

Response to Consultation on

**Creative, Cultural, Recreation and Technology
Workforce Development Council**

on behalf of the

Digital Technology Industry and Profession

Presented by:



With support from:



Table of Contents

Introduction	2
Background	2
The Vision	4
1. Coverage	5
1.1 The WDC industry coverage ignores the preferences of the Tech sector	5
1.2 The WDC coverage is arbitrary and not future-focused	5
2. Order in Council detail	7
2.1 The WDC Order in Council is generic in nature	7
2.2 The Order in Council process for this WDC did not engage industry	8
2.3 The Order in Council does not allow the WDC to be industry-led	8
2.4 The WDC proposal does not adequately provide for industry representation	9
2.5 The Governance arrangements ignore the realities of the Tech sector	10
2.6 The WDC is completely removed from Providers	11
Conclusion: The Tech Sector cannot support the WDC as proposed	12

Introduction

This consultation response is on behalf of New Zealand's digital technologies industry and profession and follows a number of previous submissions, discussions and meetings with the Tertiary Education Commission highlighting many of the points outlined within.

As a forward-looking industry that is vital to New Zealand's economic prosperity, our natural position is one of collaboration and positive support. We work closely with Government in many contexts and generally enjoy a very positive, collaborative and constructive relationship. Unfortunately this has not been our experience during this process.

From early in the process, the tech industry and others have outlined verbally and in writing what our sector needs from this process to succeed. We've expressed a vision of a future-focused WDC made up of compatible, related and partner industries with similar challenges and vision to help address the needs of both the future-focused, and future, industries of Aotearoa New Zealand. This vision was shared by our sector as a whole, as evidenced by most submissions being supported by all of the main NZ tech representative bodies.

Unfortunately we have found TEC to be unresponsive and dismissive to the needs of the tech industry and we now hold grave concerns about the future of vocational education in digital technologies under the proposed WDC model.

We don't make this statement lightly. However following many attempts to have these concerns addressed directly, we have no option but to reiterate some of the them here.

Background

The success of the digital technology sector is critical for New Zealand. It is one of the fastest growing parts of the New Zealand economy, generating billions of dollars in exports, creating thousands of jobs and enabling the digitalisation of the rest of the economy. Underpinning this growth and economic value are people with digital skills.

This is why ensuring that the Reform of Vocational Education, and in this context the establishment of the Workforce Development Council representing the Digital Technologies

areas, is crucial to the future of Aotearoa New Zealand. We need to get this right, so New Zealand's tech industry and profession created a vision early in the process around what a future-focused WDC would look like, and has been vocal throughout this process.

The tech industry and profession understands the issues we face well, and we understand what is needed to resolve them at the vocational level.

Throughout the RoVE and WDC development process, the tech industry and profession have spoken with a strong unified voice. All major tech bodies have supported the proposals put to the TEC at various stages and these proposals have been largely and strongly supported by tech professionals and tech companies across New Zealand.

Sadly, these industry needs have been largely ignored and under the proposed model, we believe that the opportunity for a future-focused WDC, with a strong and unwavering focus on future industries rather than those of the past, has been lost.

This submission is presented on behalf of:

- **IT Professionals New Zealand**, the professional body for those who work within digital technology roles representing thousands of tech professionals across NZ.
- **NZTech**, the industry body representing 20 technology associations who collectively represent hundreds of tech companies in NZ.
- **NZRise**, the industry body representing NZ-owned digital technology companies in Aotearoa New Zealand.
- **Aotearoa Tech Union**, formed in 2018 to support workers in technology-associated roles and organisations, and to advocate for their common benefit.

In addition:

- This submission has the general support of **TUANZ** (the Technology Users Association of NZ) with specific support for the lack of coverage of digital user skills.
- **CITRENZ**, the body made up of most of the computing and digital technologies schools in New Zealand's Institute of Technology and Polytechnic space were central to our sector's thinking.

As we've worked through the process, we've enjoyed positive cross-collaboration with other related industries such as Engineering, Commerce/Business Admin, and Creative Arts. These industries have expressed similar concerns, both from the industry and from providers who struggle to see how the proposed coverage groupings would work in practice.

The Vision

The tech sector, in collaboration with others such as Engineering, Creative Arts and Business, saw the Review of Vocational Education as a huge opportunity to "fix" many of the issues in the education sector, but also to establish a strong and dedicated WDC focusing on future roles and industries in New Zealand.

Other WDCs focus on the future of traditional New Zealand industry groupings such as Primary Industries, Manufacturing, and Health and Social. Detail aside, these are good, sensible and logical groupings based on like industries with much in common and a shared vision as to their shared industries' needs into the future.

Our vision was to create something similar, but for the broader digital and creative sector. This WDC would have a singular focus on one of the largest growing broad sectors in New Zealand and ensure that the future skill needs of both New Zealand's creative and digital industries, but also the digital needs of New Zealand's workforce as a whole, would finally receive the attention and focus required.

We saw this as the opportunity to build a culture within this WDC that was similar to our industry culture; promoting modern, new approaches to education as a whole, a focus on future skills, the chance to grow workplace-based learning opportunities in the form of apprenticeships and internships and much more.

However our industry had (and still holds) a strong view that this would only be possible if this WDC was built from the ground up with this in mind, including building these aspects into both the coverage and its DNA. Unfortunately, as outlined in the following sections, our view of the current proposal is that this hasn't occurred.

1. Coverage

This section considers the coverage first, as this was the first item developed during the establishment of the WDC proposals and should also be key to its structure.

1.1 The WDC industry coverage ignores the preferences of the Tech sector

The tech sector, speaking with a single unified voice supported by the main tech bodies, presented several coverage models that would enable the vision of a WDC focused on the skill needs of future and future-focused industries, plus the digital needs for all future workers. This combined focus is essential for New Zealand's future.

Each of these suggested models was based on a grouping of similar industries that had similar structures and challenges and strongly aligned thinking about how to address them. They were the disruptive industries and those which spawned new industries such as creative design, game development, digital animation, movie production and business. They were also industries with a similar structure in terms of vocational-level skills vs professional-level, and the challenges this represented.

While recognising all WDCs need an eye to the future, these models represented change and transformation and similarity of challenges. They were proposed following industry insight and consultation into what these industries needed to prepare for the future.

It was also clear that for the vocational educational changes to be successful in our area, the new WDC needed to be constructed from the ground up with this singular view and vision in mind; both from a coverage and structure perspective.

The tech industry's needs were largely ignored in the final proposal for both coverage areas and the Order in Council.

1.2 The WDC coverage is arbitrary and not future-focused

The coverage for the proposed WDC is expressed in terms of ANZSIC codes and while we acknowledge that this is a limitation across the system, these are not suitable to represent skills-based groupings, industry needs or the diversity of cross-industry skill requirements.

Putting that aside, as was discovered during the initial workshops on coverage, an arbitrary number of WDCs were proposed, leading to arbitrary industries that are not viewed as being large or significant enough being bundled together by officials without an understanding of these industries or their needs. This has resulted in a completely arbitrary approach to the industries covered in this WDC and a lack of commonality between them.

The currently proposed coverage for this WDC essentially includes:

- Creative Arts
- Hairdressing
- Sports
- Recreation
- Digital Technologies (IT/Computing/Digital/Tech)

Currently digital technologies user skills are ignored, as are business and entrepreneurial skills, as these don't fit within the "industry model" used and no exception was made.

We support the grouping with Creative Arts as there is a strong link and bond between many aspects of Digital Technologies and many aspects of Creative Arts. While it is not an exhaustive bond, it is sufficient that the joint needs of these industries align well.

However the proposed groupings with the other areas of coverage are arbitrary and not in the interests of these industries or ours. Their future needs, structure, challenges and focus are entirely different to that of Digital Technologies and Creative.

We do not support a structure that combines coverage for these arbitrary industry areas, and are of the strong view that continuing on this basis will make it near-impossible to achieve the outcomes set for the WDCs and RoVE as a whole, for digital tech.

We also reiterate that the Business / Business Administration area (and related qualifications) match closely with Digital Technologies and have a very different approach than other "Service Industries". We strongly advocate for their inclusion in this WDC, replacing the areas that are not well aligned.

2. Order in Council detail

This section considers the detail of the proposed Order in Council as outlined in the consultation documents.

2.1 The WDC Order in Council is generic in nature

The Order in Council as proposed is entirely generic for this WDC, save the *Coverage* section. There is basically nothing within the Order that distinguishes it from any other WDC, no shared vision and nothing that ties together the areas of coverage.

We believe this is counter to the intent of having multiple WDCs. The intent, paraphrased, is to allow for WDCs to work across like industries and each to have their own focus – otherwise it would be pointless having multiple Councils.

This is evident within other WDCs that have commonality in their coverage – for example, the proposed *Muka Tangata People, Food and Fibre WDC* (formerly Primary Industries WDC), proposed *Services WDC* (formerly Service Industries), *Community, Health, Education and Social Services WDC* and others have a specific and clear focus, clear vision around the areas of focus, and very clear grouping as to what they represent.

These are all missing within the proposed *Toi Mai WDC* (formerly Creative, Cultural, Recreation and Technology) structure and Order in Council.

We would also be interested in understanding the process undertaken in determining the name *Toi Mai*, and who was involved in this process, to ensure the cultural appropriateness of its use.

We are of the view that the lack of specificity within the name and Order generally is a product and evidence of the lack of commonality across the areas of coverage.

2.2 The Order in Council process for this WDC did not engage industry

During the initial announcements, releases and communications regarding the WDCs, the intent was clearly expressed that the WDCs and their formation would be **industry-led**.

By and large, the tech industry's views were excluded from consideration during the development process and the WDC Order in Council development was undertaken in an overall structure and manner that resulted in a clear and distinct lack of opportunity for the industry to lead the development process.

It was expressed to our industry that this was to be a general "procedural" process run by those with general governance experience rather than an understanding or experience with the specific industries, and this would be the same for the WDC itself.

The consultation document also states:

As part of the Order in Council development process, the iEBs engaged with their industries, to test and seek initial feedback on their six draft proposals, and to start building connections across the new WDC industry groupings. Engagement on the draft proposals took place from August to October 2020.

This did not occur in the context of the Digital or Technology industry. The draft proposal was not shared with industry representatives and while two members of the iEB did speak on a panel at an educationalist conference on request, this did not cover this material.

This is not in any form a criticism of the individuals within the Interim Establishment Board and we acknowledge that one member of the iEB did have a tech industry background, albeit removed from the vocational level. However the fact remains that this was not an industry-led process and the resultant draft Order in Council reflects this.

2.3 The Order in Council does not allow the WDC to be industry-led

While this is likely an issue across most of the Workforce Development Councils, the proposed structure specifically excludes the WDC from being industry-led as committed by the Minister from the outset.

The current proposed Order provides for the following within the governance of the WDC:

- *at least 1 member who is able to provide collective representation of employees from one or more sectors covered by Toi Mai, drawn from candidates nominated by:*
 - *one or more of the unions active in the sectors covered by Toi Mai; or*
 - *the NZ Council of Trade Unions/CTU Rūnanga; or*
 - *nominations from individuals or collected employees involved in the sectors covered by Toi Mai (collected employees must not be from groups that also have employers as members, unless they are able to act as an independent sub-group from the parent entity).*
- *at least 1 member who is able to provide collective representation of employers from one or more sectors covered by Toi Mai;*

Given the proposed coverage and the lack of commonality of industries covered by this WDC, this will result in a clear lack of industry leadership involvement in the governance and leadership of the WDC. There is no reason that at least half of the Council's members couldn't be specifically from the industries covered by the WDC.

From the tech sector's perspective, the current proposal could well result in one person with links to a sports union and another with links to the hairdressing industry governing the vocational skills and qualification development process for digital technologies, or vice versa. This isn't just a possibility, it's a likely outcome from this proposed structure.

This model and proposal is not tenable for an "industry-led body".

2.4 The WDC proposal does not adequately provide for industry representation

The draft Order in Council includes a section outlining mechanisms for industry engagement. These mechanisms are insufficient to enable genuine engagement.

The proposed model is to "*establish industry stakeholder groups*" of "*employers and Māori employers, industry bodies, employees, independent earners, iwi/hapu partners, learners and other parties with an interest in the specified industries*" to provide "*information and views*" on various aspects to "*assist the Council in formulating its advice*".

This approach leads to three significant concerns:

1. The mandate of these stakeholder groups is limited to providing *information and views to assist the Council*. There is nothing within the proposed Order in Council that provides any weight at all to these information and views and, when combined to the designed lack of industry representation on the Council itself, will result in a situation where those without an understanding of our industry making significant decisions about the future skill and qualification needs of our industry.
2. The tech industry already has established industry stakeholder groups with strong industry and profession engagement and consultation mechanism in place. This proposed approach ignores this and attempts to start again.
3. There is nothing in this section that guarantees any form of genuine, meaningful industry engagement. As an example, there's nothing to suggest that industry stakeholder groups being established can make recommendations and that these recommendations should be actioned unless there is evidence to the contrary. All control has been removed from the industries the WDC is intended to represent.

All in all, we cannot support the industry engagement mechanisms as currently provided without at least significantly strengthening the expectations within this section.

2.5 The Governance arrangements ignore the realities of the Tech sector

Lastly, the establishment of the governance arrangements ignore the realities of the tech sector. For example, the position on the Council set aside for one worker from one of the industries covered is primarily appointed from nominations from Unions, however there is no established Union with wide tech sector coverage¹.

The industry does have an established professional body for those working within tech, with a 60-year history and thousands of members across New Zealand, however it's not clear whether a nomination from this body would even meet the criteria as currently stated.

¹ The Aotearoa Tech Union (ATU) was formed in 2018 and is in an establishment stage. The signatories to this submission support the ATU and its establishment, however recognise it is not yet at a point of critical mass.

2.6 The WDC is completely removed from Providers

Again this may be an issue across the whole WDC process and structure, however there is no provider representation at all within the proposed structure of this WDC.

It is essential that the provider voice be represented, preferably at a governance level, within the proposed WDC structure. While we do appreciate that some providers sit within Te Pūkenga (New Zealand Institute of Skills and Technology) and there is envisioned to be a relationship, skill and qualification decisions cannot and should not be made without top-level input from providers within both the Institute of Technology and Polytech (ITP) sector and the Private Training Establishment (PTE) sector.

Both components of the system have significant insight and are impacted by the decisions of the WDC, and both contribute to better outcomes.

Conclusion:

The Tech Sector cannot support the WDC as proposed

As mentioned at the outset, our natural and preferred position is to work constructively and positively with Government and others to get to a good outcome for everyone. This collaborative approach leads to better outcomes, especially in matters that have strong industry impact. It is not our preference to be as critical as we have been in this document.

However unfortunately this level of collaboration hasn't been possible during this process. The tech industry's needs have been continually deferred in favour of finding an industry model that worked for officials, and decisions about our industry continue to be made by those without an understanding of the issues and consequences.

As per the Aotearoa Digital Skills Report² released last week, funded by Government and the Tech Industry, the future of digital skills in New Zealand are absolutely crucial and we have to get this right for the economic prosperity of our country.

For the reasons outlined in this submission, we can unfortunately not support either the proposed coverage or the proposed structure and governance arrangements for this WDC, as we are of the view it will not achieve the outcomes necessary for our industry.

We are happy to meet to discuss this further, and continue to have a preference to work constructively to find a solution that will work for the industry and fit the your constraints.

For further discussion or a meeting, please contact Paul Matthews at ceo@itp.nz.

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² View the report at <https://nztech.org.nz/reports/digital-skills-for-our-digital-future/>