TOI MAI Workforce Development Council

Toi Mai WDC submission on the MoE review of funding determinations - August 2024

Toi Mai Workforce Development Council represents the creative, cultural, recreation and technology sectors in Aotearoa New Zealand. Our purpose is to ensure these sectors are supported by a skilled, diverse and thriving workforce. We work to ensure the vocational education system meets industry and workforce development needs though engaging with industry, whānau/hapū/iwi, under-represented and diverse communities.

We were pleased to see MoE's proposed 10% increase to all funding rates and support this proposal.

Toi Mai has developed six Workforce Development Plans for the industries we represent, available here.

This submission is informed by Toi Mai data insights and extensive engagement with industry and education providers. Toi Mai WDC is available to discuss the proposed recommendations and can provide additional information where needed.

Toi Mai has identified several programmes that we recommend an increase to funding rates (shift from F1 to F2 or F3). This is to cover the high tech/equipment costs and high teacher to learner ratios required to support delivery. These subject areas are included in the table below:

Delivery Classification	Subject area	Current UFS category	Toi Mai Recommended delivery classification	Rationale
#03 Arts, Advanced Studies for teachers, Health Therapies, Humanities, Languages, Social Sciences	Outdoor Recreation Instruction and Leadership	F1	Move quals to #13 or #18 (F3), or add new category for high cost, risk and specialist recreation.	- High student to teacher ratio. - High health and safety and risk management requirements. - Similar costs to #13 Health Sciences/ Physical Education
	Make-up Artistry	F1	Move to #22 Trades (F2)	- Cost of equipment. - Similar to Hairdressing and is also a "Trade".
	Screen industry	N/A	Add to #22 Trades or #16 if this can be redefined for certificate and diplomas	- New quals – skills similar to Trades.
#11 Engineering; Technology	Entertainment and Event Technology	F1	Include Entertainment and Event Technology	- Significant skill shortages - Entertainment and Event

			Qualifications at L4+ in #11 Engineering and technology to align with Sound Engineers and Production Technology	Technology is the same as production technology
	Piano Tuning Technician	N/A	Include new qual as #11 – F3	- An engineering trade. - High need/low volume provision
#12 Fine Arts, Design	Creative Arts	Some courses funded at F1 and some meet F2 definition	Expand definition to include certificate courses of 120 credits + particularly those requiring high cost tech or equipment.	Classification broadened to include L4 and lower credit qualifications for Arts and Design due to high cost of these programmes and increased equipment and technology costs.
#13 Health Sciences or #18 Science	Outdoor Recreation instruction and leadership	F1	See above – revise definition to include specialist Outdoor Recreation Leadership quals at L4+	- See above
#16 Music and Performing Arts	For all existing Music, theatre, Screen, Performing Arts	N/A	Strongly recommend that this category is expanded to include Diplomas and Certificates at F2 or F3 funding level	This previous funding classification change has led to the "degree-ification" of courses in these areas. Industry feedback is requesting shorter, industry led courses (certs and diplomas) with increased WBL, and require additional funding to support high cost for some niche provision
#22 Trades	Include Make-up Artists	F1	Include and recognise Make-up Artists as a Trade (F2)	See above.
	Construction Diving		Construction Diving is a trade	Construction Divers are essentially

			(not recreational) F2 funding	builders that work under water and should be considered a trade.

For detailed information on the programmes that we recommend an increase to funding rates, please see page 5.

Systemic challenges are resulting in fewer learners accessing Toi Mai qualifications – despite increasing industry demand for a skilled workforce

Declining Investment in Toi Mai vocational education and training provision

Low investment incentivises for providers to offer quals is leading to lower provision of training in areas that could boost the productive capacity of our industries and lift economic growth for New Zealand.

Overall, TEC investment in Toi Mai sub-degree subjects halved in value between 2011 and 2022 (inflation adjusted)[1]. Investment in all sub-degree quals over the same time decreased by 10%. The recent 12.5% funding increase per VET student will address the funding decrease across VET. However, quals in the New Zealand creative and technology industries continue to be underfunded.

Economic growth in creative industries is occurring at a faster rate relative to the general economy. Between 2017 and 2022, GDP growth in the creative arts industries averaged 3.4% per annum, compared to 2.9% for the general economy. In 2022, economic growth reached 10% and 5.3% respectively.[2]

TEC investment in degree level provision in industries relevant to Toi Mai, decreased by about one fifth of its 2011 value, while overall investment in all subject areas grew by 4% (after inflation adjustment).

At sub-degree level:

- Investment in creative qualifications has decreased by over one quarter, to $36m in 2022 ($56m in 2011).
- Technology, sport, recreation & GLAMIR investment dropped circa 40% in 2022 below its 2011 value.
- Investment in Toi Māori sub-degree quals ($7m) was approximately 40% less in 2022 than in 2011.

[1] Ngā Kete, Regional Education Profile, 2022

[2] Industries covered:
- Book Publishing
- Music Publishing
- Music and Other Sound Recording Activities
- Performing Arts Operation
- Creative Artists, Musicians, Writers and Performers
- Performing Arts Venue Operation

Data sources:
- Infometrics Arts Sector Profile, 2022
- Te Mata Raraunga, Workforce Skills Data and Insights, 2023
- Creative New Zealand, Profile of Creative Professionals, 2023

These data trends are the opposite of what industry wants to see. Decreasing qualification investment reflects provider (including Te Pūkenga and University) business models rather than industry skill needs. The New Zealand creative sector is currently generating ~ $15b in GDP (a bigger contribution than agriculture). This is forecast to grow to $25b GDP by 2030. However, to achieve this, creative industries require a thriving and well-trained workforce.

Industry are calling for growth in Toi Mai subject areas. However, providers are reducing perceived qualifications with heavy technology/equipment/facility costs, low SSR and 'niche' offerings in the interests of high enrolment, high SSR 'efficiencies' that can deliver higher margins and surpluses. Increased investment is required to support our industries to be more productive.

Examples of the impact include:

- The closure of MAINZ and the cancellation of two music programmes from Te Pūkenga providers. This is causing a shortage of vocational training provision in music production and live performance.
- The NZ Certificate in Entertainment and Event Technology (Level 5) and NZ Diploma in Entertainment and Event Technology (Level 6) are not currently offered by any providers. This is despite the industry suffering major workforce shortages. Toi Mai understands that providers are deterred due to the high cost of developing programmes, high cost of equipment, with the different strands combined and the potential for only a small number of graduates.

Historic under-valuing of Toi Mai sectors has led to inequitable funding rates for the creative, cultural, recreation and technology sectors. This is having a significantly negative impact on New Zealand's economic productivity.

Low volume, high need "niche" programme provision

The current funding model makes it very difficult for providers to develop new or review programmes. This is across multiple niche subject areas where there are low learner numbers but with high industry demand for the skill. For example, Toi Mai has recently developed a NZC in Piano Tuning Technician (Level 4) however it is proving difficult for providers to afford the time and resource required to develop a viable programme for a small cohort of learners, even though this critical skill-set is in demand domestically and internationally, and there is a list of interested learners.

Many of the low volume/high need programmes are currently receiving F1 funding, which adds to the challenge. F1 funding works for high volume/low operating cost programmes (i.e. tourism and hospitality), however this is the case for many of our subject areas. We support the 10% increase in funding and recommend that all funding categories are reviewed to ensure they truly reflect the current costs involved in their delivery.

Providers are prioritising longer form provision and degrees at Level 7

Related to our funding concerns is that providers are incentivised to privilege longer form study over short form and work-based training. There is a trend across most Toi Mai industries where providers are prioritising degrees over certificates and diplomas due to more funding certainty with longer-term courses and higher funding rates. This contrasts with industry skill demands

where many employers prefer graduates from shorter form courses, with increased work-based learning, and for learners to graduate without extensive student debt.

The intention of the Unified Funding System was to close the funding differential between provider-based and work-based learning. The changes were limited in scope to the sub-degree vocational education sector. By excluding degree-level and university provision, it has opened a differential between provider-based learning in sub-degree vocational education and degree-level education.

This change deepened the existing bias towards degree-level education and underlines the status of vocational education as the "poor cousin." It also underlines existing biases within the funding system:

- Foreign students enrolled in degree courses are permitted to work and are offered three-year unlimited work visas upon completion. In addition, degree courses are more attractive for providers which receive extra income from foreign students; and
- Degree courses are longer, offering providers greater funding certainty.

Industry are calling for increased provision of work-based learning due to ensure more work ready graduates through applied skill acquisition.

Recommendation: broaden funding category #16 to include music and performing arts (diplomas and certificates).

Apprenticeships to include level 5 quals

Toi Mai is aware that the New Zealand Apprenticeship definition has not yet been re-defined to include level 5 qualifications. While work-based learning is available at all levels, we would like the opportunity to discuss opportunities to prioritise this work.

Programmes that Toi Mai recommends are funded at higher rates

Outdoor Recreation

Providers of outdoor qualifications are facing financial challenges preparing learners for the industry due to significant decreases in the funding they receive per student due to recategorization in the UFS. Certain courses, for example *NZC in Outdoor Leadership (Instruction) (Level 5)*, are currently funded at the A03 /F1 rate, which is a drop from historical rates. Given the costs associated with getting a learner 'industry ready' including the costly staff to learner ratios (health and safety requirements) for outdoor activities and the additional expense of trips and equipment.

Providers are preparing learners to work in a dynamic environment with significant health and safety requirements, and they require adequate resources to complete this task effectively.

Unfortunately, we do not have to look far to find high-profile incidents highlighting the need for qualified and capable outdoor instructors and leaders. Decision-making competence of outdoor leaders plays a role in the severity of all outdoor incidents.

The current funding commitment from TEC for outdoor instructor qualifications is recognised as a significant problem for the sector: https://www.rnz.co.nz/news/national/490496/abbey-caves-death-review-of-whangarei-bh s-outdoor-education-programme-begins

Toi Mai recommends courses currently funded at F1 be moved to P (F2 or F3) category. This would better reflect training costs; specialist skills, health and safety controlled environments, teacher/learner ratios, travel and equipment costs.

Make-up Artistry

Feedback from Make-up Artistry providers highlights that this is also a low volume but resource heavy niche training area – for example, the equipment and skill involved in Weta workshop prosthetics training. Currently funded at F1 levels, this appears inequitable in comparison to similar trades like Hairdressing. Delivery costs have increased significantly post-covid and we recommend that this area is moved to #22 Trades to be on par with other similar occupational training and to assist with its eligibility for Youth Guarantees and Māori and Pacific trades training. This recommendation is supported by the Beauty association and providers.

Piano Tuning Technician

We recommend that Piano Tuning Technician is added to #11 Engineering and Technology as it is a specialist highly skillful trade. This would fit well with the other areas of Sound Engineering and Production Technology already in this classification. This is a niche low volume area that will require additional funding to incentivise delivery.

Performing Arts and Screen

Toi Mai recommends that category #16 is revised to include funding rates for diplomas and certificates. The previous shift to only fund degrees has led to the degree-ification of many courses in these subject areas exacerbating system impacts outlined in the first section. We would like to see funding re-distributed back into vocational education to support high quality shorter-length formal training (ie 60-120 credits) to meet industry demand for shorter form, flexible, practical and blended learning.

Screen

We recommend that the funding subject areas are revised to include Screen industry (rather than Radio/Television/Film). We recommend this is funded at F2 or F3 rates to support the high cost of equipment and facilities to teach this area.

Construction Diving

Certificate programs are classified under F2 (22) Trades. At the final stages of funding approval there were issues on agreeing the domestic course fees with TEC. A compromise was reached with changes to delivery to be viable in delivering these programs, international students are not relied on to make up the funding short fall.

Please see appendix 2 for details of the proposed fee change for construction diving by Omne Marine Group (provider).

Appendix 1: Toi Mai qualifications by TEC funding classification

Delivery Classification	Toi Mai coverage subject areas	Funding Category Diploma/Certificate	UFS subject category	New funding rates 2025	Toi Mai recommendation
#01 Agriculture, Horticulture	• Conservation Studies • Environmental Management • Equine (other than apprenticeship training) • Parks and Recreation • (Not Floristry = #03)	L1	F3	$11,786	
#02 Architecture, QS	• Architecture	B1	F2	$10,469	
#03 Arts, Advanced Studies for Teachers, Health Therapies, Humanities, Languages, Social Sciences	• Arts and Crafts (if not #12) • Beauty Therapy • Communication Studies • Cultural Studies • Design/Applied Arts (if not #12) • Design history • Exercise, Sports and Recreation Studies (if not #13 or #18) • Fitness Instruction • Floristry (and similar)	A1	F1	$6,584	New classification of Make up Artistry is moved to #22 Trades (F2). Similar to hairdressing, and high cost of equipment. Rafting and other Adventure Sports move to either #13 or #18 and F3 funding, or add new category for Recreation that requires high tutor/student ratio, is high risk and national importance New classification for Screen industry and move to #22 Trades

	• Journalism • Librarianship and information Studies • Media Studies • Music History • Music (if not #16) • Performing Arts (if not #16) • Radio/Television (if not #16) • Rafting and other Adventure Sports • Sports Coaching, Playing and Studies • Theatre and Film Studies (if not #16)				(F2) or #16 if this can be re-defined for certificates and diplomas.
#04 Business, Accountancy, office Systems, Secretarial, Management	• Advertising • Computer Applications: eg computer skills, E-commerce, General IT, introductory courses, office systems, software, web design, word processing • Desktop Publishing • Information Systems • Publishing • Recreational Administration/Management	J1	F1	$6,584	

#06 Computer Science	• AI • AR • Computer Programming • IS Development/ inter-org • Quantitative and Computer Studies • Software Engineering • Systems Desing • VR Also applies to • CAD, CAM, CIM, E-Commerce, Web Design if focused on programming languages • Advanced Business Computing • Database Management • Information Technology • Management/troubleshooting	B1	F2	$10,469	
#11 Engineering; Technology	• Sound Engineering L4+ • Production Technology L4+	C1	F3	$11,786	Entertainment and Event technicians (Live Sound, Lighting, Rigging, Audio, Vision, Costume etc are part of Production technology and should be funded at this rate.

					Piano Tuning Technician Qual should be placed here as require engineering skills.
#12 Fine Arts; Design	• Diploma courses at L5+ in Design or Fine Arts/ Applied Arts/ graphic Arts • Certificate courses of 240 credits or more in Fine Arts/ Applied Arts/ graphic Arts, Design and Craft Design • All other arts course must be #03.	B1	F2	$10,469	Revise to include certificate courses of 120 credits. Particularly those requiring high costs equipment and tech. Eg Digital Media and Design, Animation, Fashion
#13 Health Sciences	Note course content must be health science prog, high degree specialisation, high cost, high tutor/learner ratios and national importance • Exercise Science & Physical Education undergrad degrees	C1	F3	$11,786	Revise definition to include Outdoor Recreation qualifications at L4+ in this category or #18.
#16 Music and Performing Arts	Must be degree based and practice-based. Choreography Music Performance and Composition Ngā Mahi a te Rēhia – Māori Performing Arts (use #16 not #42) Practical Theatre/ Acting/Drama/Dance Radio/ Television/Film Performance Theatre Direction	B2-4	N/A		Strongly recommend that this category includes Funding classification for Diplomas and Certificates at F2 or F3 funding to stop the degree-ification of courses in these areas. Industry are requesting more work-based delivery and apprenticeships but need appropriate funding level to support them.

	Music and performance = #03 Sound engineering - #11				
#18 Science	• Applied Sports and recreational Sciences – must be at least 120cr, incl substantial practical component, lab & field work, be taught by specialise staff & facilities • Environmental Science • Exercise Physiology	V1	F3		Revise definition to include Outdoor Recreation qualifications at L4+ in this category or #13.
#22 Trades	• Levels 2,3 & 4 • Hairdressing and Barbering • Interior Design • Jewellery	P1	F2	$10,469	Include Make Up Artists (Trade) Screen workers (if not in #16) Include Construction Diving Quals L4 & 5
#42	• Mātauranga Māori and te reo Māori	W1	F6	$7827	

Appendix 2: Construction diving fee considerations developed by Omne Marine Group (provider).

This includes the agreed fee amounts with TEC and the contrast to commercial diver training.

Please note that Toi Mai does not advocate for providers, however there is only one provider for construction diving in New Zealand.

TEO COMPLETE													TEC COMPLETE	
Provider Edumis	**Course Code**	**Course Title**	**Category**	**Classification**	**EFTS factor**	**Total Learning Hours**	**NZQA Level**	**NZSCED**	**Credit Value**	**PROPOSED Domestic student fee**	**CCCost**	**PROPOSED Total Domestic Student fee**	**NEW Maximum chargeable fee**	**Difference**
			C1	11	0.1250	150	5	031399	15	$1,423.50	$63	$1,487	1300	-$187
7012	**L4SSBA30M**	**NZ Cert in SSBA Construction Diving L4**			**0.5417**	**650**	**4**	**40399**	**65**	20,903.00	**0**	**$20,903**	***17,268***	**$3,635**
7012	L4SCUBATHY	Scuba Diving Theory	P1	22	0.0583	70	4	40399	7	$1,418.70	0	$1,419	1,860	**-$441**
7012	L4SCUBAPRA	Scuba Diving Practical	P1	22	0.1334	160	4	40399	16	$5,145.35	0	$5,145	4,251	**$895**
7012	L4SCUBATMWK	Scuba Diving Teamwork	P1	22	0.0833	100	4	40399	10	$3,215.85	0	$3,216	2,657	**$559**
7012	L4SSBATHY	SSBA 30 m Diving Theory	P1	22	0.0417	50	4	40399	5	$1,607.92	0	$1,608	1,328	**$280**
7012	L4SSBAPRA	SSBA 30 m Diving Practical	P1	22	0.1333	160	4	40399	16	$5,145.35	0	$5,145	4,251	**$895**

7012	L4SSBATMWK	SSBA 30 m Diving Teamwork	P1	22	0.0917	110	4	40399	11	$3,537.43	0	$3,537	2,922	**$615**
7012	**L5SSBA50M**	**NZ Cert in SSBA Construction Diving L5**			**0.375**	**450**	**5**	**40399**	**45**	14,187.00	**0**	**$14,187**	***$10,578***	**$3,609**
7012	L5SSBATHY	SSBA 50m Diving Theory	P1	22	0.05	60	5	40399	6	$1,891.60	0	$1,892	$1,587	**$305**
7012	L5SSBAPRA	SSBA 50m Diving Practical	P1	22	0.1834	220	5	40399	22	$6,935.87	0	$6,936	$5,171	**$1,764**
7012	L5SSBATMWK	SSBA 50m Diving Teamwork	P1	22	0.0583	70	5	40399	7	$2,206.87	0	$2,207	$1,645	**$561**
7012	L5DMT	Diver Medical Technician	P1	22	0.0833	100	5	40399	10	$3,152.67	0	$3,153	$2,351	**$802**

TEC Ngā Kete