

20 May 2025

Setting Up Industry Skills Boards  
The Tertiary Education Commission  
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Kia ora

### **Consultation on Industry Skills Boards' Coverage**

Tourism Industry Aotearoa (TIA) welcomes the opportunity to submit on the consultation on the coverage of the Industry Skills Boards (ISBs).

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With over 1200 member businesses, 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.

The tourism industry's strategic document, *Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku*, has the Vision of 'Enriching Aotearoa New Zealand through a flourishing tourism ecosystem'.<sup>1</sup> 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 for enabling the industry to achieve its Vision, with Action 9 being 'Grow the Tourism Workforce'. This reflects the weighting that the industry places on the workforce needed to enable tourism to grow and prosper, particularly in lifting the skills and productivity of the people who work in tourism.

Associated to this industry aspiration, Government has established the goal to double tourism exports by 2034 (as at YE March 2024, tourism exports were \$16.7b). Achieving this growth will require a workforce of sufficient size and with the skills needed as tourism develops in line with changing technologies and visitor expectations.

These factors reinforce the importance of the tourism workforce and the systems to grow and develop this workforce for the future.

In this submission we set out the key feedback we have on this consultation. To support this high-level feedback, our responses to the consultation questions are set out in Attachment 1 which has also been provided via the online consultation survey form. This submission builds on earlier TIA submissions on this reform process.

TIA recognises that the coverage of the ISBs is a key aspect of the wider reforms of the vocational education and training sector, and that our assessment of the ISBs necessarily requires consideration of the overall reforms.

We make the following key points on the coverage of the ISBs:

1. **Make up of the Service Industries ISB.** TIA has reservations around the size and diversity of this ISB. The service sectors support the majority of jobs in New Zealand and many of these are within this ISB. For tourism, there are risks that this diversity does not allow sufficient focus on the needs of tourism-related sectors which make up

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

at least 20% of jobs in New Zealand.<sup>2</sup> On balance, we support the proposed Service Industries ISB, subject to ensuring there are specific actions taken to ensure the sectors within it, including tourism, have sufficient industry voice and influence to ensure their needs are met.

2. **Continuity.** The tourism industry is fatigued by the constant changes to the vocational education and training sector over recent years and is looking for as much continuity as possible from the current structures. For instance, the current tourism workforce scenarios work that Ringa Hora is undertaking in partnership with TIA needs to be continued by the new ISB.
3. **Funding.** The funding parameters for the reforms are not set out in the consultation documentation other than signals that the envelope for the ISBs is highly constrained. This lack of information makes it very difficult to assess the ISB proposals and indeed the viability of the wider reforms. TIA supports the submission of Business New Zealand in calling for more detailed fiscal information.
4. **Transition.** TIA is concerned that the transition arrangements over the extended period will result in considerable uncertainty for businesses in the tourism industry. For instance, how will current training providers such as ServiceIQ move through this phase, and what will happen to enrolments given these uncertainties. The roles and responsibilities of the Service Industries ISB through this period are unclear and would appear to be problematic, both for the ISB itself and for its directors. TIA submits that more work is needed on the transition arrangements, with risks identified and mitigated.

As set out in TIA's earlier submissions on the vocational education and training reforms, we are seeking a system that is clear and simple for industry and learners, and easy to engage with. It needs to be responsive to, and driven by, industry to ensure the system can change as skills requirements change. In this current consultation, we see more questions than answers, with considerable uncertainty particularly around the provision of vocational education and training over the long transition period.

TIA will continue to contribute to this process, including through nominating for membership of the ISB and in submitting on the Education and Training (Vocational Education and Training System) Amendment Bill through its Select Committee process.

We would be very happy to expand on points raised in this submission. For any further input from TIA, please contact Bruce Bassett on 021 609 674 or [bruce.bassett@tia.org.nz](mailto:bruce.bassett@tia.org.nz).

Ngā mihi,



Rebecca Ingram  
Chief Executive

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<sup>2</sup> Stats NZ, Tourism Satellite Account, Year ended March 2025. This includes people employed in tourism-characteristic industries, including accommodation, food and beverage services, land and water transport, air transport, other transport, rental services, arts and recreation services retail services.

## Attachment 1: TIA Responses to Consultation Questions

Consultation Question	TIA Response
<p>Do you support the proposal to establish seven Industry Skills Boards? Please rate your level of support.</p>	<p>TIA recognises the wider process to reform vocational education and training and that establishing the ISBs are key part of this.</p> <p>TIA's provides <b>Moderate Support</b> for the proposal to establish the ISBs, subject to the reservations we have around the:</p> <ul style="list-style-type: none"> <li>• Size, breadth and diversity of the workforce that the proposed Service Industry ISB will be responsible for.</li> <li>• Ability to ensure strong tourism focus within this very diverse ISB.</li> <li>• Adequacy of funding for the effective operation of the ISBs to be successful.</li> <li>• Governance around the establishment, transition and operation of this ISB.</li> <li>• Extent of continuity of the good elements of the current WDC model.</li> </ul> <p>For the tourism industry, all the mechanisms in place to support the development of the tourism workforce are important. TIA has a four-pronged approach to building the tourism workforce:</p> <ol style="list-style-type: none"> <li>1. <b>Inspire our young people.</b> NCEA and promotion of tourism careers.</li> <li>2. <b>Forecast future workforce needs and enable seasonal flexibility.</b> Ringa Hora workforce scenarios and migration settings.</li> <li>3. <b>Strong education and training system for tourism to support the flow of talent.</b> Provision of vocational education and training and protecting tertiary tourism education.</li> <li>4. <b>Industry to ensure they are employers of choice.</b> Businesses provide great jobs, conditions, skill development a career advancement.</li> </ol> <p>The strategy setting that underpins this approach is established in <i>Tourism 2050 – A Blueprint for Impact</i> that was released by TIA in late 2023. This strategy contains just 10 Actions, one of which is <i>Grow the Tourism Workforce</i>.</p> <p>Uplifting the skills base of the diverse tourism workforce is a prerequisite for the future success of the industry, particularly to drive and enable service quality improvements and productivity gains.</p> <p>An important aspect of the tourism workforce is that the nature of tourism jobs are changing as technology plays an increasing role in reshaping or replacing many current jobs within the industry. For instance, many back-office functions are being automated thereby allowing people to focus on the personalised customer interface. This trend will only increase. Developing skills in this dynamic technology-enabled environment will increasingly be essential, and the ISB will have a critical role to play.</p> <p>As such, the key question we have around the establishment of the ISB is: will the Service Industries ISB be effective in assisting the tourism industry to achieve its objective to ensure it has the workforce it needs to grow and prosper?</p>

<p>What aspects of the proposal do you support?</p>	<p>TIA recognises the establishment of ISBs are a needed step to advance the wider reform of the vocational education and training sector.</p> <p>Overall, we support a vocational education system that is industry-led and delivers world class vocational education and training.</p> <p>Our support is predicated on our areas of concern being addressed (refer below).</p>
<p>What aspects of the proposal do you have concerns about?</p>	<p>TIA's concerns are as follows:</p> <ul style="list-style-type: none"> <li> <b>Make-up of the proposed Service Industries ISB.</b> <p>Service industry jobs make up around three-quarters of all jobs in Aotearoa New Zealand (Census 2018, Stats NZ). Many of these service jobs are covered by other proposed ISBs, such as health in the Social and Community ISB and some fall to NZQA, but this leaves a very large number of jobs that fall under the Service Industries ISB. Of these, there is much diversity in the sectors involved, from financial services to snow sports, to security, real estate, and so forth.</p> <p>As such, TIA is concerned whether a single ISB will be able to cover all these bases with the significant risk that the needs of tourism will get lost in the wider services mix.</p> <p>In terms of responding to this, there are two perspectives:</p> <ol style="list-style-type: none"> <li>By considering splitting the Service Industries ISB into two ISBs, with one focussed on tourism and tourism related sectors, including aviation, tourism, snow sports, airport operations, retail and hospitality (and other sectors not mentioned in the list provided). From analysis of Stats NZ's Tourism Satellite Account, these sectors make up at least 20% of jobs in New Zealand and thereby they warrant specific support.</li> <li>By ensuring that the Service Industries ISB is sized and funded to enable it to traverse the size of this area and the diversity within it. This approach would mean that the ISB has critical mass to operate and does not serve to dilute the overall funding pot for the ISB system. Should this option be advanced, TIA considers that within this ISB, the needs of tourism will need some specification or prioritisation.</li> </ol> <p>Overall, TIA sees merit in each of these perspectives, but equally there are risks with them. As such, we request that the next round of the ISB development process specifically addresses how the proposed Service Industries ISB will traverse its diverse make-up. We are aware that other sectors within this proposed ISB share this concern.</p> <p>From a practical perspective, it will be difficult for the 16 or so sectors in the proposed ISB to be represented by just six industry members on the Board of this ISB.</p> <p>On balance, TIA support the larger ISB, subject to specific mitigations around covering the diversity of</p> </li> </ul>

	<p>the ISB to ensure that it is truly industry-led and effective in its operations.</p> <ul style="list-style-type: none"> <li> <b>Continuity.</b> The other critical factor for TIA relates to the transition and the assurance of continuity of the elements that are working well now, whether this being the people and programmes that are place. </li> </ul> <p>There is a sense across tourism that this is yet another disruptive change process that will need time (years) to settle down into a well understood and stable vocational education and training system.</p> <p>As such, TIA strongly seeks as much continuity from the current environment as is possible, including both experienced people and projects that are underway.</p> <p>For instance, the current tourism-related Workforce Development Council, Ringa Hora, has been effective in operating in the tourism area, and TIA has been partnering with it to develop tourism sector workforce forecasts. We view these forecasts as being central to ensuring a longer-term workforce planning perspective. We seek a clear commitment that projects such as this will be mapped into the new ISB, noting that the proposal states that the ISBs will '...undertake strategic workforce analysis and planning'.</p> <p>We recognise that the Establishment Advisory Groups will have a key role to play in the new ISB and what is carried forward. Accordingly, TIA will be nominating a person or persons to the Establishment Advisory Group for the Services ISB.</p> <ul style="list-style-type: none"> <li> <b>Funding.</b> The consultation documents talk to the lower level of funding in the proposed ISB approach, without being clear how this will be achieved or what functions will not be delivered. We understand the proposed ISBs will receive considerably lower finding that the current WDCs (we understand this to be from \$65m to \$30m). </li> </ul> <p>TIA is concerned at this apparently highly constrained funding arrangements. In this, we support the Business New Zealand submission that there is insufficient information and data available for industry to understand how the new ISBs will work, and that industry is being asked to sign up for a system without the information on the costs and how the system will improve under the proposed model.</p> <ul style="list-style-type: none"> <li> <b>Transition.</b> TIA recognises the arrangements in place to allow for the changes to be implemented in an orderly manner and for continuity for those undertaking the training. However, TIA is concerned at the role of the ISBs through this transition phase in having to be responsible for the training bodies over the next two-years. It is not clear how these responsibilities will be undertaken and the potential risks involved, including what is expected of the ISB members themselves and the liabilities they may face over this potentially difficult transition period. </li> </ul> <p>Associated with this, how training bodies such as ServiceIQ will be supported through this phase and what will happen with them is not clear. TIA supports</p>
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	<p>the submission of Business New Zealand with respect to its concern around how enrolments will work over the transition period and the potential for disruption to training delivery over this period.</p> <p>Relating to the points made elsewhere, the tourism industry is fatigued with changes in this area and so every effort is needed for an easy to understand and simple to use vocational education and training system. Major changes to the training providers through the transition phase will make it difficult for industry (and businesses within it) to understand changes as they occur, and subsequently to engage with the training that is available.</p>
Do you have any feedback relating to a specific industry (and which)?	<p>The critical feedback relating to the tourism industry is around its importance for New Zealand.</p> <p>Key figures from Stats NZ's Tourism Satellite Account for YE March 2024.</p> <ul style="list-style-type: none"> <li>• 17.2% of exports - \$16.7b</li> <li>• 7.5% of GDP - \$28.8b</li> <li>• 10.7% of employment – 303,420 people employed</li> </ul> <p>This economic activity is spread widely across the country making tourism important to regional and local economies and communities.</p> <p>At \$16.7b, tourism is New Zealand's second largest export industry behind the \$21.1b Dairy industry. Pre-COVID tourism and dairy exchanged positions at No.1 and so it is expected that once tourism fully recovers from the COVID era, these two industries will be around the same size.</p> <p>This scope to quickly grow our second largest export industry is recognised by Government within its economic growth strategy. Specifically, the Minister of Tourism and Hospitality has established the goal to double tourism exports by 2034.</p> <p>From TIA's perspective, this is an attainable goal that is supported by industry. However, we appreciate that it will require growth of the supply-side of the industry in terms of accommodation, transport, activities and attractions, hospitality and several other services.</p> <p>Critically, this growth can only be achieved if the tourism workforce scales up accordingly.</p> <p>As set out earlier, this is not just about the size of the workforce but equally the skills that are needed in the future industry, with technology and interpersonal skills to increase in importance within the overall skills mix.</p> <p>It is critical that the ISB process is established to allow for both the growing tourism workforce <u>and</u> the increasing skill levels that will be needed over time.</p>
If your industry is covered by one of the seven ISBs, how supportive are you of the decision to assign your industry to that ISB?	<p>Tourism is a service industry and so it logically sits within the ambit of the proposed Service Industries ISB.</p> <p>However, as set out above, TIA is concerned about the size and diversity of the proposed Service Industries ISB. From one perspective there may be advantages to have a specific tourism-related ISB, but on the other a larger and well-funded ISB may be a better outcome. How the ISB is</p>

	established will be key to how well the ISB can traverse the concerns around the diversity of its ambit of responsibility.
If you don't support the current ISB allocation for your industry which ISB would you prefer?	NA
If your industry is proposed to be shifted to NZQA, how supportive are you of this proposal?	TIA notes that business administration is moving to NZQA. The implication of this is not immediately clear to TIA.
If you don't support the proposal for NZQA to oversee your industry, which of the seven ISBs would you prefer to be aligned with?	NA
You indicated that your industry is not covered by an ISB or NZQA in the proposal. Which ISB from the seven ISBs would be most appropriate for your industry?	NA