Joint Work Programme
Economic Development, Infrastructure and Capability Development

Te Hiku SME Business Survey Insights Report

26 November 2021

Work Stream:	Economic Development/Infrastructure/Capability Development
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Version:	1
Document ID No.:	**JWP0439**

He kūaka mārangaranga kōtahi te manu i tau, tau atu ki te tāhuna tau atu, tau atu e.
The godwit flock has arisen, one bird has come to rest on the beach, others will follow.

This report provides insights from the **2021 Te Hiku Business Survey** (the survey).
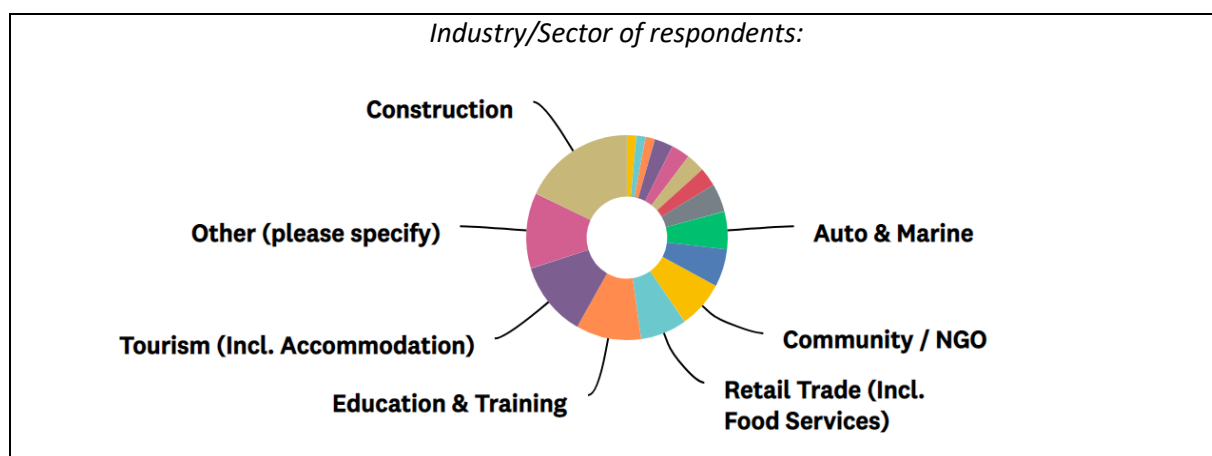
What we did, Why, and How we did it?
The survey was conducted by the Joint Work Programme (JWP) Pou Leads responsible for Economic Development, Capability Development, and Infrastructure. The intent was to establish the economic development, infrastructure and capability needs of Te Hiku businesses. Findings from the survey meet Pou work programme requirements and will be used to inform the JWP work programme moving forward.

Draft survey questions were developed and trialled online with JWP staff, feedback was collated, and the survey modified for final distribution (Appendix 1). Original timelines were pushed out in deference to COVID level lockdowns, and the pressures businesses were facing during this time.

The survey was sent through an email link, to a defined set of businesses selected to represent a cross section of the local business community on 13th October 2021 and the survey closed on 29th October 2021.

Who Responded?
Approximately 400 businesses were approached and invited to participate in the survey. JWP were pleased to receive 71 responses from the following Industries and Sectors. Follow up calls and emails were made to ensure there was a credible spread.

Industry/Sector of respondents:

Construction had the highest number of respondents, while 'other' includes retail, financial services, and pet care. Sectors with less than 3% of respondents are not identified in the donut, and include but are not limited to:
1. Manufacturing
2. Primary – Agriculture, Forestry, Fishing, Horticulture
3. Personal Services.

This report is an overview and analysis of the data gathered, presented under the following headings:
1. Economic and Capability Development
2. Infrastructure.

Systems issues are identified to be progressed through the JWP Governance Model by both Ngā Puna Waiora and the JWP Programme Director.

Sub-headings identify the pathway for issues raised through analysis, to be addressed and align to the JWP Governance Model.
1. JWP Ngā Puna Waiora[1] to activate via Governance Model
2. JWP Programme Director to elevate via Governance Model
3. Conditions to inform Economic and Capability Development, along with Infrastructure workplans.

[1] Ngā Puna Waiora is a process designed to identify, review, and improve government systems to better meet whānau outcomes.
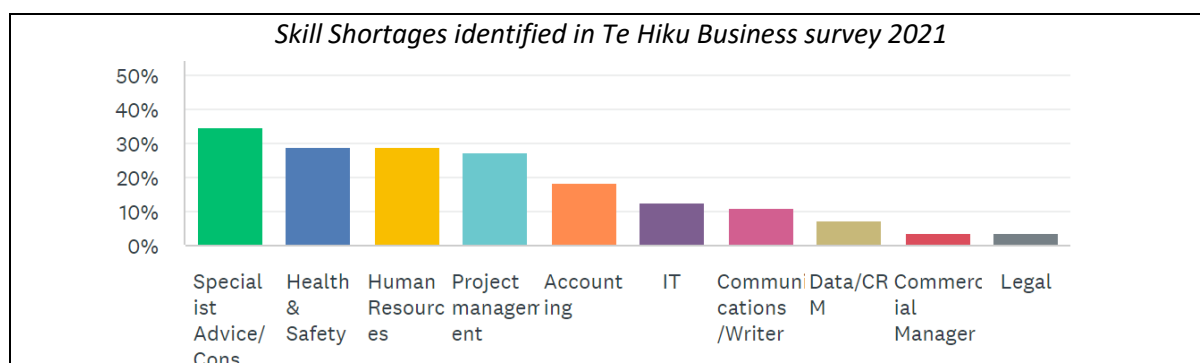
Economic and Capability Development

The three top-of-mind business concerns mentioned by respondents were:
1. Staffing – right skills & work ethic (46%)
2. COVID-19 – uncertainty & compliance (45%)
3. Supply chain & materials (24%).

The specialist skills gaps listed in the survey are not new to Te Hiku and are supported by the JWP's Macro View of Conditions report[2] regarding Te Hiku economic environment and previous thematic analysis across several other platforms, including direct feedback from Iwi groups, previous business reports, the BERL (Business Economic Research Limited) Report[3] and whānau voice.

JWP wanted to understand how prevalent the skill gaps were in the current Te Hiku business climate. Data from this survey confirms they are still top of mind for businesses in Te Hiku, as illustrated in the table:

Skill Shortages identified in Te Hiku Business survey 2021

In terms of training and support, key themes included more:
1. Local provision (especially teacher training, mentoring, H&S)
2. Fees-free and learning on-job
3. Focus on the transition space from school to employment.

The most common reasons for not taking on apprentices were:
1. Time/Capacity (32%)
2. Cost/Funding (25%)
3. COVID uncertainty (16%)
4. Suitability/Interest (14%)

Seasonality of work and not having enough space were also mentioned.

Over 60% of the respondents were open to taking part in a Te Hiku Workforce Development Plan. Perhaps this would have been higher if there was an indication of how much time this would take e.g., 30-45minutes.

Construction had the highest number of businesses agree to participate. While this is not surprising as they were the most represented sector, it is encouraging as JWP works to support Economic and Capability Development within this sector due to the Housing and Drought crisis in the Te Hiku. This includes looking at Construction as the next sector to trial and incubate the Tupu Training to Employment Model.

JWP Ngā Puna Waiora to activate via Governance Model
1. Require impact assessment and list of support services for the mandatory vaccination roll-out in Te Hiku: Greater inequity for whānau access/availability of services, exasperated skill shortages for employers, reduced business viability, low confidence in information and support available.
2. Request Government to review effectiveness of Apprenticeship Boost Scheme, uptake in Te Hiku, and to consider an extension of the initiative or an alternative solution to help employers keep and take on new apprentices across Aotearoa.
3. Inform the Reform of Vocational Education, such as Te Pūkenga Operating Model and Unified Funding System to support more fees-free, local provision for gaps, greater flexibility in delivery.

[2] JWP0263 Macro View of Conditions Report (Te Paa, 2021); [3] Te Hiku Recovery Framework COVID-19 (BERL, 2020)

4. Individual case: Review of funding to support development and establishment of a private/public training partnership. The operational skill and budget forecasting is sound, as the whānau has a current operation to evidence the Kaupapa, the challenge is funding and start-up support.
5. Individual case: Review equity of audit fees. Current understanding suggests that NZQA tertiary education audit bill takes up a significant percentage of a small business' earnings.

JWP Programme Director to elevate via Governance Model
1. Supply chain issues: How can Government improve supply / imports, reduce / regulate exports?

Conditions to Inform Te Hiku Workforce Development Operating Model
1. That almost 50% of respondents list staffing as their biggest concern highlights the importance for JWP, Iwi and Crown to step in to work collaboratively with Industry to rectify this.
2. Attraction/perception, recruitment, and retention strategies for skill gaps, including GP/Nurses/ clinicians, teachers, IT, health & safety, business mentoring/coaching, qualified tradies, beauticians.
3. Single recruitment channel, which connects to school leaver / NEETS transition space.
4. Strategies and initiatives for addressing and building greater work ethic and suitability of the prospective workforce to be seen as reliable and skilled.
5. Procurement for equity - hire local to increase local provision/training.
6. Initiative incubation for a new model of apprenticeships that wraps around time-strapped employers. Alleviating business pressures, such as uncertainty of a secure jobs pipeline due to COVID or seasonality, and existing skills gaps for qualified staff to be able to train new junior staff.
7. Responses reinforce the 'conditions for success' that JWP have highlighted in the design of the Tupu Training to Employment Model including Te Ao Māori holistic approach, ongoing pastoral support, integrated employability/ life skills, locally delivered training, and locally designed learn while you earn solutions, with more industry-led and on-job training.
8. Locally delivered training requests: Nurses/clinicians, Teachers, Hospitality courses, Health & Safety, Forklift and endorsed licences, tradie block courses (not Whangārei-based), more financial literacy, Environmental management and engineering, Skippers license.
9. Suggestions for Digital Hub training: IT, monthly social media and advertising/marketing sessions, websites (e-commerce/ booking systems), communication skills with staff, basic computer skills.
10. Review of programmes that worked well and aren't here anymore e.g., ECE initial teachers training offered by Te Rito Maioha & the joint venture with Far North Reap.

Conditions to Inform the Business Centre for Collaboration & Innovation
1. An affordable lease or rentals space that will provide an ideal location to conduct trainings, run school holiday programmes, provide youth hub for young people in the community.
2. Clear skill gaps that require a pipeline and local training solutions to address including Specialist Advice/Consultants, Health & Safety, Human Resources, Project Management and Accounting.
3. Far North business hub: Foster better business networking, joint marketing, local business support. Can we utilise/ shape existing services i.e.: Far North REAP, Kaitaia Digi Hub?
4. Appropriate support services for start-ups that have been operating from 0-24 months.
5. Te Kōrau Enterprise Development Programme to support whānau & marae/ hapū development enterprise and the wider SME community of Te Hiku.
6. Strategies or initiatives for release time or support so businesses can attend training, and current staff can be upskilled to become Intermediate/Seniors so there is capacity to bring on Junior staff.

Infrastructure

To understand the pressure points for infrastructure related issues, concerns identified by respondents related to:
1. Digital connectivity – access, reliability, quality, and cost (42%)
2. Transportation and Roading (25%)
3. Power quality/cost/accessibility (24%)
4. Followed by housing (20%)

These are significant findings, specifically SME concern about power quality/cost and accessibility. It is useful to note the small percentage differences between items 2, 3 and 4. While power is a concern to JWP, we have not had the quantitative data to support the action necessary to elevate this issue through our governance structure. Digital connectivity numbers confirm the need and current direction of JWP to address the issues of access, reliability, quality, and cost.

Specific needs to support infrastructure development included:
1. Rental and housing that is available, of quality and affordable
2. Digital connectivity that is accessible, reliable, and less expensive, with training available
3. Quality roading that is maintained and commercial properties that are fit for purpose.

Respondent solutions to infrastructure concerns include:
1. A plan and funding to support digital infrastructure development
2. Address council compliance and consent processes that are barriers to housing and accommodation development
3. Return local training opportunities for intergenerational transfer of Infrastructure related knowledge.

JWP Ngā Puna Waiora to activate via Governance Model
1. Request information relevant to the cost of power and water supplied to Te Hiku homes in contrast to median income.
2. Infrastructure sector support for Economic and Capability Development action: "Inform the Reform of Vocational Education, such as Te Pūkenga Operating Model and Unified Funding System to support more fees-free, local provision for gaps, greater flexibility in delivery." Employers want to support staffing development for infrastructure but lack the resources to encourage training.

JWP Programme Director to elevate via Governance Model
1. Identify Infrastructure related agencies who do not use procurement for equity policies.
2. Support the completion of the Te Hiku Digital Connectivity Plan, by activating pt.2 Agency resources.
3. Continue to lobby for housing at a Central Government level, with a more specific focus on regional government regarding compliance and consent processes.

Conditions to inform Te Hiku Infrastructure Unit
1. Provision of quality, affordable, accessible, reliable, sustainable, and current: Digital connectivity, power and water.
2. Explore affordable power options like solar.
3. Maintaining dependable internet is critical in connecting Te Hiku to the rest of the country. This requires government, business, and Iwi to work together.
4. Local SME's want to be part of the conversation, they have questions, ideas, suggestions, and experience.
5. It is estimated up to one in five New Zealanders may be being digitally excluded in some way right now[4]. People most at risk of exclusion include those who are older, Māori, Pacific peoples, disabled, living in a rural community, have children, and live in a low socioeconomic community, are unemployed or underemployed, an offender or an ex-offender. Te Hiku is overrepresented in each of these groups.
6. Increasing inclusion contributes to economic growth e.g., by supporting the pipeline of digital skills for a capable and diverse workforce.
7. As the pandemic continues, overcoming the challenges for digitally excluded individuals and groups has become more urgent and more pronounced.
8. Employers cannot provide quality, affordable housing for workers.
9. Development of a collaborative coordinated approach to infrastructure that addresses the key areas of digital connectivity, transportation and roading, power, water, and housing.

Business Community Voice

> *Kaitaia is New Zealand's best small town. There needs to be a strong backbone built of vision, empathy, and kindness so the people can leverage off it with their decision making. I have lots of ideas as a lot of people have.*
>
> *COVID this time has impacted more on our business than previous times, government support is harder to obtain, we are struggling, but we know our community truly value the place, and changes in the culture of this industry, because "we are more than a pub, we're a hub".*
>
> *The Far North is subjective to several threats to business continuity. Top of the list is the ongoing ramifications of the pandemic (social-people feeling safe and secure and an economic-sustained economic base, environmental-climate changes and rapid decline of natural environments that support life), secure access to cyber technology and security, confidence a skilled professional workforce is accessible.*
>
> *I have a mentor and wish that I were offered this opportunity when I first asked for help in 2015 establishing my business. H&S recently FNDC and KBA have supplied a support person which I would like to have continued. H&S training in Kaitaia for workers and employers. Amotai are supplying good webinars for businesses. TPK (Te Puni Kōkiri) funding options need better promotion in Kaitaia I have only this year accessed their mentoring package.*
>
> *[Response to what stops you taking on apprentices/staff] Taking time away from my workload to train them. Very few people available who could step into a revenue generating role.*
>
> *We have fibre, and still the connectivity is sporadic. The speed, whilst improved does not get us any further advanced.   We would like to increase use of machinery, which increases our desire for staff, but are tapped at the source due to old transformers.*
>
> *Those who have the jurisdiction to make improvements need to be more forward-thinking, rather than doing the same crud they've been doing for the last century.*
>
> *The more apprentices require more frontline staff, as there is no model that does not require constant oversight for quality, and supervision. The follow up and support during and after completion of training needs a plan.*
>
> *Appreciate the initiative but lack of resources means we have limited time to invest in projects outside of running our business.*

JWP Pou Leads are heartened by the number of respondents and the richness of the qualitative data collected and focussed on meeting the needs they have articulated through the survey.

Respondents have been open and honest in sharing both barriers and solutions to issues they face as a business in Te Hiku. This has provided JWP Pou Leads with the opportunity to frame feedback into workable pieces of mahi that contributes to and supports our existing workplan. The data also enables us to elevate the systems issues that act as barriers to the economic success Te Hiku deserves.

Findings are reflective of whānau voice JWP has collected from a range of sources, including Iwi Chief Executives and Chair check-ins, focus groups with community members, and additional interviews with local businesses. This Te Hiku voice reinforces the need for JWP new priority initiatives such as a Workforce Development Operating Model, a Te Hiku Infrastructure Unit, and a Business Centre for Collaboration & Innovation.

Conclusion

A desire to move ahead economically by Te Hiku SME's is thwarted by a lack of investment in local capability development and infrastructure support. JWP will continue to develop and build relationships with our SME community, utilising the survey tool six monthly, ensuring the JWP work programme is aligned to deliver necessary resourcing and escalating systems issues through the JWP Governance Model.

Document Controls

Document Version

Version	Date	Description	Author
V1	TBC	Draft version of Te Hiku Business survey insights 2021	Donna Beatson
V2	TBC	Final version of Te Hiku Business survey insights 2021	Donna Beatson
			29/11/21

Document Review

Role	Name and Organisational Role	Review Status	Date
PCHL/PCLL/PPR	Tui Te Paa – Economic Development Pou	Complete	29/11/21
PCHL/PCLL/PPR	Bridget Dawson – Capability Development Pou	Complete	29/11/21
PCHL/PCLL	Maria Tane - Ngā Puna Waiora	Complete	07/12/21

Approval

Role in Approval	Name and Organisational Role	Signature	Date
AAR	Justine Rae – Programme Director	Confirmed	13/12/21

Role	Description
PCHL (Peer Content Review)	High-level review. e.g., content clearly communicates the concept
PCLL (Peer Content Review)	Low-level review e.g., clearly shows the steps to achieve the concept
PPR (Peer Presentation Review)	Presentation, formatting, and grammar
RAR (Risk Assurance Review)	Potential organisation risks: political/ strategic/ operational/ reputational
AAR (Assurance)	Ensure alignment to Programme Operating Manual and core documents
APA (Programme Assurance)	Ensure alignment to Programme Plan outline and outputs

Appendix 1 – SME Te Hiku Business Survey Questions

Q1. To make sure our information is up to date; can you please share: Name, Company, Address (optional)

Q2. Please select Industry/Sector:

Q3. Which of these skill shortages are an issue for your business?

Q4. What's your top-of-mind business concern? [E.g., Compliance, staffing, procurement, COVID, supply chain, support services such as mentoring]

Q5. What would you like to see with training and support provision? [Any gaps or challenges? Something working well elsewhere. Worked well and isn't here anymore?]

Q6. What stops you taking on apprentices or more staff?

Q7. Which of these infrastructure needs are an issue for your business?

Q8. What's your specific needs within the infrastructure areas identified?

Q9. What would address this/these infrastructure issues for you?

Q10. Would your organisation be open to taking part in a Te Hiku Workforce Plan? It'll involve a deeper dive conversation to help us plan better for your local training needs and business supports.

Q11. Comments or anything else you'd like to share?