

18 June 2025



Education and Workforce Committee
Parliament Buildings
WELLINGTON
New Zealand

By Email: ew@parliament.govt.nz

Kia ora

Education and training (Vocational Education and Training System) Amendment Bill

Tourism Industry Aotearoa is pleased to make a submission to the Education and Workforce Committee to assist in its consideration of the Education and Training (Vocational Education and Training System) Amendment Bill (the Bill).

The tourism workforce is large, with 303,420 people directly and indirectly employed in the tourism industry, or 10.7% of the total New Zealand workforce. Tourism directly and indirectly makes up 17.2% of New Zealand's exports and 7.5% of GDP.¹

The people who work in tourism are vital to the success of the industry itself. How we host our visitors is key, and the interpersonal nature of tourism means that the industry needs skilled, confident and welcoming people at all positions and levels within the industry.

Tourism Industry Aotearoa

TIA is the peak body of the tourism industry in Aotearoa New Zealand, with around 1,200 tourism businesses as its members. These businesses represent a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA is sharply focused on ensuring the sustainable future of the industry, and this is clearly articulated in our key guiding documents and programmes. This includes the tourism industry's strategic framework, *Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku*.²

This has the Vision of '*Enriching Aotearoa New Zealand through a flourishing tourism ecosystem*'. This Vision is centred on the positive role of tourism for the broad betterment of New Zealand and its people across a balanced framework – Economic, Community, Visitor and Environment.

Tourism 2050 has just ten Actions that are the most important strategic workstreams to advance to enable the industry to achieve its Vision. One of those actions is '*Grow the Tourism Workforce*'. In the use of the word 'grow' this means both to increase the workforce as the industry grows and, more importantly, to lift the skills and productivity of the people who work in the tourism industry.

¹ Stats NZ, Tourism Satellite Account, Year-ended March 2024.

² <https://www.tia.org.nz/tourism-2050/>

Under this Action, the key sub-actions are:

1. Industry to engage with Government programmes that are designed to improve the flow of talent into quality tourism jobs.
2. Operators to act to ensure they are an Employer of Choice as part of TIA's Tourism Sustainability Commitment programme.
3. Industry to advocate for a process to forecast future workforce needs so we can plan for and train the future tourism workforce.
4. Industry to advocate for a strong education system for tourism, from schools to private training organisations, to polytechnics and to universities, to support the flow of well-educated and well-trained talent into the industry.
5. Industry to continue to raise employment standards and improve career pathways.

Through these actions, TIA has a clear strategic imperative to ensure the Vocational Education and Training (VET) system delivers for tourism and the people who work within it.

What is notable with this set of actions for industry, is that they are grounded in the wider systems of government, with the education system - including VET - being integral to this.

Contribution to VET Reform Process

TIA has contributed at each consultation stage of the VET reform process:

- Redesign of the VET system, 12 September 2024
- Options for the future of work-based learning, 21 February 2025
- Setup the Industry Skills Boards.

At each point, we have embraced the intent of the reform process and contributed our insights and tourism industry perspectives that we believe would lead to better outcomes. Our submission to the Education and Workforce Committee is provided in that same spirit.

Key Feedback

TIA has a good understanding of the reforms and the intent of the Bill, but we are not in a position to provide clause by clause feedback. For this, we refer to the submission of Business New Zealand which we both understand and support.

The more general points TIA has for the Committee to consider are:

1. **Clarity of Purpose.** In the interests of minimising ambiguity as the new VET system becomes established and then settles into a stable operating mode, it is essential that there is a clear understanding of the purpose of the VET system itself. Like Business New Zealand, we see the underlying purpose as being to '*lift the technical skills of the workforce*'. The current purpose statement of the Bill does not provide this clarity.

Recommendation: Ensure the policy and purpose statements in the Bill sharply articulates the central objective of the VET system as set out above.

2. **Financially Viable.** Regardless of the views of earlier operating models for the VET system, a common underlying problem has been the lack of financial viability of the entities established to deliver what they have been required to do. For instance, the amalgamation of the former polytechnics into Te Pūkenga was very much driven or influenced by the perilous financial position of all or most of the polytechnics. In essence, something had to be done.

While we do not know in detail the financial levels of the future arrangements, we are concerned how this will play out. For instance, it is essential that the new Polytechnics will be established and funded to be financially viable. Along the same lines, it is clear that the funding for the Industry Skills Boards will be substantially below current funding of the Workforce Development Boards, and it is not clear what the implication of this will be. If these entities are underfunded from the start, the chances of success in the long term will be greatly reduced. The system must be set up to succeed.

Recommendation: In its considerations, the Committee to place a high weighting on the financial viability of the entities that the Bill is establishing.

3. **Industry Led.** TIA welcomes the signals that the VET system will have a substantial level of industry leadership, particularly through the ISBs. However, like Business New Zealand, we are seeing substantial risks to this intent. For instance, we are unsure at the level of decision-making authority of the ISBs to advance their industry objectives. The ISBs will be supported by public agencies, their workstreams will be advanced and/or paid for by these agencies, and their roles and decisions may well be subject to agency or Ministerial intervention.

As an industry association with one in ten New Zealand jobs under its ambit, TIA is committed to ensuring that the industry steps into this central leadership role within the VET system. However, the industry, and particularly senior leaders, will be wary of arrangements that do not provide the mandate and authority to truly provide the industry-led input the Bill envisages and requires. These protections must be set out in the legislation.

In TIA's experience, the trust and confidence that the industry has in the VET system will be critical to industry engagement and participation, and ultimately to its success. As such, the Bill needs to create an environment that ensures a positive industry view of the system being established.

Recommendation: Ensure that the Bill clearly sets out the industry leadership roles and functions, and how these will be protected in the final legislation.

4. **Agility.** Like many industries, the nature of work in tourism is changing rapidly as technology and economics require new ways of doing things. The implications of this for the VET system is important because the technical skills we need will inevitably change, and therefore what is required from the VET will also need to change.

From TIA's perspective, our desire is to step into the future rather than to lag the change that is taking place. This means we see the VET system as needing to be agile and adaptive to change. It must be very well attuned to industry needs through the ISBs and have the ability to quickly change direction through course offerings and content.

As with many things in tourism, undertaking training for technical skills along with highly developed inter-personal abilities will be what is most valued in tourism. Aligned to this will be the nature of the technical skills that will sit across many ISBs. For instance, where will digital technology and social media skills sit given that these skills will be valuable for all sectors and industries? Being adaptive to changes along these lines will be increasingly important.

Recommendation: Ensure that the VET system that is being established by the Bill has the ability to be agile to changing industry needs, and that this is hardwired into the way it is established and operated.

How the transition of Te Pūkenga's work-based learning divisions (including ServiceIQ) will be undertaken is a concern to TIA, firstly around the temporary transition arrangements to the ISBs and then the transfer over the next two years to Institutes of Technology and Polytechnics (ITPs), private training establishments (PTEs), or wānanga.

While we understand the nature of the transition, it is less clear how it will work in practice. In relation to ServiceIQ that covers a broad set of sectors (including retail, hospitality, tourism, aviation and museums), there is not a logical point within these sectors that can take over this functionality. These sectors are widely spread in their interests and capability to take on work force training functions, and this needs to be accommodated in the legislation. TIA will be engaging in this process, but we anticipate that it will be difficult.

Overall Comment

TIA recognises the importance of the VET system and therefore is committed to its future success. Our four key points above are not tourism-specific but reflect our desire that the system is set up for a stable and enduring future.

Once these changes are put in place, there is a broad desire that we get on with making it work. Constant change over recent years has caused fatigue and now is the time for a stable, financially viable and industry-led VET system that we are looking for and require.

We would be most happy to expand on any points raised. Please contact Bruce Bassett on 021 609 674 or bruce.bassett@tia.org.nz if you have any questions.

We request the opportunity to present to the Committee.

Ngā mihi,

A handwritten signature in blue ink, appearing to read 'R Ingram', followed by a period.

Rebecca Ingram
Chief Executive