Nelson
Tasman
Marlborough
Kaikoura

'Top of the South'

2008 Tertiary Education Regional Statement

Contents 2008

Background / Purpose Statement

The Tertiary Education Strategy 2007-2012 seeks to give different tertiary education organisations a clear and distinctive role in contributing to the tertiary education needs of New Zealanders. Amongst other roles, Institutes of Technology and Polytechnics are charged with the responsibility for acting as a regional facilitator.[1]

The Tertiary Education Commission's (TEC's) objectives for the Regional Facilitation process are to:

1. Develop a shared understanding of regional tertiary education needs, gaps and priorities
2. Develop system capability at a regional level through collaborative relationships
3. Achieve better outcomes for learners and other stakeholders
4. Achieve efficiency benefits for Tertiary Education Organisations and stakeholders.

This Regional Statement was developed building on existing networks and information. The process began in February 2007 and the first version of this document was published in May 2007. The process of gathering information for this document involved:

1/ Workshops, to which regional tertiary training providers, Industry Training Organisations (ITOs), secondary schools, and other identified key stakeholders were invited.

2/ The establishment of a Steering Group to guide the process. Membership of the Steering Group has grown over 2007 and 2008 and includes a selection of regional training providers, the Regional Commissioner of the Ministry of Social Development (MSD), the Department of Labour (DoL) Knowledge Manager, a representative from the two Economic Development Agencies (EDAs) in the region, an ITO representative, a member of the Adult and Community Education (ACE) network, a Stakeholder Engagement Manager from TEC, and representatives from Nelson Marlborough Institute of Technology (NMIT). These members provided clarity, focus and information for the Statement, as well as disseminating information out to a wider stakeholder group.

4/ Public forums were held in 2007 and community members were invited to comment and provide input by email if they were not able to attend.

5/ Briefing meetings were held with TEC and Industry Training Federation (ITF) to inform the process.

6/ It is intended to circulate this document to key stakeholders after submission to the TEC, and that it will continue to be a 'living document' that is updated as new information comes to hand.

Purpose Statement

To produce a brief Regional Statement that outlines the tertiary education needs of the Top of the South region out to 2011. This Regional Statement focuses on need rather than on the supply and provision for education and training. It provides a scan of the education and training needs for tertiary education and training in the Top of the South region, establishes priorities for the region, identifies gaps in provision and addresses ways and means of going forward and developing an ongoing capability in the Top of the South Region. The TEC will use this Regional Statement when they discuss Investment Plans with each tertiary education provider.

[1] Tertiary Education Strategy 2007-2012, Office of the Minister for Tertiary Education, Wellington, 2006, p15

1. Executive Summary

The Top of the South has one of the highest regional geographic areas and lowest population densities in the country. The region has a growing population, and this growth is expected to continue in the next 20 years. Predominantly European, the population has a large number of elderly residents. As the current population bulge in the 40-60 age bracket moves into retirement, the elderly population will increase dramatically. In addition, the region tends to lose a large proportion of its 18-25 year olds who leave after completing secondary school.

A large number of migrants move into the region annually, including overseas-born immigrants. The region also has the fourth highest percentage of refugees per annum, and is the fourth highest region for new migrants.

The region's average weekly income falls slightly below the national average, and is combined with a lack of affordable housing and a high cost of living through rising fuel and commodities costs and rising interest rates that is affecting the country as a whole.

The region has low unemployment, and also has a number of industries which are highly seasonal in nature. These factors have resulted in a labour shortage in some industries; however future predications state that this will become a skills and labour shortage.

The region's key driver industries are export dependant and thus have been adversely affected by the high New Zealand dollar. The region has a large number of small to medium sized businesses, with an average of 3.7 employees per business. In terms of employment, the region's key industries are Horticulture, Viticulture, Forestry, Agriculture, Tourism and Manufacturing (including wine production, aquaculture and fish processing, and wood products). In terms of Gross Domestic Product (GDP) the largest industries are Horticulture, Forestry, Fishing and Aquaculture and Business Support Services. The Marlborough region has experienced an increase in GDP over the last two years, while Tasman/Nelson's GDP has fallen slightly with the decline in fisheries and forestry.

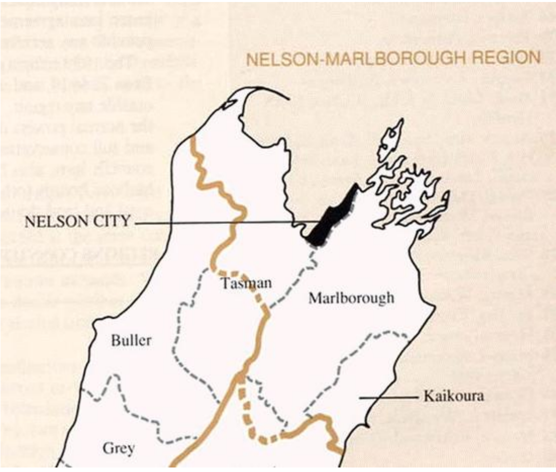
An average of 27% of the region's population at the age of 15 or over have no qualifications, a figure which is slightly higher than the national average. School retention rates are slightly lower than those achieved nationally.

The region has a high number of mature students participating in education. Many of the potential younger students move out-of-region for universities, employment and other study alternatives.

Specific training areas that have been identified as future priorities include foundation skills, literacy and numeracy, trades training, management training, English as a second language, digital literacy, recreational 'non-formal' courses, and all aspects of aged care. Demand for training in agriculture, horticulture, forestry, aquaculture and fishing remains constant but with changing needs. Tourism, services to business and research are current and evolving cluster areas. It is also essential to further develop capacity and capability in e-learning and flexible packages including provision for on-job training, and to explore provision of concentrated training in months when seasonal demand is at the lowest.

2. Regional Overview

Unique Features



The region is divided into two main areas; the Nelson/Tasman District, bordered by Golden Bay to the North, to the east by St Arnard and Richmond ranges and to the west by the Tasman mountains and Tasman sea; and the Marlborough District which stretches from the Marlborough Sounds in the north to the Kaikoura district in the south. Each of these areas have distinct demographic features which reflect on the regional labour market. The region has the nation's largest concentration of fisheries, wine and aquaculture industries. It also has substantial forestry, horticulture, aviation, tourism and arts industries and a large conservation estate including three national parks.

Nelson

Nelson region's key industries are horticulture, seafood, and tourism. These industries provide the region with millions of dollars of export earnings. There is a large number of small businesses involved in a wide range of business and services, and the city centre is a busy hub for shops, café's, restaurants and weekend markets.

Nelson hosts one of the largest commercial ports in New Zealand, attracting a number of international shipping lines transporting a range of products, including wood products manufactured in the region. The Port also serves as home base to a fishing fleet holding over half of New Zealand's sustainable catching rights and fish processing factories on shore.

The population of Nelson fits into a relatively small geographic space and features urban areas and rural land. Work/life balance is important to Nelsonions with housing close to town allowing some of the population to walk or cycle to work. The population makes use of its beaches, rivers and wooded areas for recreational purposes.

The region is richly invested in its arts and features a number of art galleries, and facilitates a number of art, cultural and performance events throughout the year.

Tasman

Tasman has strong forestry, agriculture, horticulture industries with a particular focus on wine and pipfruit. It also has a strong tourism industry with access to three national parks and a focus on arts, gourmet food production, wineries and recreational activities. The district boasts one of the highest counts of working artists of any region in NZ.

Tasman is recognised as both a family orientated region, a safe place to raise children with a range of schooling, and is also selected by many people as a place to move to retire and enjoy a slower pace of life, or by those who have the ability to work from home.

Tasman has one of the fastest growing populations in New Zealand, resulting in a recent boom in housing and commercial building developments, along with associated retail business growth and recreational developments.

The region incorporates the Golden Bay/Takaka area which is different and distinct, with two diverse focuses of pastoral agriculture, and also art, craft, lifestyle and recreation.

Marlborough

Viticulture and wine production are strong driver industries on the Marlborough plains. Marlborough represents over 50% of the national producing vineyard area and 57% of the harvest tonnage. Well in excess of 50% of New Zealand's wine export value is derived from Marlborough.

Agriculture and Tourism are key industries, as is aquaculture, particularly the mussel industry. Over 80% of the country's aquaculture exports are grown in Marlborough. Forestry, tourism, agriculture and aviation and manufacturing are also important industries for the region.

Marlborough is home to the RNZAF Base Woodbourne, with around 1,250 personnel. Woodbourne is the Air Force's only heavy maintenance facility for the repair of aircraft airframes, engines and avionics systems.

Marlborough has a vibrant community with a large number of sporting, recreational and social activities. Blenheim is well endowed with parks, gardens and art galleries.

Kaikoura

On the southern boundary of the Marlborough region, Kaikoura has a small resident population, but a big reputation in the tourism industry, attracting 900,000 tourists every year. Kaikoura offers eco-tourism activities that are unique to the area such as whale watching and dolphin swimming, and has a supporting industry in accommodation, retail and tourism services. Local iwi have made a significant investment into the whale watching enterprises.

Kaikoura is a Green Globe certified community; to qualify Kaikoura had to meet strict criteria to limit the impact of the tourism industry on the environment.

2.1 Geographic area

The Top of the South has one of the highest geographical areas (22,586 square kilometres) and lowest population densities in the country, the Tasman region has only 3.2 people per square kilometre; the Marlborough region has 3.8 people per square kilometre, and Kaikoura 1.7 people per square kilometre while the national average is 14.1 people per square kilometre. As a comparison, Gisborne region, with a similar population size (44,496 at the 2006 census) has a density of 5.3 people per square kilometre.

Nelson is relatively isolated - Nelson City is 113km from Picton, 117km from Blenheim, 230 km from Westport and 438 km from Christchurch. Air travel and sea services link Nelson to the closest city, Wellington, across the Cook Strait.

Marlborough enjoys slightly less isolation, with the main South Island trunk rail terminating in Picton, with passenger and freight ferry services and air connections from Picton. Blenheim hosts a commercial airport, and has road connections to Nelson and south towards Christchurch, however, travel distances to other major cities are still substantial. Kaikoura links to Blenheim and Christchurch through a road and rail network.

2.2 Population

The Top of the South is a growing population, although at a lower rate than the national average. Between 2001 and 2006, New Zealand's population grew by 7.8% while the Top of the South grew by 6.2% (or 1.2% pa). Tasman grew slightly faster (7.9%) than the national average while Nelson, more constrained by land area, grew by only 3.2% in the five years to 2006. This is possibly due to the migration from Nelson to Tasman. (39% of the people moving into Tasman between 2001 and 2006 were from Nelson). The three unitary authorities are fairly close in population size with between 42,000 and 44,000 each, while Kaikoura is very small at 3,600. The population is projected to continue to grow in the next 20 years.

Figure 1 - Population in Top of the South, 1986 to 2006

	Tasman District	Nelson	Marlborough	Kaikoura	Total Region	New Zealand
1986	32,406	35,163	33,408		100,977	3,263,283
1991	34,029	36,456	35,148	3,273	105,633	3,373,926
1996	37,974	40,278	38,397	3,516	116,649	3,618,303
2001	41,352	41,568	39,558	3,480	122,478	3,737,277
2006	44,625	42,891	42,558	3,621	130,074	4,027,947
2011 proj	*48,000*	*44,600*	*43,800*			
2016 proj	*49700*	*46,100*	*44700*			
2021 proj	*51000*	*47400*	*45200*			
2026 proj	*52100*	*48600*	*45500*			
Annual Percentage Change						
1991	*5.0*	*3.7*	*5.2*		*4.6*	*3.4*
1996	*11.6*	*10.5*	*9.2*	*7.4*	*10.4*	*7.2*
2001	*8.9*	*3.2*	*3.0*	*-1.0*	*5.0*	*3.3*
2006	*7.9*	*3.2*	*7.6*	*4.1*	*6.2*	*7.8*
2011-2026 proj	*8.5*	*9.0*	*3.9*			

Source: Statistics NZ projections applied to 2006 actuals

The actual 2006 Census results for Nelson and Tasman were lower than previous official projections made in 2001 (even those projections based upon the low growth scenarios for fertility, migration and mortality). However, the population projections in the table above appear low for Tasman and Marlborough given this is over a 15 year period. In just five years, Tasman and Marlborough achieved 7.9% and 6.2% growth respectively, whereas projections for the next 15 years are only 8.5% and 3.9% respectively (based upon a medium growth assumption). The high growth assumption for these two regions may be more appropriate at 16.5% and 13.0% respectively.

2.3 Age

The Top of the South region has a large number of elderly residents (over the age of 65) and this number is expected to increase dramatically in the future. In combination with this, the Nelson area has one of the lowest participation rates of over-65s in the workforce, although Tasman and Marlborough meet the average nationwide participation rates.

There is an acute need for healthcare training, particularly in the area of aged care relating to support of older people, as well as related industries, such as financial services, health care and town planning.

- Feedback from Regional Facilitation Public Forum, March 2007

This increase will appear both regionally and nationally with the Baby Boom population bulge moving into retirement age, and longer life projections. The 50 year projection indicates that nationally there will be at least 60% more elderly than children. The populations in the Nelson, Tasman and Marlborough regions are "greying" faster than these national figures, as indicated in the shaded areas in Figure 2. Recent Census data reveals numbers in the 50 to 64 year age group have been boosted by arrivals from other regions.

Figure 2 - Population by age group for each region, 2006

	Tasman District	% of region	Nelson City	% of region	Marlborough District	% of region	Kaikoura District	% of region	% of Total Population
0 - 9	6,105	13.7%	5,175	12.1%	5,010	11.8%	423	11.7%	13.9%
10 -19	6,318	14.2%	6,192	14.4%	5,610	13.2%	465	12.8%	15.1%
20 - 29	3,687	8.3%	4,590	10.7%	4,089	9.6%	372	10.3%	12.7%
30 - 39	6,024	13.5%	5,856	13.7%	5,532	13.0%	489	13.5%	14.4%
40 – 49	7,422	16.6%	6,939	16.2%	6,531	15.3%	564	15.6%	15.1%
50 - 59	6,525	14.6%	5,850	13.6%	6,252	14.7%	573	15.8%	12.1%
60 +	8,547	19.2%	8,289	19.3%	9,531	22.4%	741	20.5%	16.8%
Total	44,628		42,888		42,549		3,621		4,027,947

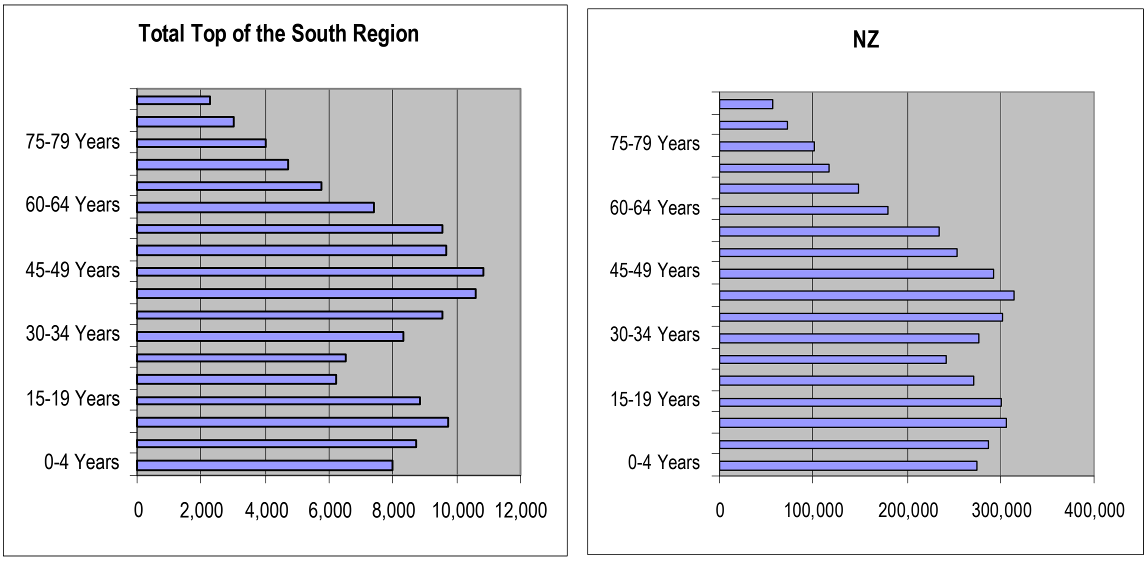
Source: 2006 Census.

At the other end of the age spectrum, proportions of those in the youngest age bracket are lower than the national average, in part largely due to a lower proportion of Maori population in the region – nationally Maori have 24% of their population in the 0-9 year bracket. In addition, there are 546 people less in this age group in the Top of the South than there were in 2001. Should this continue; falling numbers at these lower age groups in the region will compound the problem of a heavily weighted elderly population.

There is currently a bulge in the population of 10-19 year olds both regionally and nationally (see figure 3), however the Top of the South population in the 20-29 age bracket is significantly lower than the national figure, demonstrating the propensity of younger people to leave the region after completing secondary school education. This would suggest that the population bulge of 10-19 year olds may not appear in the future as a bulge of 20-29 year olds. This situation is more acute in Marlborough; where the district loses a large number of 19 to 24 years olds who are not replaced by migration to the region.[2]

The distribution of the Top of the South compared to the national distribution for 2006 is shown in the two figures below.

Figure 3 – Age distribution of Top and the South and New Zealand, 2006



Source: Statistics NZ

2.4 Ethnicity

The Top of the South population in 2006 was predominately European at 95.4%, compared to a national figure of 78.7%. Maori make up only 8.9% of the population across the region, in comparison to a national figure of 14.6%. Kaikoura, however, has a high Maori population at 17.1%. Other ethnicities in the region total 3.5% of the population compared to 17% nationally.

Figure 4 – Ethnicity by region, 2006

	European	Maori	Pasifika	Asian	“NZ’er”
Tasman District	82.7%	7.1%	0.8%	1.3%	14.7%
Nelson City	80.4%	8.7%	1.7%	2.6%	14.0%
Marlborough District	78.4%	10.5%	1.6%	1.6%	16.2%
Kaikoura District	77.1%	17.1%	1.0%	1.6%	13.5%
Total Region	**80.4%**	**8.9%**	**1.3%**	**1.8%**	**14.9%**
Total New Zealand	**67.6%**	**14.6%**	**6.9%**	**9.2%**	**11.1%**

Source: Statistics New Zealand. Note that figures may add to more than 100% - this occurs when people identify with two or more ethnicities

[2] Marlborough Regional Development Trust. Progress Marlborough “Capturing our future together” (2004-2006)

2.5 Deprivation

The region shows some pockets of high deprivation; however as a whole the region has a low deprivation level.[3] On the Deprivation scale, an index of 10 represents those most deprived areas and 1 the least deprived. In the Top of the South, deprivation indices were generally very good, with some pockets of high deprivation. It is worth noting that there are no critically high occurrences (scoring 10).

Figure 5 –Index of Social Deprivation, 2006

Tasman[4]	Deprivation level	Nelson	Deprivation level	Marlborough	Deprivation level
Aniseed Hill	1	Glenduan	2	Omaka	1
Richmond Hill	1	Ngawhatu	2	Renwick	3
Brightwater	2	Clifton	2	Woodbourne	4
Wai-iti	2	Saxton	3	Spring-Creek	4
Hope	3	Whangamoa	3	Marlborough Sounds Coastal	4
Ranzau	3	Atawhai	3	Springlands	4
Wakefield	3	Brittania	3	Havelock	5
Mapua	3	Tahuna Hills	3	Marlborough Sounds Terrestial	5
Best Island	4	Enner Glen	4	Redwoodtown	6
Richmond West	4	Bronte	5	Picton	7
Richmond East	5	Atmore	5	Blenheim Central	8
Kaiteriteri	5	Maitlands	5		
Riwaka	5	Port Nelson	6	Kaikoura Township	7
Golden Bay	6	The Brook	6		
Motueka Outer	6	Nayland	6		
Golden Downs	6	Langbein	6		
Lake Rotoroa	6	Trafalgar	7		
Murchison	6	Maitai	7		
Takaka	7	The Wood	8		
Motueka East	7	Washington	8		
Rabbit Island	8	Kirks	8		
Motueka West	8	Tahunanui	8		
		Grampians	8		
		Nelson Airport	8		
		Toi Toi	9		
		Broads	9		
		Isel Park	9		

Source: Source: New Zealand Parliament 2006 figures – 1 = least deprived, 10 = most deprived
C = confidential as meshblock size is too small

Comparisons with this information may be made to the Decile ratings of schools in the region. A school's Decile rating indicates the extent to which it draws its students from low socio-economic communities. Decile 1 schools are the 10% of schools with the highest proportion of students from low socio-economic communities. Decile 10 schools are the 10% of schools with the lowest proportion of these students.

Appendix B lists the Decile ratings of the region's primary and secondary schools. Nelson Central holds the majority of the schools with the higher Decile rating, while two of the lowest rating schools are in the inner-city pockets high on the deprivation index (Victory School is in the Toi Toi urban region, Stoke School is in the Isel

[3] For a definition of deprivation and the methods of assessing deprivation please refer to the Glossary
[4] Note that electoral boundaries differ from TLA boundaries. Electoral areas have been moved back into TLA regions for the purposes of displaying this information

Park region). Other low-Decile schools appear in rural or outlying areas such as Lower Moutere, Picton, Pokororo and Kaikoura.

2.6 Migration

2.6.1 Internal Migration

In the 2006 census, Tasman and Marlborough showed net increases in migration of 1,761 and 366 respectively while Nelson showed a net decrease of 1,556. Of those who moved into these three regions, Figure 4 overleaf shows where they originated from. High proportions moved between Tasman and Nelson with 39% of those moving to Tasman, coming from the Nelson region. Conversely, 28% of those coming into the Nelson region came from neighbouring Tasman. Of those moving into the Marlborough region, 27% came from Canterbury. Canterbury also provided a significant proportion of both Tasman and Nelson's increase at 16% and 17% respectively.

It is worth noting that there is migration *out* of the region also. Of those moving to the West Coast between the last two Censuses, 22% came from the Top of the South (compared to 9% from Otago and 10% from the combined Auckland and Wellington regions.)

Figure 6– Proportions of People Moving into Regions between 2001 and 2006

		Origin									
		Auckland	Waikato	Manawatu-Wanganui	Wellington	Tasman	Nelson	Marlborough	Canterbury	Otago	Total moving into region
Destination	Tasman	8%	3%	3%	7%		39%	5%	16%	5%	8,760
	Nelson	12%	4%	4%	9%	28%		7%	17%	7%	7,965
	Marlborough	13%	5%	5%	12%	5%	6%		27%	7%	7,179

Source: Statistics New Zealand; only those regions with percentages larger than 4% shown in the table.

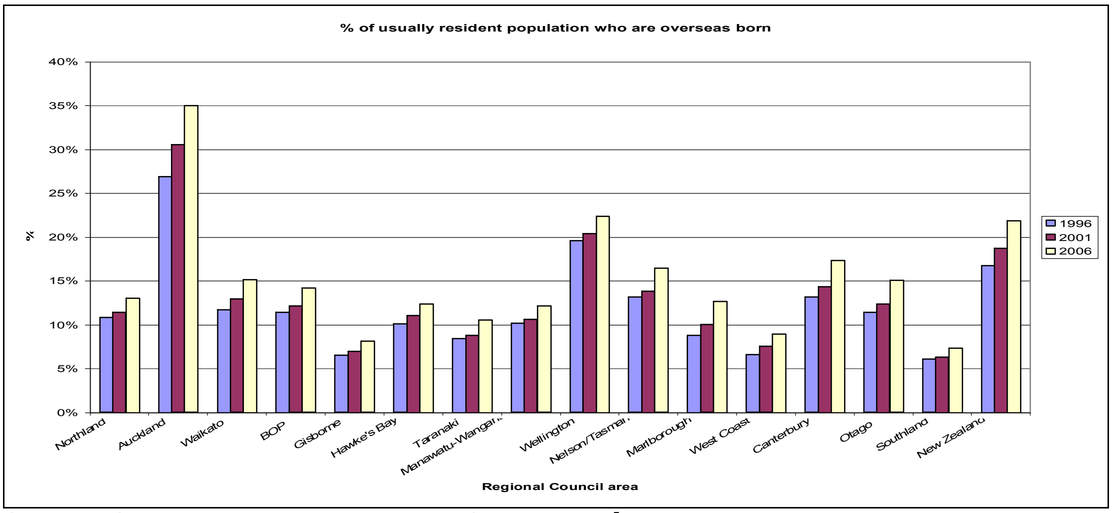
2.6.2 Immigration

The Top of the South region has high numbers of overseas born residents who have migrated to the region. Although not a major port for new arrivals to the country, Nelson/Tasman had the fourth highest level (as a percentage) in a region in 2006. The highest net immigration to New Zealand in the year to December 2005 was people of UK origin (9583); this was followed by people from Fiji (2,399), Germany (1427), India (1947), China (1116), Samoa (1185) and South Africa (1161). In 2005, 17078 British were granted residency approval, 31.5% of total residencies approved for the year.

Nelson is becoming the promised land for increasing numbers of British migrants….they are coming for the sun, a refuge from the rat race, a place to raise their children with less fear, more optimism."

The Press, Christchurch, 5 May 2007 (D3, pg 1)

Figure 7 – Percentage of usually resident population who are overseas born.



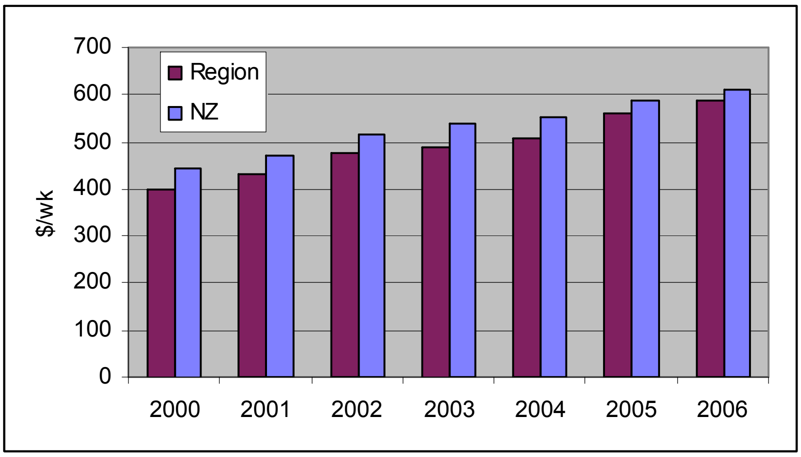
Source: Statistics New Zealand, 2006 Census data[5]

2.7 Income and Living Costs

2.7.1 Income

Although the average weekly income in the Nelson/Tasman/Marl/West Coast region falls below the national average[6], figures suggest that salaries in the region are catching up to the national average. In June 2006, earners in the region received $588 per week compared with $610 nationally. This represents 96% of the national figure, up from 90% of the national figure in 2000. Calculating an average personal annual income for each region based upon midpoint averages for each income bracket, shows Marlborough had the region's highest average income at $29,000. Nelson averaged $28,900, Tasman $27,400 and Kaikoura $27,300 per annum. From the same method of calculation, national figures would equal $31,100, somewhat higher than those in the Top of the South. While these income figures appear low, they include benefit income and those only working a few hours per week. These figures have been carefully calculated but should be used as a guide to trends.

Figure 8 – Average Weekly Income in Nelson Tasman Marlborough West Coast and NZ, 2000 - 2006[7]

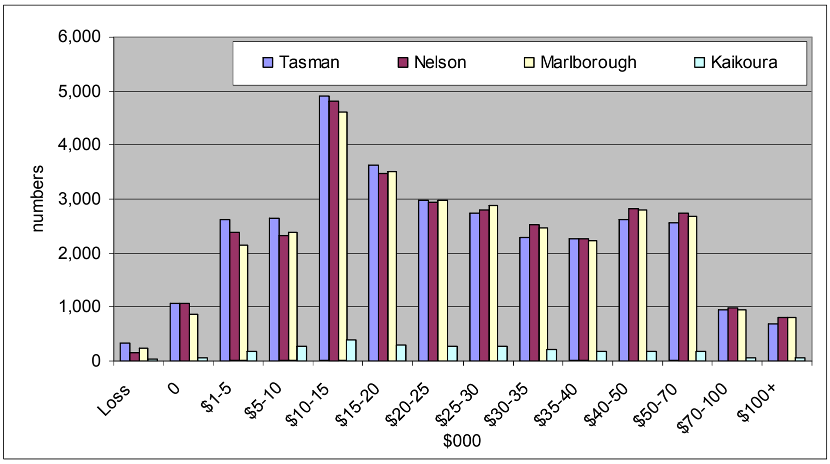


[5] Note that 'Usually Resident' population excludes those holidaying in NZ at the time of the Census, and includes those who have migrated to NZ

[6] Income includes all sources of income including benefit income

[7] It was not possible to obtain this data without inclusion of the West Coast, however with a total population of only 3,600 people the West Coast data should not overly influence these figures.

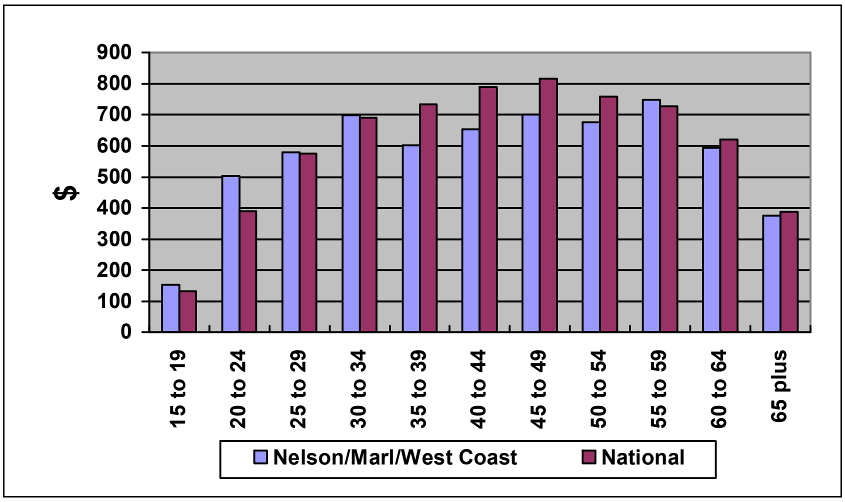
Figure 9 – Average Personal Income by region and income level 2006



Source: Statistics NZ

Figure 10 below demonstrates there is a significantly lower average income in the region in the 35 – 54 age bracket than the national average. (Note that this information includes West Coast data also).

Figure 10 – Average weekly Income by Age Group 2005



The major source of income for those in the Top of the South is from salaries and wages at 57%; the same as that nationally. Self employment proportions are, however, higher than those observed nationally for Tasman and Marlborough at 23% and 20% respectively. The region's older population implies a higher proportion receiving superannuation payments than that observed nationally. Marlborough has the highest proportion 24%, Nelson 23% and Tasman 21%, while the national average is 19%.

Figure 11 – Sources of Income by region, 2006

	Wages & Salary	Self Employed	Interest, div	Superannuation[8].
Tasman	57%	23%	29%	21%
Nelson	57%	16%	29%	23%
Marlborough	56%	20%	28%	24%
Total NZ	57%	17%	26%	19%

Source: Statistics New Zealand. Note people can identify more than one source of income

[8] Figures for other benefit receipt had not been included as they are somewhat misleading. Respondents can identify any number of benefits received, thus adding these figures leads to misleading results.

2.7.2 Living Costs

The effect of a buoyant property market, relatively high rental accommodation costs and a low income level have resulted in a high living cost in region.

There has been high demand for housing fuelled by overseas immigrants and New Zealanders moving to the region. The median Nelson house price rose from $140,000 in 1998 to $296,000 in 2003; an average rise of 16% per annum.[9] Since that time (from 2003 to 2006) the rate of increase has slowed to 4% per annum with the median house price at $364,300, but has still averaged 4% growth per annum. Over the same latter period, Tasman house prices have averaged 1% per annum growth to $ 339,000 and Marlborough 12%per annum growth to $351,800 in December 2006. Over the same period the national average house price rose 11% per annum.

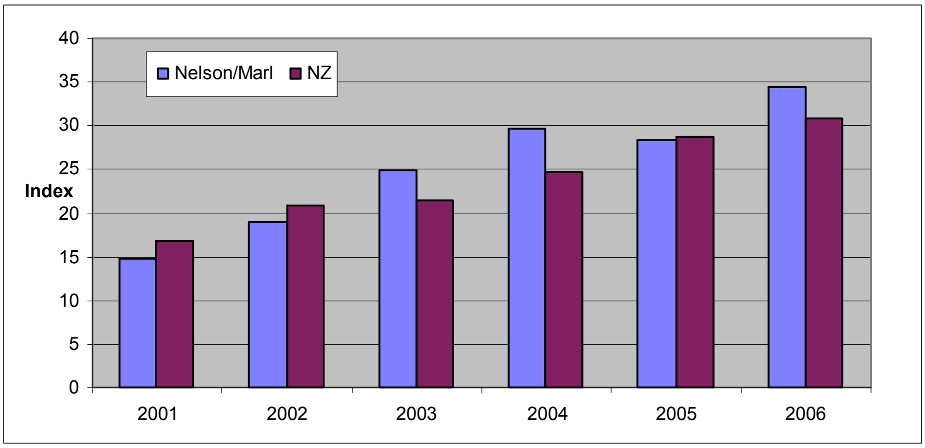
Figure 12 – Average house price in Top of the South, 2002 to 2006

	Tasman	Nelson	Marlborough	NZ	Tasman	Nelson	Marlborough	NZ
	$				*% change*			
2002	215,800	222,000	161,100	239,200				
2003	327,300	320,600	247,900	280,600	*52*	*44*	*54*	*17*
2004	323,600	306,500	295,800	312,200	*-1*	*-4*	*19*	*11*
2005	308,800	330,400	289,000	350,400	*-5*	*8*	*-2*	*12*
2006	339,000	364,300	351,800	387,200	*10*	*10*	*22*	*11*
2003-2006 Average annual growth rate					*1*	*4*	*12*	*11*

Source: REINZ

The Home Affordability Index[10] (which compares average weekly earnings to the median house price and mortgage rates) shows the Top of the South still above the national index. An increase in the index implies less affordability in home buying. While slower increases in house prices in 2005 resulted in the index falling slightly, the index has since increased in 2006 and again outstrips the national index by four index points.

Figure 13– Home Affordability Index in Top of the South, 2001 to 2006

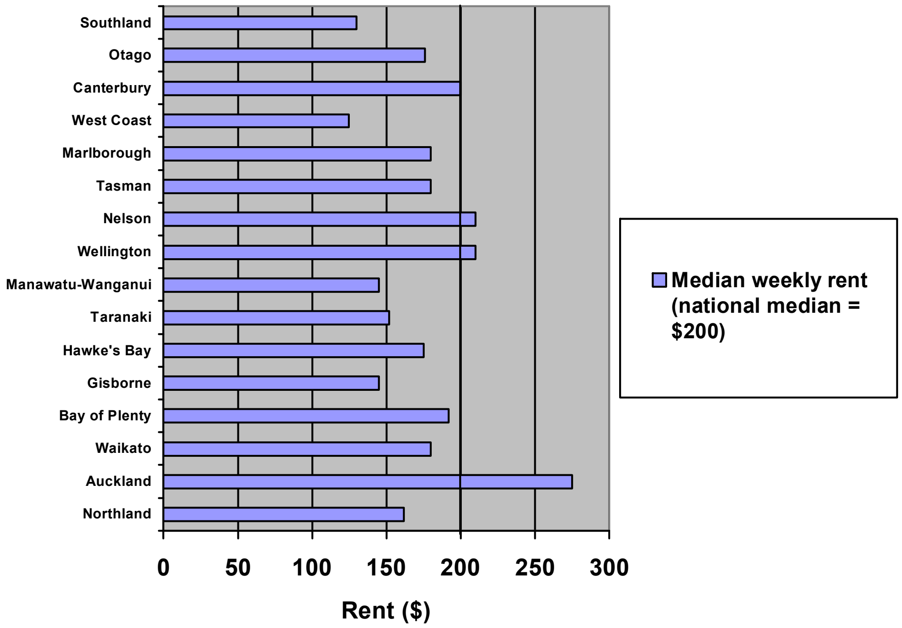


Source: Massey University Real Estate Analysis Unit, November years

[9] Nelson City Council Urban Growth Strategy 2004
[10] http://property-group.massey.ac.nz/fileadmin/research_outputs/07FebHomeAffordabilityReport.pdf

As shown in Figure 15 below, Nelson's median rent currently sits well above the national median, with both Marlborough and Tasman also featuring high medium rental.

Figure 14– Median Weekly Rent by Region



Source: Statistics NZ

2.8 Qualifications

An average of 27% of the region's population at the age of 15 or over has no qualifications. This is slightly higher than the national figure of 25%.

For Level 1 and 2 attainments in school, the Top of the South performs slightly better than the national average, but less so at Level 3. The region compares favourably for qualifications at Level 1 to 6 on the National Qualifications Framework (NQF). For those attaining a Bachelors' degree, postgraduate study, Masters, or PhD, the region has lower proportion of attainment (11%) than that achieved nationally (16%).

However, this level of attainment has increased significantly from 2001 figures. At that time, Tasman had only 7% in this group, Nelson 10% and Marlborough 6%. This could be largely attributed to professionals moving to the Top of the South from other regions and overseas to take up employment in the region.

"Given the Adult Literacy and Life Skills (ALL) survey results, the demand for foundation courses is likely to continue. People with high literacy needs, or facing particularly demanding situations, will need intensive contextualised literacy tuition from specialist tutors who are able to assess and build the literacy skills relevant to specific demand faced by individuals in their learning, work and life."

Workbase, the NZ Centre for Workforce Literacy Development, 2008 Regional Facilitation input.

Figure 15 – Highest Qualifications by region, 2006

		School			Post School		
	No qualifications	Level 1	Level 2	Level 3+4	Level 1-4	Level 5+6	Degree or higher
Tasman District	27%	16%	10%	8%	17%	11%	11%
Nelson City	25%	14%	10%	9%	17%	11%	14%
Marlborough District	29%	16%	10%	8%	17%	10%	9%
Kaikoura District	33%	16%	10%	6%	18%	8%	9%
Total region	**27%**	**15%**	**10%**	**8%**	**17%**	**11%**	**11%**
Total NZ	25%	14%	9%	12%	15%	9%	16%

Source: Statistics New Zealand.

Study participation rates are the lowest regionally in the country. Only 10% of the people in Nelson, Tasman and Marlborough aged over 15 were participating in some form of study in 2006. This is compared to high study participation rates in Auckland (18%), Wellington (17%) and Otago (20%), all of which have large universities and polytechnics.[11]

2.9 School retention rates

School retention rates within the region are somewhat lower than those at a national level. Higher retention rates correlate with higher educational achievement as demonstrated in Figure 16.

Figure 16 – School retention rates by region, 2006

		Gender		Ethnic Group				
TO AGE 16	Total %	Female %	Male %	Maori %	Pasifika %	Asian %	Other %	% NZ European
Tasman Region	72.2	66.7	77.5	60.4	c	c	c	74.5
Nelson Region	80.4	84.7	75.9	66.1	100	123.1	c	80.8
Marlborough Region	72.4	74.3	70.4	52.2	80	c	c	76.4
New Zealand Total	80.3	83.7	77.1	60.8	84.1	105.9	110.5	82.7
TO AGE 17								
Tasman Region	48.9	52.6	45.3	32.3	x	x	x	51
Nelson Region	62.3	66.6	58.2	60	90	88.9	x	61.3
Marlborough Region	52.2	56.1	48.8	22.9	87.5	x	88.9	55.3
New Zealand Total	60.3	64.9	55.9	38.9	67.2	97.5	102.8	61.1

Source: Ministry of Education

[11] Source 2006 Census

Figure 17 – School leavers with little or no formal attainment by Regional Council (2005)

		Gender		Ethnic Group				
	Total %	Female %	Male %	Maori %	Pasifika %	Asian %	Other %	NZ European %
Tasman Region	23.2	25.2	21.6	25.5	x	x	x	22.9
Nelson Region	13.1	12.4	13.9	36.1	x	x	x	10.9
Marlborough Region	12.4	14.1	10.7	22.1	x	x	x	10.8

Source: Ministry of Education. x= ethnicity of population too small for rating

While a number of students leaving at age 16 and 17 have attained some qualifications, a proportion leave with few or no qualifications. In the Tasman region, these rates are double those for Nelson and Marlborough. Over 23% of students leaving school in the Tasman region, leave with little or no formal attainment, while in Nelson and Marlborough, the equivalent rates are 13.1% and 12.4% respectively.

Figure 18 – Proportion of school leavers with little or no formal attainment, 2005

School leavers with little or no formal attainment (as a percentage of all leavers), by Regional Council (2005)					
		Gender		Ethnic Group	
	Total %	Female %	Male %	Maori %	NZ European %
Tasman Region	23.2	25.2	21.6	25.5	22.9
Nelson Region	13.1	12.4	13.9	36.1	10.9
Marlborough Region	12.4	14.1	10.7	22.1	10.8
Grand Total	12.9	11.8	14	25	9.9

Source: Ministry of Education

2.10 Labour Force & Employment

In the region as a whole, employment growth during the last five years has been at unprecedented levels of 3.3% per annum to 2006. This growth is matched with an extremely low unemployment rate. In December 2007 the unemployment rate for the region fell to 2.7% (national average 3.6%). At that time 451 working age people were receiving the unemployment benefit.[12] Those who are registered unemployed most usually do not have the skills required to walk into the jobs that are available and would need training before they could take up work available.

The skills shortage is acute in many technical areas and is evident across the entire wage/salary spectrum. If the promising sectors such as aquaculture continue to grow the region will need to develop enterprising strategies to attract staff to meet demand.

Figure 19 – Labour Force Status by region, 2006 – at time of Census.

	Employed		Unemployed	Not in Labour Force	Working Age Population	Participation Rate	Unemployment rate
	Fulltime	Part time					
Tasman District	17,355	5,958	591	10,152	35,016	70%	2%
Nelson City	16,383	5,643	969	10,986	34,650	68%	4%
Marlborough District	17,613	5,118	582	10,164	34,626	70%	2%
Kaikoura District	1,515	525	42	759	2,949	73%	2%
Total Region	**52,866**	**17,244**	**2,184**	**32,061**	**107,241**	**69%**	**3%**
Total	1,531,020	454,758	106,500	961,785	3,160, 371	69%	5%

Source: Statistics NZ

It is worth noting that both the 2006 and 2007 unemployment figures may be overstated as some seasonal employment activities may not have been active at the time that the data was gathered. (i.e. grape harvesting

[12] Source: Ministry of Social Development

and apple picking). The quarterly unemployment rates demonstrated in Figure 20 show that even when incorporating seasonal variances to employment, the unemployment rate for the region remains well below the national average at an annual average of three percent.

Figure 20 – Quarterly unemployment rates 2005 – note: includes West Coast data

	Mar 2005	Jun 2005	Sep 2005	Dec 2005	Average 2005
Nelson/Tasman/ Marlborough/West Coast combined	2.7%	2.3%	2.9%	3.3%	2.8%
	Mar 2006	Jun 2006	Sep 2006	Dec 2006	Average 2006
	4.2%	2.2%	3.2%	3.1%	3.1%

Source: Department of Labour Quarterly Regional Review sourced from Statistics NZ.
No separation is available for these regions as data is based on Household Labour Force Survey Inclusion of the West Coast figures tends to increase the unemployment figures in this table slightly. The 2006 Census gives unemployment figures for Buller, Grey and Westland at 4.7%, 3.1% and 2.3% respectively; these figures can be compared to the unemployment figures in Table 16 – Labour Force Status by Region above.

From 2001-2006, growth in the labour force in Tasman was in line with the national average. While the working-age population grew faster than the national rate, the labour force participation of Tasman has grown by less than the national average.

In Nelson, growth in the regional labour force was slightly slower than the national average. This was mainly because the regional working-age population grew slower than the country as a whole. Participation rates rose almost as much as the national average and are now at historically high levels for the area. Looking forward, the labour force is expected to continue growing.

During the period 2001-2006 Marlborough experienced growth the regional labour force, at a rate ahead of the national average. This was due to a combination of the working-age population growing by more than the national average, and participation rates being higher. The labour force in Marlborough is expected to continue to grow in line with the regional population growth.[13]

2.11 Employment[14]

The Top of the South is dominated by small to medium sized enterprises employing an average of 3.7 people per business. In 2006, the Top of the South had around 16,620 businesses employing a total of over 61,000 people. (The figures for Marlborough may be slightly overstated as they represent all employment whereas Tasman and Nelson figures represent full-time equivalent employment)[15]. In the last two years, employment has grown slightly in Tasman and Nelson, and grown significantly in the Marlborough region.

[13] Source: Department of Labour Annual In-depth Regional Report 2007
[14] Note that Kaikoura figures have not been included in this section. With a small population of 3,621 employment statistics are difficult to source and analyse
[15] Full time equivalent includes all full time plus half the number of part time employees. Fulltime equivalent calculations by BERL also include owner operators which are excluded from straight employment counts.

Figure 21 – Employment by region, 2004 to 2006

Employment	2004	2005	2006		2004 - 2006
	numbers				*change*
Tasman	17,594	17,658	17,632		*38*
Nelson	22,088	22,075	22,122		*34*
Marlborough	19,580	19,860	21,275		*1,695*
Top of the South	59,262	59,592	61,029		*1,767*
New Zealand	1,690,949	1,751,699	1,809,041		*118,092*

Source: BERL Regional Database Tasman and Nelson, Statistics NZ Marlborough. Employment figures will differ from those published by Statistics New Zealand as they publish separately figures for Agricultural services and all other Agriculture. The figures presented in this report include both sets of figures.

2.12 Labour Supply

2.12.1 Participation in Labour Force by qualification level

An overview presented of the region's qualification levels compared to those observed nationally was presented in section 2.7. However, this section applies qualification levels to the supply of the regions labour, where analysis shows participation rates in the labour force. The assumption is that higher qualifications imply a higher participation rate in the labour force[16]. Although 27% of those in the region had no qualifications, between 53% and 58% were participating in the labour force in 2006.

Having some school qualifications increases the participation rate significantly. Approximately three quarters of those in the region with Level 1 NCEA (School Cert equivalent) were in the Labour Force. This rate increases somewhat with a further year of study to Level 2 NCEA (6th form) especially in Nelson and Marlborough. Over 71% of those in Nelson with Level 1 school qualifications participate compared to nearly 77% of those with Level 2 school qualifications. In Marlborough, the comparative figures are 74.8% increasing to 79.4% with Level 2 school qualifications.

Figure 22 – Participation rates by qualification, 2006

		Tasman Region	Nelson Region	Marlborough Region	New Zealand
	No Qualification	58.0%	53.0%	57.8%	54.2%
School	Level 1 Certificate	76.0%	71.6%	74.8%	71.7%
	Level 2 Certificate	77.1%	76.5%	79.4%	76.7%
	Level 3 or 4 Certificate	75.6%	75.8%	77.4%	70.9%
	Overseas Secondary School Qualification	57.6%	56.4%	61.3%	56.8%
Post School	Level 1, 2 or 3 Certificate	80.3%	77.4%	79.8%	76.0%
	Level 4 Certificate	80.6%	77.3%	80.4%	80.1%
	Level 5 Diploma	83.8%	81.0%	84.0%	82.4%
	Level 6 Diploma	71.5%	69.1%	69.7%	73.5%
	Bachelor Degree Or Higher	80.7%	81.8%	84.2%	84.4%
	Total	70.2%	67.7%	69.6%	68.5%

Source: Statistics New Zealand

[16] Some of these people may be unemployed but actively seeking work. Given the very low unemployment rates in the region however, it is safe to assume that most of these people will in fact be employed.

Participation rates are variable when analysing those who have gained post school qualifications. Level 1 to 4 Certificates post school are likely to correlate to participation rates of around 80% (slightly lower in Nelson). Surprisingly, those who have gained a Level 6 Diploma have lower rates of participation than those with a Level 5 Diploma in all three regions. Those with Bachelors Degrees or higher have a slightly lower rate of participation than those nationally.

2.12.2 Skill shortages and vacancies

The Department of Labour conducts an annual survey to identify which occupations in New Zealand are currently in shortage of skilled employees. This survey is entitled Survey of Employers who have Recently Advertised (SERA). Employers are contacted to establish whether the positions they advertised were filled, and the number and suitability of applicants. Occupations where less than 80% of vacancies are filled with a suitable candidate are typically regarded as experiencing skill shortages. The latest report presented key findings from 2007 and compares the findings to those from the 2005 and 2006 surveys. Where nationally there is a shortage in a number of occupations, this is likely to be an issue in this region also.

Overall in 2007, widespread skill and labour shortages existed in New Zealand. Only 54% of the advertised vacancies included in SERA 2007 were filled within 10 weeks of advertising, which is a 54% fill rate.

The survey found that shortages existed for each of the nine major occupational groups in 2007. Fill rates for the major occupational groups were:

- Trades workers - 37%
- Service and sales workers - 51%
- Professionals - 54%
- Plant and machine operators and assemblers - 54%
- Technicians and associate professionals - 57%
- Clerks - 57%
- Legislators, administrators, and managers - 61%
- Elementary occupations (such as labourers and freight handlers) - 63%
- Agriculture and fishery workers — 65%

> *"Overall, industry predicts ongoing staff and skill shortages at least in the medium term. The need for Supervisors and Middle Managers is acknowledged in virtually all industries and sectors, along with appropriate work based training to upskill current staff for these roles."*
>
> Nelson Regional Economic Development Agency's Workforce Development Strategy Consultation Summary 2008

Between 2006 and 2007, skill shortages became worse for clerks, service and sales workers, and trades workers, while the remaining major occupational groups showed little or no change.

Regionally, the Work Force Development Strategy (WFDS) consultation process undertaken by the Regional Economic Development Agencies (EDAs) provides a more regional focus to current and predicted skills shortages. The 2008 consultation undertaken by the Nelson Regional EDA has shown a clear need for managerial skills across all sectors. The 2008 consultation process covers all industries and to date includes Aquaculture, the Arts, Construction, Roading, Education, Engineering, Forestry, Health, Care Givers/Rest Homes, ICT, Manufacturing, Iwi, Pipfruit, Science, Seafood and Viticulture.

The Aquaculture sector reported a challenge in recruiting and retaining skilled staff, and noted that processing staff were hard to recruit. The sector showed concern in available numbers of marine engineers, mechanics and labourers with the anticipated growth of the aquaculture sector in the region.

While the Arts sector does not have a 'recruitment' issue, there was concern that many artists in the industry lacked the business skills to effectively market their products.

Nationally, there has been a downturn in the Construction sector; however, in this region the construction and building sector is stable, in line with the population growth. The sector reports a steady stream of young workers entering the industry, however there is a gap in the experienced mid aged workers with a more of a 'leading hand' role. Of particular concern with increased compliance and regulation requirements.

There is generally a shortage of qualified and experienced engineers across the region. The demand for engineering graduates is high. Although wages are nationally competitive, and there is sufficient training to meet need, the industry is competing with off-shore opportunities, for example Australia, which offers higher salaries for graduates. Offering engineering apprenticeships is an effective recruitment tool, with a significant percentage of apprentice graduates readily employed by industry.

The Roading (Civil Engineering) sector reported not only an engineering shortage, but a general staff and skill shortage. The sector suffers from a shortage of manual field staff, competing against other seasonal industries for these workers.

The Forestry sector also reports a shortage of engineers, and although the sector does not suffer a shortage of manual labourers at present, it predicts increased demand for silvaculture staff as increased harvesting begins in the next few years. On-job training is strong in this industry. The Seafood industry also notes a lack of engineers, and also cites a difficulty in recruiting younger people.

There is a significant shortage of Early Childhood Educators, with this shortage expected to increase in response to demand. Recruitment is also difficult for secondary teachers and education support staff including library, secretarial, ICT and lab technicians.

The Health sector reports a critical shortage of care workers, which is particularly enhanced by the ageing population.

> *"Unskilled labour was demanded most by employers responding to the 2006 survey, followed by professional, sales and service and trades jobs. Between regions demand varied somewhat with primary industry jobs in high demand in Tasman, technicians in Nelson and machine operators in Marlborough".*
>
> Workforce and Training Survey, 2006, Liddicoat & Gunn

The ICT sector notes particular difficulty in recruitment of staff including business analysts, developers, software developers and testers. Experienced ICT staff with good client communication skills and business commonsense are particularly difficult to recruit, as are young workers who may choose larger cities for a 'younger' lifestyle.

The light food manufacturing sector noted no specific acute staff shortages, but rising housing costs are predicted to have adverse effects on the workforce in the medium term.

The Pipfruit and Viticulture sectors, like other seasonal sectors, experiences acute staff shortages at seasonal peaks, however participation in the Recognised Seasonal Employer scheme is seen as a positive means to ease some of the staffing pressure for a number of employers.

Science employers in the region report increasing problems recruiting Certificate and Diploma level lab technicians, and report issues around recruiting highly demanded university degree graduates long term.

2.12.3 Occupational data

In terms of labour supply, the three major regions in the Top of the South provide virtually equal amounts of labour although the composition of those occupations varies slightly. The highest proportion of Tasman workers are employed as Labourers (21%), followed closely by managers[17] (20%). A very similar pattern is found in Marlborough. Nelson has a higher proportion of those involved in professional occupations (20%) than Tasman and Marlborough (both 14%) and a significant proportion of labourers (16%) and managers (14%).

Within the total region, 16% are professionals which is consistent with a fifth of the region having achieved a Level 5 post school qualification or higher. The Top of the South has a higher than average proportion of labourers (19% compared with 12%) nationally.

Figure 23 – Occupations by region, 2006

	Managers	Professional	Technical, Trades	Community + Personal Service workers	Clerical and Admin. Workers	Sales Workers	Machinery Operators + Drivers	Labourers	Total
Tasman District	4,437	3,117	2,775	1,734	2,229	1,827	1,425	4,587	23,313
Nelson City	3,042	4,245	2,760	1,902	2,538	2,022	1,230	3,261	22,023
Marlborough District	4,206	2,925	2,946	1,791	2,214	1,737	1,269	4,491	22,731
Kaikoura District	492	186	279	183	165	153	108	339	2,037
Total Region	**12,177**	**10,473**	**8,760**	**5,610**	**7,146**	**5,739**	**4,032**	**12,678**	**70,104**
Tasman District	20%	14%	13%	8%	10%	8%	6%	21%	100%
Nelson City	14%	20%	13%	9%	12%	10%	6%	16%	100%
Marlborough District	19%	14%	14%	8%	10%	8%	6%	21%	100%
Kaikoura District	26%	10%	15%	10%	9%	8%	6%	18%	100%
Total Region	**18%**	**16%**	**13%**	**8%**	**11%**	**9%**	**6%**	**19%**	**100%**

Source, Statistics NZ

[17] It is unclear exactly what this refers to; intuitively this looks too high for the region. It is possible that these include a high proportion of self employed running their own businesses.

3. Industry & Economic Drivers

3.1 Regional Economic Structure

The key economic drivers for the region are horticulture, viticulture, forestry, agriculture, seafood and aquaculture and the tourism sector. While these sectors may encompass a range of skills sets along the Neww Zealand Standard Classification of Education (NZSCED) spectrum of training and potentially in several Australia New Zealand Standard Industrial Classifications (ANZSIC), each sector, or cluster, has distinctive features. It is important to recognise and identify individually how these sectors will grow and become more sustainable alongside the growth of the region as a whole. These sectors are focussed on in detail in section 4.

More generalised sectors in the region underpin the main industry clusters, and these include business and finance, education, health, wholesale and retail trade, manufacturing, construction and transportation.

Many of the operators in these sectors have improved efficiency and productivity in the past five years. However, these gains have in many instances been negated by the appreciation of the New Zealand dollar, and its impact on our export markets.

Large enterprises, categorised as having 20 or more employees, constitute less than 10% of enterprises in most industries within NZ. In the Top of the South region, larger enterprises account for 70% of employment in Nelson, 57% in Tasman, and in Marlborough 65%[18]. The Forestry and Seafood sectors are characterised by larger scale enterprises, as are the public sector, such as health and education. There has been an increase in the number of "larger" enterprises in the 50+ and 100+ employee range as existing firms have continued to expand.

In terms of employment therefore, several large enterprises are employing the bulk of the workforce. However, in terms of business units, the majority of businesses are in the Small to Mediums sized Enterprise (SME) category, employing less than 20 staff. In Nelson City and the Tasman district 95% of enterprises employ fewer than 20 FTE staff, with the bulk of these (85% of all enterprises) micro-sized, with 5 or less employees.

.

It is recognised that not all SMEs want to grow and that many small firms are an integral part of our local community, supporting larger firms and providing consumers with choice, they are also more prevalent in the larger industry clusters for the region of horticulture and agriculture. Not only do SMEs contribute to the region's economic wellbeing they also contribute widely to the region's social wellbeing. However, for economic development to occur, identifying and assisting sectors and SMEs that have the potential for substantial growth into the regional, national and international markets or through consolidation and productivity gains will have significant downstream economic impacts and achieve value-added contributions to the regional economy. The sectors where this potential has already been identified are in aquaculture, natural products, the ICT sector and research and science based enterprises. To achieve those potential, specific skills such as marketing, design/engineering, financial structuring etc will be required.

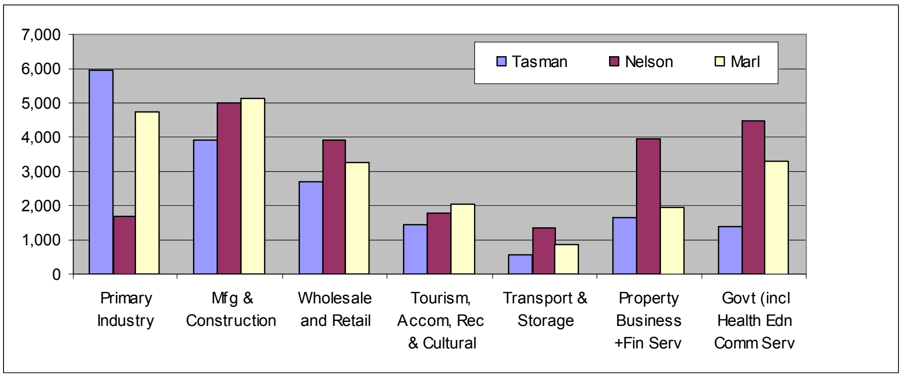
[18] Source: MED, 2007.

As consolidation occurs in the pastoral and horticultural sector, and particularly in the pipfruit sector, the number of micro firms that co-operate to provide an essential link in the distribution chain is increasing. While enterprises remain financially or legally independent they are increasingly operating as part of a much larger group, providing the sector with expertise and economies of scale. Thus the apparent number of micro businesses in some sectors of the regional economy understates the number of larger operations or consolidated groupings that are being put in place to maintain logistic size to sell into Northern Hemisphere markets. Increasing productivity, logistics channels and reducing the cost of production, including compliance costs, is essential for all sectors and industries to remain competitive.

3.1.1 Employment by Industry

Primary industry, manufacturing and construction and wholesale and retail trade account for nearly 60% of total employment in the region. The government sector is another large employer of labour accounting for nearly 15% in the region. The following chart visually depicts the major industries that comprise the region.

Figure 24 – Employment by major industry group, 2006



Source: BERL Regional Database Tasman and Nelson, Statistics NZ Marlborough
Note: Manufacturing classification includes wine production, a major industry for the Marlborough area

3.1.2 Industry Business Units

Growth in the number of business units has occurred in all regions; Marlborough showing the largest increase of 407 business units over the two years to 2006, the majority of these being in construction and property and business services. This is consistent with the increase in the value of consents issued in non residential construction in the region especially for industrial buildings. Growth in number of business units in Tasman and Nelson has also come largely from increases in property and business services in 2006. Over the same period, falls in numbers of agricultural business units were observed in Tasman; as mentioned earlier.

Figure 25 – Business units by region, 2004 to 2006

Business Units	2004	2005	2006		*2004 – 2006 change*
Tasman	5,522	5,628	5,661		*139*
Nelson	4,783	4,799	4,841		*58*
Marlborough	5,709	5,902	6,116		*407*
Top of the South	16,014	16,329	16,618		*604*
New Zealand	421,468	432,613	443,369		*21,901*

Source: BERL Regional Database Tasman and Nelson, Statistics NZ Marlborough

The size of businesses in employment terms has remained largely unchanged in Tasman and Nelson; and have increased slightly in the Marlborough region in the last two years.

Figure 26 – Business size (employees per business) by region, 2004 to 2006

Business Size	2004	2005	2006
Tasman District	3.2	3.1	3.1
Nelson	4.6	4.6	4.6
Marlborough	3.4	3.4	3.5
Top of the South	3.7	3.6	3.7
New Zealand	4.0	4.0	4.1

Source: BERL Regional Database Tasman and Nelson, Statistics NZ Marlborough

3.1.3 Gross Domestic Product (GDP) by Industry

GDP is the measure of the value of goods and services produced in a year. The following figures for GDP are based upon figures from the BERL database for Nelson and Tasman and estimates for Marlborough, based upon Nelson Tasman GDP. The most recent official figures for the Top of the South are for 2003 estimated at $3.8 billion[19]. To bring the figures up to 2006, estimates are made based upon changes in employment and productivity within each industry. The most recent estimate for Top of the South GDP is $4.9 billion in 2006, virtually unchanged from 2004 in real terms[20].

Figure 27 – GDP by region in Top of the South, 2004 to 2006

Real GDP	2004	2005	2006		2004 - 2006
	$ million (2006 prices)				*% change*
Tasman District	$1,505	$1,484	$1,435		*-4.7*
Nelson	$1,832	$1,776	$1,807		*-1.4*
Marlborough	$1,556	$1,545	$1,655		*6.4*
Top of the South	$4,893	$4,806	$4,896		*0.1*
New Zealand	$147,128	$152,541	$155,885		*6.0*

Source: BERL Regional Database Tasman and Nelson, Statistics NZ. Estimates made for Marlborough

In 2006, the Nelson region generated a GDP of $1.8 billion, having fallen 1.4% from 2004. This decrease was driven from falls in employment in fishing, transport and education. While population in the region grew an estimated 1.5% in the year to 2006, employment only increased 0.2%.

[19] This was based upon an experimental series which Statistics New Zealand used to check their methodology for calculating regional GDP. It is not known when their regional GDP series will be updated.
[20] “Real terms” has the effect of inflation taken out, thus the changes observed equivalent increases in production only.

Marlborough however demonstrated an increase of 6.4%. Growth in population, business units and employment all contributed to this rise in GDP. Significant growth in employment occurred in agriculture, construction, wholesale and retail trade and health and community services over the two years, with a dramatic change in the primary sector with diversification and conversions from former horticulture and pastoral land use to the planting of grapes.

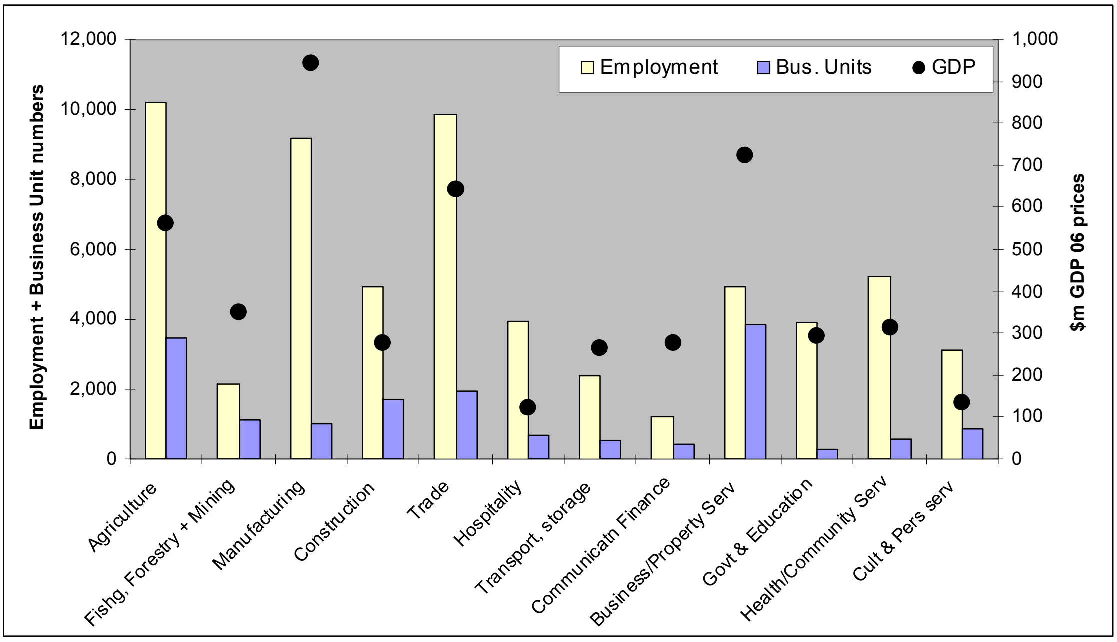
The Tasman region generated a GDP of $1.4 billion in 2006, having fallen 4.7% on 2004. The number of businesses increased (+139) while employment over the same period increased only slightly. Thus, it could be concluded that losses in productivity occurred during this period. Falls in GDP were observed in manufacturing, business and property services and wholesale trade with some growth in retail trade and agriculture. Tasman's GDP and population growth has remained virtually on par with that of New Zealand (3.7% p.a. and 1.5% p.a. respectively) over the last five years.

3.1.4 Productivity Rates

The table and chart below shows share of employment, GDP and business units. A lower share of employment than GDP suggests a higher level of productivity within that industry. For example manufacturing within the Top of the South uses 15% of the region's labour but contributes 19% of GDP. The industries showing high proportions of business units compared to employment share suggest those industries have a high number of self-employed or small sized businesses such as agriculture and property services.

In Figure 31 below, industries with high productivity stand out where the GDP indication is significantly higher than the employment bar. This is apparent in fishing, forestry and mining (largely driven by mining and forestry), communications and finance, manufacturing and business & property services. Low productivity rates are depicted in agriculture, construction, hospitality and cultural and personal services.

Figure 28 – Employment and Business Units by Industry Groups



Source: BERL Regional Database Tasman and Nelson, Statistics NZ. Estimates made for Marlborough

4. Industry Cluster Analysis

A note on figures: GDP and Business unit figures in the following clusters should be used with caution as figures are taken from GST returns of businesses. Where these businesses produce GST returns from a 'Head Office', for example, in Auckland, the figures are apportioned to the region in which the return is produced. Therefore, for many large wine production companies, for example, the GDP and business unit figures will not be included here. The source data for these figures included the Nelson Regional Economic Development Agency and the Marlborough Regional Development Trust.

4.1 Horticulture

Horticulture Cluster			
	2006	**2001**	**% Change**
Employment FTEs	9,495	7,750	23%
GDP (2006 $m)	667	551	21%
Business Units	1640	1411	16%

Note: The number of employees in this industry is an estimate only – viticulture, in particular the processing of wine and beer products is included in the 'manufacturing' sector in accordance with ANZSIC classifications so figures are not included here.

The horticulture cluster has seen steady growth overall in the last 4-6 years, in terms of % GDP increase, number of businesses and number of employees. It is the single largest economic driver in the region; however GDP growth is slower than some sectors.

The Horticulture sector is changing in its makeup. The Nelson Tasman region has seen a decrease in business units, showing consolidation as pipfruit growers leave the industry. New varieties in pipfruit are now being planted, which should see increased grower returns within two years, while some former pipfruit blocks are now planted with grapes or berryfruit. The majority of pipfruit growers are based in the Tasman region. The Marlborough region is also changing, as land previously devoted to traditionally horticultural and agricultural activities is converted into vineyards.

Viticulture makes up a large proportion of the employment in this cluster, at 1612 employees, with the majority (1390 workers) based in the Marlborough region and the remainder in Tasman. Marlborough employs 36.2% of all viticulture workers in the country, and the region is estimated to reach 11,153 producing hectares by 2008. The industry has experienced a large growth in employment, with 12.1% average annual growth in Marlborough, and a 21.9% average annual growth in Tasman in the 4 years to 2007.

Recognition of the seasonal nature of employment in the horticultural and viticultural sector, and the lack of a pool of available skilled workers has led to initiatives to assist employers to recruit staff. The Department of Labour has begun a project entitled Foundation Skills in Seasonal Workplaces. The project explores the barriers to engaging in the foundation skills necessary for these workers, and ways to overcome these barriers. The project recognises the migratory nature of some seasonal workers, and seeks to encourage employers to work collaboratively to meet their worker needs. Another initiative is the Recognised Seasonal Employer which facilitates entry of temporary seasonal workers to assist during peak employment periods. The Ministry of Social Development also funds regional seasonal coordinators to assist employers to recruit staff.

Training for Employment Requirements

With high employment in the region, the demand for full time campus-based training has depreciated substantially, to the point of making most full time study programmes unviable. NMIT has for some years provided courses for the horticulture sector and now runs the training in a flexible format and allows workers to continue in horticulture employment while adding to their skills base. NMIT also offers a Certificate in Vineyard Practice is similarly flexibly delivered, and a flexible delivery of the Diploma in Viticulture and Wine Production is currently under development. Onsite Training (ILP) offers on-job training in the viticulture and agricultural sectors.

The Pipfruit ITO (Industry Training Organisation) training scheme jointly established by ITO and growers has proven successful. The scheme which is run by the local industry has currently 30 cadets currently on site training, with the number of ITO cadetships increasing. These training courses have been very successful in recruiting new entrants into the sector. Very few university graduates are entering the sector.

4.2 Forestry

Forestry Cluster			
	2006	**2001**	**% Change**
Employment FTEs	2,550	2,340	9%
GDP (2006 $m)	418	321	33%
Business Units	915	780	17%

Forestry has moved into second place in terms of single-sector value-added GDP for the region. The forestry sector, like the other key sectors, has experienced low returns due to the appreciating NZ dollar. However recently there have been price increases as the global demand for wood products has increased. No significant new plantings have been made in the region within the past few years, and with the growing period averaging 15 years this will result in the sector remaining static over the next decade.

The performance of the Forestry Sector in the five years to 2006 reflects that of other primary sector areas within the region. Increased efficiencies through applied technology, management practices and labour force training have been largely negated by an appreciating currency.

Employment has been relatively static over the five year period 2001 to 2006 however the value-added GDP has recorded a significant increase in that period as a greater degree of processing has been applied to the region's wood resource. There has been a significant increase in domestic and export demand for construction grade timber in the five-year period.

Overall, the future for the coming decade is for a stable level of harvest as present forests mature. There has been little increase in replanting in the Tasman region which would provide a larger stock in the future. With a carbon tax imminent, many of the small scale lots are being harvested with apparently little expectation of replanting. A change in the law which would see forest owners as beneficiaries of carbon credits (compared to the state) could turn this situation round very swiftly with wood lots again featuring highly in farm investment criteria.

Training for Employment Requirements

The mix in the region's forests is changing as during the major planting phase foresters were required for planting, pruning and general forest care. The forests have now shifted to the harvesting phase where more harvesters are required. Although most forestry companies consider they have a core of skilled workers, one of the major companies stated they had a 6-10% gap in their staffing requirement. The nature of the work in the forestry sector is changing, with the workforce requiring greater technical knowledge and expertise.

The recruitment of younger workers remains an issue for the industry with the average age of forest workers increasing. The initiative of the industry's FITEC scheme of recruiting young people into the industry and providing on the job training is addressing this issue. Although safety in the sector has improved substantially with greater mechanisation and technical advances there are still high profile accidents - the perception of the industry as dangerous persists.

4.3 Agriculture

Pastoral Cluster			
	2006	**2001**	**% Change**
Employment FTEs	2,760	2,720	1.5%
GDP (2006 $m)	$179	$205	13%
Business Units	1,710	1,435	19%

Note: Figures indicate trends only. Figures may not include self employed people, which make up a large proportion of the agricultural sector.

The Agriculture Cluster includes beef, dairy and sheep farming together with meat and dairy processing. Suppliers of animal feeds, fertiliser and pesticide manufacturing, contract services and farm machinery wholesaling are included in the Cluster.

Although the agricultural farming sector has been under pressure from static product prices, rising land prices and diminishing returns for much of the past five years, employment and value-added GDP generated within the region in the five years to 2006 is estimated to have increased steadily. The number of business units also recorded an increase close to one fifth. The principal areas of growth in GDP and employment in the pastoral cluster in the five years to 2006 were in dairy farming, sheep farming and in services to agriculture from contractors. Increased GDP in food processing were also recorded.

The payout price to dairy suppliers started its rise in the 2006 year. A global shortage of dairy products has resulted in an increased demand for NZ butter, cheese and milk products. This has pushed up prices, and therefore returns to farmers. Prices are currently static, if not declining in the sheep meat and wool sector.

Training for Employment Requirements

The majority of industry training is now conducted on-job, and the Agriculture ITO continues to support the majority of the training in the region. Demand for training will remain constant as production levels remain constant. Because the farming region is not particularly isolated, recruitment is not as difficult regionally as elsewhere.

The TEC is currently conducting a Land Based Training Review that will identify training needs and levels for the future.

4.4 Seafood (Fishing and Aquaculture)

Seafood Cluster			
	2006	**2001**	**% Change**
Employment FTEs	3,890	4350	-11%
GDP Value-Added (2006 $m)	$380	$302	26%
Business Units	490	530	-7%

The Seafood cluster combines the various components that make up the seafood sector such as: catching and farming, processing and support services, including boat building and ship repair, seafood research organisations (based in the region), packaging and container manufacture and wholesale operations.

There has been a decrease in employment and business units for the Seafood cluster over the five year period, value-added GDP has had a decrease in Fishing, but a significant increase in Aquaculture. The performance of the seafood sector since 2001 reflects the extent to which wild fishing operations have been hit by a combined rise in the price of diesel, reduced species quota and reduced returns from the appreciation of the New Zealand dollar.

The rise in operational costs and recruitment of skilled seasonal staff for processing has also impacted on the regional revenues generated by the Seafood cluster. However, the Aquaculture sector of this cluster has performed outstandingly and employment in this sector rose 6%. This sector has the potential to grow rapidly, however the region must work together to advance activity and mitigate the constraints the sector faces such as allocation of water space, labour issues and enabling regulations.

The bulk of production in aquaculture (close to 75% of the country's mussel and sea farmed king salmon) takes place in the Marlborough Sounds (65,000 tonnes mussels, 5,000 tonnes salmon) and Tasman/Golden Bay (4,000 tonnes mussels). A third of the mussel processing is undertaken within the Nelson/Richmond city boundaries.

The proportion of global seafood supply generated from aquaculture production is approaching 50%. Aquaculture is the fastest growing sector of the international food industry with production expanding at 15% per annum. New Zealand aquaculture production has been in hiatus and has not been in a position to take advantage of this global phenomenon. Development of the industry in New Zealand will require co-operation with, and benefit all the entities across the Top of the South.

It is worth noting that the employment numbers in the region prepared by Statistics New Zealand does not include owner operators as well as employees. This employment figure could therefore be substantially higher in some segments of the seafood cluster.

Training for Employment Requirements

A large range of training programmes for the fishing industry are provided in the region. The majority of the off-job training is delivered at the New Zealand School of Fisheries (NMIT) or through the Westport Deep Sea Fishing School. Private Training Establishments (PTEs) such as Solutions in Seafood provide on-job training packages direct to industry, in conjunction with the Seafood ITO.

In general terms, training around the region has been predominately in the 'wet-fish' area until recently. Queen Charlotte College has invested in an Aquaculture training centre, and training providers are working with industry to look at future Aquaculture training needs.

The downstream labour generation in aquaculture is very high: one person on a sea farm typically generates five jobs in processing. The Marlborough region already has an active aquaculture industry, however the potential for Tasman Bay has been estimated at an additional 15/20,000 tonnes annually. Staffing requirement is one FTE for every 40 tonnes (Vision 2020 report) which could be anticipated to generate 375/500 jobs by developing the areas approved for mussel farming in the Tasman Resource Management Plan.

The potential demand for labour for aquaculture harvesting and processing will need to be investigated within the context of a tight labour market. While much of the peak seasonal labour demand for processing comes in a trough for pipfruit and viticulture employment, the sector does not have the same appeal for seasonal job seekers. Investment in mechanisation and automation to improve productivity/value-added and compensate for possible shortfalls in availability of skilled labour will be essential.

With an increase in the support logistics for coastal sea farms there will be an increasing need for trained skippers and deckhands to service the sea farms. The decline in the coastal fishing employment could be offset and increased with the future demand for skilled fishing employees relocating to the aquaculture sector.

4.5 Aviation

Aviation Cluster			
	2006	**2001**	**% Change**
Employment FTEs	804*	794	1%
GDP (2006 $m)	99	99	0%
Business Units	64	52	23%

*** Note – does not include airforce employees.**

Nelson Airport has the fourth highest frequency of flights in the country and has the highest flight frequency of any provincial centre. Air Nelson, which provides Air New Zealand's Link service aircraft, has its servicing base in Nelson. Employment and value-added GDP in the cluster declined marginally in the five year period to 2006. The number of business units increased as some of the functions previously undertaken in-house, such as aeronautical engineering were outsourced.

Aviation plays a part in supporting the region's industries. Fixed wing and helicopter operations support horticulture, pastoral farming, forestry, tourism, communications, search and rescue, and also play a major part in the management of the region's three national parks.

Marlborough is home to the Royal New Zealand Air Force (RNZAF) Base Woodbourne, a regional airport, the Omaka Aviation Heritage Centre and numerous flight related services and industries.

Training for Employment Requirements

Nationwide, there continues to be a shortage in trained pilots and aviation engineers. In the engineering sector, the problem lies more in the recruitment of trainees than the provision of training programmes.

RNZAF Base Woodbourne is home to an aeronautical engineering training facility, a joint venture between NMIT and RNZAF. From Woodbourne NMIT also bases its network of flight training providers throughout the country. Although the largest pilot training network in the country, NMIT is not the only provider, with other organisations such as Massey University, Eastern Institute of Technology and Southland Institute of Technology working towards filling the training provision gap nationally.

4.6 Tourism

Tourism Cluster			
	2006	**2001**	**% Change**
Employment FTEs	3,350	2,715	23%
GDP (2006 $m)	$217	$186	17%
Business Units	775	595	30%

The Nelson-Tasman region is the only region in New Zealand that has three national parks, all of which are extremely diverse; however the region's strength in tourism extends beyond these parks and into local wineries, arts, beaches and other outdoor pursuits. The challenge for the region's tourism sector is to reduce the extreme seasonality and improve the relative yield of visitors to the region. Construction of a purpose designed conference venue in the Nelson/Tasman area is a priority to extend seasonal visitation.

While the value-added GDP by tourism is estimated at $217m the economic impact from tourism activity throughout the regional economy is estimated at a higher level, because of related industries, for example, the follow through effect on sales of local arts and crafts. Tourism recorded one of the largest increases (23%) in employment of the region's main drivers and the number of business units, and has gained a 17% increase in value-added GDP to $217m. The relative yield per visitor has declined as the NZ dollar appreciates.

Figure 29 - Regional Visitor Forecasts – (Nelson Tasman data only).

Forecasts of visitors to the region derived from TRCNZ forecasts,

Regional Forecasts	**2005**	**2012**	**Increase 2005 -12**	**2016**	**Increase 2005-16**
Overnight Visitors					
International O/N Visitors	438,000	574,000	31%	639,000	46%
Domestic O/N visitors	690,000	713,000	3%	734,000	6%
Day Visitors					
International Day Visitors	106,000	139,000	31%	158,000	49%
Domestic Day Visitors	716,000	756,000	6%	773,000	8%

Source: Covec/TRCNZ, 2006

Regional Tourism Strategies have been developed for both Nelson/Tasman and Marlborough, with key outcomes to boost job numbers and generate increased revenues in the sector.

While there are plenty of strengths to be exploited including climate, iconic national parks, the arts and growing regional air access, the region has numerous tourism sector weaknesses that need to be addressed. These include: extreme seasonality, geographic isolation, under-investment in facilities, ad-hoc accommodation development, industry and workforce quality issues, regional image fatigue and an under-resourced regional tourism agency.

Training for Employment Requirements

A large proportion of the sector is serviced through low/no skills staff, for example hotel cleaners, wait staff, bar staff and retail. Particularly in the Hospitality area, the low wages prove to be a barrier to retaining skilled staff, and tight financial constraints of SMEs make increased wages for skilled staff prohibitive. The seasonality of the industry also contributes to high employee turnover.

A number of employers resort to small amounts of on-job training for their staff. There is potential for the regions Tourism sector to grow and thrive through increased knowledge and service standards of staff. Future training needs to be flexible, on-job and low entry cost, as well as aligned to national standards.

4.7 Arts

Although not recognised directly for its contribution to the regional GDP, the arts sector is an important contributor to the tourism appeal of the region. The region has the reputation of having a dynamic and diverse Arts community. The creation of the World of Wearable Arts was its iconic showcase. The region has more than its proportional share of nationally renowned artists and crafts people. At last count, there were in excess of 250 artists and crafts people resident in the region. The linkages with tourism are extremely important for both individual producers and regional arts events.

As an indication of the importance of cultural infrastructure, a recent survey of international visitors to the country recorded a much higher incidence of visits to cultural and artistic facilities than was the case of, say, sporting events. The incidence of visits is also widely spread among different visitor groups. While this data is relevant at the national level, the importance to the Nelson-Tasman region can be inferred.

Indications are that local residents make up somewhere between 10-30% of the sales volume of arts pieces and craft work. Sales to those from outside the region represent between 20-50% of the total, and sales to international visitors 10-40% of total sales. The mix of sales is dependant of the type of art work and also reputation of the artist. Interest in the region's art works and art community is important in attracting domestic and (to a lesser extent) international visitors to the region. A significant proportion (typically over 70%) of the sales revenues earned by the region's arts community comes from outside the region and has important downstream economic impacts.

The Arts sector also incorporates the performing arts. While Marlborough has a relatively new performance arts venue, there is a lack of adequate performance venues in the Nelson/Tasman area. Nelson City Council is committed to provide funding and under write loans for a performing arts centre in Nelson City. Working in parallel to this are independent initiatives to provide performance venues. These venues will attract both regional and non-regional performance artists.

Both the Nelson and Tasman Councils are currently funding the development of a Regional Arts Strategy. This will identify opportunities and constraints including training requirements and the future potential of this sector. The Strategy will be completed later this year.

Training for Employment Requirements

The regions council's commitment to underpinning operational costs regional arts events, both performance arts and creative arts, demonstrates further evidence that this is a growth area for working artists, and that demand for training will increase. Although there are examples in the region of 'self-taught' artisans, the majority have some degree of training to begin their careers. These artists also require small business skills to operate their galleries and businesses. NMIT has an extensive portfolio of Arts and Media training.

4.8 Business Support Services

Business Support Sectors			
	2006	**2001**	**% Change**
Employment FTEs	5,935	4,445	33%
GDP (2006 $m)	963	792	22%
Business Units	4,167	2,686	55%

The level of activity in the financial, business and administrative services stimulated by the region's economic performance in the five years to 2006 has been substantial. Employment in the two sectors increased by a third and value-added GDP in the finance sector also increased by a third. The estimate of value-added GDP in the business and property services sector did not increase to the same extent as that sector's employment, indicating a reduction in productivity. The number of business units in the business and property sector increased substantially indicating an increasing number of people chasing that sector's business.

Training for Employment Requirements

The Business Services sector requires a wide breadth of training from Level 2 and above, covering administrative services through to graduate and post graduate qualifications in legal, financial, management and marketing. The sector attracts both those employees moving into the region who have achieved qualifications in other regions, and local graduates. Of particular note, in the current tight labour market, is the success of 'employment scholarship' schemes which allow low-or-no skill potential employees to begin working with an organisation and complete training in business administration and computing skills while employed.

4.9 Construction, Retail and Wholesale

Construction, Wholesale and Retail Trade Sectors			
	2006	**2001**	**% Change**
Employment FTEs			
Construction	5,350	3,400	57%
Wholesale Trade	2,600	1,970	32%
Retail Trade	6,920	5,905	17%
GDP (2006 $m)			
Construction	192	120	60%
Wholesale Trade	214	168	70%
Retail Trade	230	170	35%
Business Units			
Construction	1,160	835	39%
Wholesale Trade	395	325	22%
Retail Trade	980	850	15%

The impacts of high population growth, high levels of migration and significant increases in employment are shown in the performance of those sectors supplying the housing and renovation boom. Employment in the Construction sector increased by close to a half and the value-added GDP generated increased by a significant 60%.

At the retail level the impact of increased employment and incomes is evident. Although employment growth in the five year period to 2006 was relatively modest at 18% the GDP generated by the increased level of activity grew by a third in the same period. This growth is already showing signs of slowing, with retailers reporting that profits for the beginning of 2008 are as much as 15% down on the same time in 2007. Retail conditions will continue to be challenging with high interest rates, increased fuel costs and increases cost of living restricts consumer spending. In contrast to this trend is the growth in retail stores, particularly in the Nelson region.

Activity in the wholesale trade sector was even more pronounced in terms of increased employment and value-added GDP than that at the retail level.

Training for Employment Requirements

As with the Business Services sector, the Construction, Retail and Wholesale sectors cover a wide range of skills at a number of levels. There have been a number of large new retailers from nationwide chains opening their doors in the Nelson area over the past year, and this has created a large demand for retail staff. The Ministry of Social Development, NMIT and the Retail ITO have been working in collaboration to fill this labour shortage. This has included utilising a labour force from non-traditional sectors including older people, those with disabilities and those currently receiving benefits. Training requirements in other areas remain constant, with a preference for on-job training and apprenticeships, particularly in the construction industry.

4.10 Education

	Education Sector		
	2006	**2001**	**% Change**
Employment FTEs	2,495	2,490	0%
GDP (2006 $m)	$129	$124	4%
Business Units	253	226	12%

The Education Sector has experienced a reduction in employment numbers in the Nelson/Tasman region and a stagnation in its contribution to regional GDP in the five years to 2006. The estimated increase in the number of business units offering education services from pre-school to tertiary education appears to be an anomaly given the overall levelling or decrease in employment during the period. The most likely explanation would be an increase in the number of private tutoring entities that have been established (such as industry Technology Fellowship schemes).

There are two main factors influencing this:

1. English language schools in New Zealand are not as competitively priced as five years ago and there have been issues with the quality of tuition received from private sector operations. Nelson along with other regions in the country has experienced a reduction in the volume of students from Asia seeking English language courses. A number of the private sector English Language Schools closed down during the period.

2. The reduction in fertility rates which is currently below population replacement. New Zealand's population is at the third stage of the baby boomers blip through the demographics. This blip is just reaching high school level and after this a decline in the school age intake is predicted. However, the number of migrants into the Nelson region is currently adequate to keep the inflow of each cohort into the school system stable. Elsewhere in the South Island the number entering the school system is declining.

4.11 Health

	Health Sector		
	2006	**2001**	**% Change**
Employment FTEs	4,840	4,100	18%
GDP (2006 $m)	$280	$255	10%
Business Units	580	425	36%

Nelson is the regional base for the Nelson Marlborough District Health Board (NMDHB) across the Top of the South. An increasing population in most districts of the region is providing challenges to meet primary care needs. The ageing population requiring aged care is placing pressure on both public and private sector providers to meet demand.

Access to health services has been improved in the region and the level of employment has increased substantially in the past five years. A substantial proportion (46%) of the health sector workforce is made up of part time workers, this underplays the number of people actually employed in the sector. The economic contribution to the region from the Health and Community Care sector is substantial at an estimated GDP of $280m in 2006 - as outlined in the profile above. Nelson, unlike most other DHBs, has retained its role in caring for intellectual disability beneficiaries. There are 65 houses maintained for these beneficiaries in the region.

The focus of attention for the sector is on the skills shortages in the region, the need for local training opportunities, workplace health issues, and affordable housing particularly in the aged care sector. The region is an attractive one to live in and job vacancies in the NMDHB arena are often easy to fill, however, the aged care sector is in a less favourable position. For example, nurses in the aged care private sector may be paid less than those employed by the DHB.

The issue of long term physical degeneration during a working life time, resulting in long term deterioration of a workers' productivity was raised. Extending the working life is a factor in economic well-being. Earning for longer and less reliance on benefits or pensions at an earlier age - a greater proportion of people are now working past the traditional retirement age of 65, although Nelson has one of the lowest percentages of people working past the aged of 65 in the country.

Training for Employment Requirements

Nelson has one of the lowest nursing staff turnover rates in the country. There is little problem with recruitment as potential employees like to live in the area, however the cost of living in the Nelson region may act as a deterrent to retention.

Health professionals need to move out of the region for specialist training. In specialist areas there are limited support services and health professionals are concerned about the likelihood of being on call for an unprecedented time. In a larger population centre there would be a larger pool of professionals to take the load for emergency situations.

The level of recruitment into the NMIT Bachelor of Nursing programme is being maintained, providing a supply of skilled professionals to the regional health sector. NMIT also offers training in mental health support work and social work. Private training providers such as Wellcare provide courses for people in the health and disability sector.

In the aged care sector there is a chronic shortage of aged care givers. There are plenty of training schemes for recruits but the wage levels, although competitive nationally, are not high. The wage levels available may be useful as a supplementary income, but not considered sufficient to be considered as a long term career choice.

4.12 Information and Communications Technology (ICT)

	ICT Cluster		
	2006	**2001**	**% Change**
Employment FTEs	520	380	37%
GDP (2006 $m)	$69	$46	50%
Business Units	203	139	46%

The ICT cluster had experienced the fastest growth of all the region's industries in the period 2001-2006. However, employment in the cluster at 2001 represented less than 1% of total region employment. The ICT cluster, as defined in the BERL data, includes computer maintenance and consultancy services, computer assembly, computer, business machine and electronic equipment wholesaling.

The Nelson Marlborough Inforegion (NMi) was established jointly by the Nelson Regional EDA in conjunction with the MRDT with the objective of establishing a sustainable ICT facility in the region. The establishment of the NMi initiative provides a structure for promoting content and confidence in the ICT sector allied with connectivity through the Broadband Challenge infrastructure. The Top of the South is the only provincial area to be involved in the pilot implementation scheme.

The network will complement the existing systems network and provide a competitive alternative. The expansion of these benefits through to rural areas will be important providing greater accessibility to high broadband speeds across the region. For example, the ability for horticultural producers in Tasman, and dairy farmers and tourism operators in Golden Bay to utilise technology based business processes.

The impact of improvements in the ICT sector will also provide the opportunity to raise productivity. This is particularly timely where continuing tight labour markets mean efforts to increase output can no longer rely on employing additional staff – but necessitates the need to work smarter.

Three areas where ICT may provide a step change for the region's export industries are logistics, data distribution and co-operation and software and systems applications.

Other sectors of the regional economy, particularly those in the administrative service sector and government agencies such as health and education will also experience substantial improvements in areas such as access to information, benchmarking and increased use of internet for communication.

The rollout of the fibre optic links from Motueka through Nelson/Richmond to Blenheim and Picton over the coming year will provide substantial improvement in internet connectivity and capacity. Capacity speeds for data transmission are expected to be increased 250 fold once the network is in operation. Fundamental to the success of the fibre optic network is the construction of pairing internet exchanges.

To make full use of the competitive advantage conferred by the fibre-optic link the continuation of the NMi group is essential. The continuation of the NMi project will encourage the application and implementation of new technologies to the region's key and emerging industries. NMi has the potential to encourage synergies within ICT business groupings that may result in the provision of fully wired office suite complexes for emerging ICT companies. The potential to establish a dedicated ICT Technical Park has been raised within industry and in zoning for future growth.

Training for Employment Requirements
Training is offered in the region through NMIT at Certificate, Diploma, Degree and Post-graduate levels.

Recruitment from outside the region has proved problematic. Although recruits from overseas may value the move to the region because of the lifestyle and outdoor pursuits, potential ICT recruits from within New Zealand are not attracted by the same factors. The lack of an active 'night life' has been a deterrent for some younger workers in the industry, who perceive the region as having a slower pace of life that lacks the 'buzz' of a city lifestyle.

4.13 Research and Services

The region has developed as a base for marine resource research and specialist service companies. These include: Cawthron, National Institute of Water and Atmospheric Research (NIWA), Crop and Food Research, Clements and Associates, Marlborough Wine Research Centre and marine engineering companies.

The Cawthron Institute with a scientific and technical staff of over 180 provides research based solutions to enable the sustainable management and development of New Zealand's coastal and freshwater systems. Examples of specific areas of research of immediate relevance include: the production of shellfish spat and selective breeding of mussels, which has demonstrated 20% yield gains per generation.

NIWA Nelson has 18 staff based in Nelson and with access to other NIWA offices nationally provides research on hydrology and climate, stock assessment with specific expertise locally on shellfish harvesting criteria, enhancement of shellfish fisheries, coastal ecology and assessment of environmental effects.

Crop and Food Research's Seafood and Marine Extracts group is based in Nelson and specialises in creating higher value seafood through research on processing and preservation technologies and novel marine extracts. Particular species focus is on hoki, mussels, lobster and squid.

The region could greatly benefit from having science based organisations domiciled in the region, working with the private sector. The Top of the South should be the preferred place for science organisations involved in key primary sectors - horticulture, seafood, forestry, viticulture and pastoral farming. There is also potential for public and private sector science organisations to work with emerging industries to develop innovative solutions to sector growth. This combined with research and development and the application of technology will add significant economic value to the region. The recently introduced tax credit for Research and Development (R&D) expenditure is a further incentive to apply technology to achieve productivity gains.

The potential to improve productivity and to add significant economic value through the application of technology and science based R&D is required to maintain competitive production in the region. The region has established a strong institutional base in R&D with prominence in marine and water resource science. The application of this scientific expertise in the horticultural and pastoral sectors for the development of extracts and value-added products will add further depth to the sector. The commercialisation of technology innovation will also provide high value-added benefits to the regional economy.

Training for Employment Requirements

Science employers in the region report increasing problems recruiting Certificate and Diploma level lab technicians, and report issues around recruiting highly demanded university degree graduates long term.

Although NMIT previously offered training at Certificate and Diploma level in sciences, the low enrolment numbers made training provision unviable. There may be future potential for block course, on-job or flexibly delivered training for lab technicians.

4.14 Natural Products

The potential to obtain value-added by further processing of the region's high quality berryfruit, hops, pastoral and aquaculture products is extremely high.

The coming ten years will see a considerable expansion in products processed from the region's berryfruit, for example: concentrates for baking, ice cream, and yoghurt supplements, juices and extracts. Currently the focus of the aquaculture sector is mainly on food for human consumption. The production of health remedies and pharmaceutical products has a long tradition in New Zealand and there are substantial opportunities in this sector to continue to develop extracts and powders as value added products for an international market.

The Natural Products sector is fragmented and characterised by relatively small scale operations that have little apparent engagement with each other. The potential for the sector is substantial with high added-value products. Enterprises in the sector suffer from the realities of small scale production: capital and operational funding issues, market penetration and knowledge of product growth opportunities.

The potential for growth in the sector cross the boundary between a number of primary production areas. Evaluating the potential in the aquaculture, pastoral and horticulture sectors for the further production of added value extracts and product should be a prime focus. Funding such evaluation may be beyond the in-house resources of the individual enterprises and the benefits not obvious in their area of operations. A sector wide research project that assembles and analyses that potential would provide enterprises with a base for market and operational growth decisions.

5. Community & Social Drivers

5.1 Community, Social and Cultural Needs

5.1.1 Social Wellbeing

The MSD Social Report (2007) measures social wellbeing across 10 domains: People, Health, Knowledge and Skills, Paid Work, Economic Standard of Living, Political and Civil Rights, Cultural Identity, Leisure and Recreation, Physical Environment and Safety.

Results across the regions in the Top of the South vary. Generally Nelson and Marlborough perform well in the social report, with relatively fewer numbers of people with low incomes and high proportions of young people and adults gaining higher qualifications, however Marlborough does display a relatively high crime rate in comparison to other South Island townships.

Tasman does not perform quite as well as Nelson in the Social Report indicators. In contrast to Nelson a relatively low percentage of young people (25.8%) leave school with Bursary or higher qualification. Just over half of high school students achieve NCEA level 2 or higher in Tasman in comparison with 70% of students in Nelson (based on 2006 statistics). Kaikoura performs less well, although this is not uncommon for smaller towns. Of particular concern is the lower than average access to early childhood education and low proportion of young people achieving higher qualifications.

Across the Top of the South there are relatively low numbers of Maori language speakers and people who retain their first language (other than English or Maori).

5.1.2 Desired Community Outcomes

Each of the District Councils has consulted with their communities to identify what outcomes they see as being the most important in their communities. The report from this provides a high level summary of the issues and values most important to people. This process was completed last in 2006 and is due to be updated in 2009.

Of the four councils in the area, all but Nelson City include reference to education in their high level community outcomes.

5.1.3 Local Services Mapping

Local Services Mapping has been completed in Marlborough and Tasman resulting in community profiles for these districts. These reports provide a snapshot of the most pressing community concerns. The issues that have been highlighted include debt and financial management; educational achievement; affordable housing and access to services. Below is outlined the key areas for action for both Tasman and Marlborough.

Tasman - Goals

- Families are living with manageable levels of debt
- Families have children who have attained educational qualifications
- Families have achieved economic sufficiency

- Families are living in violence free households
- Sole-parent families are participating economically and socially within their communities.

Marlborough - Goals

- Families are resilient and children are safe
- Families live in affordable and appropriate housing
- Families can access the services they need
- Families can achieve economic sufficiency

5.1.4 Migration and Social Impacts for Migrant Workers

As previously noted, a significant portion of the population growth experienced in the region over the past few years has come from inward migration. While two thirds of the migrants have come from other areas in New Zealand, one third has come from overseas – particularly from the UK. There is also a high incidence of outward migration over the last few years. This has led to a highly mobile population generally. The pattern of migration is significant in its impact on the learning needs of the community. Many people in the 18-25 age bracket may be leaving the region for career and educational opportunities while at the same time a mid-life group (often with families) and older couples are moving into the region.

This migration pattern impacts on educational needs in a two-fold manner. The training needs of the older group are often different to the group in their late teens to mid-twenties. This is in terms of types of training and how training is delivered (full time on-campus study for younger people versus part-time, distance or on-job training requirements for older people who need to maintain an income while training, for example). It also impacts in terms of the needs of the community and what types of skills people are required to have. For example, with the ever increasing older population, there is an increased need for care givers, and other skill sets that surround supporting older people in the community.

The increase in migrants to the region has lead to increased demand for English Language classes and courses which have a component of accepting and understanding cultural diversity.

The Minstry of Social Development and the Deperatment of Labour have been working together on a project investigating the social impact of viticulture on Marlborough. In consultation with stakeholders, four key areas of concern were identified which included: affordable housing, community cohesiveness, social and health services and crime.

Nelson is similalrly experiencing an increase in migrants and demand for English Language clases is increasing. In addition, community organisations such as the Nelson Multi-Ethnic council have been required to broaden their focus and involvement across a wider range of countries.[21]

[21] West Coast Development Trust, 2007, personal communication. Cited in the DoL Annual In-depth regional report p. 20

5.1.5 Iwi

Maori are integrated into all levels of the economy. Currently their largest contribution is through labour force participation. This will increase considerably in the future due to the Maori population being relatively young in relation to the rest of the New Zealand population and the growing Maori commercial asset base. Increases in labour force participation rates have sat alongside strong increases in the number of self-employed Maori. Maori employment growth nationally has been strongest in skilled occupations – trades workers and technicians. There are a number of initiatives that are currently in place aimed at increasing the skill levels of Maori, including localised models of trade training for Maori, building management, governance and leadership skills, and financial and entrepreneurship educations.[22]

> *The biggest contribution that Maori make to the economy at present is their participation in the labour market…*
>
> *…increases in labour force participation also sit alongside strong increases in the number of self-employed Maori owning and operating their own business. Between 2001 and 2006, the number of self employed Maori increased by 3,978 or 23%.*
>
> New Zealand Skills Strategy Discussion Paper 2008

In order to increase the skill level of Maori, encouraging young Maori into higher levels of training will be vital. A Ministry of Education paper[23] notes that Maori under 25 are less likely than non-Maori to be enrolled in Degree studies, while Maori and non-Maori over 25 are as likely to be enrolled. Figures from 2001 to 2005 show that the number of first-year Maori students aged under 20 continues to increase, reflecting the increases in population size in this age group. Therefore in order to encourage Maori into tertiary education, and through to higher-level tertiary education than previously achieved, it is necessary to ensure that Maori students remain at secondary school long enough to achieve their entry requirements for tertiary study, and then are assisted into a smooth transition into tertiary study. Retention at tertiary level is also a greater issue for Maori under 25 than non-Maori.

Local Iwi

There are nine iwi in the Top of the South region, including Kaikoura. These iwi interact and combine at a number of levels dependant on purpose. They make a significant contribution to the region's economy through their commercial activities and are closely linked to their communities through their social support systems, networks and regional governance bodies. The commercial entities are:

- The Wakatu Incorporation, comprising the land interest of the original land owners of the Tenths Reserves in Nelson, Motueka and Golden Bay. These are Ngati Koata, Ngati Rarua, Ngati Tama and Te Atiawa.
- Ngati Rarua Atiawa Iti Trust (NRAIT), representing the hapu of Ngati Rarua and Te Atiawa from Motueka
- Wakapuaka 1B, the commerical affiliation of the Delaware Bay hapu
- Ngai Tahu Holdings Corporation
- Kati Kuri investment and operation of the Whale Watch enterprise at Kaikoura

[22] Source: NZ Skills Strategy discussion document 2008-2012 – Business NZ, Council of Trade Unions, Industry Training federation and Government
[23] Te whai i nga taumata atakura *Supporting Maori achievement in bachelors degrees*

These commercial entities are substantial investors and operators in the key industry clusters in the region including aquaculture and fisheries, tourism, viticulture, horticulture and forestry.

With settlement of Te Tiriti o Waitangi claims underway for all Iwi in the region, there will be substantial resources for iwi to invest further in commercial interests, land, and education and its people.

Educational needs for iwi are therefore twofold – ensuring Maori success in learning through the provision of appropriate networks of support services and working with iwi groups in education, and secondly ensuring the training investment is aligned to this large potential growth area of Maori industry.

5.1.7 Community Learning

A community learning report recently compiled by the Nelson Tasman Adult Education Network (2007) has identified the following considerations:

- There is currently a wide range and variety of community education courses being offered – through community education programmes at schools, by community groups, churches and tertiary education organisations

- There is a need to raise awareness of the courses offered. Not all courses (even in areas identified as needed) are well attended

- Currently most advertising for courses is via written word (free local news papers and Nelson Mail) and not cohesively linked through a regional central database or reference point. There is a need to investigate the development of other cost effective and innovative strategies for disseminating information about community education. These could include the use of community radio, community notice boards, newsletters, internet, e-mail and sharing of information between providers and community groups.

- Through the Professional Development project funds made available by the TEC, regional Adult and Community Education (ACE) Networks are improving their coordination and membership

- Barriers to training included a lack of knowledge of what is available, training course costs, transport, childcare issues and general lack of confidence due to various reasons

Community Education can provide a valuable link towards ongoing tertiary education, and can increase social wellbeing through the socialisation that participation in community education can bring.

6. Engaging Learners

6.1 Youth

Education providers specifically targeting youth learners, and also youth transition services, have informed this statement with their experience working with youth and have identified a number of key trends in the attitudes of young people. The region has a strong network of youth services and agencies that work to link youth education with employment. These include Job Track, Connections, Golden Bay Work Centre Trust, Abel Tasman Educational Trust's Youth Link Broker, the Hub's Youth Shadow Workers, Nelson Bays Education Business Partnership and Education for Enterprise.

The definition of 'youth' is not universal. For the purposes of tertiary education, youth may be defined as those who are legally able to leave school (at age 16) to those who are considered 'adult' in the eyes of the law (at the age of 20)[24], however services to youth can range between the age of 13 to the age of 25. This group is polarised into two groups; those who will leave the region to pursue study and career opportunities (i.e. a University education), and those who will stay.

For those who stay, barriers to entry into further study have been identified as including:

- Money for studies. If training programmes are not subsidised through accessibility to Student Loans or 'study for free' schemes, or training initiatives such as Training Opportunities and Youth Training, the cost of programme fees plus living costs are a main consideration for this group of learners, especially where the parents are not able or willing to support their learning.
- A reluctance to commit to a chosen course of study without the assurance that this choice is the 'correct one', signalling an increased need for taster programmes such as STAR programmes.
- Limited training opportunities available for pregnant young women, or young parents. In addition to this is the lack of childcare available to young parents. A family support network may not be available to help with childcare.
- Part time training choices are limited; learners may need to work part time to cover living costs and this may prevent them from entering the training that would suit their career choice
- Societal pressure and lack of support. For example, some parents are keen for the young person to move out of home, so encouragement for further training is not given. These parents may prefer their child to earn an income so that they can live in a flatting situation
- Low unemployment rates. As it is perceived as relatively easy to get a job, although this may be a 'low-skill' job, more young people may do this instead of building a career path through training
- The high cost of living is a very real issue both regionally and nationally. Any initial enthusiasm may be eroded by financial struggles

Additional personal barriers may include:

- Lack of confidence in their ability to succeed. A negative experience at school may leave some youth with a belief that they are less able to succeed

[24] Reference material: Citizens advice bureau, Information Sheet for Youth.

- Youth with disabilities do not always have access to the support needed to succeed in their training programmes – specialist support may be required to ensure successful outcomes
- Alcohol and drug related issues
- Mental health issues among youth
- Language, literacy and numeracy issues that make it difficult for young people to participate in written forms of learning
- Lack of knowledge or engagement with ‘step into study’ transitional courses, or study support services. Better engagement or knowledge of these services may reduce drop out rates
- Lack of knowledge of all training options available to youth, including supported training, polytechnic and PTEs and distance learning options.

Transportation issues appear to affect not only youth in the region, but all learners. A lack of access to transport, either public or private is a major barrier for people living in outlying rural areas; a travel allowance may not cover the cost of owning a car and where there is no public transport.

For those youth intending to leave the region following secondary school, there is general agreement that better career opportunities exist outside of the region. On-job training is regarded as “awesome opportunities” however there is a level of ‘second-class’ perception for some of these training programmes. This may be a view expressed by parents, but not necessarily reflected by youth.[25] The youth who leave the region, barriers to returning include the perceived lack of job opportunities and a real concern for not being able to afford to live in the region, with high housing costs and lower income levels, although they do perceive the region as a good place to raise children.

A national overview of how young people are doing has been collated by the Ministry of Youth Development. In regards to developing the potential of young people the research of the department highlights the ‘crucial factors’ that create successful young entrepreneurs in New Zealand:

- Typically exposed to business while growing up
- Comfortable with new technologies
- In touch with world trends and opportunities
- Skilled at adjusting to economic and social challenges
- Relative freedom from financial pressures

This may be worthwhile to be taken into account when considering content and delivery style of youth tertiary education programs.

[25] Feedback provided from Youth Councils in the region as a part of the REDS data gathering process, 2007

6.2 Mature learners

Mature learners may include people who are returning to study after a period away, or those who have never engaged in tertiary study, instead pursuing employment or family commitments, or may have been beneficiaries.

Engaging in tertiary education as a mature learner may be quite stressful and learners may be quire apprehensive. There may be fear of the unknown, or concern over success. Barriers may include:

- Balancing work and family commitments with study
- Financial barriers such as the cost of study fees, or the economic cost of reducing or ceasing employment to engage in study
- Lack of childcare availability. This appears to be an issue particularly relevant to the Top of the South region
- Travel distances and cost of travel
- Fear of the learning culture and environment. Concern that classes may only include very young people, or bad learning experiences previously

Encouragement and aids to overcoming these barriers may be provided through good learner induction and orientatio and providing advice about learning support mechnisms. Learing support can include information on how to study, time management and how to access study resources. It can include literacy, numeracy and computer skills training.

Employers can assist their employees to initiate or continue training pathways by offering release time to employees, or assisting with course fees.

7. Training and Education

One purpose of this statement is to analyse where significant gaps, inappropriate supply and over supply of tertiary education may be occurring in the Top of the South region. There are limits to the information provided and therefore these gaps have been identified in general terms.

For 2003 - 2007, only data that is reported in the Single Data Return (the SDR) has been provided by TEC for analysis. The SDR is completed by all Tertiary Education Organisations (TEOs) that have received Student Achievement Component funding (SAC) and/or have students with Student Loans or Allowances. Most of the provision reported in the SDR is SAC funded provision; however, some information on non-SAC provision is included.

It is recognised that there is significant industry training undertaken in Top of the South and that this is an essential component of the overall tertiary education provision. TEC and the ITOs have not been able to provide data on the amount of industry training provision undertaken within the Top of the South region under TEC funding. Similarly, it is not possible within the constraints of this exercise to quantify the direct provision of education and training to business clients in Top of the South. It is also recognised that there is a significant amount of training and education provided in Top of the South under some targeted funding that is not reported and under funding from agencies other than TEC. It has not been possible to obtain details of this provision.

The SDR data in this section is provided by location of the delivery site recorded in the SDR. There are many data issues that frustrate in depth analysis and decision making:

- Not all providers may have registered all their outlets;
- Not all EFTS[26] may have been attributed to the appropriate outlet in the SDR; and
- Not all outlets for which EFTS are recorded in the SDR have sufficient or correct address information to facilitate matching to a Regional Council or Territorial Authority.
- EFTS recorded as Distributed Delivery in the SDR will not be included
- Coding to the New Zealand Standard Classification of Education (NZSCED) may not be correct.

Finally, there is currently no indicator of the location of the student during study or where they may have come from within NZ to study in the SDR. The data is therefore likely to be misleading where significant numbers of students leave a particular region to study (as is the case in Top of the South for most University provision) or where students come into a region only to study and then return home. Further, some people within a region will be studying extramurally (such as through Te Wananga o Aotearoa or the Open Polytechnic). As a result, measures such as regional participation rates (calculated by comparing students participating in tertiary education within a region with relevant population numbers for that region) are not readily able to be calculated accurately. When looking at the relatively small population of the region, any number of students studying through out-of-region providers, or in region providers with a national office out of the region, will significantly alter correct perception of the provision picture.

[26] EFTS: Equivalent Full Time Students. Student numbers are measured by this value.

Equivalent Full Time Students (EFTS) data in Figure 32 indicates a decline in tertiary student study within the region over the previous five years, most markedly in the Tasman district. However the unreliability of the source data prohibits any considered analysis.

Figure 30 - EFTS within Tasman, Nelson, Marlborough and Kaikoura region

Territorial Authority	2003	2004	2005	2006	2007
Tasman District	146	182	241	167	55
Nelson City	2,014	1,969	1,952	1,870	1,832
Marlborough District	512	583	525	425	399
Kaikoura District	4	0	-	-	-
Grand Total	2,676	2,734	2,718	2,463	2,285

When analysing by provider type (Figure 33), data is again unreliable and unusual. For example, there is no record of University or Wananga training in Nelson, although activity is widely evident. Extramural data in Figure 34 appears very low and again, does not appear to capture Open Polytechnic, Massey University or Wananga extramural delivery.

Figure 31 - EFTS within Tasman, Nelson, Marlborough and Kaikoura region, by provider type

Territorial Authority	Provider	2003	2004	2005	2006	2007
Tasman District	Polytechnic	106	100	176	140	2
	Private Training Establishment	40	82	65	27	53
Nelson City	College of Education	98	99	111	62	
	Other Tertiary Education Provider	33	31	36	27	60
	Polytechnic	1,618	1,448	1,468	1,478	1,461
	Private Training Establishment	265	390	337	304	311
Marlborough District	Other Tertiary Education Provider	1	1	1	1	
	Polytechnic	224	228	281	311	279
	Private Training Establishment	171	76	64	4	20
	University	12	19	9	9	11
	Wananga	105	260	170	100	89
Kaikoura District	Private Training Establishment	4	0			
Total		**2,676**	**2,734**	**2,718**	**2,463**	**2,285**

Figure 32 - EFTS within region, by attendance

Territorial Authority	Types of attendance	2003	2004	2005	2006	2007
Tasman District	Intramural	144	170	241	167	55
	Extramural	2	12			
Nelson City	Intramural	2,011	1,955	1,944	1,859	1,808
	Extramural	3	14	8	12	24
Marlborough District	Intramural	512	583	525	425	399
Kaikoura District	Intramural	4	0			
Total		2,676	2,734	2,718	2,463	2,285

As would be anticipated, the majority of training is funded via student achievement component, with considerable activity in training opportunities and youth training.

Figure 33 - EFTS within region, by funding source

Territorial Authority	Funding	2003	2004	2005	2006	2007
Tasman District	Student achievement component	89	92	178	160	33
	Full fee paying foreign students	2	2	0		
	Domestic full fee paying students		3			
	STAR funded students	2	6	9	2	0
	Training opportunities	27	53	35		
	Youth training	8	12			
	Skills enhancement	2	2	2		
	ITO off job training	12	6	12	5	21
	Other contracts	4	7	5		
Nelson City	Student achievement component	1,597	1,531	1,585	1,575	1,545
	Full fee paying foreign students	246	182	141	116	140
	Domestic full fee paying students	6	13	5	1	2
	TEC - supplementary grants				6	1
	STAR funded students	8	10	11	19	20
	Training opportunities	72	120	103	71	60
	Youth training	66	91	85	50	42
	Skills enhancement	1	4	4	7	
	ITO off job training	13	14	16	17	22
	Other contracts	5	4	2		2
	MFAT sponsored student	0			8	
Marlborough District	Student achievement component	323	495	432	395	361
	Full fee paying foreign students	5	6	11	11	9
	Domestic full fee paying students	2		0	0	2
	TEC - supplementary grants	1				
	STAR funded students	0	0	0	6	11
	Training opportunities	107	47	58	7	13
	Youth training	75	35	23	6	3
	ITO off job training			1		1
Kaikoura District	Student achievement component	3	0			
	Full fee paying foreign students	1				
Total		**2,676**	**2,734**	**2,718**	**2,463**	**2,285**

The relatively large level of primary industry training activity supports regional driver industries. This is demonstrated in Figure 36; however it appears unusual that no training appears in the categories of Management and Commerce, Education, Creative Arts and Food, Hospitality and Personal Services and this cast serious doubt on the reliability of the data.

Figure 34 – EFTS by NZSCED category by region - Tasman

Broad NZSCED	Narrow NZSCED	Qualification level	2003	2004	2005	2006	2007
Agriculture, Environmental and Related Studies	Agriculture	1-3 Certificates	22	20	22	18	21
		4 Certificates		2			2
	Horticulture and Viticulture	1-3 Certificates	27	33	37	30	30
		4 Certificates	7	8	1		
	Forestry Studies		8				
		1-3 Certificates	13		0		
		5-7 Diplomas			0		
	Environmental Studies	1-3 Certificates	20	20	17	22	
Health	Veterinary Studies	4 Certificates	9	11	6	9	
Society and Culture	Language and Literature	4 Certificates				2	2
	Sport and Recreation		4	8	5		
		1-3 Certificates	32	62	35		
		4 Certificates	2	0			
Mixed Field Programmes	Other Mixed Field Programmes		1	9	109	84	
		1-3 Certificates	2	9	8	3	

Figures 37 and 38 demonstrate a number of trends which (if the data is reliable) can be considered as supporting regional industry clusters. There is a high level of IT and Nursing degree enrolments, a high level of engineering enrolments and a large and growing number of human welfare study enrolments.

Figure 35 - EFTS by NZSCED category by region - Nelson

Broad NZSCED	Narrow NZSCED	Qualification level	2003	2004	2005	2006	2007
Natural and Physical Sciences	Other Natural and Physical Sciences	5-7 Diplomas	11	12	7	7	6
Information Technology	Computer Science	5-7 Diplomas		46	27	37	33
		7 Degrees/Grad-Dip	45	32	35	35	44
	Information Systems	5-7 Diplomas	60	0	2	1	0
		7 Degrees/Grad-Dip	0	0		0	0
	Other Information Systems	1-3 Certificates		2	1		
		7 Degrees/Grad-Dip		1		2	3
Engineering and Related Technologies	Process and Resources Engineering			0		0	0
		1-3 Certificates	6	5		5	
	Automotive Engineering and Technology	1-3 Certificates	56	72	98	105	61

		4 Certificates	35	40	12	22	31
	Mechanical and Industrial Engineering and Technology	1-3 Certificates	17	16	15	17	17
		4 Certificates	6	7	7	7	2
	Aerospace Engineering and Technology	5-7 Diplomas	59	10	8	13	8
	Maritime Engineering	1-3 Certificates	32	50	47	41	52
		4 Certificates		21	8	19	30
		5-7 Diplomas		17	13	22	11
Architecture and Building	Building				2		
		4 Certificates	32	62	86	85	95
Agriculture, Environmental and Related Studies	Agriculture	1-3 Certificates			7		
	Horticulture and Viticulture	1-3 Certificates	0				
	Forestry Studies	1-3 Certificates	1	0			
	Fisheries Studies	1-3 Certificates	11	2			
	Environmental Studies	1-3 Certificates	10	10			17
Health	Nursing	4 Certificates	7	6	7	9	4
		5-7 Diplomas					0
		7 Degrees/Grad-Dip	149	131	121	123	125
	Veterinary Studies	1-3 Certificates					15
		4 Certificates					9
	Complementary Therapies	4 Certificates		6	6	11	24
		5-7 Diplomas	10	25	19	10	4
	Other Health	4 Certificates	17	19	26		
		5-7 Diplomas				46	44
Education	Teacher Education	1-3 Certificates	2	1	2	2	2
		5-7 Diplomas	8	10	10	13	47
		7 Degrees/Grad-Dip	86	91	101	53	
Management and Commerce	Accountancy	7 Degrees/Grad-Dip	2	2		5	5
	Business and Management	5-7 Diplomas	93	94	67	54	34
		7 Degrees/Grad-Dip	3	1		2	2
	Sales and Marketing	7 Degrees/Grad-Dip	1	3		2	0
	Tourism	1-3 Certificates	19	18	12	20	13
		4 Certificates	37	26			
		5-7 Diplomas	5	5	3	4	4
	Office Studies	1-3 Certificates	42	27	43	44	46
		4 Certificates	30	20	9	24	100
	Other Management and Commerce	7 Degrees/Grad-Dip	130	87	99	70	74
Society and Culture	Human Welfare Studies and Services	1-3 Certificates	64	65	67	99	172
		4 Certificates	49	41	34	23	30
		5-7 Diplomas	55	65	75	51	53
	Language and Literature		32	45	41	43	4
		1-3 Certificates	16	24	24	16	78
		4 Certificates	86	17	14	22	14
		5-7 Diplomas	3	4			33
	Philosophy and Religious Studies	1-3 Certificates	0	0	0		
		5-7 Diplomas	25	28	18	15	

		7 Degrees/Grad-Dip			0	0	
	Sport and Recreation	1-3 Certificates	15				
		4 Certificates			2		
		5-7 Diplomas	21	16	47	45	47
Creative Arts	Performing Arts	4 Certificates	31	30	34	25	21
	Visual Arts and Crafts	5-7 Diplomas	69	58	55	47	43
		7 Degrees/Grad-Dip	44	43	73	46	46
	Communication and Media Studies	1-3 Certificates	20	14	13	8	9
		4 Certificates	32	18	15	11	4
		5-7 Diplomas				15	17
Food, Hospitality and Personal Services	Food and Hospitality	1-3 Certificates	60	39	34	41	35
		4 Certificates	6	8	5	8	6
	Personal Services		6	6	7	9	11
		1-3 Certificates	21	20	17	15	17
		4 Certificates				10	9
Mixed Field Programmes	Social Skills Programmes	1-3 Certificates	18	11	53	54	49
	Employment Skills Programmes	1-3 Certificates		79	100	64	27
	Other Mixed Field Programmes		195	232	212	163	34
		1-3 Certificates	123	129	113	132	111

Figure 36 - EFTS by NZSCED category by region – Marlborough and Kaikoura

Broad NZSCED	Narrow NZSCED	Qualification level	2003	2004	2005	2006	2007
Natural and Physical Sciences	Other Natural and Physical Sciences	7 Degrees/Grad-Dip	0				
Information Technology	Computer Science	1-3 Certificates			14	1	
		4 Certificates	7				
	Information Systems	1-3 Certificates	1				
	Other Information Technology	1-3 Certificates	8	8	5	6	7
Engineering and Related Technologies	Mechanical and Industrial Engineering and Technology	4 Certificates					0
	Aerospace Engineering and Technology	1-3 Certificates	20	24	29	29	16
		4 Certificates		18	24	26	24
		5-7 Diplomas		1	2		
	Maritime Engineering	1-3 Certificates		45		39	
		4 Certificates			43		
Architecture and Building	Building	4 Certificates	12	11	13	9	10
Agriculture, Environmental and Related Studies	Horticulture and Viticulture	1-3 Certificates			11	3	10
		5-7 Diplomas	46	33	16	20	26
		7 Degrees/Grad-Dip	7	14	7	7	7
	Environmental Studies	1-3 Certificates	13	11			
		5-7 Diplomas		7			
Health	Nursing	4 Certificates			2		3
		5-7 Diplomas					0
		7 Degrees/Grad-Dip					1
	Veterinary Studies	1-3 Certificates					6

	Other Health	4 Certificates			0		
Education	Teacher Education	1-3 Certificates	1	1	1	1	
		5-7 Diplomas	1	2	2	2	2
Management and Commerce	Business and Management	1-3 Certificates			14		
		5-7 Diplomas	12	9	7	7	9
	Tourism	1-3 Certificates	0		1		
		4 Certificates	0				
		5-7 Diplomas	1				
	Office Studies	1-3 Certificates	22	43	58	66	61
		4 Certificates	33	7	6	14	29
	Other Management and Commerce	7 Degrees/Grad-Dip	1	0	10	8	7
Society and Culture	Human Welfare Studies and Services	1-3 Certificates	13	10	10	13	32
		4 Certificates	7	6	7	4	11
		5-7 Diplomas				7	
	Language and Literature				1	2	
		1-3 Certificates			3	3	13
		4 Certificates					8
	Sport and Recreation	1-3 Certificates	2				
		4 Certificates	13	13	9	7	3
		7 Degrees/Grad-Dip	0				
Creative Arts	Visual Arts and Crafts	4 Certificates		10			
		5-7 Diplomas	11	7	9	9	9
	Communication and Media Studies	5-7 Diplomas					1
Food, Hospitality and Personal Services	Food and Hospitality	1-3 Certificates	16	9	10	8	
	Personal Services	1-3 Certificates				5	18
		4 Certificates					7
Mixed Field Programmes	General Education Programmes	1-3 Certificates	69	143	38		
	Social Skills Programmes	1-3 Certificates				8	12
	Employment Skills Programmes	1-3 Certificates	178	77	84	22	27
	Other Mixed Field Programmes		14	68	88	97	35
		1-3 Certificates	0	0	2	1	4
		7 Degrees/Grad-Dip	5	5	3	2	4
Kaikoura							
Society and Culture	*Sport and Recreation*	*1-3 Certificates*	*4*	*0*			
Total All Region	***Nelson, Tasman, Marlborough and Kaikoura***		**2,676**	**2,734**	**2,718**	**2,463**	**2,285**

Figure 40 indicates a relative equality in gender engagement with study, but with notable increased representation of females in the 40+ section.

Figure 37 - EFTS within region, by age and gender

Territorial Authority	Age	Gender	2003	2004	2005	2006	2007
Tasman District	18 - 19	Female	6	15	8	8	0
		Male	13	10	7	5	3
	20 - 24	Female	18	23	17	13	3
		Male	12	14	14	9	4
	25 - 39	Female	29	27	36	24	6
		Male	20	23	37	19	10
	40+	Female	14	22	72	56	15
		Male	10	17	29	24	10
	Under 18	Female	9	12	7	4	1
		Male	14	19	14	5	2
Nelson City	18 - 19	Female	129	117	134	128	141
		Male	144	147	136	142	129
	20 - 24	Female	229	208	199	170	176
		Male	244	193	201	217	191
	25 - 39	Female	377	346	344	304	297
		Male	274	286	263	267	246
	40+	Female	284	318	325	310	356
		Male	144	153	140	152	136
	Under 18	Female	68	76	80	81	60
		Male	120	124	130	100	99
Marlborough District	18 - 19	Female	39	29	25	21	29
		Male	25	30	28	42	30
	20 - 24	Female	40	40	33	23	27
		Male	39	39	40	34	25
	25 - 39	Female	82	118	81	54	66
		Male	57	70	54	41	37
	40+	Female	93	143	144	117	108
		Male	39	61	55	52	34
	Under 18	Female	60	24	32	25	33
		Male	37	29	33	16	10
Kaikoura District	18 - 19	Female	0				
		Male	0				
	20 - 24	Female	0				
		Male	1				
	25 - 39	Female	1				
		Male	1	0			
Total			**2,676**	**2,734**	**2,718**	**2,463**	**2,285**

Relative proportions of ethnic groups appear to have been maintained over the previous five years, but with notable increase of Asian representation within Nelson, and a decline of Maori within the Tasman and Marlborough areas.

Figure 38 - EFTS within region, by ethnicity

Territorial Authority	Ethnicity	2003	2004	2005	2006	2007
Tasman District	European	130	153	219	159	50
	Māori	15	17	13	12	1
	Pacific Peoples	0	1	2	1	1
	Asian	1	2	2	1	1
	Other	4	6	5	3	2
Nelson City	European	1,579	1,579	1,609	1,526	1,439
	Māori	203	228	222	221	214
	Pacific Peoples	33	37	28	46	51
	Asian	230	171	133	132	173
	Other	84	75	63	53	60
Marlborough District	European	396	395	383	343	341
	Māori	121	197	129	74	54
	Pacific Peoples	10	16	12	11	11
	Asian	4	11	15	18	11
	Other	14	12	17	10	9
Kaikoura District	European	3	0			
	Māori	1	0			

Note: Ethnic groups may not sum to total because students can select up to three ethnicities.

8. Specific Regional Initiatives

The Councils of the region have strong economic transformation agendas characterised by a desire to attract new business, to create vibrant residential communities and to promote environmental planning, management and sustainability. Many of the planned initiatives are intended to promote the development of business clusters comprising more specialised activity and business services supported by enhanced technology. The four Councils have a commitment to ensuring that the region's economic transformation is supported by suitable physical infrastructure and a skilled labour force. Ensuring that adequate and appropriate tertiary education is available in the region is therefore pivotal as Top of the South continues to grow and transform.

These commitments are reflected in the Council's Annual Plans and Long Term Council Community Plans (LTCCP). These Plans are actioned; in part, by Council Strategies, and also by a number of agencies in the region that work cooperatively and collaboratively. These include the Nelson Economic Development Agency and the Marlborough Regional Development Trust. Both agencies have formed Workforce Development (WFD) Strategies and Regional Economic Development Strategies (REDS) as a result of intensive qualitative and quantitative data analysis. Also included are the Ministry of Social Development Labour Market Strategy which builds on the LTCCP, REDS and WFD Strategy, by focussing its resources on disadvantaged communities in the labour market, and ensuring coordination and facilitation of labour market issues at a regional level. The Department of Labour works with all agencies to supply labour force data and coordinate initiatives.

8.1 Nelson/Tasman

Environmental

Nelson City Council has supported the environmental initiative to develop the Brook Waimarama Sanctuary, a project working towards a pest-free wildlife sanctuary close to Nelson city. It also supports the development of an Aquaculture Research Centre, a project forwarded by the Cawthron Institute and situated at the Glen.

Sustainability

This includes a number of council and community driven initiatives including climate change action, household sustainability and sustainable Living courses, energy, waste, biodiversity, waste, transport, water supply, air supply and building sustainable businesses.

Recreation and Culture

Arts and culture are strong drivers for both the Nelson and Tasman councils, with the councils jointly funding the development of the Nelson Tasman Regional Arts Strategy which will be completed during 2008. Both the Nelson and Tasman Councils are working towards developing a recreation, art and music centre for Nelson Youth, and an Events Strategy which will provide significant iconic events for the region. Significant recent funding initiatives include:

- Nelson City Council has allocated the Nelson School of Music an additional $50,000 per year for the next three years. This is on top of the current funding Council allocated the School.
- The Theatre Royal has been successful in securing 2.9 million from the government and $800,000 from the Nelson City Council towards restoration of the theatre.
- Both councils have invested in upgrades for the Trafalgar Park complex, the development of the Saxton Field sports complex and the Aquatic Centre.

Nelson Tasman Regional Tourism Strategy identifies key focus areas to assist the development of the Tourism sector over the next 10 years.

Ageing

The joint Nelson/Tasman Positive Ageing Policy is currently under review, however some key priorities that have been highlighted in early consultation include:
- Predictions are that people will be working well past 65yrs
- Increased demand for caregivers and health professionals around the needs of the elderly
- Health promotion and disease prevention as more spending goes to focus on keeping older population well
- Education as a leisure activity for older persons
- Training in the voluntary sector[27]

Business Development and Labour Market Strategies

The Nelson EDA's Workforce Development Strategy involves the MSD, DoL, employers, the Chamber of Commerce, NMDHB, and key industry representatives and stakeholders to develop strategies to engage people into the Labour Market. Many of these agencies and organisations assist businesses to grow and improve productivity.

Education Implications and Opportunities

- Promote and develop environmental education programmes and courses, and work-based training opportunities, to support initiatives such as the Brook Sanctuary, and work in conjunction with the Department of Conservation to provide training for the large conservation estates in the region
- Opportunities to support aquaculture training programmes at different levels and involvement in research projects.
- Continued and expanded training for events, music and arts in the region.
- Continued provision of tourism training programmes with an increased focus on cultural tourism, ecotourism, and sustainable tourism business operations
- Formal training to allow recreational artisans to successfully develop their talents into business opportunities
- Refuge and migrant training programmes (including English Language and entry level training) to allow all cultures to participate in the community and the labour market

[27] Source: Community Policy and Planning Coordinator, Nelson City Council June 2008

- Training that allows mature learners to upskill and update their knowledge base to either continue to participate in the workforce, or re-enter the workforce after a time away.
- ACE funded courses to allow for greater quality of life for the over 65 population
- Training that will help keep older workers skills relevant and also retraining for mature job seekers
- Training for caregivers and health professionals around the needs of the elderly. This can include new types of education and training, for example more community based care than hospital based care.
- Training in the voluntary sector. This is two-fold, both to encourage older people to participate in the community by contributing volunteer work, and also training volunteers to assist older people with quality of life activities. . This sector is expected to grow in size and importance but needs to be more professional in its operation, including health and safety training.
- Ensuring information on training provision and training requirements flows *both* ways between training providers and the training requirements.
- Developing staircasing training strategies to assist people into entry level training, and then train on-job to increase skill levels, productivity and business growth.
- Promote regional training opportunities to employers, ensuring a strong awareness of training on offer
- Promote awareness pf regional employment opportunities, and training pathways to these opportunities, to secondary school students
- Supervisor and Management training provided to industry to assist business growth and productivity.

8.2 Marlborough

Migration out of region

A significant threat to the Marlborough economy is that it is running out of working age people needed to sustain even current levels of business (without continuous and dramatic gains in labour productivity) and community activity. Voluntary services such as service clubs and fire brigades that constitute such vital parts of the community's infrastructure are all under pressure.

Specific Industry Growth

The MRDT considers that industry clusters are a sound option to increase business competitiveness and achieve critical mass, thus offsetting, the typical small size and isolation from the market place of New Zealand businesses. Current clusters include Marlborough Aviation, Wine Marlborough, Top of the South Aquaculture, Maori Tourism and Eco Tourism

Energy Conservation/Alternative Energies

The MRDT is pursuing energy conservation and renewable energy strategies to encourage domestic and commercial energy conservation, develop renewable energy resources and develop "sunshine industries"

Migration into the region

Marlborough has initiated a migrant services centre in response to a rapid demographic change, including a significantly more diverse range of ethnicities in the population.

Business Development and Labour Market Strategies

As with Nelson/Tasman, agencies such as the MRDT, WINZ, DoL and Career Services, major employers such as the Viticulture and Wine Industry, the Aquaculture, Agriculture and Horticulture sector are all working together to develop strategies to engage people into the Labour Market and assist the region's business growth and productivity.

Educational Implications and Opportunities

- Encourage young people to stay in the region and contribute to the regional economy. Bridging programmes such as Gateway, STAR, introductory courses and scholarships allow secondary students to transition to tertiary study and recognise the employment opportunities in the region.
- Scholarship opportunities exist where students leave the region for tertiary study, but return to job commitments after completing a qualification.
- Increased communication to potential students of study options in these cluster industries
- Industry to actively support and participate on programme advisory committees to ensure training provision is accurate to industry need
- Joint initiatives between industry groups and training providers including major regional initiatives, business links projects, partnerships for excellence and employment scholarships.
- Training educators have a role to play in promoting sustainable business and training business operators in sustainable methodology
- Provision of foundation, English Language and entry levels skills programmes to assist migrants into the community and into the labour market
- Ensuring information on training provision and training requirements flows *both* ways between training providers and the training requirements.
- Developing staircasing training strategies to assist people into entry level training, and then train on-job to increase skill levels, productivity and business growth.

8.3 Kaikoura

Education and Learning

There is a need for quality learning and improved connection of students with their schooling. A low level of school leavers progress to tertiary study.

Income

A relatively high proportion of Kaikoura residents earn under $20,000 per annum.

Tourism in its infancy

There is a lack of 'maturity' with the level of tourism in Kaikoura. Many operations are fledgling or run on a small scale. They need assistance to grow into sustainable enterprises that employ more qualified people

Educational Implications and Opportunities

- Increased pathways between secondary schools and tertiary programmes.
- Increased flexibility/blended delivery of tertiary training to meet the learning needs of communities without a tertiary campus
- Greater provision of tertiary training, particularly flexible/blended delivery will grow businesses, providing higher employment at a higher salary level
- Tertiary provision of tourism management training, business management training and leadership skills
- Increased provision of ecotourism and cultural tourism training

9. Analysis of Provision Needs

It is difficult, and problematic, to make correlations between current and future employment and demand projections and the existing educational provision across the Top of the South region. Significantly, the TEC educational provision information for Top of the South resident students is unreliable.

It is important to interpret “Demand” against “Supply” with great care. It is unwise to think that the marketplace works perfectly, or in isolation, and that supply will match demand in the way we expect or that it has in the past. Once we have constraints like shortages of labour, distortions start to appear. So while this process might try to determine the demand for particular occupation or trade by looking at the needs of existing businesses, this may not provide a broad picture of whether there are enough, or too many, businesses in that sector. An example of this may be when looking at training needs for carpenters – if there aren’t enough businesses to build the number of houses that are needed, and there isn’t a surplus of carpenters for businesses to draw from, this may result in a lack of business expansion because of uncertainty about being able to employ qualified carpenters.

If a particular shortage applies right across New Zealand and much of the OECD, although people may train in-region, they may be drawn away from the region after achieving their qualification, and the shortage in-region may continue.

Therefore, the analysis of provision needs is based mainly at generic level, with skills that are transferable across industry clusters and may be needed to support the community as a whole, assisting the growing region to meet its needs to make this growth sustainable and viable.

9.1 Generic Issue - Lack of Skilled Workers

In December 2007 the unemployment rate for Tasman/Nelson/Marlborough/West Coast fell to 2.7% (national average: 3.6%) from 3.2% in the year to December 2006. At that time there were 451 working aged people receiving an unemployment benefit. This low unemployment has changed our regional priorities from finding jobs for workers to finding workers for jobs. The MSD is developing ways in which their clients, including sole parents, people receiving a Sickness or Invalids Benefit and older New Zealanders, can move toward part-time or full-time employment. This was around 9000 people regionally as at December 2007 (including the West Coast). Opportunities also exist for people outside the region, as well as migrants, to enter our labour market. The region currently has the third largest growth in migrants after Auckland and Wellington. Cooperation between agencies such as the MSD, the EDAs and Immigration New Zealand and local employers is required to provide transition for these migrants into our region.

Key entry level training is required that reflects the types of jobs available in our region. The MSD advises that the majority of their clients reported that they had no work experience. Taking information about the base skills of their clients, they could developed to match to local skill and labour shortages with the appropriate interventions such as industry partnerships.

The region also shows a high number of school leavers with little or no formal qualification attainment. Training programmes are needed to bridge the gap to assist school leavers in developing marketable skills to achieve employment, or transition into tertiary study.

Examples of programmes with the required core skills include:

- Programs that cover learners or restricted driver's licenses.
- Adult apprenticeships in trades such as construction, carpentry, plumbing, engineering, roading, bakers and butcher
- Entry level training in Respite and Disability Care Givers, nursing
- Entry level training for Teachers Aides and
- Entry level training Early Child Care workers
- Training for employers on how to attract, employ and retain people with a disability, migrants, people returning to work and mature workers

9.2 Generic Issue - Access to training and flexibility

While there is a low unemployment rate, there are still significant numbers of people who are either underemployed, or not 'registered unemployed'. These people may include parents, people with a disability and migrants who are seeking employment and require entry level skills to pursue employment in areas such as retail, administration, hospitality, teachers aides and care giving. Training delivery for these people needs to factor in:

- Family friendly hours
- Childcare provision
- Flexible hours for clients with a disability such as short term courses with a duration of 8–10 hours per week.
- Tutors trained in meeting the learning needs of parents, mature people, people with a disability and migrants
- Provision of low cost or free training

There is an increasing focus on flexible, self-directed, and on-job training to allow businesses to train their staff as required, or for individuals to gain the necessary skills and qualifications to continue their career or change their career direction completely. In order to provide these packages of training to a high quality and measurable standard, training providers need the infrastructure to appropriately manage and administer the programmes of study. There is often a 'miss-match' between the 'just-in-time' training that is demanded by industry, particularly seasonally influenced industries, with focus on assessment outcomes, and tertiary training providers who are often more focussed on pedagogy and educationally cohesive provision.

9.3 Generic Issue - Population Growth

Approximately 10,000 additional residents are predicted by 2011, another 10,000 by 2026, with strong growth in Tasman. A high number of these will be overseas-born residents. (The region currently has the fourth highest percentage (as a region) of overseas-born residents in New Zealand). It is the fourth highest centre for refugees in New Zealand. With this comes the related growth areas to population including new housing developments, community infrastructure changes (roading, civil engineering, water supply, waste removal.

There is an anticipated increased demand for tertiary education and training in most sectors commensurate with increased demand for work opportunities. In addition there will be an increased demand for facilities and infrastructure with the resulting need for qualified trades people including builders, plumbers, architects, construction and civil engineers.

To enable new migrants to participate effectively in the workforce, tertiary training providers need to work in partnership with agencies such as Settling In, Settlement Support and WFD New Migrant Focus Group. The provision of accessible English Language programmes is vital to assist new migrants and refugees into the workforce.

9.4 Generic Issue – Literacy and numeracy

Increasingly, even elementary level positions have requirements for essential foundation skills, particularly in literacy and numeracy. A disproportionate number of Top of the South residents do not have the required skills and it is important that adequate provision is made available to address this gap. The high number of school leavers with little or no formal qualification attainment may also be leaving school with low literacy and numeracy skills.

9.5 Generic Issue – Large number of SMEs needing growth strategies

The sectors where this potential has already been identified are in aquaculture, natural products, the ICT sector and research and science based enterprises. To achieve this potential; specific skills such as marketing, design/engineering, financial structuring and export and logistics will be required. These key middle management skills will be required to assist growth in these sectors and across other sectors.

Industry sectors and local authorities have stated the need for middle-management and leadership training to increase productivity, provide a better working environment for staff, provide greater profitability for businesses in tight economic conditions, better manage the supply chain and allow for business growth and development.

Automation of production leads to a greater need for training mechanical engineers, both in design and maintenance.

9.6 Generic Issue – Salaries and Cost of Living

Most industries and employers do not support the notion of 'sunshine wages'.[28] Whilst there may be a small number of employers who pay minimum wages, by far the majority recognise the need to provide nationally competitive pay rates as well as other benefits in order to recruit and retain the required staff. However the high cost of housing does have a negative impact in this regard, and the figures presented in 2.7 show that average incomes do fall slightly below the national average.

There are pockets of high deprivation levels both in main urban, independent urban and rural areas and increasingly high debt levels (particularly noted in Marlborough) and welfare dependency. The Nelson/Tasman Housing coordination project is currently underway to ensure the region can provide affordable housing to attract and retain an optimum labour market.

There is a widening gap of income inequality – where some residents enjoy the benefits of a strong economy, others are struggling for financial survival

9.7 Generic Issue – Gap in provision for Kaikoura

There is currently very little in training provision made available to Kaikoura. Its location puts it between the two largest IPS that could service the area - Christchurch's CPIT and Nelson/Marlborough's NMIT. While developing a Labour Market Strategy for Kaikoura, the MSD identified that the range of core skills needed in Kaikoura would need to be serviced from outside the area from either ITPs, including CPIT, NMIT and the Open Polytechnic of NZ or other smaller institutes. Kaikoura would like to investigate the opportunity of having an outreach ITP at Kaikoura.

Employers in Kaikoura have identified that training in eco-tourism, sustainable waste management, retail, and hospitality is all needed.

9.8 Generic Issues - Changing roles in the Primary Industries sector

There is increased mechanisation, research and development in the industry, and growers grouping together to meet increased globalisation and maintain an international market position. This results in a need for diverse training in horticulture, which shares some common training needs and specific training requirements where different industry sectors operate in vastly different ways (i.e. viticulture, berryfruit and pipfruit).

The agriculture sector also requires the provision of training pathways to encourage people into the industry and assist them with their career growth on-job.

With the slowing of the wet fish industry, focus is now shifting to aquaculture as an area for increased development. Training requirements will impact on factory workers, to change their skills base to process different product, and also continued research and development into new methods, species and markets for

[28] Anecdotal evidence collected during the consultation process for the development of the Nelson Tasman Workforce Development Strategy.

make aquaculture initiatives sustainable and viable. This includes the development of the natural products sector.

With the maturity of many commercial forests and slowing of development of forestry areas, the skills set in the forestry cluster have shifted towards harvesting rather than planting and maintenance.

9.9 Generic Issue - Developing and diversifying the Tourism sector

With tourism and hospitality being such strong drivers in the region, there is a need to build on the current provision of training in customer service, tour guiding, tourism management and hospitality. The Tourism Industry Association, in the Workforce Strategy report[29], recognises that in a tightening labour market, the tourism industry particularly suffering from increasing labour shortages. This will have particular impact on the region in places such as Kaikoura.

9.10 Generic Issue - IT requirements

The economic transformation agenda of the three unitary authorities also relies on significantly increasing the digital literacy of many residents. There is therefore a strong requirement for training in basic and advanced level computing, information and communications technology. These necessities are also reflected when focussing on the region's need to assist the ageing population to stay in the workforce longer, or for older people to re-enter the workforce after a long period of unemployment.

9.11 Generic Issue - The ageing population

Although the region currently has a level of training provision for the sector of aged care, the ageing population in the region, and New Zealand as a whole means that the numbers of people trained in this sector must increase dramatically in the future. This sector includes home-based support services, residential care, housing, associated health and support services and recreational services.

In addition to this, positive ageing is about empowering older people to make choices that enable them to live a satisfying, health life. The provision of a range of community and interest courses is important to allow people to continue to learn, and participate socially with others.

[29] Tourism and Hospitality Workforce Strategy, 2005. Joint publication of the Tourism Industry Association and other partners.

Appendix A - Regional Tertiary Education Provision[30]

Name	Location	Specialises in	Other information
Abel Tasman Educational Trust	Riwaka	Training programmes such as conservation corps, industry driving, work skills and foundation studies, service skills and practical art	Charitable trust to ensure local training
Adventure Sports Institute of NZ	Nelson	Diving, ESOL to L2, retail, catch up education & bridging programmes	Privately owned
Agriculture New Zealand	Richmond	Agriculture, horticulture, land skills, pest management	Privately owned
Aromaflex International Aromatherapy School	Nelson	Aromatherapy and reflexology	Privately owned
Bible College of New Zealand	Stoke	Outdoor recreation	Church owned
Business Management School Limited	Nelson & Blenheim	Accounting, business admin, communication skills, computing, information management, tourism, maths and office Systems to L3/4	Privately owned
Community Colleges New Zealand Ltd	Marlborough	Accounting, business admin, office systems to L3, driving, adult education to L5; fitness/sport to L4; service sector, supported training	Privately owned
Garden City Helicopters Limited	Nelson	Helicopter pilot training	NMIT Aviation provider
Golden Bay Work Centre Trust	Takaka	Computing, art/craft, ESOL, vocational skills, literacy and numeracy	Charitable Trust
Holistic Health Training Ltd	Nelson	Holistic bodywork	Privately owned
ILP Education & Training Ltd	Blenheim	Horticulture and agriculture training	Privately owned
Koru Institute Training Education	Blenheim	Computer, education services	Privately owned
Maiawhitia Education and Training Services (METS)	Motueka	Maori language and numeracy L1/L2/L3	Owned by a Trust
Massey University	Hamilton	Many courses and qualifications via correspondence	TEO
Master Drive Services	Blenheim	Driving and civil construction	Privately owned
Master Drive Services	Nelson	Driving and civil construction	Privately owned
National Council of YMCA's of NZ	Nelson	Youth training, life skills	Privately owned
Nelson Aviation College Ltd	Motueka	Pilot training	NMIT Aviation provider
Nelson English Centre Ltd	Nelson	ESOL	Privately owned
Nelson School of Music	Nelson	Music studies	GTE

[30] Note: Does not include small privately funded centres, or community groups such as SeniorNet, U3A etc.

Name	Location	Specialises in	Other information
Nelson Marlborough Institute of Technology	Nelson & Blenheim	Main ITP in region	TEO
Nelson Technical Institute Ltd	Stoke	Driving, retail, agriculture, aquaculture, civil construction, ESOL, Fire training, forestry (mostly L2 - L4)	Privately owned
Nelson Training Centre	Nelson	Hospitality, ESOL to L2, Life Skills	Privately owned
Omaka Training Centre	Blenheim	Electricity supply	Wholly owned division of Trustpower
Quadro Holdings Limited	Nelson	Automotive (most L2) plus english and life skills	Privately owned
Precision Training Ltd	Nelson/Christchurch	First line management, NZ Diploma in Business	PTE
Richmond Hills English Language School	Richmond	English language	Privately owned
RNZAF - Directorate of Air Force Training	Blenheim	Airforce - aviation, engineering, fitness etc	Corporate/institution
Solutions In Seafood Ltd	Nelson	Seafood processing, retail, aquaculture to L6	Privately owned
South Pacific Kinesiology College	Nelson	Kinesiology	Privately owned
Stonehurst Farm Ltd provider	Nelson	Horse Trek business and riding/equine trainer	NMIT Horse trek guiding/equine studies
The Open Polytechnic of NZ	Nationwide	Many courses and qualifications via correspondence	TEO
The Salvation Army	Blenheim	Foundation skills for job seekers, beneficiaries, and youth. Specialises in Youth and TOPS training in basic life skills, basic carpentry, automotive and engineering skills, literacy, numeracy and drivers licenses	Charitable Organisation
Te Awhina Marae	Motueka	Life & study skills, Maori culture	Incorporated Society
WellCare Education Ltd	Nelson - Head Office	Core health, support of the older person, life & study skills	Privately owned
Werohia Development Limited	Picton	Adventure Tourism/Outdoors based learning,	Privately owned
Whenua Iti Trust Inc. Outdoor Pursuits Centre	Lower Moutere	Outdoor leadership, outdoor recreation, adventure tourism, youth development	Owned by a Trust

Appendix B - Schools in the Top of the South by Decile Rating

Name	City	School Type	Authority	Gender of Students	Territorial Local Authority	Decile	School Roll July 2006
Mayfield School (Blenheim)	Blenheim	Contributing	State	Co-Educational	Marlborough District	2	142
Victory Primary School	Nelson	Contributing	State	Co-Educational	Nelson City	2	291
Stoke School	Nelson	Contributing	State	Co-Educational	Nelson City	2	161
Parklands School	Motueka	Full Primary	State	Co-Educational	Tasman District	2	234
Blenheim School	Blenheim	Contributing	State	Co-Educational	Marlborough District	3	102
Picton School	Picton	Contributing	State	Co-Educational	Marlborough District	3	136
Queen Charlotte College	Picton	Year 7-15	State	Co-Educational	Marlborough District	3	333
Salisbury School (Nelson)	Nelson	Special	State	Girls' School	Tasman District	3	79
St Joseph's School (Kaikoura)	Kaikoura	Full Primary	State Integrated	Co-Educational	Kaikoura District	4	119
St Joseph's School (Picton)	Picton	Contributing	State Integrated	Co-Educational	Marlborough District	4	32
Motueka High School	Motueka	Year 9-15	State	Co-Educational	Tasman District	4	621
Motueka South School	Motueka	Full Primary	State	Co-Educational	Tasman District	4	233
St Peter Chanel School (Motuek)	Motueka	Full Primary	State Integrated	Co-Educational	Tasman District	4	75
Mountain Valley School	Pokoro	Full Primary	Private	Co-Educational	Tasman District	4	9
Lower Moutere School	Tasman District	Full Primary	State	Co-Educational	Tasman District	4	151
Whitney Street School	Blenheim	Contributing	State	Co-Educational	Marlborough District	5	290
Havelock School	Marlborough	Full Primary	State	Co-Educational	Marlborough District	5	90
Spring Creek School	Marlborough	Contributing	State	Co-Educational	Marlborough District	5	54
Ward School	Marlborough	Full Primary	State	Co-Educational	Marlborough District	5	48
Koromiko School	Marlborough District	Full Primary	State	Co-Educational	Marlborough District	5	28
Waikawa Bay School	Picton	Contributing	State	Co-Educational	Marlborough District	5	81
Rai Valley Area School	Rai Valley	Composite	State	Co-Educational	Marlborough District	5	81
Auckland Point School	Nelson	Full Primary	State	Co-Educational	Nelson City	5	113
Tasman Bay Christian School	Nelson	Full Primary	State Integrated	Co-Educational	Tasman District	5	45
Takaka Primary School	Nelson	Contributing	State	Co-Educational	Tasman District	5	164
Brooklyn School (Motueka)	Tasman District	Full Primary	State	Co-Educational	Tasman District	5	77
Riwaka School	Tasman District	Full Primary	State	Co-Educational	Tasman District	5	198
Tapawera Area School	Tasman District	Composite	State	Co-Educational	Tasman District	5	224
Kaikoura High School	Kaikoura	Year 7-15	State	Co-Educational	Kaikoura District	6	239
Kaikoura Primary School	Kaikoura	Contributing	State	Co-Educational	Kaikoura District	6	105
Bohally Intermediate	Blenheim	Intermediate	State	Co-Educational	Marlborough District	6	386
Marlborough Girls' College	Blenheim	Year 9-15	State	Girls' School	Marlborough District	6	1054
Redwoodtown School	Blenheim	Full Primary	State	Co-Educational	Marlborough District	6	248
Richmond View School	Blenheim	Full Primary	State Integrated	Co-Educational	Marlborough District	6	89
Grovetown School	Blenheim	Contributing	State	Co-Educational	Marlborough District	6	46
Canvastown School	Canvastown	Full Primary	State	Co-Educational	Marlborough District	6	38
Riverlands School	Marlborough District	Full Primary	State	Co-Educational	Marlborough District	6	205
Wairau Valley Schoool (Blenheim)	Marborough District	Full Primary	State	Co-Educational	Marlborough District	6	57
Waitaria Bay School	Marlborough District	Full Primary	State	Co-Educational	Marlborough District	6	17
Maitai School	Nelson	Special	State	Co-Educational	Nelson City	6	32
Nelson Intermediate	Nelson	Intermediate	State	Co-Educational	Nelson City	6	405
Tahunanui School	Nelson	Contributing	State	Co-Educational	Nelson City	6	331
Collingwood Area School	Collingwood	Composite	State	Co-Educational	Tasman District	6	132
Golden Bay High School	Nelson	Year 7-15	State	Co-Educational	Tasman District	6	318
Murchison Area School	Nelson	Composite	State	Co-Educational	Tasman District	6	142
Richmond School (Nelson)	Richmond	Contributing	State	Co-Educational	Tasman District	6	339

Motupipi School	Takaka	Contributing	State	Co-Educational	Tasman District	6	74
Central Takaka School	Tasman District	Contributing	State	Co-Educational	Tasman District	6	63
Ngatimoto School	Tasman District	Full Primary	State	Co-Educational	Tasman District	6	65
Dovedale School	Tasman District	Full Primary	State	Co-Educational	Tasman District	6	43
Kaikoura Suburban School	Kaikoura	Contributing	State	Co-Educational	Kaikoura District	7	38
Lynton Downs School	Kaikoura	Contributing	State	Co-Educational	Kaikoura District	7	10
Marlborough Boys' College	Blenheim	Year 9-15	State	Boys' School	Marlborough District	7	1024
Seddon School	Marlborough	Full Primary	State	Co-Educational	Marlborough District	7	113
Birchwood School	Nelson	Contributing	State	Co-Educational	Nelson City	7	282
Broadgreen Intermediate	Nelson	Intermediate	State	Co-Educational	Nelson City	7	536
Hampden Street School	Nelson	Contributing	State	Co-Educational	Nelson City	7	403
Nayland College	Nelson	Year 9-15	State	Co-Educational	Nelson City	7	1487
Nelson Central School	Nelson	Contributing	State	Co-Educational	Nelson City	7	389
Nelson College	Nelson	Year 9-15	State	Boys' School	Nelson City	7	986
Nelson College For Girls	Nelson	Year 9-15	State	Girls' School	Nelson City	7	1035
Nelson Christian Academy	Nelson	Full Primary	State Integrated	Co-Educational	Nelson City	7	132
Waimea Intermediate	Nelson	Intermediate	State	Co-Educational	Tasman District	7	608
Brightwater School	Nelson	Contributing	State	Co-Educational	Tasman District	7	237
Wakefield School	Nelson	Contributing	State	Co-Educational	Tasman District	7	263
Tasman School	Tasman District	Full Primary	State	Co-Educational	Tasman District	7	81
Woodbank School	Kaikoura	Contributing	State	Co-Educational	Kaikoura District	8	9
Hapuku School	Kaikoura District	Contributing	State	Co-Educational	Kaikoura District	8	34
Springlands School	Blenheim	Contributing	State	Co-Educational	Marlborough District	8	411
St Mary's School (Blenheim)	Blenheim	Full Primary	State Integrated	Co-Educational	Marlborough District	8	384
Linkwater School	Linkwater	Full Primary	State	Co-Educational	Marlborough District	8	55
Tua Marina School	Marlborough	Full Primary	State	Co-Educational	Marlborough District	8	91
Renwick School	Marlborough	Full Primary	State	Co-Educational	Marlborough District	8	375
Enner Glynn School	Nelson	Contributing	State	Co-Educational	Nelson City	8	304
Nayland Primary School	Nelson	Contributing	State	Co-Educational	Nelson City	8	405
St Joseph's School (Nelson)	Nelson	Full Primary	State Integrated	Co-Educational	Nelson City	8	352
Garin College	Nelson	Year 9-15	State Integrated	Co-Educational	Nelson City	8	415
Ranzau School	Nelson	Contributing	State	Co-Educational	Tasman District	8	187
Waimea College	Nelson	Year 9-15	State	Co-Educational	Tasman District	8	1277
St Paul's School (Richmond	Nelson	Full Primary	State Integrated	Co-Educational	Tasman District	8	245
Upper Moutere School	Nelson	Full Primary	State	Co-Educational	Tasman District	8	110
Mapua School	Nelson	Full Primary	State	Co-Educational	Tasman District	8	206
Lake Rotoiti School	Tasman District	Full Primary	State	Co-Educational	Tasman District	8	31
Witherlea School	Blenheim	Contributing	State	Co-Educational	Marlborough District	9	337
Rapuara School	Marlborough District	Full Primary	State	Co-Educational	Marlborough District	9	152
Clifton Terrace School	Nelson	Contributing	State	Co-Educational	Nelson City	9	223
Nelson College (Prep. Dept.)	Nelson	Intermediate	Private	Boys' School	Nelson City	9	103
Nelson College For Girls Prep School	Nelson	Intermediate	Private	Girls' School	Nelson City	9	92
Mahana School	Mahana	Full Primary	State	Co-Educational	Tasman District	9	60
Henley School (Nelson)	Nelson	Contributing	State	Co-Educational	Tasman District	9	571
Appleby School	Tasman District	Contributing	State	Co-Educational	Tasman District	9	111
Fairhall School	Blenheim	Full Primary	State	Co-Educational	Marlborough District	10	207
Hira School	Nelson	Contributing	State	Co-Educational	Nelson City	10	93
Hope School	Nelson	Contributing	State	Co-Educational	Tasman District	10	90
Independent Middle School	Nelson	Composite	Private	Co-Educational	Nelson City	99	40
Motueka Rudolf Steiner School	Motueka	Full Primary	Private	Co-Educational	Tasman District	99	55

Glossary of Terms

ACE	Adult and Community Education
ANZSIC	Australia & New Zealand Standard Industrial Classification
Baby Boom	Usually the period 1946–1965, associated with high fertility rates and high numbers of births, although the definition varies between sources and between countries.[31]
Deprivation	I.e. Deprived. The Deprivation Index in NZ is based on nine variables such as income, unemployment, lack of qualifications etc and is rated on a scale of 1 to 10, 10 being the most deprived.
DoL	Department of Labour
DPB	Domestic Purposes Benefit
EDA	Economic Development Agency
EFTS	Equivalent Full Time Student
FTE	Full Time Equivalent
GDP	Gross Domestic Product. The GDP regionally is ordinarily calculated from GST returns. Inaccuracies and irregularities may arise when GST returns are submitted from an out-of-region corporate office, and the GST is attributed to the region from where the return is submitted. The alternative methodology is to use the national total figure pro-rata on the basis of staff numbers. The methodology assumes that productivity and the value of the product is identical in every region. For some industries, these two methodologies can have real impact as demonstrations of calculations can vary from 'true' figure.
GST	Goods and Services Tax
ICT	Information and Communication Technology
ITF	Industry Training Federation – made up of membership of the ITOs
ITO	Industry Training Organisation
ITPs	Institute of Technology and Polytechnics
KAREN	Kiwi Advanced Research and Education Network. Delivers an opportunity to connect to education (tertiary) and research partners (CRI's) in New Zealand and these in turn with other KAREN-like networks that exist internationally
LOOP	Top of the South school network that will include all primary and secondary schools in the area and NMIT. Currently NMIT and the Loop share a 20Mb link between Nelson and Wellington
Mixed Field Programmes	Basic Learning Skills, Foundation Skills and Employment Skills
MRDT	Marlborough Regional Development Trust
MSD	Ministry of Social Development
NCEA	National Certificate in Educational Achievement
NMDHB	Nelson Marlborough District Health Board

[31] Source: Statistics NZ

NMi	Nelson Marlborough Info Region. This initiative has a fibre network and aims to establish internet peering exchanges in Nelson and Marlborough.
NMIT	Nelson Marlborough Institute of Technology
NQF	National Qualifications Framework
NRAIT	Ngati Rarua Atiawa Iti Trust
NREDA	Nelson Regional Economic Development Agency
NZSCED	New Zealand Standard Classification of Education
PTE	Private Training Establishment
REDS	Regional Economic Development Strategy
RNZAF	Royal New Zealand Air Force
SAC	Student Achievement Component – funding contribution provided by the government for the direct costs of teaching and learning at tertiary level.
SDR	Single Data Return – information submitted to the government by TEOs on enrolments. Forms the basis of calculations of funding from the government to tertiary providers.
SME	Small to Medium sized Enterprise
TEC	Tertiary Education Commission
TEO	Tertiary Education Organisation
TEI	Tertiary Education Institution *see TEO*
TES	Tertiary Education Strategy
Top of the South	Region encompassing the Territorial Authorities of Nelson, Marlborough, Tasman and Kaikoura
WFDS	Work Force Development Strategy

Glossary of Labour Force Status

Actively seeking work
To be actively seeking work a person must use job search methods other than reading job advertisements. Examples of actively seeking work are: writing, phoning, contacting using electronic mail or applying in person to an employer; contacting a private employment agency; contacting Work and Income New Zealand about a job; placing an advertisement to find a job; contacting friends or relatives about a job; taking steps to set up your own business or contacting a careers advisor or vocational guidance officer.

Employed
All people in the working-age population who during the reference week:

(a) worked for one hour or more for pay or profit in the context of an employee/employer relationship or self-employment.

(b) worked without pay for one hour or more in work which contributed directly to the operation of a farm, business or professional practice owned or operated by a relative. Prior to April 1990, defined as 15 hours or more.

(c) had a job but were not at work due to leave for any one of a number of reasons

Unemployed
All people in the working-age population, who during their reference week were without a paid job, were available for work and:

(a) had actively sought work in the past four weeks ending with the reference week, or (b) had a new job to start within four weeks.

A person whose only job search method in the previous four weeks has been to look at job advertisements in the newspapers is not considered to be actively seeking work.

Jobless
The 'Jobless' is an alternative measure of unemployment to the official unemployed. The jobless are defined as the officially unemployed plus those people who during their reference week were without employment and either available, but not actively seeking work, or actively seeking, but not available for work

Jobless rate
The number of jobless people expressed as a percentage of the jobless plus the employed.

Labour force
Members of the working-age population who during their survey reference week are classified as 'employed' or 'unemployed'.

Labour Force Participation Rate
The labour force expressed as a percentage of the working-age population.

Persons not in the labour force
Any person in the working-age population who is neither employed nor unemployed, as defined in "Employed" and "Unemployed", is deemed to be not in the labour force. This category includes, for example:

(a) retired people
(b) people with personal or family responsibilities such as unpaid housework and childcare
(c) people attending educational institutions
(d) people permanently unable to work due to physical or mental handicaps
(e) people who were temporarily unavailable for work in the survey reference week
(f) people who are not actively seeking work

Unemployment rate
The number of unemployed people expressed as a percentage of the labour force.

Working-age population
The usually resident population of New Zealand aged 15 years and over.

Definition of Skill Shortage

The Department of Labour (DoL) Workforce Group currently maintains two occupational shortages lists: the Immediate Skill Shortage List (ISSL) and the Long Term Skill Shortage List (LTSSL). Each list performs a particular immigration policy function, and potential migrants use both lists to understand where the opportunities for work lie in New Zealand.

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