

## Submission on the Reform of Vocational Education

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### Submitter details:

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**Submission:**

**Introduction**

1. The New Zealand Recreation t/a Recreation Aotearoa is a registered charity and the organisation responsible for providing leadership, advocacy and professional development opportunities for those involved in the broader recreation sector. We work at an agency, industry and professional level to build capability, develop partnerships, and equip individuals and organisations with the skills they need to deliver high quality recreation experiences that engage participants.
2. Recreation Aotearoa's membership includes recreation policy makers, territorial local authorities, voluntary organisations, regional sports trusts, outdoor recreation businesses, and others involved in the delivery of recreation throughout New Zealand.
3. Our role is to champion high-quality recreation for the benefit of New Zealand.
4. Our vision is that by 2020 New Zealand will have a strong recreation industry that meets the needs of current and future participants, so that through recreation, New Zealanders are active, healthy, and connected
5. Recreation Aotearoa believes recreation is vital to New Zealand society. Recreation is not just about enjoyment, it is about being healthy, engaged, stimulated, and interacting with others, and this occurs via outdoor recreation, community recreation, parks, and aquatic and facility-based recreation centres.
6. Recreation is a major contributor to the physical and mental health of individuals, and to the resilience of our communities. 90 per cent of New Zealanders believe that by being active they are in turn maintaining a good level of health and fitness, and this helps to relieve stress.
7. A thriving recreation industry can also help our nation prosper socially and economically. Sport and active recreation contributes \$4.9 billion or 2.3% to our annual GDP, and the sector employs more than 53,000 New Zealanders. The nation's recreation values and opportunities are fundamental to the nation's tourism industry. Approximately 50% of international visitors to New Zealand participate in one form of outdoor recreation or another.

8. Recreation is part of what it is to be a New Zealander. Many of us are members of clubs and groups that enjoy recreation for fun, health and social reasons. 84% of New Zealanders believe sport and physical activity bring people together and create a sense of belonging.
9. For individuals, recreation contributes to physical and mental wellbeing and provides an opportunity to meet new people. People define themselves and their communities through their recreation opportunities. Recreation fosters community cohesion and resilience and supports the integration of social groups such as diverse ethnic groups. 74% of New Zealanders agree that sport and physical activity help build vibrant and stimulating communities.
10. Investment in recreation generates tourism opportunities and supports regional development by encouraging skilled professionals and migrants to consider business options in and beyond the main centres.
11. Research shows that recreation makes a significant contribution to social resilience. It allows individuals to thrive, and to connect with each other. This, in turn, makes communities stronger. A society in which people are active and healthy is also more economically sound.
12. Physical inactivity is associated with loss of productivity, health costs, as well as associated costs such as pain and suffering. Healthier, happier individuals are more likely to do well in other areas of their lives, whether it is in social or professional situations. This has a positive flow-on effect for communities and society as a whole.
13. Greater understanding of these benefits and their downstream impacts, along with awareness of how laws and regulations can influence recreation delivery, are key to ensuring that New Zealand's recreation opportunities remain among the world's best.
14. Recreation and its numerous benefits for New Zealand are reliant on skilled, qualified and connected Recreation workforce. Skills and workforce shortages in the recreation sector have dramatic negative impacts on the wellbeing of New Zealanders.
15. Recreation Aotearoa is a shareholder of Skills Active, the Industry Training Organisation (ITO) for sport, exercise, recreation and performing arts. Recreation Aotearoa also has a relationship with Primary ITO, in vocational areas associated amenity management.

### **Comment on the consultation process**

16. Recreation Aotearoa wishes to express its dissatisfaction with the brevity of the six week consultation period. It is our view that the depth and breadth of the proposed reforms of vocational education system are of such a scale, that a longer and more substantial consultation process should be undertaken.
17. Recreation Aotearoa also wishes to express its dissatisfaction with the extent to which consultation with Tangata Whenua has been undertaken and believes that the lack of Iwi consultation fails to meet the Crown's obligations under Te Tiriti o Waitangi. On-the-job training, as provided by ITO's, is particularly favoured by Maori and Pasifika students. Skills Active, for example, has achieved parity between Māori and non-Māori completion rates. The proposed reforms put this at risk and thus should be subject to rigorous consultation with Tangata Whenua.
18. Recreation Aotearoa submits that the proposed reforms lack sufficient detail and analysis of the costs of transition. We also note a lack of data or evidence to support the stated notion that Industry is dissatisfied with the current system, particularly ITOs.

### **General Comments:**

19. Recreation Aotearoa appreciates and values the flexibility and nimbleness of current ITO vocational training and is concerned that these attributes will not be replicated by an NZIST. The current ITO model allows the Recreation Sector to influence how its people are trained and qualified. It is not apparent if or how the proposed reforms would provide this much-valued flexibility for the Recreation sector.
20. Recreation Aotearoa appreciates and values the relationship between recreation sector employers and their Industry Training Organisation. There is an inherent efficiency and value in having one organisation that develops qualifications in accordance with industry needs AND delivers the training towards those qualifications. The two roles of developing on-job qualifications, and facilitating training, belong together. The proposed reforms would result in industry organisations being forced to deal with both ISBs and the NZIST.

21. Recreation Aotearoa submits that the consultation documents inform us enough to dispel the 'unknowns' around how the proposed reforms would disrupt the existing system. Specifically, how the ISB's would work and how a NZIST would adequately facilitate on-the-job training and apprenticeships. Recreation Aotearoa believes that the transitional costs of the proposed reforms have been understated and/or unacknowledged. We submit that there are unacknowledged risks of transition that have the potential to set the Recreation Industry back, at a time that a skills shortage already exists. That lack of detail leads us to believe that the Recreation Sector will be better off with the ITO system as it is known to us now.
22. Recreation Aotearoa accepts and understands that there are deep financial sustainability issues within the Polytechnic sphere, largely due to the counter-cyclical nature of enrolments. We are not opposed to reform and consolidation in the ITP sector. However, there is a risk that can be best described as 'throwing the baby out with the bathwater' when reforms disestablish the successful parts of the current system that are delivering skills efficiently and sustainably.

### **Feedback in detail:**

#### **Proposal 1 – redefined roles for education providers and ITO**

23. Recreation Aotearoa submits its opposition to the proposal that would disestablish ITOs and pass the arranging of on-job training to a NZIST and/or other entities. The current ITO system works well for the majority of the Recreation sector.
24. Recreation Aotearoa and other entities within the Recreation sector appreciate and value the flexibility and responsiveness of the current ITO system. As industry and workforce change, ITOs can rapidly develop new training and qualifications or alter existing ones. This capability is based upon the rapid feedback loop that exists between industry and the ITOs, as well as the industry expertise of the ITO staff. Recreation Aotearoa submits that these highly valued traits if the current system would be retained or replicated by the proposed reforms.
25. Recreation Aotearoa submits its support for a greater role in standard setting and the design of qualifications for industry, but this does not require the creation of new Industry Skills Bodies. These changes can be

achieved by strengthening the mandate of the current ITOs –which could be renamed ISBs if necessary. Indeed, an enhanced mandate for the existing ITO's will help to achieve the coherent and seamless system that is the stated desired outcome of the reforms.

26. Recreation Aotearoa submits that separating the role of qualification development/standard setting and the delivery of on-the-job training/apprenticeships would be harmful to the Recreation sector. Our members value the unilateral relationships we have with ITOs and their ability to design the qualifications we need (with direct input from us and others in our industry), as well as their ability to provide employers with tailored qualifications and assessment methodologies.
27. Recreation Aotearoa submits that Proposal 1 would require employers within the recreation sector to maintain relationships with both the NZIST and ISB to maintain a fit-for-purpose vocational training system, when the current ITO system involves a singular relationship.
28. Recreation Aotearoa submits its concern that the proposed reforms do not make clear the division of roles and responsibilities between the proposed ISB's, Centres of Vocational Excellence, Regional Leadership Groups, and the NZIST. We are sceptical that this plethora of entities will not bring about the desirable stated outcome of creating a more seamless and integrated system.

### **Proposal 2 – bringing together the 16 ITPs as a single entity.**

29. Recreation Aotearoa recognises and accepts that the current network of ITPs has issues of financial sustainability. We note that this is not a problem universally held by all ITPs.
30. Recreation Aotearoa accepts the widely held notion that enrolment at ITPs has generally run counter-cyclical to employment and will likely continue to do so.
31. Recreation Aotearoa is not opposed to a degree of consolidation and rationalisation in the ITP sphere, for the purpose of achieving a greater degree of financial sustainability. There is clearly currently heavy duplication and competition between ITPs (marketing, enrolment systems, finance systems, HR systems etc), which is unhelpful. However, this does not extend to support for the rationalisation or re-purposing of ITO's, which

have a track-record of good financial health and deliver qualifications cost-effectively.

32. Recreation Aotearoa perceives a risk of disruption and unforeseen consequences in the proposed merger of all 16 ITPs. While a greater degree of national consistency may be achieved, it could come at the expense of Regional provision. In the Outdoor Recreation/Education realm, for example, regional delivery needs to be retained for resourcing, environmental and kaupapa reasons.
33. Recreation Aotearoa submits that a compromise might be achieved by consolidating, but not fully centralising, the 16 ITPs into less than half. However, it is essential that these merged institutions maintain satellite campuses in Regional New Zealand, so as to not exacerbate the skills shortages and constraints that already exist there.

### **Proposal 3 – a unified vocational education funding system.**

34. Recreation Aotearoa submits that the current vocational education funding system has some undesirable elements and accepts that it needs reform. However, the proposal lacks sufficient detail to provide confidence that the existing issues would be rectified.
35. Recreation Aotearoa submits that funding inequities and unintended incentives have resulted in inefficient use of funding and unnecessary competition between ITOs and ITPs. It is sub-optimal that some ITPs engage in the provision of apprenticeships and on-the-job training. This is further confused by some ITOs sub-contracting off-job training to ITPs. It appears that some entities in the VET system are pursuing financial goals over their primary purpose of serving learners and employers.
36. Recreation Aotearoa supports the implementation of consistent funding rates for provision across the sector. It is our view that a consistent funding system could increase collaboration between ITPs and ITOs, which is desirable.
37. Recreation Aotearoa submits that any reforms of the funding system must focus on achieving financial sustainability of the ITPs, across the peaks and troughs of the economic/employment cycle. ITPs must have the infrastructure and resources to cope with high enrolment numbers during

periods of high unemployment, but not be left 'high and dry' when enrolment falls in periods of economic prosperity.

38. Recreation Aotearoa submits that any reforms of the funding system must resist the temptation to enhance the financial sustainability of the ITPs, by cannibalising the financial strengths and efficiencies of the ITOs.
39. Any funding reforms must ensure flexibility and nimbleness in delivery of training to be able to quickly and effectively meet industry's changing needs. As industry is innovating, in ever-increasingly dynamic economic, technological and social environments, so must the training providers.