

26 November 2016

By email - info@productivity.govt.nz

New Models of Tertiary Education
New Zealand Productivity Commission
PO Box 8036
The Terrace
WELLINGTON 6143

Re: Draft report on new models of tertiary education

Dear Sir / Madam,

Thank you for the opportunity to comment on the draft report on new models of tertiary education. Tourism Industry Aotearoa (TIA) is the peak body for the tourism industry in New Zealand. With over 1,500 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and activities, attractions and retail, airports and airlines, as well as related tourism services.

Any enquiries relating to this letter should in the first instance be referred to Steve Hanrahan, TIA Advocacy Manager at steve.hanrahan@tia.org.nz or by phone on 027 912 2624.

Background

The tertiary sector provides a supply-driven function for the tourism industry. There are more than fifty tourism and hospitality tertiary organisations and departments including industry training organisations, universities, wananga, institutes of technology and polytechnics, and private training establishments. With a workforce of more than 188,000 employees, tourism operators have a vested interest in seeking a tertiary sector that is strongly aligned with the needs of the tourism industry.

[TIA's People & Skills 2025 Framework](#) identified that the education sector is a partner in improving the capability and capacity of the tourism and hospitality workforce. The major concern is that investment into pre-employment training is not clearly translating into strong flows into tourism and hospitality jobs. Tertiary organisations should be an eco-system of organisations working with each other and with employers in a coordinated way. What

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currently exists is a group of units largely working autonomously, mainly because of the tertiary policies that govern it.

TIA submitted on the initial issues paper in May 2016. We were heartened to see the commission in the draft report quoted our submission on several occasions to support its positioning.

The draft report makes a number of bold and innovative recommendations for the future of tertiary education. We concur with many of these recommendations and should they be implemented, they are likely to bring about necessary change in the sector.

Drawing from our submission in May 2016, below are a number of points either in support of the draft report or where there remain significant gaps still to be addressed.

Comments on the draft report

1. Improved Employer / Tertiary Collaboration

The report notes *'There is a long-standing perception that many parts of the tertiary system are poorly connected with employers'*. We agree with this and ask the question why can't the tertiary sector be required to organise itself so it delivers a nationally coordinated approach in engaging with the industry? Employers are very familiar with organising themselves at a national and regional level through a collective approach, manifested in the likes of industry associations and regional networks.

It is frustrating that tertiary providers do not have a vehicle for coordinating their tourism activities on a national basis. A quandary exists in the differing environments employers and tertiary providers operate in. Employers must be nimble and agile, quick to react to changing circumstances and visitor markets to grow and prosper. As the draft report highlights, the tertiary sector is not driven by such a culture of innovation, and the pendulum swings significantly in the other direction, being driven by policies and funding mechanisms that do not drive innovation or industry collaboration.

In the TIA submission in May, we gave an example of a current and looming skill shortage, being an additional 6213 chefs required by 2025. However, there is no tertiary / industry coordinated approach to filling this shortfall. As far as we can see, the draft report makes no recommendations for an employer/tertiary coordinated approach to filling future skill and labour gaps.

Many in the tertiary sector will rightly feel a sense of déjà-vu when talking about industry / provider collaboration. Employers can often be indifferent to this work, and providers undertake it as a requirement to get and maintain programme approval. Therefore, new thinking is required.

The final report needs to include an additional recommendation for nationally-led coordination. A proposed recommendation is *'models for nationally-led collaborative industry / tertiary leadership and partnerships are explored, with the view to develop a set of principles that guide effective collaboration'*. In our view, industry training organisations are best placed to provide this coordination.

2. Career Guidance

We were pleased to read the findings relating to career guidance, particularly the acknowledgement that *'the arrangement and delivery of careers services including in schools, and government provision of information to prospective tertiary students, is fragmented and operating poorly'*.

In our view, the promotion of careers and tertiary options should be one of the higher priorities of this report. The concept of Careers NZ as a central and unbiased promoter of career information is sound. Unfortunately, the delivery has historically been clumsy and in our view has not got close to capturing the opportunities in the tourism sector. We support a major overhaul of career services and information.

3. Skilled Migrants

It was perplexing to read the comment that *'the incentive for employers to engage with tertiary providers may be muted by the relative ease of access to skilled migrants.....'*

While we would agree there are disincentives for employers engaging with the tertiary sector, we would challenge the proposition that a key reason is the ease of access to skilled migrants. Most, if not all, tourism operators would employ New Zealanders if they were available and had the right skills.

The disincentives for engaging with tertiary providers are more complex than access to migrants. Disincentives include a lack of students - often there are not enough students in training to meet demand. Employers also often ask about what happens to the students post-

course. There is a lack of information on student outcomes – where do they go post-training? Anecdotal evidence suggests many students head overseas post-course, lessening availability of New Zealanders. This insight gap is currently being addressed through an MBIE research project *'Tourism Labour and Skills - Understanding Flows'*.

Student study timetables and length of courses can also be a disincentive for engagement as these do not always align with employer needs. As the tourism shoulder seasons extend into October/November and April/May, employers require skilled labour when students are studying.

4. University Entrance

We were very interested to read the recommendation R12.23 - *Government should abolish University Entrance, leaving all universities free to set their own entry requirements.*

TIA has met with NZQA this year to discuss options for tourism to be included as an UE subject. We are concerned that school students who study tourism may not see a university pathway for themselves and also that university-aspirants are deterred from choosing tourism at school.

While abolishing UE might solve part of the issue, it still remains that universities set their own entry requirements. That might mean the industry is required to work with the eight universities direct to acknowledge tourism studies at school as a pathway to university study. Abolishing the universal model of UE in favour of an individual model may or may not benefit the tourism industry.

Conclusion

As noted at the start, we are overall in support of the draft paper. It has a series of bold recommendations. We believe there are still some gaps and anomalies and these are explained above.

Our last recommendation is to encourage action and responsibility in the final report. It has been a long time, if ever, since a set of such radical proposals has been proposed. It would be frustrating to get to 2020 and continue to have the same discussions, trying to find solutions to the same problems. Be brave. Each recommendation should, where possible, be accompanied by the appropriate party to take responsibility for delivery.

Thank you for the opportunity to make a late submission due to more urgent priorities over the last fortnight as a result of the Kaikoura earthquake. TIA and/or tourism industry representatives would welcome the opportunity to participate further in any follow-up process, including any formal meetings, to ensure that the potential impacts on tourism are adequately understood and constructive feedback provided.

Thank you for providing TIA with the opportunity to provide feedback on this draft report. Please do not hesitate to contact me for more information or clarification.

Kind regards,

A handwritten signature in black ink, appearing to read "S. m. Hanrahan", with a stylized, cursive flourish at the end.

Steve Hanrahan
Advocacy Manager, TIA

