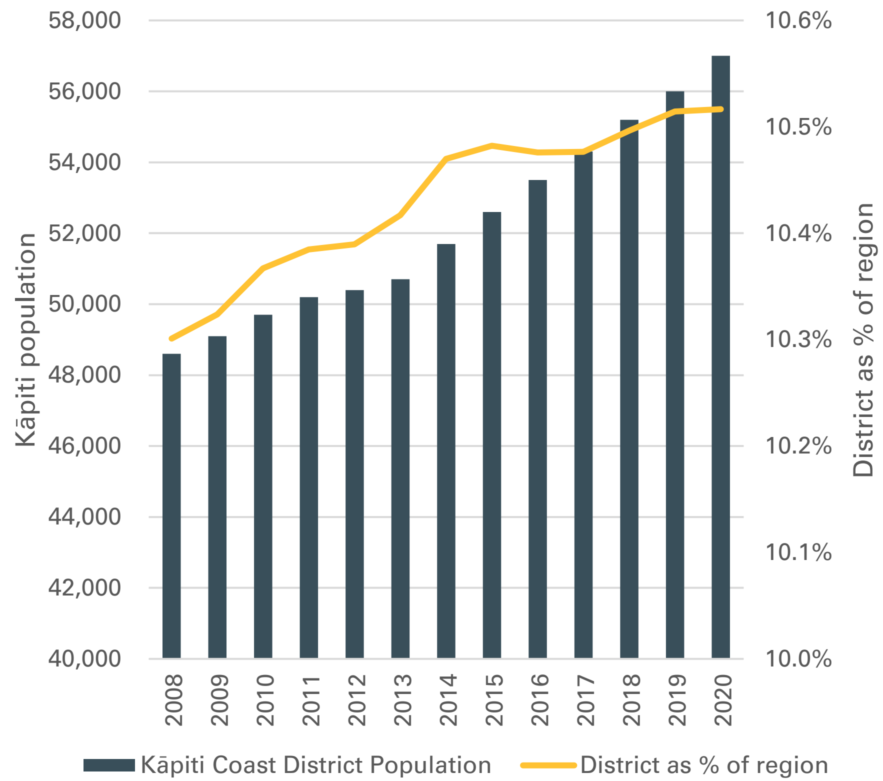
The district population has grown more quickly than the Wellington Region over the past ten years (1.4% per year compared to 1.2% for Wellington), but at similar rates to the region in more recent years. Both Wellington Region and the Kāpiti Coast District have been growing slower than New Zealand overall.

Figure 4: Population growth rates for select areas



Source: StatsNZ

Figure 5: District Population estimates



Source: StatsNZ

Constrained working age population

There are two significant differences in the age-structure of the Kāpiti Coast population compared with New Zealand (Figure 6).

- a noticeable hollowing out of Kāpiti Coast's population between the ages of 15 – 44 (23 percent of Kāpiti Coast's population are in this age bracket compared with 34 percent of New Zealand's population). In particular,
- a higher proportion of people aged 50 and over, at 47 percent in Kāpiti compared to 34 percent nationally – as well as a much greater proportion of people over the age of 65 in Kāpiti. 26 percent of the Kāpiti Coast's population is over 65 compared with 15 percent nationally.

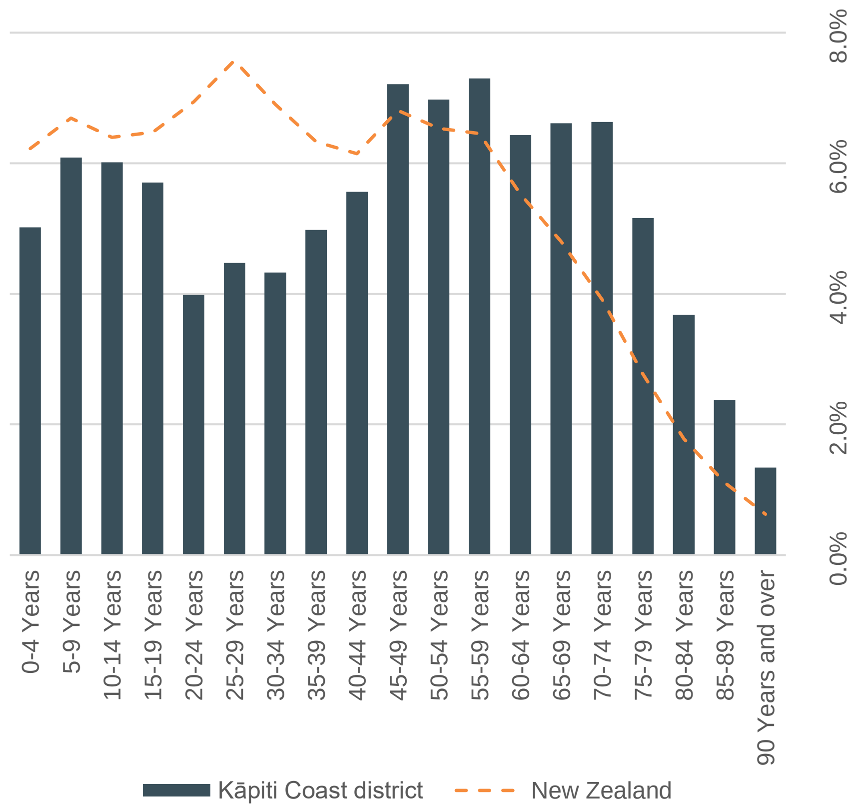
Overall, these structural differences mean that Kāpiti has a much lower proportion of working age population (usually defined as 15-64) compared to other districts and New Zealand as a whole (Table 2).

Table 2: Comparison of Working Age population

District/Region	Working Age Population	% Working Age Population
Kapiti Coast district	31,500	57.1%
Horowhenua district	19,900	57.7%
Porirua city	38,300	65.0%
Wellington city	156,000	73.9%
Wellington region	356,300	67.8%
Total New Zealand	3,219,200	65.7%

Source: StatsNZ

Figure 6: Age profile Kapiti Coast District compared to New Zealand



Source: StatsNZ

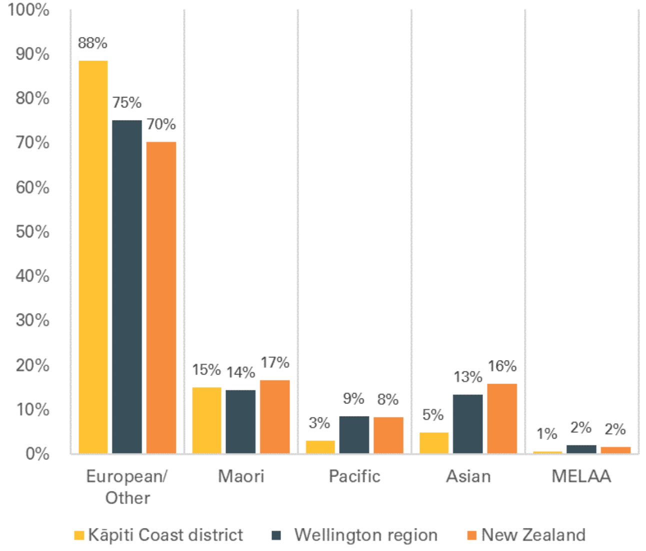
Ethnicity

According to the 2018 Census, the Kāpiti Coast population had a higher proportion of European/Other (88% \) than the Wellington Region (75%) or New Zealand overall (70%).

Pacific peoples (3%) and Asian peoples (5%) are significantly under-represented compared to regional (9% and 13% respectively) and national proportions.

Residents are slightly less likely to identify as Māori than New Zealand as a whole, and slightly more likely than the Wellington region.

Figure 7: Population by major ethnic groups



Source: Stats NZ, 2018 Census

Live and Work

The Census records where people live and where they work, and can provide a snapshot of people's movements. On census day in 2018, Kāpiti Coast had a workforce of 15,840 people, comprising:

- 11,433 who both live and work in the Kāpiti Coast (73%),
- 4,128 people (26%) who live in Kāpiti Coast and commute out of the district for work. Of those leaving Kāpiti:
  - 98%, or 4,029, commute south, including 3,174 to Wellington City (20% of Kāpiti's total workforce), and 612 to Porirua (4% of Kāpiti's total workforce)
  - 2%, or 99 people, commute north (0.6% of Kāpiti's total workforce) to Horowhenua.
- 279 people commuted <u>into</u> the Kāpiti Coast District for work, or 2% of Kāpiti's total workforce. Most (210) commuted from the northern neighbours around Horowhenua and Levin, while 69 commuted from the wider Wellington Region, mainly Porirua.

More than one in four working residents work outside of the district – and one in five commute to Wellington

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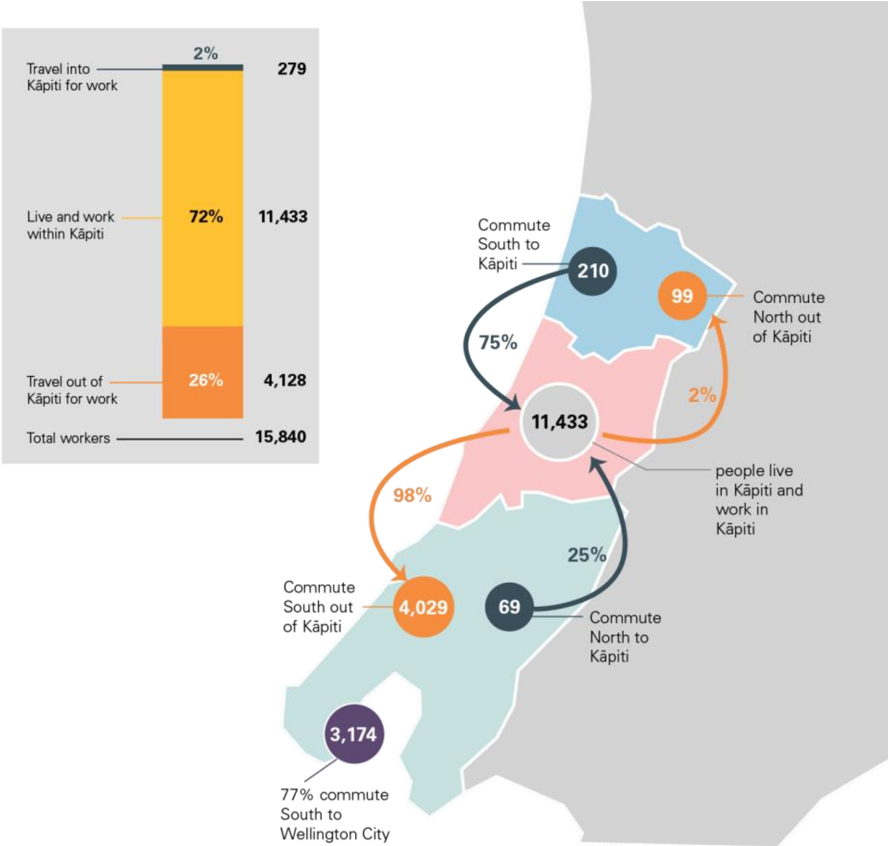
Figure 8: Where do people live and work?



Source: StatsNZ 2018 census commuter view dataset, aggregated by commuter.waka.app with further analysis by MartinJenkins

Key economic statistics

GDP

Gross domestic product (GDP), or the total value added from goods and services produced in the region, is an important indicator of economic activity and arguably provides a good indicator of the standard of living in a locality.

In 2020, the Kāpiti Coast economy contributed $2.18 billion in GDP, slightly less than Porirua ($2.45 billion) and nearly twice the contribution of Horowhenua ($1.19 billion). Over the last 5 years, Kāpiti Coast's GDP has grown faster (3.2 percent per annum) than all comparators except Porirua (3.7 percent per annum). Over the last 3 years, Kāpiti Coast's annual average growth of 3.2 percent was higher than for New Zealand (2.8 percent).

Table 3: GDP growth for Kāpiti Coast District and comparator areas

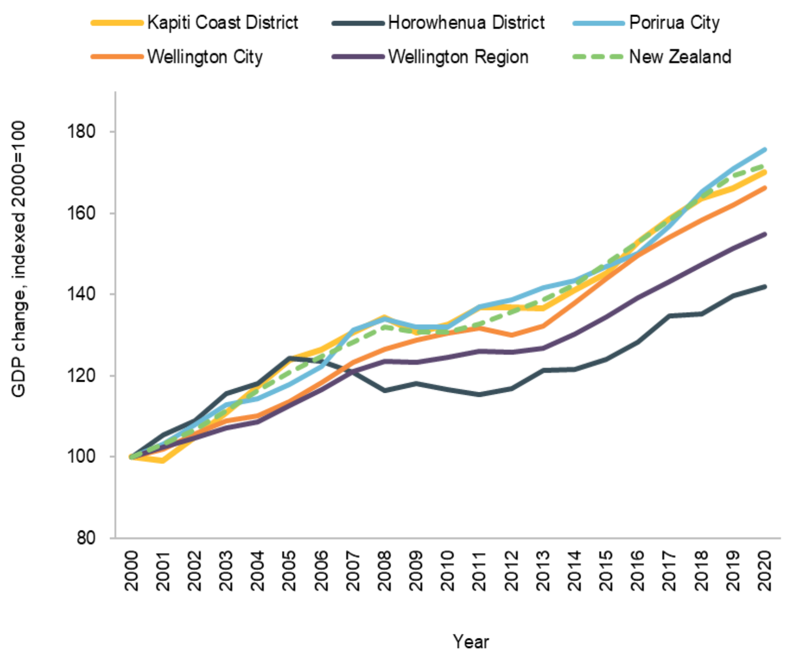
Area	GDP 2020 (2020$m)	% pa growth			
		10yr	5yr	3yr	1yr
Kapiti Coast District	**2,176**	**2.5%**	**3.2%**	**2.3%**	**2.3%**
Horowhenua District	1,186	2.0%	2.8%	1.8%	1.6%
Wellington City	27,835	2.5%	2.9%	2.6%	2.6%
Porirua City	2,449	2.9%	3.7%	3.8%	2.7%
Wellington Region	43,426	2.2%	2.9%	2.7%	2.4%
New Zealand	324,019	2.8%	3.1%	2.7%	1.6%

Source: Infometrics Regional Database

Kāpiti Coast has strong GDP growth amongst the benchmark areas and New Zealand over 2000–2020 as shown in Figure 9.

While behind growth in Porirua and New Zealand as a whole, the Kāpiti Coast has grown more strongly than Wellington City, Wellington Region, and Horowhenua. The Kāpiti Coast experienced very strong GDP growth over 2013-2018, and continues to grow albeit at what appears to be a slower rate.

Figure 9: Comparative GDP growth rates



Source: Infometrics Regional Database

Labour productivity- GDP per employed person

This section measures labour productivity in the Kapiti Coast District and key comparator districts and regions using GDP per employed person (in constant 2020 prices) as a proxy.

Growth in labour productivity over time can imply an increase in the efficiency and competitiveness of the economy.

Labour productivity in Kāpiti in 2020 around $120,000 per person, higher than in Horowhenua ($106,000) and slightly higher than in Porirua ($117,000).

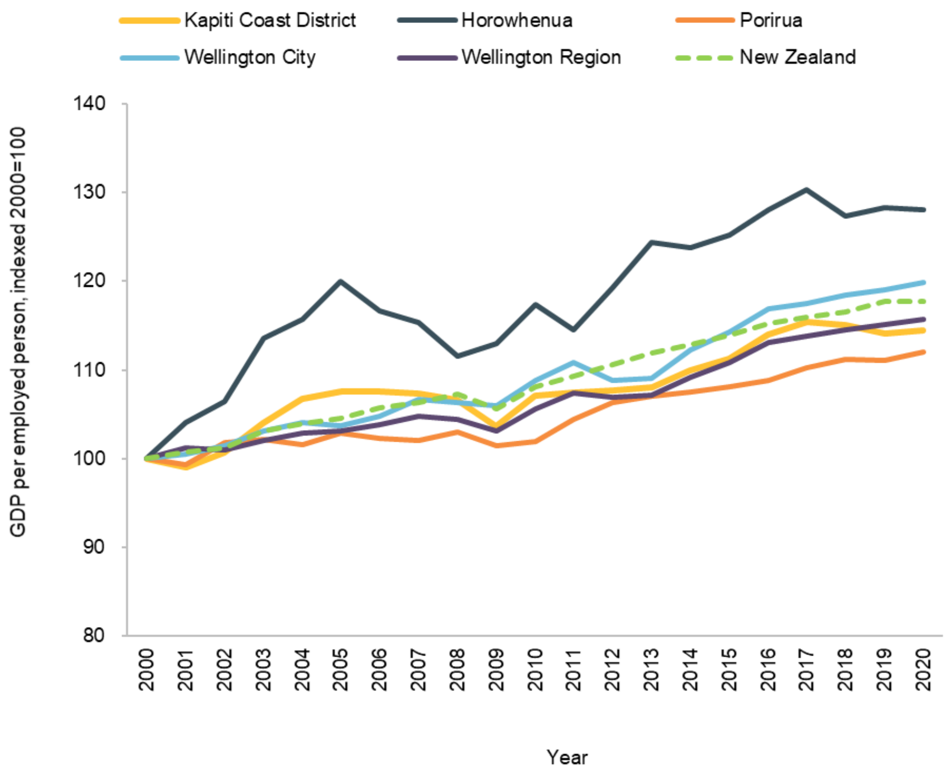
Kāpiti was well behind Wellington City ($161,000) and Region ($145,000), but closer to New Zealand as a whole ($125,000).

Table 4: Comparative rates of labour productivity and growth

Area	GDP per employed person (2020)	% pa growth			
		10yr	5yr	3yr	1yr
Kapiti Coast District	**119,585**	**0.7%**	**0.6%**	**-0.3%**	**0.4%**
Horowhenua	105,911	0.9%	0.5%	-0.6%	-0.2%
Porirua	117,027	0.9%	0.7%	0.5%	0.8%
Wellington City	160,605	1.0%	1.0%	0.7%	0.7%
Wellington Region	145,290	0.9%	0.9%	0.5%	0.5%
New Zealand	124,988	0.9%	0.6%	0.5%	0.0%

Source: Infometrics Regional Database

Over the past ten years, Kāpiti's labour productivity has grown at an average of 0.7% per year, which is less than all comparator regions

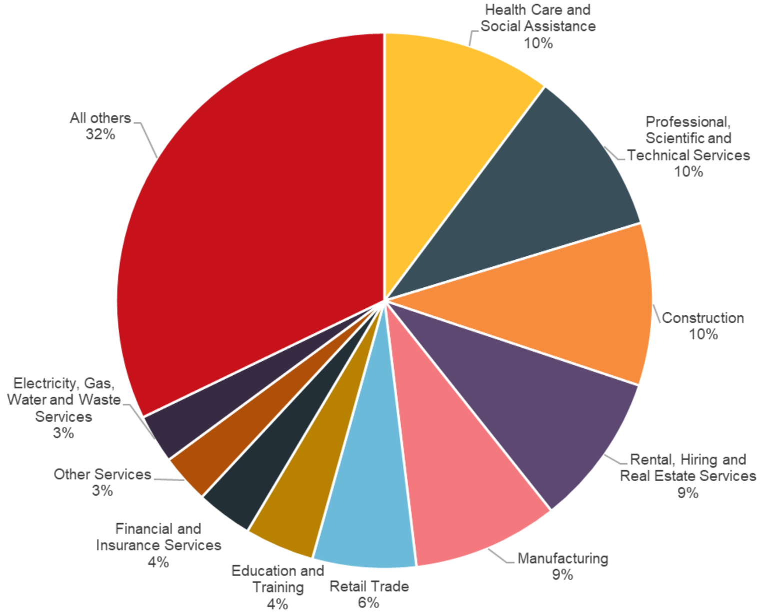


Source: Infometrics Regional Database

Sector composition and contribution to GDP and employment

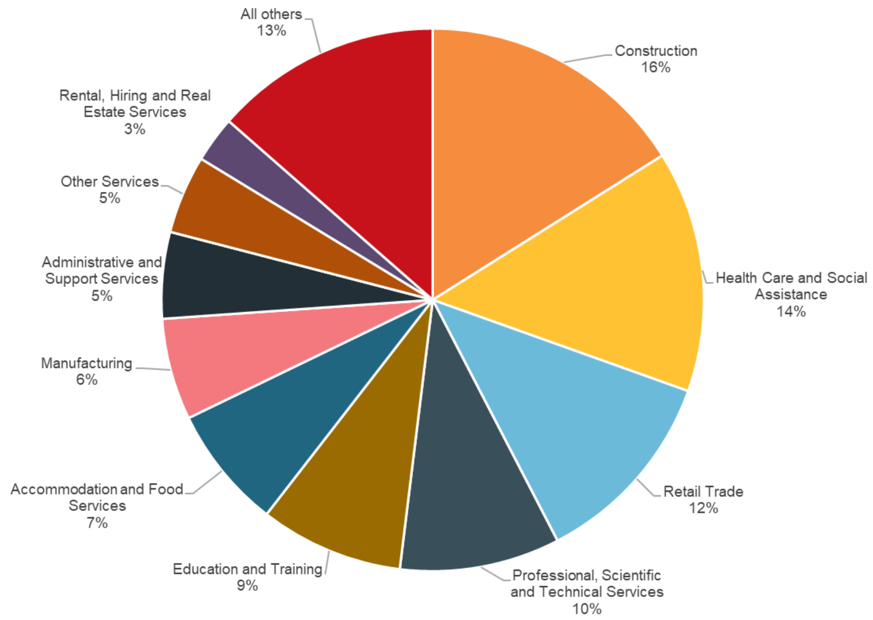
In 2020, the top ten employing industries accounted for 87% of all employment, while the top ten industries contributing to GDP accounted for 68% of GDP (Figure 10 and Figure 11). Construction, Health Care and Social Assistance, and Professional and Technical Services all key contributors to both employment and GDP, contributing 40% of employment on the Kāpiti Coast, and 30% of GDP. Key differences include retail trade (12% employment and 6% GDP), education (9% employment, 4 % GDP, and accommodation and food services (7% employment and 2% GDP) (Table 5)

Figure 10: Contribution to Kāpiti Coast GDP by industry, 2020



Source: Infometrics Regional Profile. Note: 'Unallocated' (7.8%) and Owner-operated property operation (7.7%) have been included within 'All Others'

Figure 11: Contribution to Kāpiti Coast employment by industry, 2020



Source: Infometrics Regional Profile.

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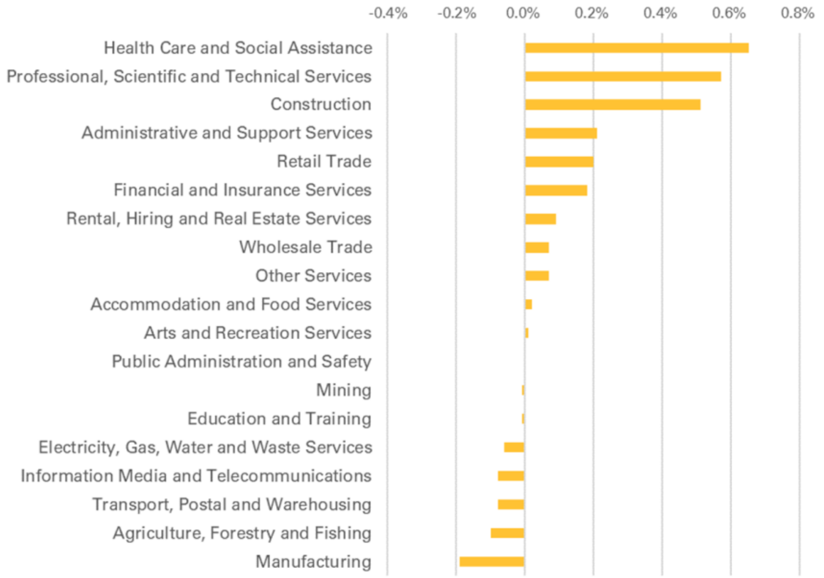
Table 5: Industry contribution to employment and GDP, 2020

Industry	Employment			GDP		
	No. employed in 2020	% of all employees	Rank	GDP ($m)	% of GDP	Rank
Construction	2,923	16%	1	$214	9.8%	3
Health Care and Social Assistance	2,618	14%	2	$222	10.2%	1
Retail Trade	2,171	12%	3	$136	6.3%	8
Professional, Scientific and Technical Services	1,737	10%	4	$219	10.1%	2
Education and Training	1,556	9%	5	$91	4.2%	9
Accommodation and Food Services	1,334	7%	6	$45	2.1%	15
Manufacturing	1,102	6%	7	$191	8.8%	5
Administrative and Support Services	937	5%	8	$51	2.3%	13
Other Services	850	5%	9	$65	3.0%	9
Rental, Hiring and Real Estate Services	500	3%	10	$200	9.2%	3
All others	2,463	14%	10	$742	34%	

Source: Infometrics Regional Database

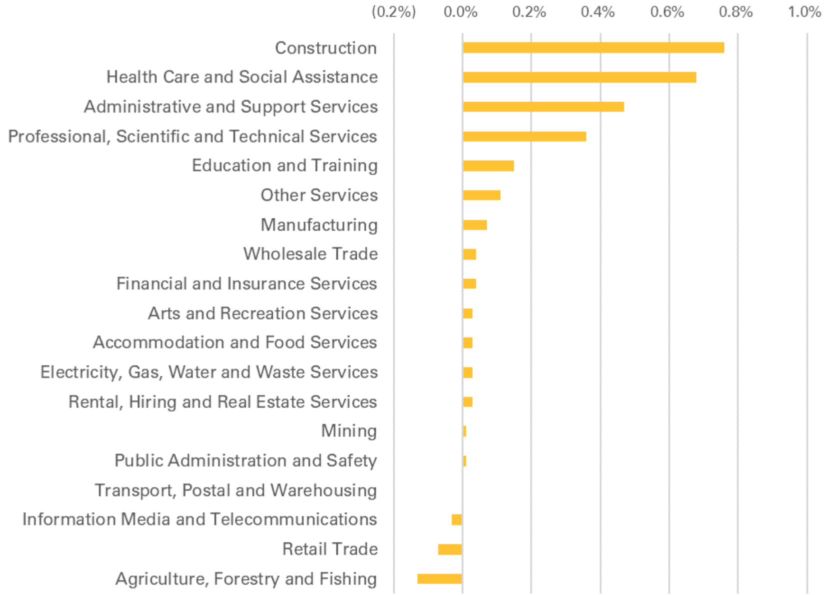
Changes in GDP and filled jobs

Figure 12: Industry contribution to GDP growth in GDP to Kāpiti Coast GDP by industry, 2015-2020



Source: Infometrics Regional Profile.

Figure 13: Industry contribution employment growth in Kāpiti Coast, 2015-2020

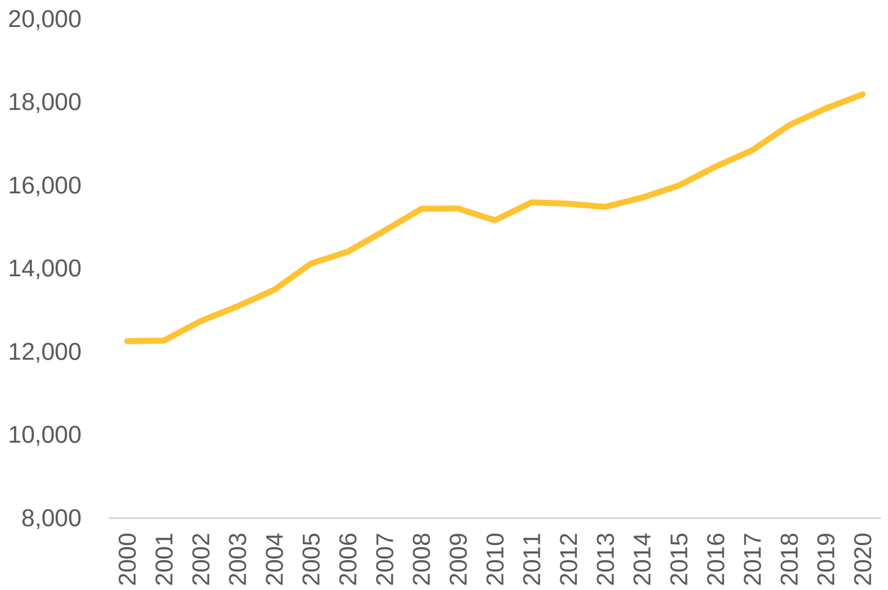


Source: Infometrics Regional Profile.

Job growth

The number of filled jobs on the Kāpiti Coast was 18,200 in 2020. The district experienced strong job growth over 2001–2008, before flattening after the global financial crisis. Job numbers have trended upward again since 2013 (Figure 14)

Figure 14: Filled jobs in the Kāpiti Coast, 2000-2020



Source: Infometrics Regional Database

Table 6 presents employment (in terms of filled jobs) for Kāpiti Coast and comparator areas in 2020, as well as the change in number of jobs over the last 3, 5, and 10 years.

Table 6: Filled jobs, 2020, and growth levels

Area	Filled jobs (2020)	% pa growth		
		10yr	5yr	3yr
Kapiti Coast District	18,192	**1.8%**	**2.6%**	**2.6%**
Horowhenua	11,195	1.1%	2.3%	2.4%
Porirua	20,929	1.9%	2.9%	3.3%
Wellington City	173,312	1.5%	2.0%	1.9%
Wellington Region	298,894	1.3%	2.0%	2.1%
New Zealand	2,592,389	1.9%	2.4%	2.2%

Source: Infometrics Regional Database

The number of filled jobs on the Kāpiti Coast is slightly less than the 21,000 jobs in the Porirua district. Employment in Porirua has grown more strongly than Kāpiti Coast across the last 10 year, 5 year, and 3 year periods. Employment has grown more strongly in the Kāpiti Coast compared to Horowhenua, Wellington City, and the Wellington Region across the same time periods.

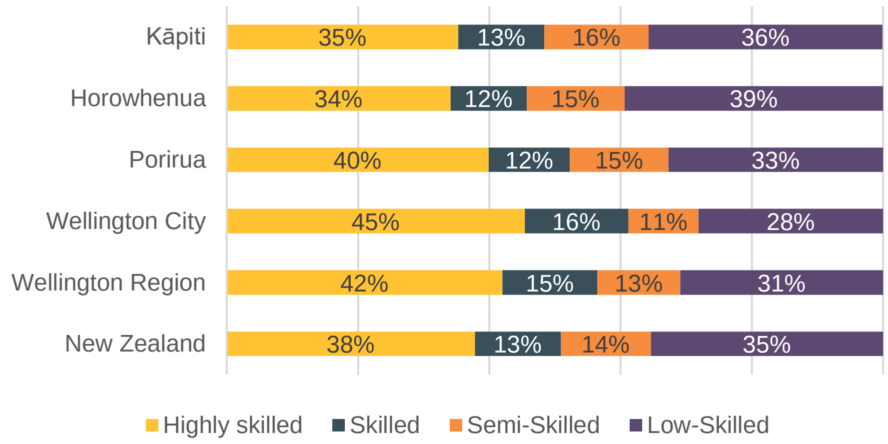
Skill levels

In 2020 the Kāpiti Coast District had had a broadly similar split of employment skill levels to New Zealand, and slightly higher skilled than Horowhenua but lower skilled than Porirua and Wellington (Figure 15).

- 35% of jobs in the Kāpiti Coast were highly skilled, compared to 34% in Horowhenua, 40% in Porirua, 45% in Wellington City and 38% nationally.
- 36% of jobs in the Kāpiti Coast were low skilled, compared to 39% in Horowhenua, 33% in Porirua, 28% in Wellington City and 35% nationally

- 29% of jobs in the Kāpiti Coast were skilled and semi-skilled, compared to 27% in Horowhenua, Porirua, Wellington City and nationally

Figure 15: Employment by skill level, 2020



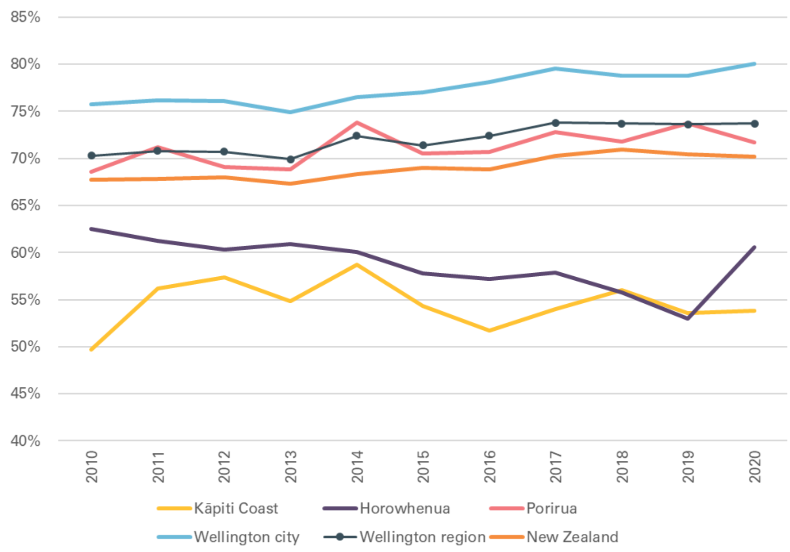
Source: Infometrics Regional Database

Key labour market statistics

Participation

The Kāpiti Coast has had a consistently lower proportion of the population participating in the labour market than comparator districts, the region, and New Zealand (Figure 16). This reflects the Kāpiti population's age profile and lower proportion of working age people and higher proportion of people aged 55+.

Figure 16: Labour force participation rate, 2010-2020



Source: MBIE Regional Economic Activity Dashboard

The participation rate in 2020 was 54%, meaning just over half of the working age population residents in Kāpiti were either working or wanting to work in the labour market. This compares to:

- 61% for Horowhenua
- 72% for Porirua
- 80% for Wellington City
- 74% for Wellington region
- 70% for New Zealand.

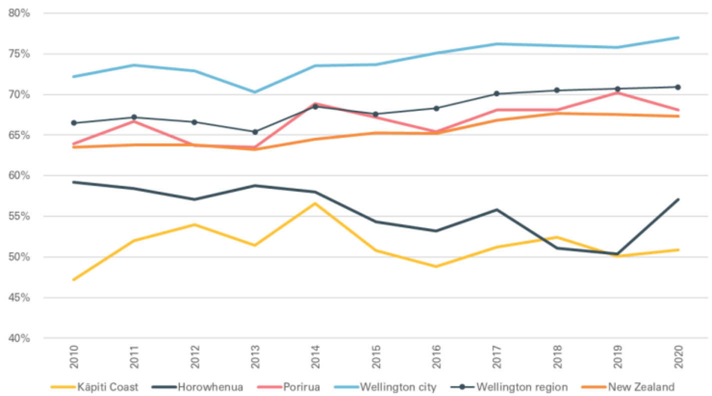
Employment

The employment rate is simply the percentage of working age (15 - 64) people in employment. As of 2020, the Kāpiti Coast employment rate was below all comparator regions, similar to the participation rate – and since 2010 has been fairly consistently lower than most comparators..

The employment rate was 51% for the Kāpiti Coast in 2020, compared to:

- 57% for Horowhenua
- 68% for Porirua
- 77% for Wellington City
- 71% for Wellington region
- 67% for New Zealand.

Figure 17: Employment rate, 2010-2020



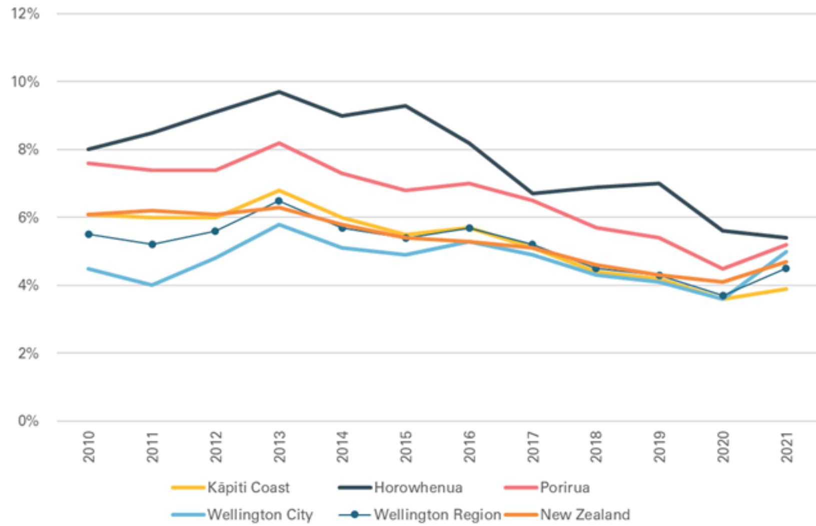
Source: MBIE Regional Economic Activity Dashboard

Unemployment

Unemployment rates in the region have been trending down across the region over the past decade, with a minor increase in 2021 (March annual average) reflecting the initial impacts of Covid-19.

Kāpiti Coast has the lowest unemployment rate of the comparator areas in 2020, decreasing from 6.1% in 2010 (following the GFC) to 3.9% in 2021. Over the decade, the District's unemployment rate tracked closely to the national average, before diverging in 2019 and remaining lower since.

Figure 18: Unemployment rates, 2010-2020



Source: Infometrics Regional Database

In 2021, in comparison to Kāpiti's 3.9% unemployment rate, the unemployment rate was:

- 5.4% for Horowhenua
- 5.2% for Porirua
- 5.0% for Wellington City
- 4.5% for Wellington region
- 4.7% for New Zealand.

Underemployment

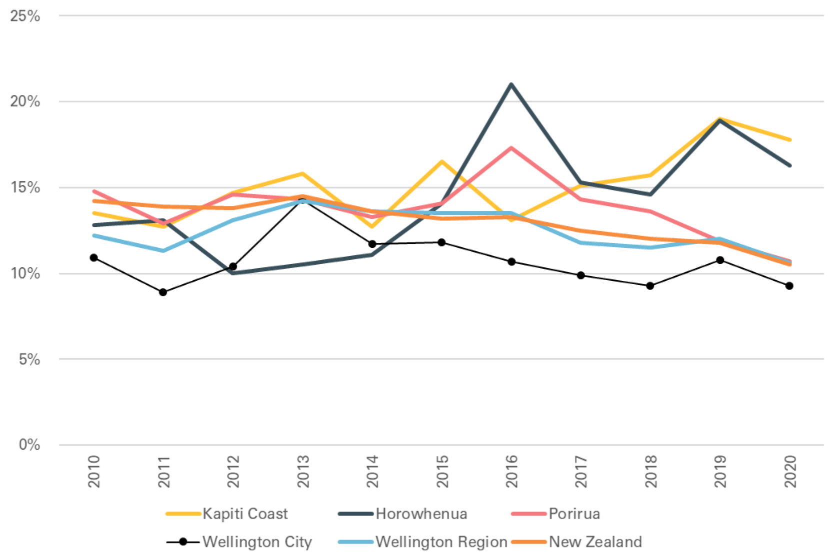
Underemployment or underutilisation is a broader measure of employment related activity and shows the untapped capacity in the labour market. It captures those who may be employed but who would and could work a greater number of hours than they currently do as well as those who are unemployed (and are therefore actively seeking employment).

In contrast to its low unemployment rate, underemployment is particularly high in Kāpiti Coast. While broadly following trends with comparator areas over the past decade, Kāpiti' Coast's underutilisation rate has increased since 2016 and is now the highest of all comparator areas at 18%, double the rate of Wellington City.

Compared to Kāpiti Coast's underemployment rate of 18%, the rate in comparator areas for 2020 is:

- 16% for Horowhenua
- 11% for Porirua
- 9% for Wellington City
- 11% for Wellington region
- 11% for New Zealand.

Figure 19: Underutilisation rate, 2010-2020



Source: MBIE Regional Economic Activity Dashboard

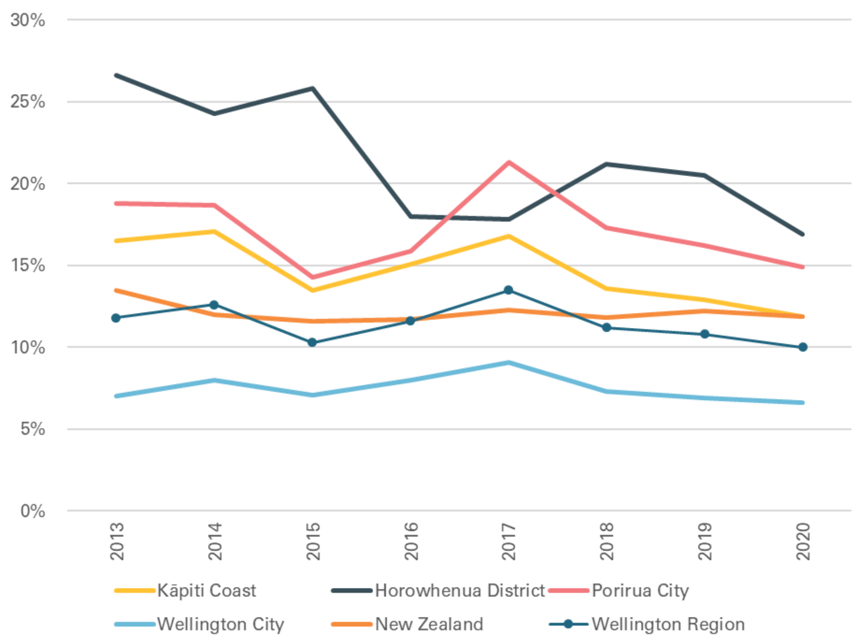
Not In Education, Employment or Training

The NEET rate measures the percentage of young people between the ages of 15-24 not in employment, education or training. The NEET rate is an important leading indicator of potential disengagement from the labour market.

The Kāpiti Coast NEET rate has overall been declining since 2013, with a small increase in 2017 in line with national trends. The NEET rate in 2020 is similar to the national average, at 12%. This is lower than both Horowhenua

(17%) and Porirua (15%), but higher than Wellington Region (10%) and City (7%) (Figure 20).

Figure 20: NEET Rate, 2013-2020

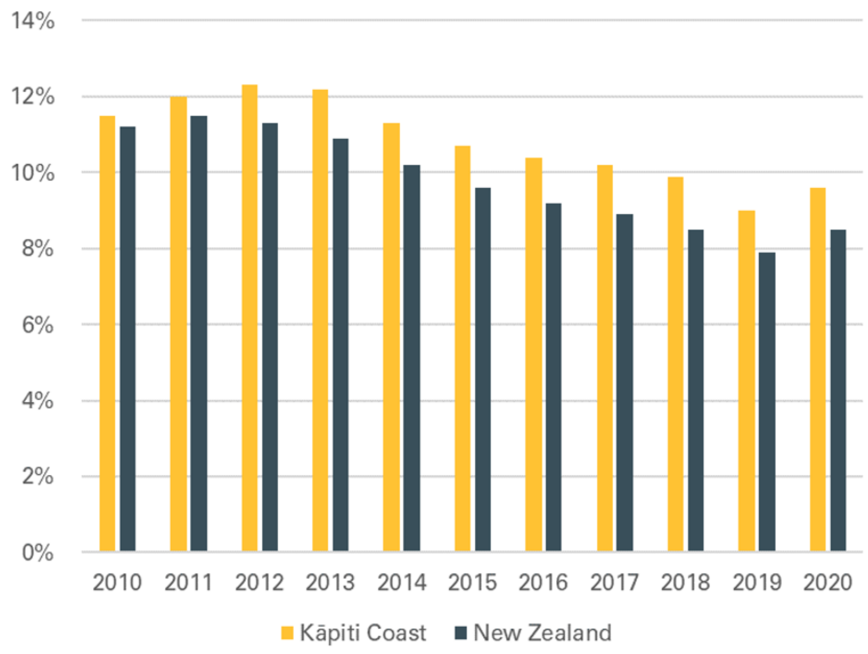


Source: Infometrics Regional Database

Jobseeker Support

Kāpiti Coast has a higher proportion of its working age population receiving a benefit than the national average. While the proportion has been trending down since 2012, in line with national trends, the proportion increased in 2020 (Figure 21).

Figure 21: Proportion of the working age population receiving a benefit

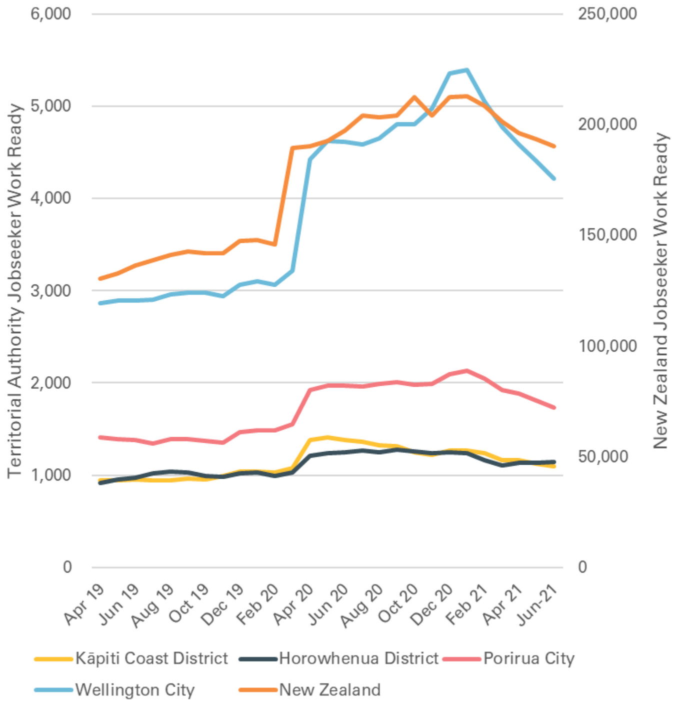


Source: Infometrics Regional Database

Covid-19 had a noticeable impact on benefit receipt across all comparator areas (Figure 22) Between February 2020 and May 2020, receipt of 'Jobseeker Work Ready' increased by 36%, compared to:

- 25% in Horowhenua
- 32% in Porirua
- 51% in Wellington City

Figure 22: Jobseeker Support receipt, April 2019-June 2021



Source: Ministry of Social Development Quarterly Benefit Factsheets

While this initial increase was greater than both Horowhenua and Porirua, the rate has decreased more quickly, and in June 2021 are only 6% higher than February 2020, compared to:

- 14% in Horowhenua
- 16% in Porirua
- 38% in Wellington City

Skills and education

Qualification levels

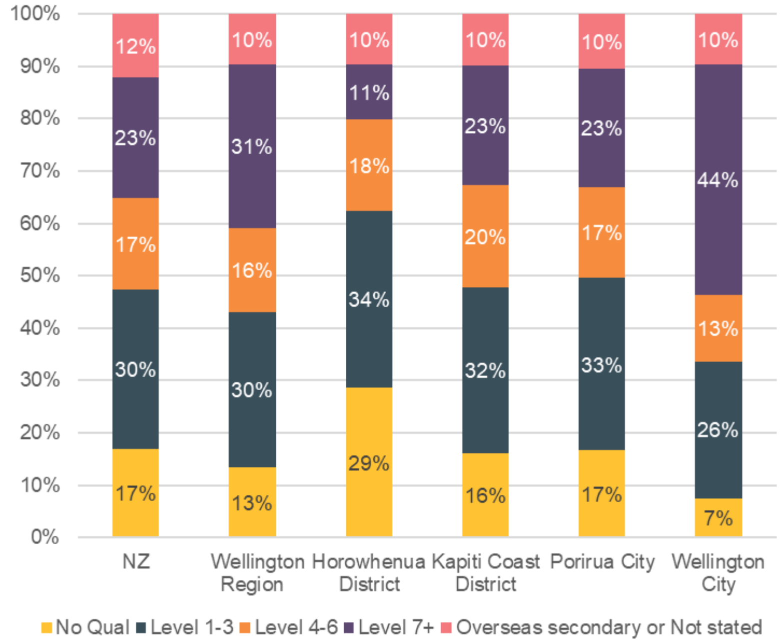
In 2018, residents in the Kāpiti Coast had a similar level of qualification attainment to Porirua and Wellington Region, and the national average, a greater level than Horowhenua, and lower levels of qualifications overall compared to Wellington City (Figure 23).

By area, in 2018, qualification attainment percentages were:

- 16% of the usual resident population with no qualification in the Kāpiti Coast compared to 29% in Horowhenua, 17% in Porirua, 13% in the Wellington Region and 17% in New Zealand
- 43% of the usual resident population with a level 4 or higher qualification in the Kāpiti Coast, compared to 29% in Horowhenua, 40% in Porirua, 47% in the Wellington Region and 40% in New Zealand

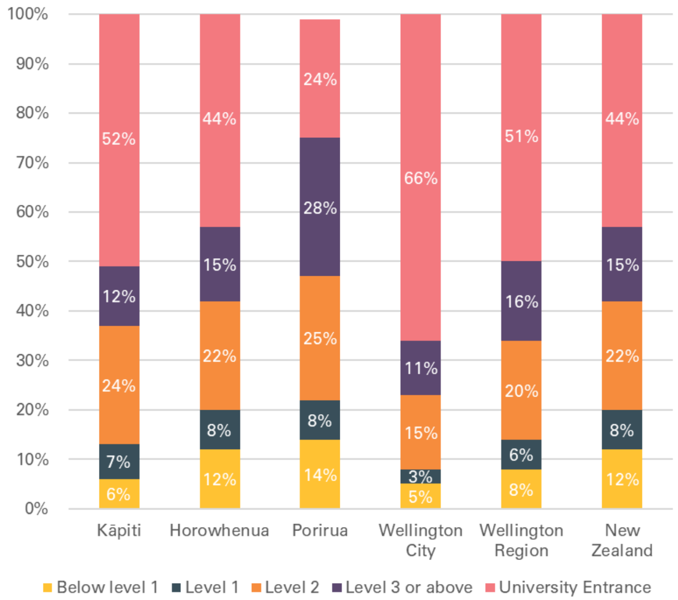
Wellington City has a disproportionate number of people with Level 7 Bachelors degrees of higher, at 44%, compared to the national average of 23%, and a much lower proportion of people with no qualifications, at 7% compared to the national average of 17%.

Figure 23: Qualification attainment, 2018



Source: StatsNZ, 2018 Census

Figure 24: School leavers by highest attainment, 2020



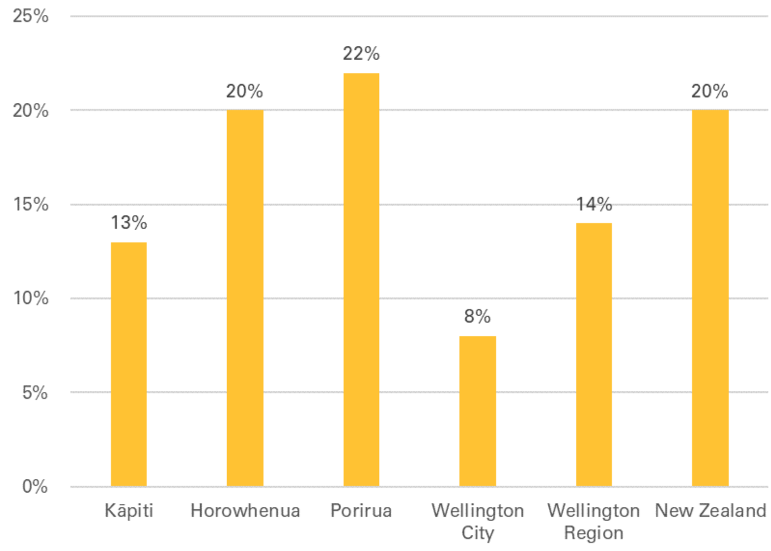
Source: Education Counts. Not all columns add to 100% due to rounding of source data.

Educational attainment

Kāpiti has strong educational attainment, with a higher proportion of students receiving University Entrance in 2020 (52%) than Horowhenua (44%), Porirua (24%), and New Zealand as a whole (44%) (Figure 24)

Kāpiti also has a low proportion of students not achieving at least Level 2 NCEA (13%), compared to 20% in Horowhenua, 22% in Porirua, and 20% for New Zealand generally.

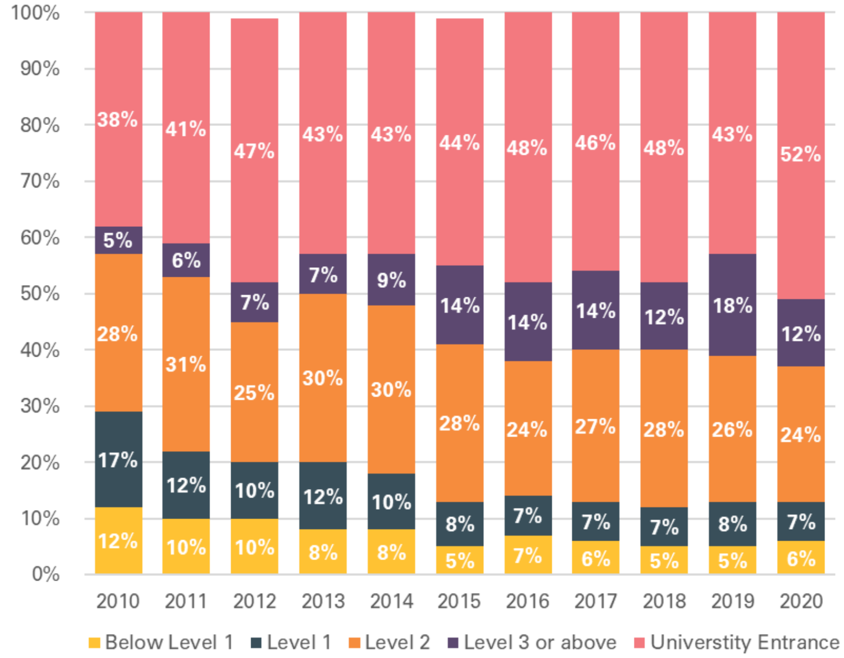
Figure 25: Proportion of school leavers without at least NCEA level 2, 2020



Source: Education Counts

Over time, achievement rates have been increasing, with a substantial reduction in the proportion of learners not achieving NCEA level 2 since 2010, and a relative increase in the proportion achieving university entrance and NCEA Level 3.

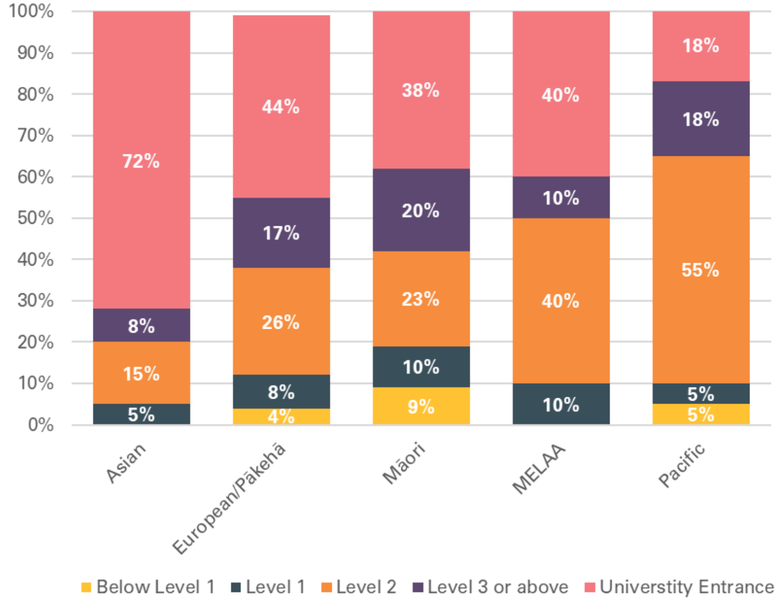
Figure 26: Kāpiti coast educational attainment 2010-2020



Source: Education Counts. Not all columns add to 100% due to rounding of source data.

Attainment also varies by ethnicity (Figure 27). In 2019, Asian students were much more likely to achieve University Entrance ((72%) compared to the average (43%). European students achieved at a similar rate, and all other ethnicities were less likely to achieve University Entrance. Māori students in 2019 were more likely to achieve below NCEA level 2 (19%), while Pacific students were much more likely to achieve NCEA level 3 or below (65%), with only 18% achieving university entrance.

Figure 27: Kāpiti School leavers by attainment level and ethnicity, 2019



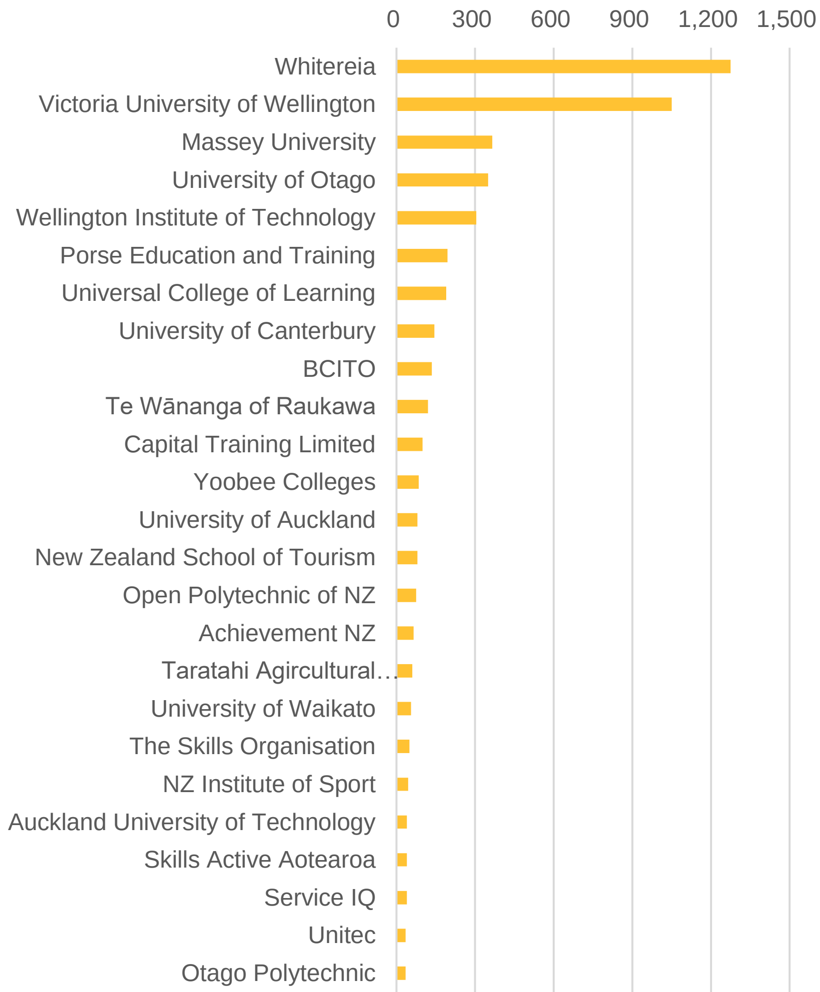
Source: Education Counts

Youth transitions

Over 2009-2019, Kāpiti Coast had 6,640 school leavers. Of these, 5,765 enrolled with a tertiary education provider, a transition rate of 87%. This is in line with the Wellington region, at 86%, and slightly higher than the national average, at 85%.

These enrolments were typically with providers relatively nearby to the Kāpiti Coast. Approximately two thirds of the transitions were with six providers who have campuses nearby to the Kāpiti Coast, including (Figure 28).

Figure 28: School leaver transition to tertiary providers, 2009-2019



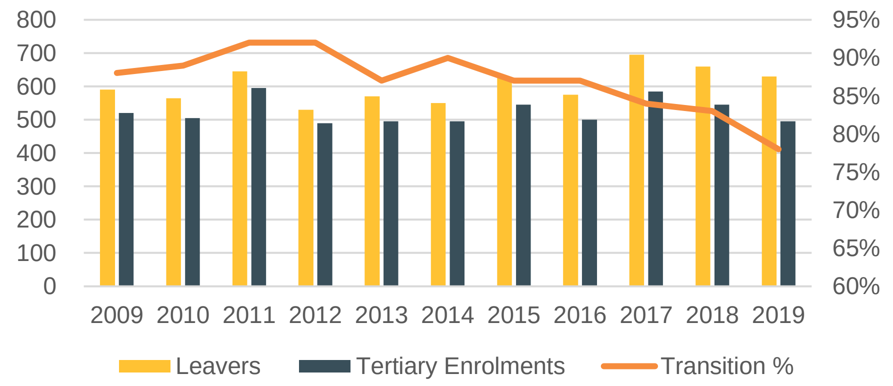
Source: Ngā Kete (TEC)

- Whitireia Polytechnic (25% of transitions)
- Victoria University (21% of transitions)
- Massey University (7% of transitions),
- Wellington Institute of Technology (6% of transitions)
- UCOL (4% of transitions), and
- Te Wānanga o Raukawa (2% of transitions).

In addition, over the period, 7% went to the University of Otago, 4% undertook Porse Education and Training, and 3% joined BCITO

The youth transition rate has been declining, at 78% in 2019, compared to 92% in 2011 (Figure 29).

Figure 29: Kāpiti youth transition rate over time

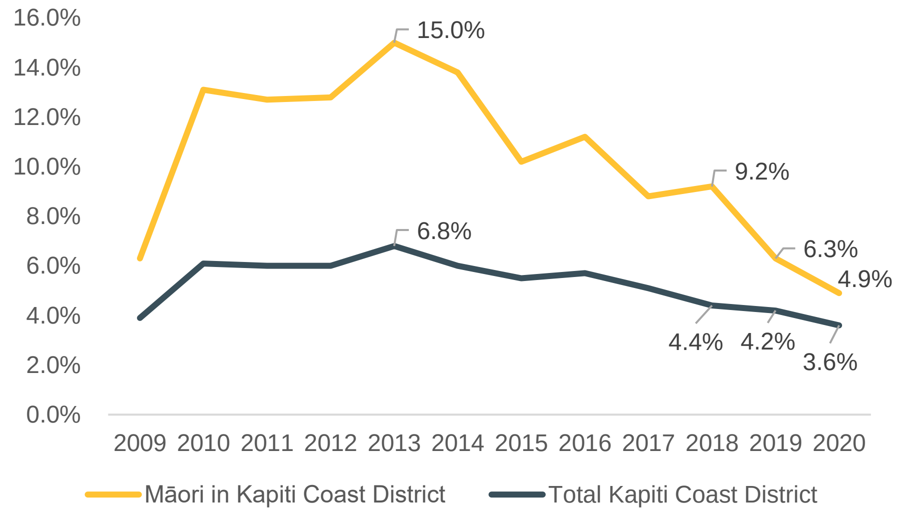


Outcomes differ for Māori

Higher unemployment

Māori in the Kāpiti Coast are currently a third more likely to be unemployed rate than the Kāpiti Coast generally, with a Māori unemployment rate of 4.9% in 2020, compared to 3.6% for the Kāpiti Coast.

Figure 30: Kapiti Coast Unemployment rate, total compared to Māori, 2009-2020



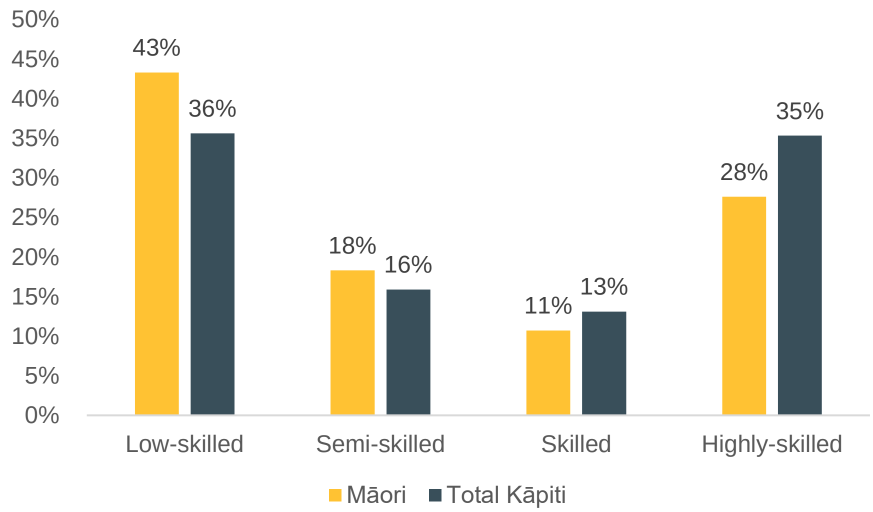
Source: Infometrics Regional Database

The Māori unemployment rate has improved significantly, both in absolute terms, and relative to the Kāpiti Coast generally. It has decreased from a peak of 15% in 2013 – which was more than double the overall unemployment rate in Kāpiti at the same time (6.8%).

Lower skilled jobs

Māori are more likely to be working in low skilled or semi-skilled jobs than the Kāpiti population generally, and less likely to work in skilled or highly skilled jobs.

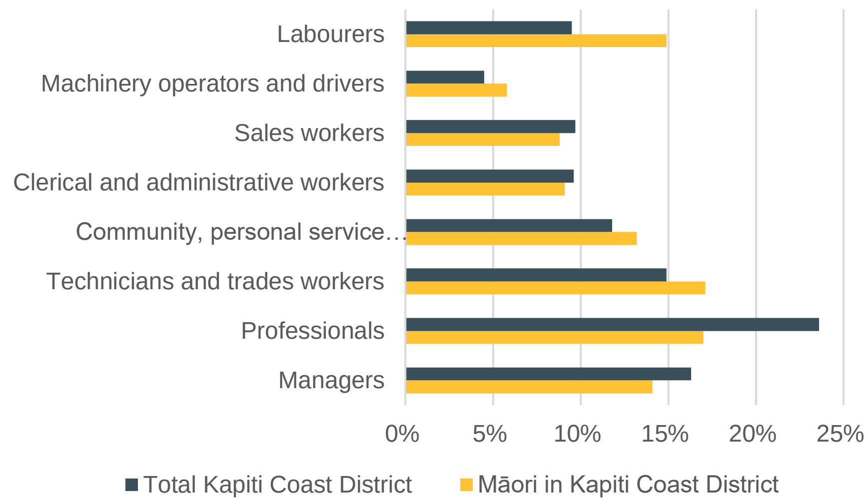
- 61% of employed Māori are in low skilled or semi-skilled jobs compared to 52% in the Kāpiti Coast generally
- 39% of Māori are in are in skilled or high skilled jobs, compared to 48% in the Kāpiti Coast generally.



Source: Infometrics Regional Database

This difference is reflected in the occupational distribution, with Māori more likely to be labourers, machinery operators and drivers, and trades workers, and less likely to be professionals or managers.

Figure 31: Occupations in the Kāpiti Coast: Total and Māori, 2020



Source: Infometrics Regional Database

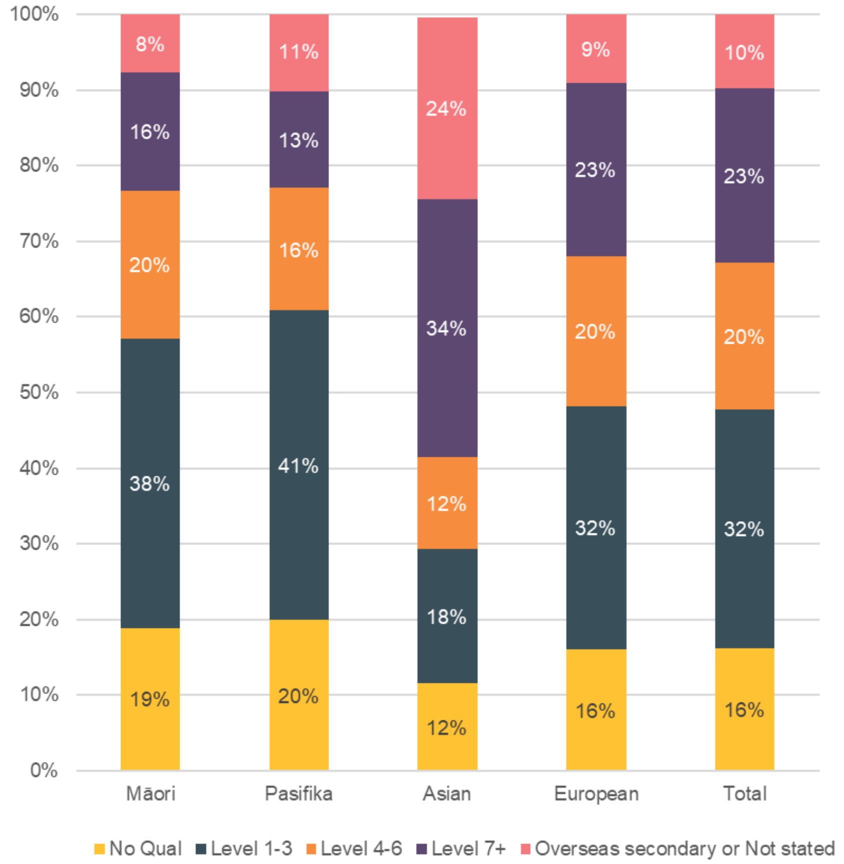
Māori and Pasifika have lower qualification attainment

Māori and Pasifika are also more likely to have lower levels of qualification attainment. In 2018:

- Māori (19%) and Pasifika (20%) had a higher proportion of population with no qualifications, compared to 16% for Kāpiti Coast as a whole, and 12% for Asian.

- Māori (16%) and Pasifika (13%) had a lower proportion of population with a Bachelors degree or higher, compared to 23% for Kāpiti Coast as a whole, and 34% for Asian.

Figure 32: Highest qualification attainment, Kāpiti Coast, by ethnicity



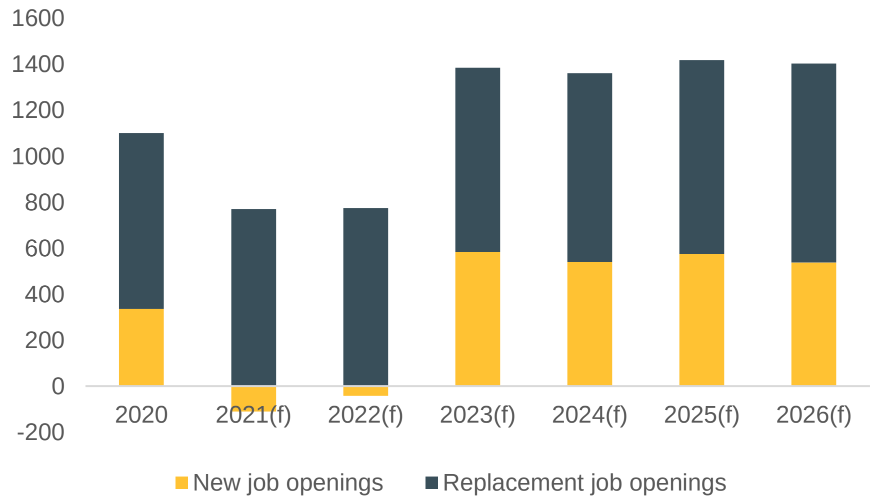
Source: StatsNZ, Census 2018

Employment projections

Infometrics are projecting nearly 6,963 job openings in the Kāpiti Coast between 2021 and 2026 (Figure 33). This includes:

- 2983 new jobs (30%), being jobs created through business expansion and economic growth. This includes an expected decrease in available jobs in 2021 and 2022 as a result of the economic impacts from Covid-19.
- 4,881 replacement jobs (70%), with replacement jobs requirements staying relatively consistent across the period. Replacement jobs are those that arise from individuals leaving an occupation (e.g., retirement, or migration), net of jobs taken by individuals entering an occupation (e.g., returning to the workforce from parental leave).

Figure 33: Job projections, total economy, Kāpiti Coast, 2020-2026



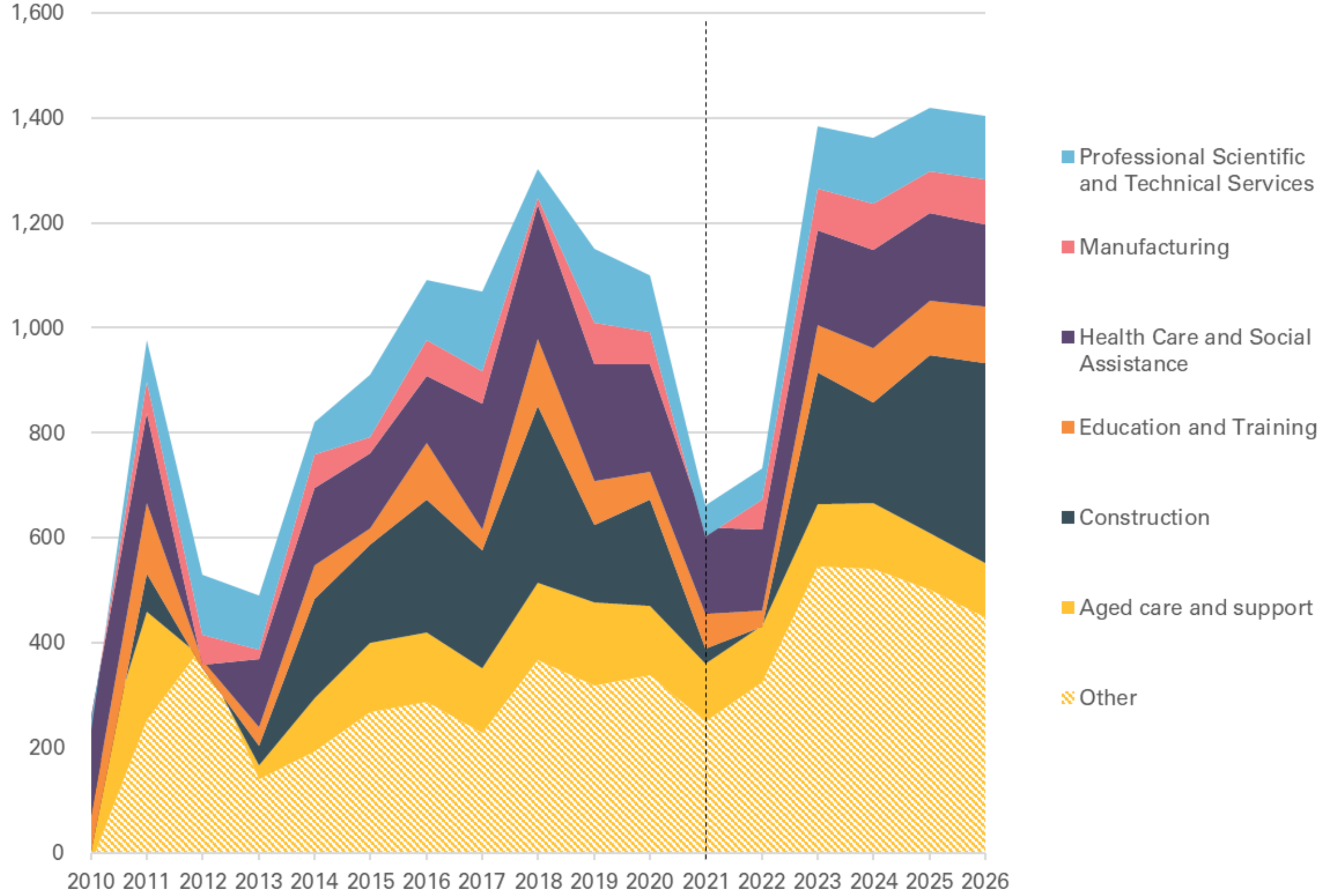
Source: Infometrics Regional Database

Projected job openings by Kāpiti District Council's key sectors are:

- 674 job openings in Aged Care (10%)
- 1,188 (17%) job openings in Construction (17%)
- 505 job openings in Education and Training (7%)
- 1,010 job openings in Health Care (15%)
- 370 job openings in Manufacturing (5%)
- 605 job openings in Professional services (9%)
- 2,611 job openings in other sectors (37%)

Source: Infometrics Regional Database

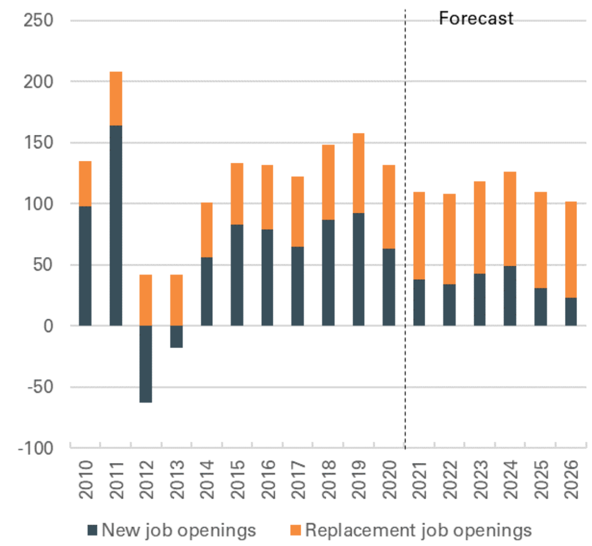
Figure 34: Projected Job Openings to 2026 by Key Sector



APPENDIX 2: KEY SECTOR SKILLS NEEDS

Aged care and support

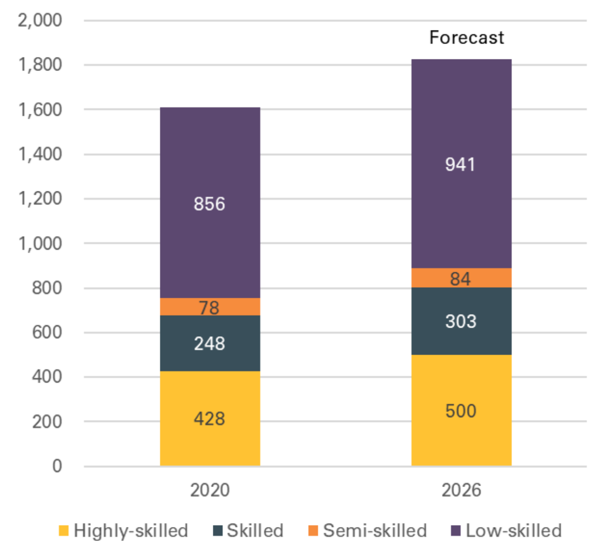
Figure 35: Aged care forecast jobs



Job openings are forecast to remain fairly consistent through to 2026, which some minor fluctuation in the number of new job openings.

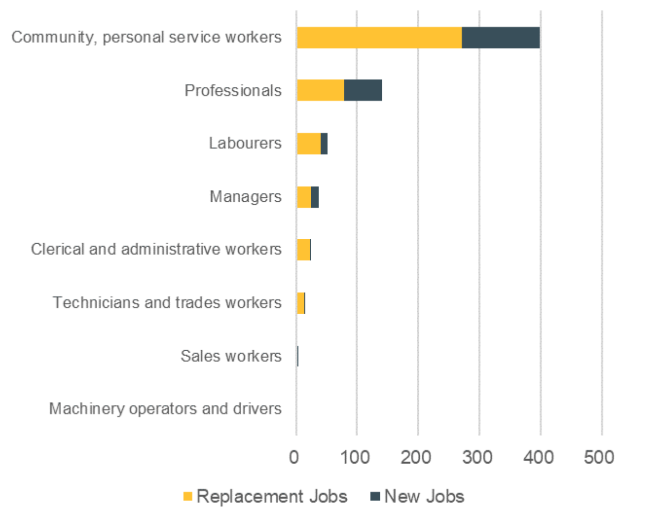
Total employment in the sector is forecast to grow from 1,610 jobs in 2020 to 1,828 jobs in 2026, an increase of 13.5%, or around 220 jobs

Figure 36: Aged care forecast skill levels



The skill composition of the aged workforce is forecast to remain relatively consistent, with just over half of the workforce 'low skilled' (decreasing from 53% in 2020 to 51% in 2026).

Figure 37: Aged care forecast broad occupations



Approximately 60% of replacement jobs (272) and 58% of new jobs (127) are expected to be community and personal service workers.

28% (62) of new jobs are expected to be professionals, compared to 17% (79) of replacement jobs.

Health care and social assistance

Figure 38: Health care forecast jobs

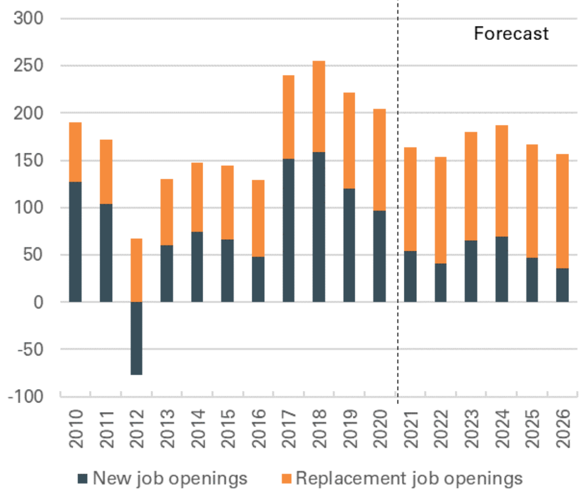


Figure 39: Health care forecast skill levels

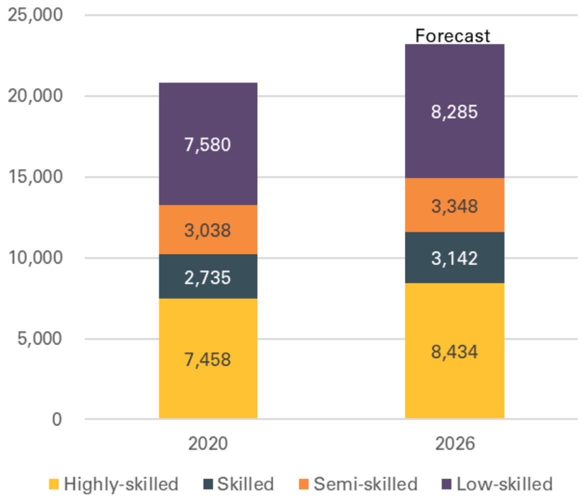
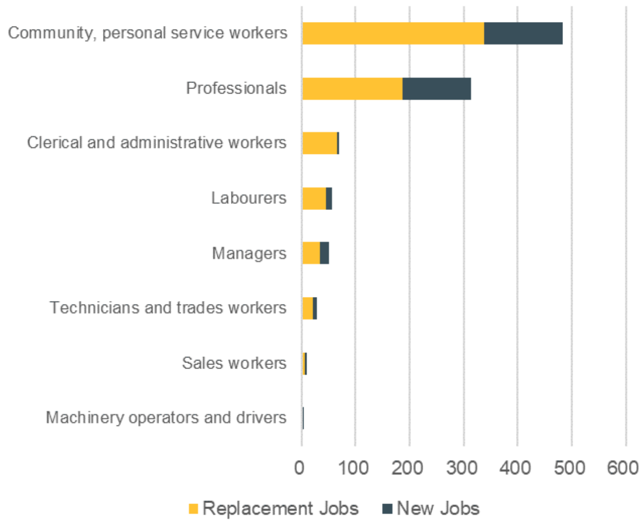


Figure 40: Health care forecast broad occupations



Job openings are forecast to remain fairly consistent through to 2026, which some minor fluctuation in the number of new job openings.

Total employment in the sector is forecast to grow from 2,619 jobs in 2020 to 2,913 jobs in 2026, an increase of 12% or 312 jobs.

Skill composition is expected to remain fairly consistent with minor changes across all groups. In 2026, proportions are expected to be: highly skilled workers - 40%, skilled workers - 14%, semi-skilled workers – 5%, low skilled workers – 41%.

Approximately 48% of replacement jobs (338) and 46% of new jobs (146) are expected to be community and personal service workers.

40% (126) of new jobs are expected to be professionals, compared to 27% (186) of replacement jobs.

Construction

Figure 41: Construction forecast jobs

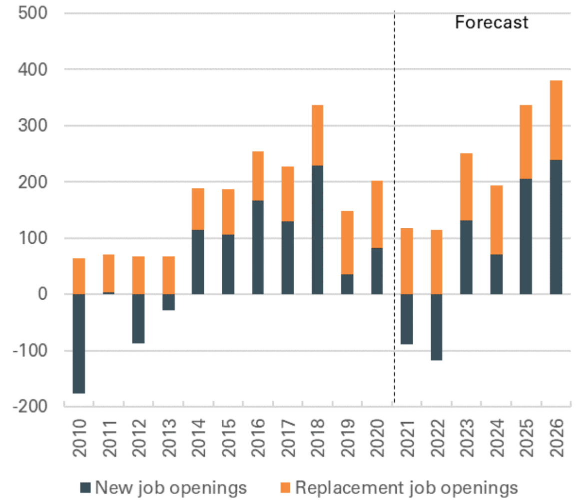


Figure 42: Construction forecast skill levels

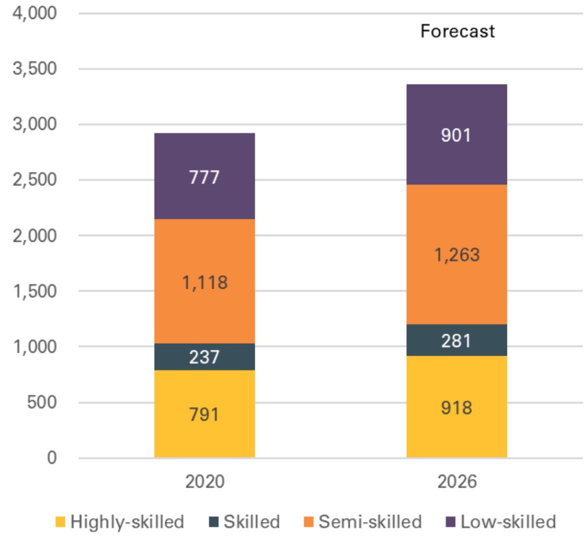


Figure 43: Construction forecast broad occupations

New job openings are forecast to decline in 2021 and 2022, with a strong rebound across 2023 - 2026.

Total employment in the sector is forecast to grow from 2,923 jobs in 2020 to 3,363 jobs in 2026, an increase of 15% or 440 jobs.

Overall, skills composition is expected to remain the same between 2020 and 2026, with 27% of workers highly skilled, 8% skilled, 38% semi-skilled, and 27% low skilled.

Strongest growth is in technicians and trades workers, comprising 39% (292) of replacement jobs and 25% (155) of new jobs. Strong demand is also expected for managers (21% or 155 replacement jobs and 22% or 97 new jobs) and labourers (16% or 117 replacement jobs and 18% or 80 new jobs)

Manufacturing

Figure 44: Manufacturing forecast jobs

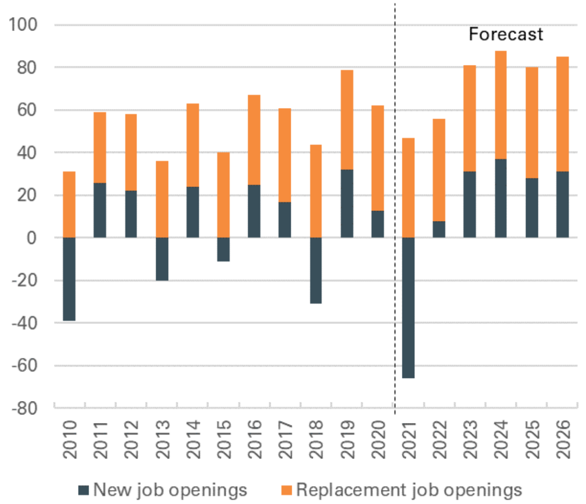


Figure 45: Manufacturing forecast skill levels

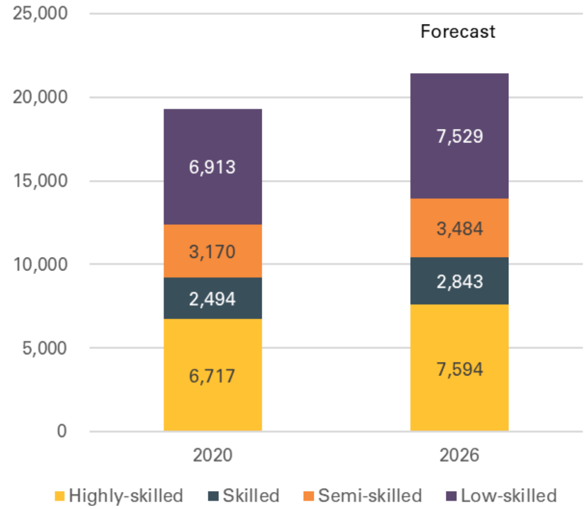
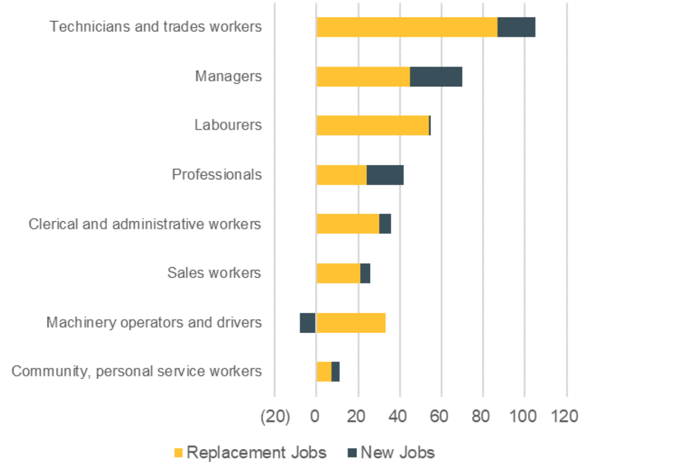


Figure 46: Manufacturing forecast broad occupations



New job openings are forecast to decline substantially in 2021, with a strong rebound across 2022-2026.

Total employment in the sector is forecast to grow from 1,102 jobs in 2020 to 1,172 jobs in 2026, an increase of 6.4% or 70 jobs.

Forecasts anticipate a minor increase in the proportion of highly skilled workers (from 36% to 38%) and a decrease in the proportion of low skilled workers (39% to 37%).

Managers and professionals make up a disproportionate amount of forecast new jobs. 36% of new jobs (25) are managers, compared to 15% of replacement jobs (45). 26% of new jobs are professionals (18), compared to 8% of replacement jobs (24). By contrast, job openings for labourers and machinery operators are expected to be roughly entirely replacement jobs.

Education and training

Figure 47: Education forecast jobs

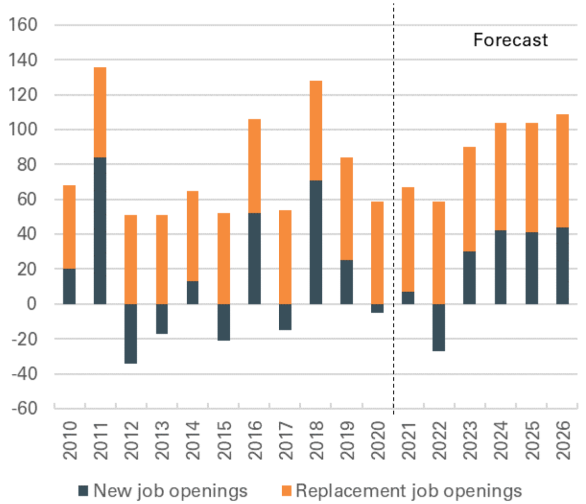


Figure 48: Education forecast skill levels

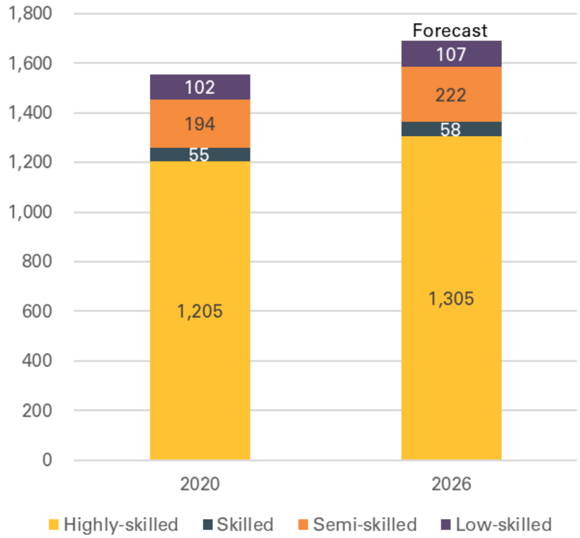
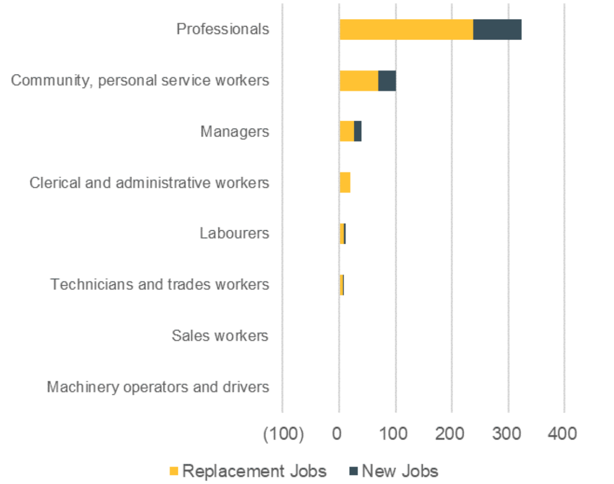


Figure 49: Education forecast broad occupations



New job openings are forecast to remain muted until 2022, with an increase from 2023-2026.

Total employment in the sector is forecast to grow from 1,556 jobs in 2020 to 1,692 jobs in 2026, an increase of 8.7%, or around 136 jobs

The skill composition of the education sector is concentrated in highly skilled professionals, and this is expected to remain consistent, with more than three quarters ‘highly skilled’.

,

Approximately 64% of both replacement jobs (238) and 58% of new jobs (86) are expected to be professionals..

19% (69) of replacement jobs and 24% (32) of new jobs are expected to be community and personal service workers.

Professional and scientific

Figure 50: Professional forecast jobs

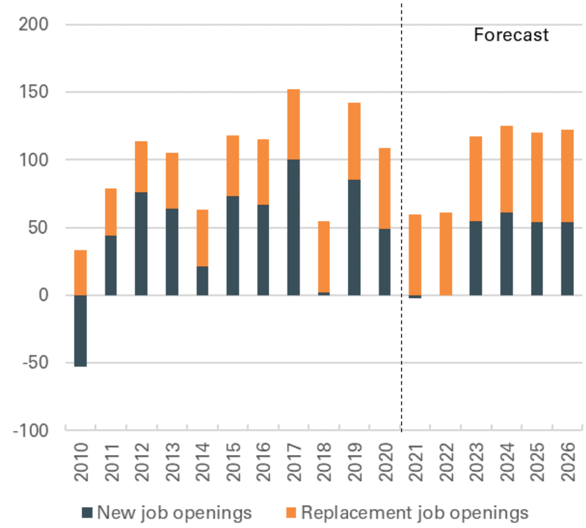


Figure 51: Professional forecast skill levels

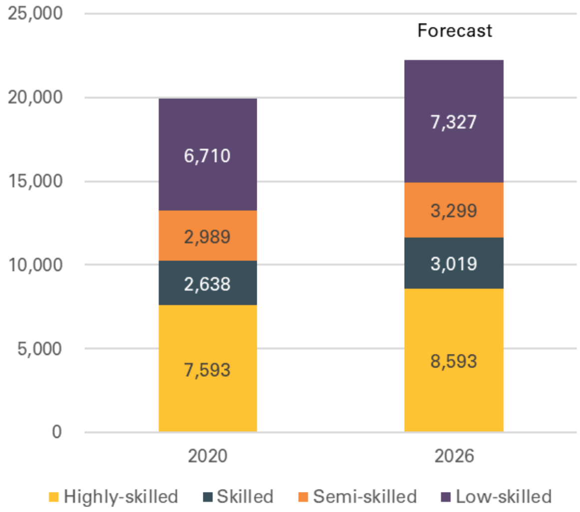
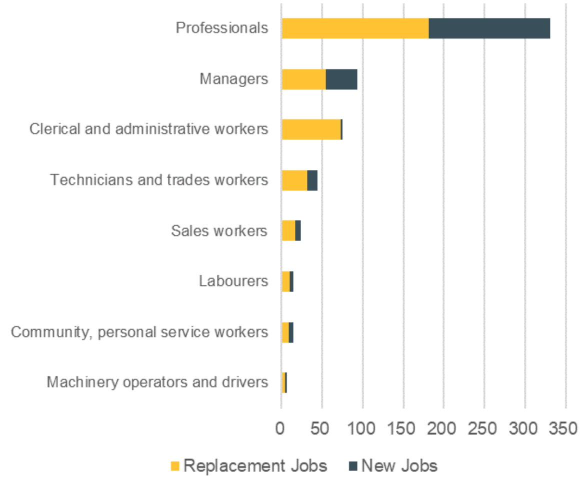


Figure 52: Professional forecast broad occupations



New job openings are forecast to remain muted until 2022, with an increase from 2023-2026.

Total employment in the sector is forecast to grow from 1,738 jobs in 2020 to 1,960 jobs in 2026, an increase of 12.8%, or around 222 jobs

Skill levels are expected to remain fairly consistent, and in 2026 are expected to be 68% highly skilled, 15% skilled, 6% semi-skilled, and 12% low skilled.

Unsurprisingly, 68% of new jobs (150) are expected to be professionals, compared to 48% of replacement jobs (181). Managers make up 17% (38) of new jobs and 14% (55) of replacement jobs.

APPENDIX 3: BUSINESS SURVEY

Background

To support development of this workforce plan, we ran a survey of Kāpiti Coast businesses to understand the key challenges and opportunities for meeting their workforce needs.

Due to small numbers in some areas, we have focused on segmentation only where this shows particularly interesting insights or differences. Segmented responses should be treated with caution due to small response size.

It is important to note that this survey is not representative of all businesses needs in the District, but presented an opportunity for businesses to contribute to the development of the Workforce Plan.

Respondent Profile

Overall, 82 responses were received, including 57 complete and 25 partial responses.

Industry

63 respondents identified their industry. We grouped these responses into four main industry clusters:[8]

- Retail and Accommodation, 29 (46%)
- Trades, 20 (32%)
- Services, 10 (16%)
- Public Services, 4 (6%)

Figure 53: Survey respondents by industry

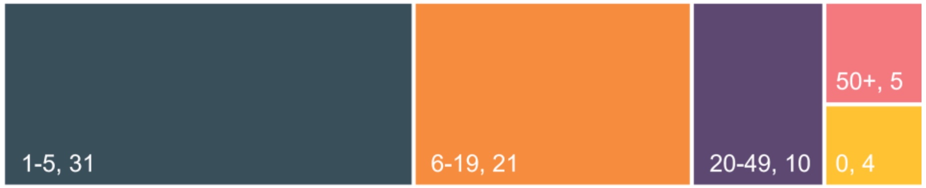
Size

Approximately half of respondents employed 5 or fewer people (49.2%, or 35 of 71 responses)

- 30% employed between 6 and 19 people (21 responses)
- 14% employed 20-49 people (10 responses)
- 7% employed 50 or more people (5 responses)

8

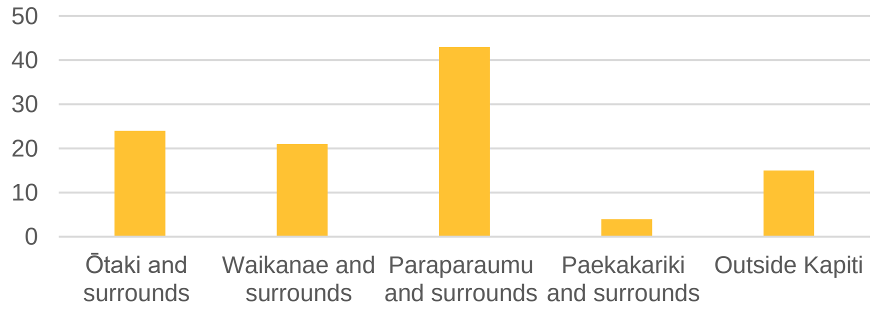
Figure 54: Survey respondents by size



Location of workforce

Survey respondents indicated that their workforce was spread across the Kāpiti, with a concentration in Paraparaumu and surrounds (Figure 55). Some indicated that their workforce was more likely to come from areas outside Kāpiti, including Wellington (6) and Horowhenua (4), with some individual references to Palmerston North, Auckland and the Bay of Plenty

Figure 55: Location of workforce (n=107)



Finding workers

Finding skilled workers

More than two thirds of survey respondents indicated that it was ‘difficult’ (39.6%, 21) or ‘very difficult’ (28.3%, 15) to recruit locally for their business, while only 13.2% indicated that it was ‘easy’ (7.5%, 4) or ‘very easy’ (1.9%, 1) (Figure 56).

Firms of all sizes were more likely to indicate that it was ‘difficult’ or ‘very difficult to recruit, than that it was ‘easy’ or ‘very easy’ (Figure 57).

Figure 56: Ease of recruiting locally (n=53)

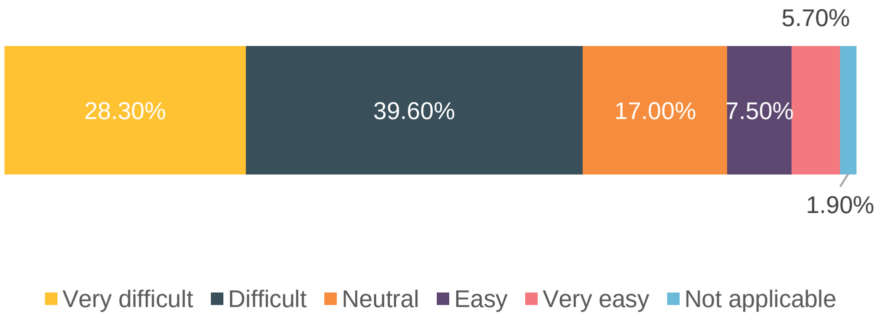


Figure 57: Ease of recruiting locally by firm size

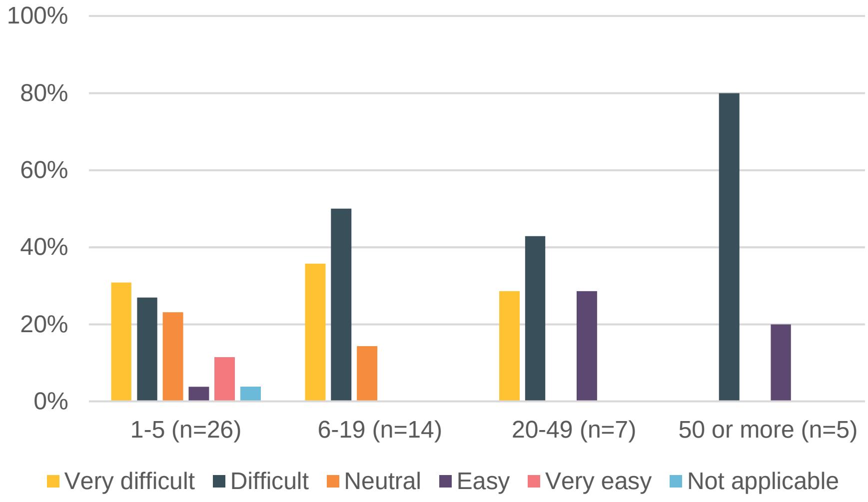
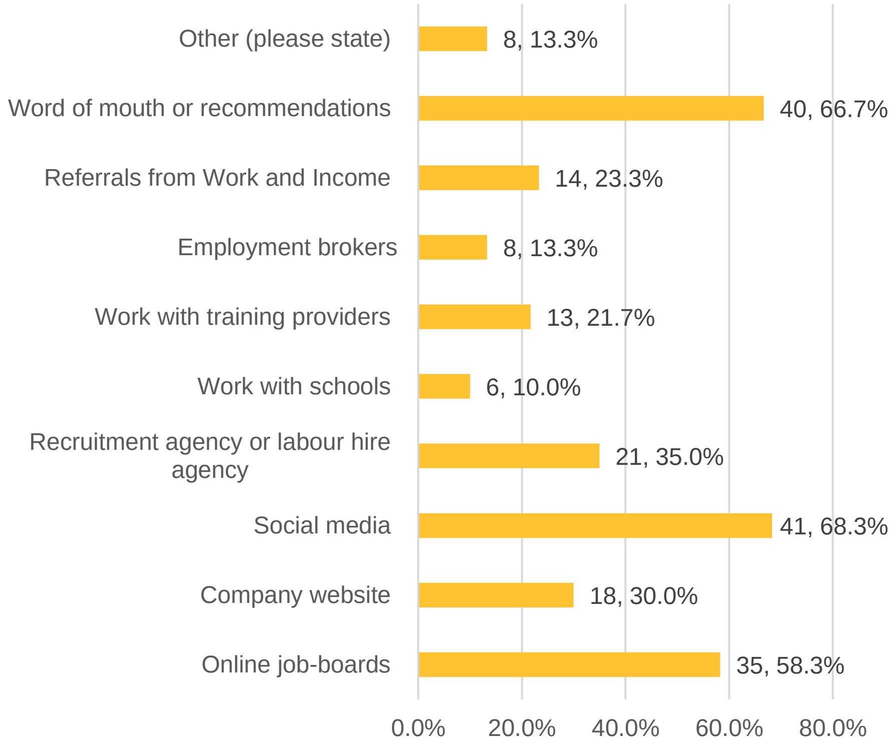


Figure 58: How do you recruit for your business?



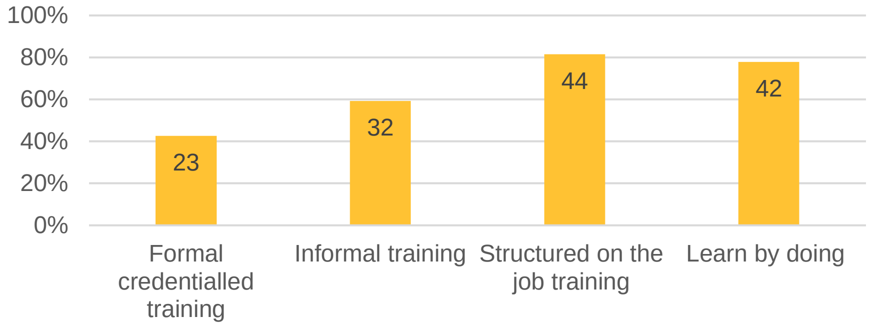
How businesses recruit and train

Survey respondents were most likely to use word of mouth (67%) and social media (68%) to recruit, supported by online job boards. Nearly a quarter of respondents received referrals from Work and Income, one in five worked with training providers and one in ten worked with schools (Figure 58)

The vast majority of businesses train their workforce, with 90% of survey respondents indicating that they actively train or develop their employees to meet their skill needs.

Of those who undertake training, most use on the job learning, either structured (82%) or through ‘learn by doing’ approaches (78%). 60% use informal training, and 43% use formal credentialled training (Figure 59).

Figure 59: How do you train your workforce?



Retail and accommodation firms were less likely to use formal credentialled training (at 30%), and more likely to use structured on the job training (95%). Responses from the trades were similar to the overall responses, and responses from other industries were too few to make meaningful comparisons.

The main challenges to meeting workforce needs

We asked survey respondents to rank the main challenges to meeting their workforce needs locally, from a set of identified potential challenges.

We looked at responses by industry and by size – the ranking across all were broadly similar, with some minor variation in order of challenges. However, small response rates mean that differences should not be provided too much focus.

- Experience, attitude of workers, and interpersonal and soft skills were ranked the top three challenges to recruiting locally. These were consistently the top three across each of the trades breakdowns, and for firms of different sizes, although in different orders.
- Formal skills and qualifications was generally ranked in the middle, with slightly higher ranking for trades (4^{th}) and pubic services (4^{th}) than for retail and accommodation (6^{th}) and services (6^{th})
- Attracting workers to Kāpiti was also generally ranked in the middle.
- While generally lower ranked, ‘Accessibility and transport within Kāpiti’ was more a challenge for the trades (7^{th}) than other industries (8^{th}, 9^{th}, and 10^{th})
- Local availability of education and training and knowing where to go for help, were consistently lower ranked.
- The importance of accessing migrant workers was variable, lowest ranked for smaller firms (1-5 employees) and services, but higher ranked (7^{th}) for retail and accommodation.

Figure 60: Ranking the main challenges to meeting workforce needs

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Experience	1		408	48
Attitude of workers	2		353	43
Interpersonal and soft skills ('employability')	3		326	42
Formal skills and qualifications	4		239	38
Identifying local workers	5		230	34
Attracting workers to Kāpiti region	6		195	32
Accessing migrant workers	7		151	33
Accessibility and transport within Kāpiti	8		130	30
Local availability of education and training	9		117	28
Knowing where to go for help	10		92	28

Lowest Rank   Highest Rank

Figure 61: Trades

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Experience	1		132	15
Attitude of workers	2		112	14
Interpersonal and soft skills ('employability')	3		106	14
Formal skills and qualifications	4		91	14
Identifying local workers	5		71	11
Attracting workers to Kāpiti region	6		60	11
Accessibility and transport within Kāpiti	7		55	11
Accessing migrant workers	8		41	10
Local availability of education and training	9		37	10
Knowing where to go for help	10		33	10

Lowest Rank Highest Rank

Figure 62: Retail and Accommodation

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Attitude of workers	1		148	17
Experience	2		130	16
Interpersonal and soft skills ('employability')	3		124	15
Identifying local workers	4		94	14
Accessing migrant workers	5		77	13
Formal skills and qualifications	6		55	11
Attracting workers to Kāpiti region	7		54	9
Accessibility and transport within Kāpiti	8		47	11
Local availability of education and training	9		37	9
Knowing where to go for help	10		23	9

Lowest Rank Highest Rank

Figure 63: Firms with 1-5 employees

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Experience	1		170	19
Attitude of workers	2		144	18
Interpersonal and soft skills ('employability')	3		108	15
Formal skills and qualifications	4		101	15
Identifying local workers	5		93	12
Attracting workers to Kāpiti region	6		52	11
Local availability of education and training	7		50	11
Knowing where to go for help	8		43	11
Accessibility and transport within Kāpiti	9		41	10
Accessing migrant workers	10		37	11

Lowest Rank Highest Rank

Figure 64: Services

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Experience	1		48	6
Attitude of workers	2		39	5
Interpersonal and soft skills ('employability')	3		38	5
Identifying local workers	4		36	4
Attracting workers to Kāpiti region	5		27	4
Formal skills and qualifications	6		25	4
Knowing where to go for help	7		14	4
Local availability of education and training	8		13	3
Accessibility and transport within Kāpiti	9		12	3
Accessing migrant workers	10		6	3

Lowest Rank Highest Rank

Figure 65: Public Services

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Interpersonal and soft skills ('employability')	1		27	3
Experience	2		26	3
Attitude of workers	3		21	3
Formal skills and qualifications	4		19	3
Attracting workers to Kāpiti region	5		16	2
Identifying local workers	6		14	2
Knowing where to go for help	7		13	3
Local availability of education and training	8		6	2
Accessing migrant workers	9		4	2
Accessibility and transport within Kāpiti	10		4	2

Lowest Rank Highest Rank

Figure 66: Firms with 6-19 employees

Item	Overall Rank	Rank Distribution	Score	No. of Rankings
Experience	1		134	17
Attitude of workers	2		121	14
Interpersonal and soft skills ('employability')	3		113	14
Identifying local workers	4		90	13
Attracting workers to Kāpiti region	5		84	13
Formal skills and qualifications	6		72	14
Accessibility and transport within Kāpiti	7		61	12
Accessing migrant workers	8		58	11
Local availability of education and training	9		34	10
Knowing where to go for help	10		32	10

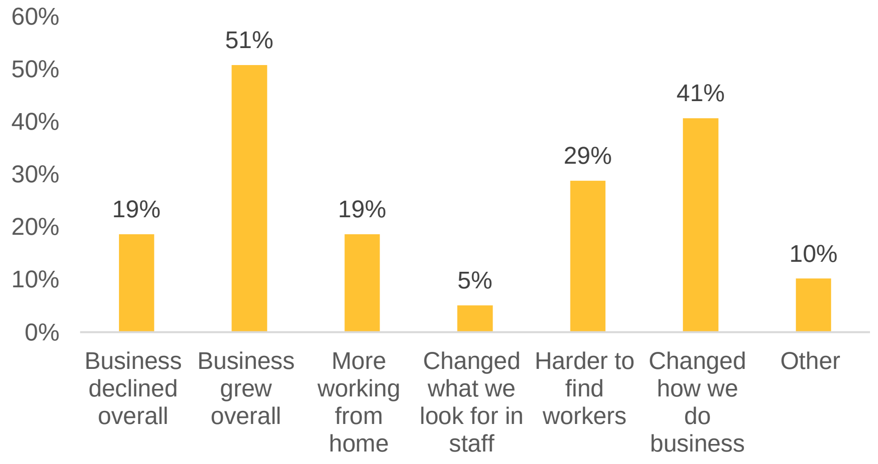
Lowest Rank Highest Rank

Impact of COVID-19

This survey was undertaken in May 2021 and asked businesses in Kāpiti to consider how COVID-19 had impacted on them over the past year – between COVID-19's initial emergence in March 2020 and the point of the survey. It is important to note that this was undertaken before the emergence of the delta strain of COVID-19 in the community in August 2021.

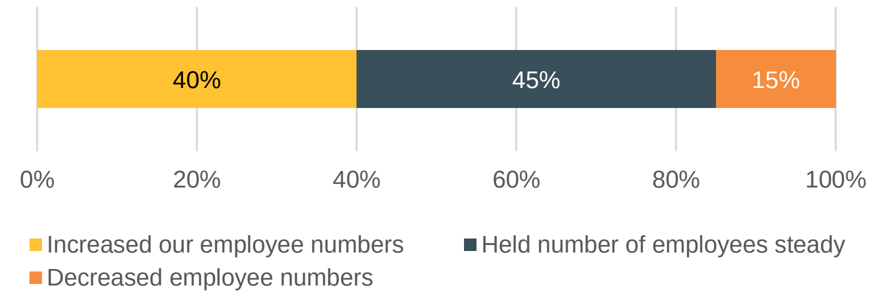
Most businesses reported growing overall (51%), rather than declining (19%). Many businesses (41%) had to change how they did business – for example, offering online services or diversifying what they offered to provide resilience against further shocks. Nearly a third indicated that COVID-19 had made it harder to find workers (Figure 67).

Figure 67: How did COVID-19 impact on your business and workforce needs?



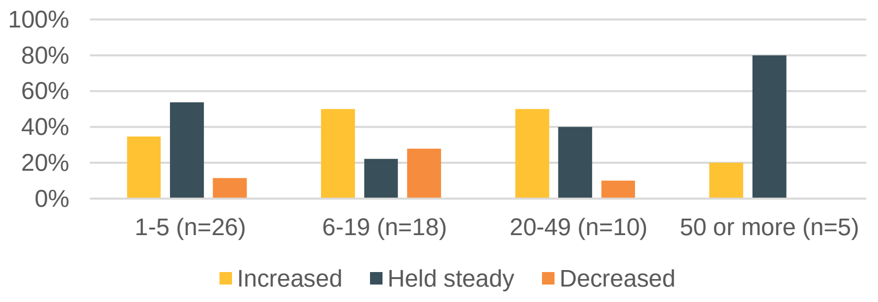
Since the emergence of COVID-19, 40% of survey respondents indicated that they needed to increase employee numbers, compared to 15% which needed to decrease. 45% held employee numbers steady (Figure 68).

Figure 68: Change of employee numbers in the last year



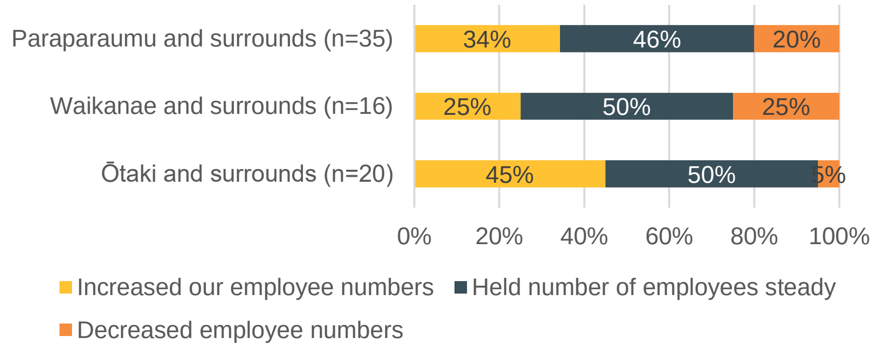
This trend is fairly consistent, with some variation by firm size – although small response numbers mean that these differences should be treated with caution. Firms with 6-19 employees were more likely to report change, with more than three quarters reporting either an increase (50%) or decrease (28%) (Figure 69)

Figure 69: Change of employee numbers in last year, by firm size



Firms whose workforce was located in and around Ōtaki were more likely to report an increase in their employee numbers (45%), and much less likely to report a decrease (5%). Firms whose workforce was around Waikanae, by contrast, were much less likely to have increased employee numbers (25%) and more likely to have decreased (25%) (Figure 70).

Figure 70: Change in employee numbers in past year by location of workforce



Upcoming Trends

Respondent firms reported a likely similar trend in the coming five years – with around half each expecting to increase employee numbers (47.1%) or keep employee numbers steady (49.0%), with only 3.9% expecting to decrease employee numbers (Figure 71) Those expecting to decrease were larger firms (Figure 72).

Figure 71: Anticipated change in employee numbers over the next five years

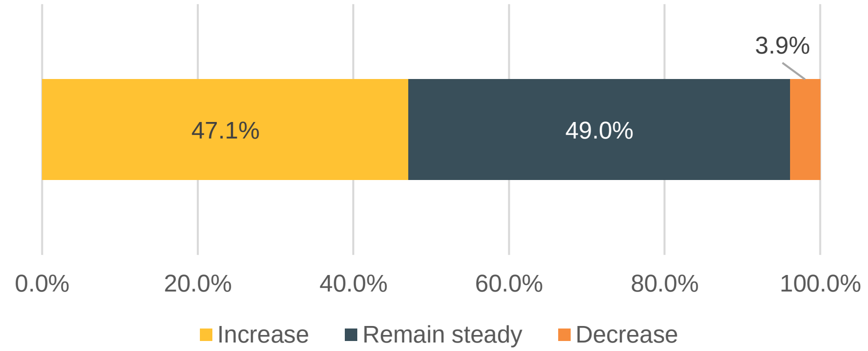
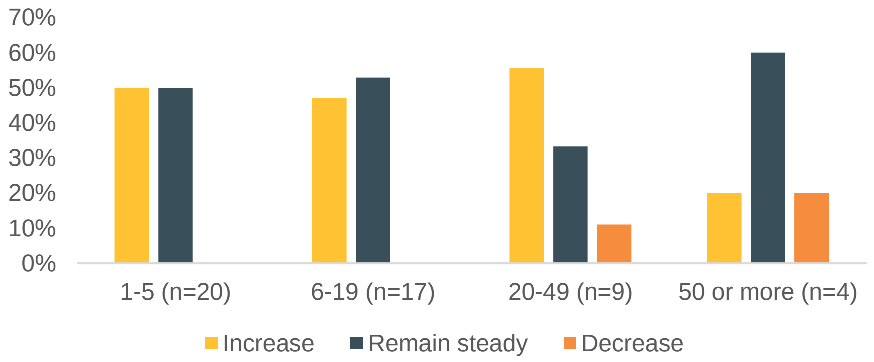


Figure 72: Anticipated change in employee numbers over next five years, by firm size



Upcoming trends

Firms identified the main trends that would affect their workforce needs. In the next five years:

- 79% are expecting to adopt new technologies
- 52% are expecting to adopt more flexible approaches to working
- 49% expect to increase their use of automation
- 45% are expecting to move into additional sites or new premises
- 27% are expecting to offer online or remote services.

When asked what kinds of skills would be needed most over the next five years, a quarter of firms pointed to industry specific or technical skills (for example horticultural workers, or mechanical skills, or sales skills) while nearly one in five pointed to soft skills, including interpersonal skills and a positive attitude, as being most needed. A small contingent also pointed to digital skills, including online marketing (Figure 73).

Figure 73: What kinds of skills will be needed

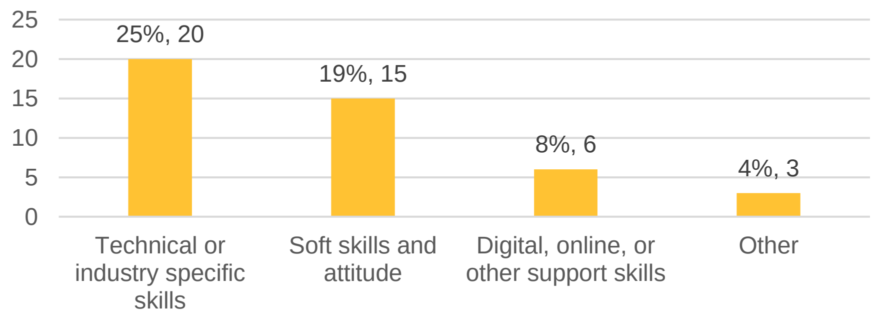
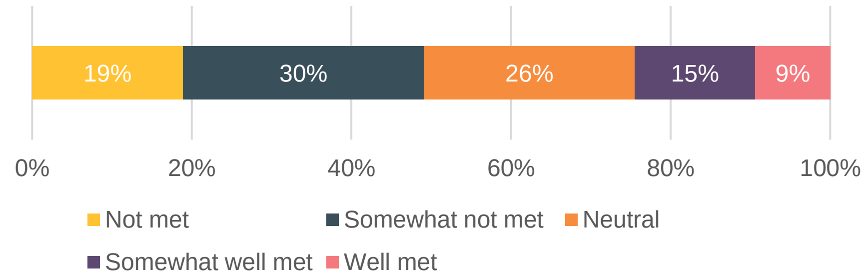


Figure 74: How well are these needs currently met?



Nearly half of respondents did not think that these needs were currently well met, while nearly one in four thought that they were well met or somewhat well met (Figure 74).

Figure 75: Future trends (n=57-60)

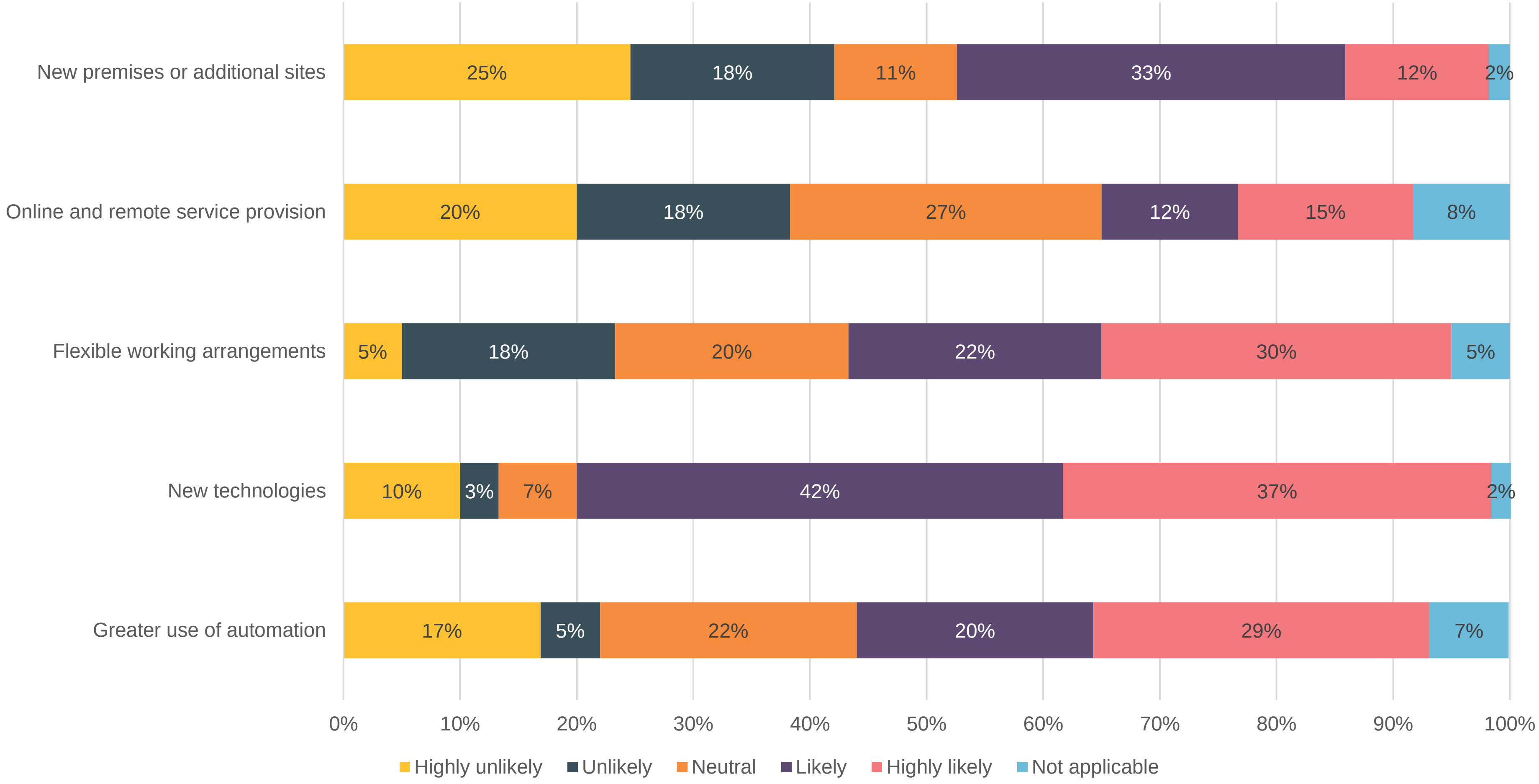
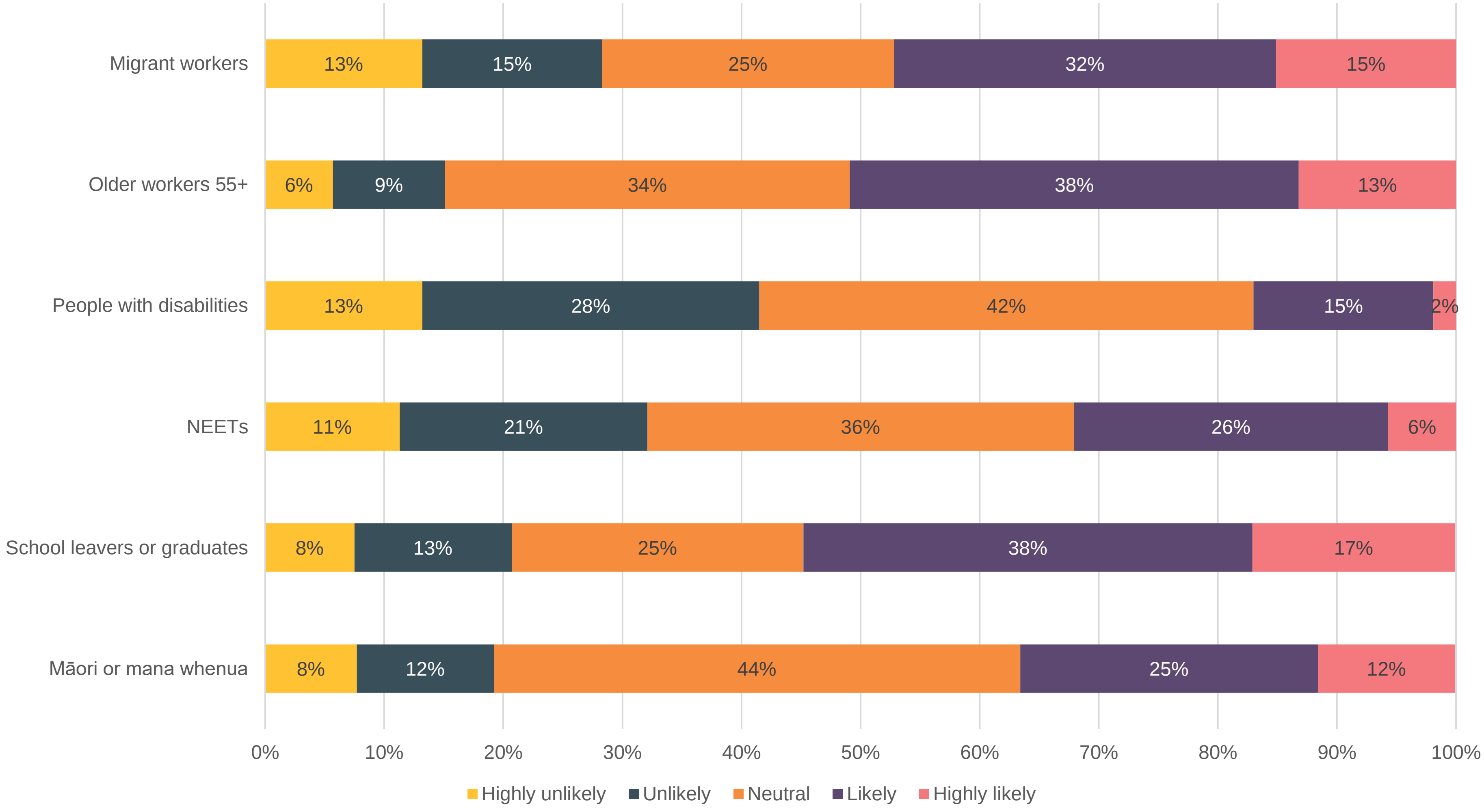


Figure 76: Likelihood of drawing on specific demographics (n=53)



Working with priority groups

We asked firms the extent to which they anticipated drawing on specific groups to meet their identified needs. This set of questions had a high proportion of 'neutral' responses, with a number of individual responses emphasising that they would work with whichever group could help fit their needs.

- 55% will work with school leavers or graduates, while 32% would work with NEETs.
- 51% would work with workers aged 55+.
- 47% anticipated drawing on migrant workers
- 37% anticipated specifically working with Māori or mana whenua
- 17% anticipated working with people with disabilities.

Specific feedback included:

- Young workers could be more flexible and could work different hours than older workers. Some employers found younger workers easier to train.
- Older workers may find more physical work requirements challenging – but can bring more experience and be more motivated to work
- Some employers preferred migrant workers due to a perceived better work ethic, while others used migrant workers as a 'fall back' if they couldn't find anyone locally.
- Some employers noted that physical work requirements may affect their ability to take on people with disabilities, or that disabled employees may need additional support