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Kia ora

### **Redesign of the Vocational Education and Training System: TIA Submission**

Tourism Industry Aotearoa welcomes the opportunity to submit on the proposals on the Redesign of the Vocational Education and Training System (VET).

TIA supports the reform of the VET system in New Zealand to ensure that all parts of the economy have the skilled people they need to enable them to thrive and prosper. In this, the VET system has an extremely important role to play.

In this submission we express our view that the consultation material is light on detail and does not set out the vision or framework for a successful and enduring VET system. From a tourism industry perspective, we need a VET system that covers the diverse range of tourism skill requirements, is flexible to changing needs, is enabling of providers to do their best work (both public and private providers), is accessible to both tourism businesses and the course participants, and quickly stabilises so that transition disruption is minimised.

The system as set out provides few clues on how vocational education and training for tourism will be improved. TIA submits that it is essential that the redesign process will accommodate and facilitate these tourism requirements.

This submission sets out the high-level factors that TIA considers must be factored into the review of New Zealand's vocational education and training system.

#### **Tourism Industry Aotearoa**

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With around 1,200 members, TIA represents 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*.<sup>1</sup>

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. Action 9 is 'Grow the Tourism

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<sup>1</sup> <https://www.tia.org.nz/tourism-2050/>

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.

Under this Action, the key para-phrased 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 and to universities, to support the flow of well-educated talent into the industry.
5. Industry to continue to raise employment standards and improve career pathways.

Through this Action, and its sub-actions, TIA has a clear strategic imperative to ensure the 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.

### **Context**

Tourism is important in the VET system because tourism is important for New Zealand. It is a major part of our economy and society, and this will continue to be that case as global mobility increases over time.

Tourism is a major part of the New Zealand economy (11.4% of exports, 11.3% of total employment and 6.2% of GDP)<sup>2</sup>, and it plays a wider role by enabling economic diversity, resilience, job and business opportunities, and by fostering regional prosperity.

As measured by Stats NZ's Tourism Satellite Account, total tourism employment is 317,514 of which 189,432 are directly employed by tourism and 128,082 indirectly. Of the direct employment, 24,813 are tourism working proprietors.

Tourism employment, like the industry itself, is very diverse. By sector, it includes accommodation, food and beverage, land transport, air transport, rental services, and a range of activity and recreation services. Also, within these sectors, there are wide range of skill requirements: management, professional (pilots, accountants, human resources, marketing, legal, health and safety, product development, and many others) and operational (guides, front of house, reservations, cleaning, drivers, attraction operators, and many others). This diversity directly maps across to the industry having complex education and training requirements that is of central relevance for the VET redesign.

TIA's 2023/24 Workforce Survey explores the workforce issues faced by tourism businesses. Key findings include: 56% say the biggest challenges to recruiting staff is the lack of quality applicants; 41% are engaged with education providers; and 62% are engaged with an organisation to upskill staff/provide training. Tourism businesses value a quality workforce and are engaged in the processes that deliver tourism upskilling.

### **Tourism Industry Training Needs**

As a major part of the New Zealand workforce, and given the diverse skills involved, tourism needs an education and training system that is stable yet responsive, accessible and affordable.

Feedback from members indicates that the tourism WDC, Ringa Hora, has been making good progress with strong industry engagement and consultation. On the other hand,

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<sup>2</sup> Stats NZ, Tourism Satellite Account: Year ended March 2023

feedback indicates that the current system is confusing, for both tourism businesses and those people that are seeking to undertake training. So while there is industry recognition of the need to make some changes, there is a strong industry hesitation to enter another major structural change process that will take many years to settle down. For these reasons, establishing a long term, easy to navigate system for tourism-related training and education is a priority for TIA.

The nature of the jobs in tourism means that often practical work-based training is needed, and this is typically place-based. Industry considers that this training can be provided by both public and private training providers, with the connection of these providers to industry being a key consideration.

### **TIA Key Feedback**

The key points TIA wishes to make are:

1. **Tourism is not adequately represented.** The place of tourism education and training is not set out in the consultation document. TIA submits that the redesigned VET system must accommodate the diverse needs of tourism and establish how this will be delivered. We see this as a more specific space for tourism rather than it being part of a wider 'Services' body. TIA seeks specify tourism representation on the governance structures of the tourism-related bodies established.

**TIA Recommendation:** Ensure tourism representation on the governance structures for all tourism-related training and education bodies within the VET system.

2. **Overlapping industry requirements.** As mentioned, tourism needs are diverse, and each of these need to be included within the system. The field of coverage is wide and includes core tourism operational functions including accommodation, food and beverage, land transport, air transport, rental services, guiding, outdoor activities, and others. In addition, there are tourism training needs that fall under wider programmes such as management training. As such, tourism needs are wide, both tourism-specific and more general, and both need to be accommodated.

**TIA Recommendation:** Ensure there is coverage for the diverse tourism training and education needs across the VET system.

3. **Critical role of Private Training Providers.** The consultation information is cursory in how it includes the Private Training Providers. For tourism, the PTPs play a very important role – they are well supported by industry and have strong track records. Queenstown Resort College and the International Travel College of New Zealand are two examples. The wider VET system must more clearly incorporate the PTPs, including by ensuring that the structures and funding allow for the financially viable operation of these training services, and that any new structure both recognises and doesn't disadvantage them.

**TIA Recommendation:** Ensure the VET system enables the continued provision of training and education by Private Training Providers.

4. **Build on what we have got.** There is a strong reservation that this current redesign process comes before the last reforms have had time to bed in which risks losing some of the progress that has been achieved. For instance, Ringa Hora is well supported for its engagement and consultation work around establishing a stronger base for tourism-related training. Feedback we have consistently received is that each change process takes at least two years to work through. As such, TIA seeks continuity and minimizing of disruption from the current redesign process in terms of the on-the-ground elements that industry, providers and learners will see and experience.

**TIA Recommendation:** Ensure that the change process is well planned to minimise disruption, with emphasis on continuity of training and industry support structures, as far as is practicable.

5. **Further detailed work needed.** TIA is concerned that the redesign is about some delivery options, without asking the more fundamental questions on what we need from the system. Analysis of the problem to fix is not clearly set out, other than the need for financial viability. We feel that these questions need to be covered before getting to the design stage to ensure 'form follows function'. There are outstanding questions around overall system governance, leadership within the system, accountability, roles and responsibilities, funding and financial viability, and transition.

**TIA Recommendation:** Ensure that the next phase of the redesign process specifies more detail on the overall structure of the system.

### **TIA Response to Consultation Questions**

TIA has assessed the specific consultation questions. As we represent a 'user of education and training' perspective and are not expert in the VET system itself, this submission does not cover these questions directly. Instead, we make a few observations:

- The federation model appears to be a sound way to ensure viability and specialisation while reducing duplication. In this, the role of the Open Polytechnic will be important, as will the underlying funding model for the system. The place of the Private Training Providers needs to be better factored into this model.
- We see the essential WDC functions continuing under both the Option A and B models. As such, we consider it vitally important that these functions map over to the new system with as much continuity and little disruption as possible, while ensuring tight industry alignment and involvement.
- The funding discussion in the consultation material was technical and narrow. Our expectation is that the new model will be funded to succeed in terms of both the level of funding and the incentives that it creates. A key point from our consultations was that stability and certainty around funding is needed to allow investment within the VET system, both for public and private training providers. Fundamentally, this investment is vital to the long-term success of the overall VET system.

### **TIA's Overall Position**

TIA supports the process to redesign the VET system. However, we cannot determine exactly how the system will deliver for the tourism industry.

To make the VET system work for tourism, TIA has identified the key features that need to be factored into the overall system. The system must be:

- Enabling of tourism industry representation on the bodies that cover the vocational education and training needs of tourism.
- Flexible to change.
- Enabling of providers to do their best work.
- Accessible to both businesses and learners.
- Able to build on what we have got in place.
- Able to transition to a new model with minimal disruption.

We would be most happy to expand on any points raised in this submission. Please contact Bruce Bassett on 021 609 674 or [bruce.bassett@tia.org.nz](mailto:bruce.bassett@tia.org.nz) if you have any questions.

Ngā mihi,



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