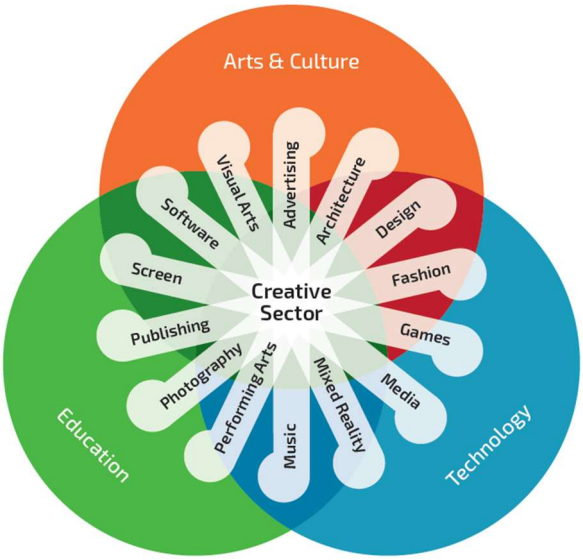
Submission to Proposed Reforms for New Zealand's Vocational Education System[1]
September 2024

BACKGROUND

WeCreate is the alliance of Aotearoa's major creative industry associations and organisations (representing 30,000+ Kiwi creators, support people, and creative businesses), which was founded in 2014 to propel growth in the sector and increase its contribution to New Zealand's social, cultural and economic wellbeing.

The creative economy contributes $16b[2] to New Zealand's GDP and, with the right policy settings, could be worth $25b by 2030. Our sector is an ecosystem and much of the talent we have is fostered in and by arts and culture organisations, as shown in the diagram below.



In 2016, prior to the Ministry for Culture and Heritage commencing publication of its Arts & Creative Sector Economic Profiles, WeCreate commissioned NZIER to produce a valuation of the creative sector which estimated employment at 131,000 people – **one third of whom work outside the creative industries**. This is important information in the context of this consultation. Not all graduates of creative education join the creative workforce. **Creative skills, like tech skills, are needed across the entire workforce**.

Hon Paul Goldsmith, Minister for Arts, Culture & Heritage is currently developing a national strategy to grow the creative sector. The Minister has stated that he has ambitious goals for the sector's economic and export growth – these will not be achievable without a creative workforce which has the skills and knowledge required to deliver this potential. The vocational education system has a critical role to play in delivering this.

[1] Referred to as "Reform/s" in this submission
[2] Arts and Creative Sector economic profiles 2023 | Manatū Taonga | Ministry for Culture & Heritage (mch.govt.nz)

In an Executive Summary of its 2023 "Future of Jobs" report, the World Economic states that **65% of kids currently in primary school will do a job that is yet to be invented**. The vocational education system needs to be **agile and responsive** to a world that moves exponentially faster than it ever has before.

WeCreate recently submitted to the *University Advisory Group* on tertiary education provision. In our submission we noted:

" In a world where technology development is moving at a faster pace (and reach) than it ever has, the value and importance of human creativity is, and will be, less about technical skills and even more about new ideas in terms of concepts, branding and strategy. As technology, such as Generative Artificial Intelligence, automates more aspects of creative work, human-centric skills will become increasingly valuable. In addition to this, the ability to understand and connect with people on an emotional level, think critically, solve complex problems, and generate truly original ideas are skills that AI cannot easily replicate. These skills will be essential in ALL sectors of the New Zealand economy."

In undertaking this Reform we encourage the Minister and responsible agencies to test all proposals against Minister Simmond's stated goal of a vocational education system that is **"driven by, and for, industry"**, and to ensure alignment between this policy work and the government's other policy work programmes, including export growth.

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We support the submissions of:

Toi Mai
Tātaki Auckland Unlimited
Creative New Zealand
SPADA
CreaTer
New Zealand on Air
New Zealand Film Commission

SUBMISSION

As an industry association (albeit at a sector-wide level), our submission is primarily focused on the options set out in Proposal 2 – establishing an industry-led system for standards-setting and industry training. We note that, under the WDC model, the creative sector currently has an industry-led system for the first time in our history.

Context of the Creative Sector

Prior to exploring the proposals, it is important that we set out the context of the creative industries given these are often not well understood.

- The Ministry for Culture & Heritage's Arts & Creative Sector Profile 2023 estimates that New Zealand's creative economy is generating $16.3bn in GDP, employing 117,517 people, and expects to add 10,000 new jobs in the next five years. The sector has been growing at **twice the rate** of the rest of the NZ economy.

- The OECD records that *"Cultural and creative sectors are an often-overlooked driver of development. However, they generate economic wealth, create jobs, and spur innovation, as well as making places more attractive to live, work and invest in."*

- The role of those with creative skills **working outside the creative industries** is also recognised by the OECD. In shaping a fit-for-purpose vocational education system, consideration needs to be given to how the system will support skills development (and qualification achievement) outside of the traditional linear model that delivers a singular qualification intended for a singular industry (eg, electrical certification for construction).

- Prior to the 2020 Reform of Vocational Education, there had not been a significant national Industry Training Organisation that specialised in creative and cultural education and training.

- There is a high prevalence of self-employment (freelancing and contracting), and micro-SMEs[3] in the creative sector. Traditional systems, including those in vocational education, that focus on employers and employees, will not adequately support our sector's needs.

- The creative industries have been at the forefront of technology development and use for many decades, but government data systems have not kept pace with this change. The consequence of this is that data held, and used, by government to make decisions will not accurately or fully represent our industries. WeCreate's recent submissions to StatsNZ's reviews of Industrial and Occupation codes provide further insights to this issue.

- In 2018 TEC's Report "Hidden Links, New Opportunities" (an analysis of more than a million job adverts that identified six career clusters in Aotearoa), the top of the list in the report was "*Inventors – who have technology and business skills, alongside creativity and problem solving."* At the time, TEC predicted particular growth in the Inventors and Healers clusters, meaning skills relating to **information, creativity** and caregiving.

[3] *Estimates in the sector vary by industry but Infometrics (2023 for MCH) report that over 35% are self-employed, and that over 90% of creative businesses employ less than five people.*

- We note Minister's Goldsmith's intention, which we fully support, to grow the creative economy. In order to achieve this, policy development across government – including in education – needs to align.

The Proposals

Proposal One – Creating a healthy ITP network that responds to regional needs

A healthy ITP network is essential to New Zealand's future workforce, including the growth and sustainability of the creative sector. WeCreate was involved in the establishment of CreaTer – a national alliance of creative tertiary educators – that facilitates a professional network for discussion on creative tertiary education issues and challenges. This approach of a national network of subject-matter education professionals, would be useful to consider as a component of a new structure for ITPs. This would enable a formal feedback process to share regional innovation across the country.

We are concerned that some of the context for Proposal One is based on a system that can "cater to large and small industries and employers, across a wide range of sectors, with different types of providers offering traditional and innovative delivery options." As noted above, a system premised on a traditional employment model is unlikely to be able to meet the needs of sectors with a high proportion of self-employment.

Proposal Two – Establishing an industry-led system for standards-setting and industry training

As set out in the consultation document this proposal seems to arise solely due to an assumption that the $65m funding for the existing WDC's "may not be providing value for money". We also note that the Regulatory Impact Assessment does not identify a problem with the WDCs. Without further detail, including analysis of the outcomes delivered by the WDC's in their short existence, we will rely on our experience with the WDC's, in particular with Toi Mai, to provide our response. We have engaged with Toi Mai as it has developed its industry-led, collaborative, future-focused workforce development plans for the creative, cultural and tech sector. Our member from the fashion industry, Mindful Fashion NZ, has also provided input in relation to their work with Hanga-Aro-Rau[4].

TEC records that the responsibilities of the WDC's include setting standards, developing qualifications and helping shape the curriculum of vocational education. They are also accountable for giving a stronger voice to Māori business and iwi development. This is especially important in the creative sector where the number of individual Māori creative professionals, and Māori creative businesses, is growing significantly.

Along with the tech sector, the creative sector was not represented in the vocational education system prior to RoVE. Having advocated strongly during RoVE for a component of the vocational education system to serve our future-focussed industries, we are only just beginning to see the significant benefits that traditional industries have been receiving from the tertiary education system for decades. These include:

[4] fashion design and fashion manufacturing are split across the two WDCs

- An organisation – Toi Mai - that is growing its understanding of our ecosystem, and the intersection of tech with creativity (ie CreativeTech - the interdisciplinary and transdisciplinary field combining computing, design, art and the humanities).

- A WDC that is building meaningful and effective engagement with all parts of the sector, leading to the publication of industry-informed Workforce Development Plans.

- A formal process and voice for advising TEC on funding models that will better meet our industry's skill needs, including models that respond more effectively to rapid changes in technology. This is especially critical when **technological change is moving exponentially faster than at any other time in human history**[5]

- Gathering and publication of data and insights about our industries that did not, and would not, exist without the WDC.

We cannot see how the Minister's goals for the vocational education system will be met if the current part of the system that is delivering for industry is disestablished and we, as industry, have to start again. Meaningful stakeholder engagement takes time and costs money, including for industry. Our sector has limited capacity for repeated government engagement, and needs to retain its focus on moving forward, at pace, to keep New Zealand competitive in the global market for creative products and services in order to grow export earnings in line with our own, and the government's, targets.

We are strongly opposed to the proposal that "standards-setting for industries that currently have no industry training be returned to being the responsibility of NZQA". Our industry has no history of direct engagement with NZQA and it is difficult to see how NZQA could effectively engage with, and build knowledge of, a sector that moves at the pace the creative and tech sectors do. Any proposed changes to the vocational education system must serve the needs of future-focussed industries like creative and tech.

The creative sector needs a vocational education system that is agile and can respond to industry training needs in real time. This includes shorter building-block style approaches to students learning skills, rather than the traditional, lengthy, approach to qualification achievement. We note that a number of WeCreate's members (many of whom are small, under-resourced, non-profit organisations) deliver training to their members to fill gaps in what could have been delivered in the vocational education system had it been fit-for-purpose for our sector in the past. With Toi Mai, we are only now taking the first steps towards a vocational education system that can appropriately support us. Any changes to the system must preserve the progress Toi Mai has made to date and enable that to be built on.

This includes the work that Toi Mai has completed in creating new data and insights for the sectors the WDC is responsible for. As noted above, current creative industries and occupations are not well represented in government data systems. In 2018, WeCreate formed a *Data & Insights Working Group* – comprised of officials from central and local government agencies – to better understand the gaps in data about our sector, and to collectively work towards addressing those gaps. Toi Mai has been a valued contributor to the working group, and the data and insights the WDC has published are valuable to both industry and agencies across government.

[5] Max Roser (2023) - "Technology over the long run: zoom out to see how dramatically the world can change within a lifetime" Published online at OurWorldInData.org. Retrieved from: 'https://ourworldindata.org/technology-long-run' [Online Resource]

Proposal Three – A funding system that supports stronger vocational education

The speed of change in technology, and the cost of keeping up with (or attempting to get ahead of) new computer hardware and software is difficult for education providers with budget constraints. Meaningful and effective partnerships with business/employers is one way to address this resource gap while delivering **work-based learning experiences** for ākonga.

There is much that could be done to improve the vocational education system in a way that better serves the sectors that lead on innovation and technology, including improvements to the timing and process for approval of new learning opportunities. This needs to more adaptive and forward-looking. Toi Mai has been making progress here, but other parts of the education system also need to be flexible and responsive if New Zealand is going to train the future workforce it needs.

WeCreate's Members and Friends are:

Advertising & Illustrative Photographers Assn

APRA AMCOS NZ

Australia & NZ Screen Association

Christian Copyright Licensing International

CODE NZ

Commercial Communications Council

Copyright Licensing NZ

Creative NZ

Design Assembly

Designco

Directors & Editors Guild NZ

Equity NZ

Independent Music NZ

Māori Music Industry Coalition

Music Managers Forum NZ

NZ Comedy Trust

NZ Film Commission

NZ Game Developers Association

NZ Institute of Architects

NZ Institute of Professional Photography

NZ Music Commission

NZ On Air

NZ Society of Authors

NZ Writers Guild

Playmarket

Publishers Association of NZ

Radio Broadcasters Assn

Recorded Music NZ

SAE Institute

Screen Industry Guild Aotearoa NZ

Screenrights

Sky Network Television

Screen Production & Development Assn

Taro Patch Creative

Tātaki Auckland Unlimited (formerly ATEED/RFA)

TVNZ