



HANGA-ARO-RAU
Manufacturing, Engineering
and Logistics
Workforce Development Council

PŪRONGO Ā-TAU INAUGURAL ANNUAL REPORT 2021/22

FOR NINE MONTHS TO 30 JUNE 2022



HE TAUĀKĪ ARATAKI OUR GUIDING STATEMENT

Mā wai te huarahi e hora?
Mā ngā ahumahi!

Who will pave the pathway forward?
Industry will!

This 2021/22 Annual Report was endorsed by the Hanga-Aro-Rau Council on Friday 16 December 2022. The Hanga-Aro-Rau Council, Executive Leadership Team and kaimahi would like to acknowledge all the stakeholders and groups that have contributed to this year's mahi to create the strong foundations for our Workforce Development Council. Your support and endorsement will enable us to transform vocational education collectively and collaboratively in Aotearoa.



ISSN No

ISSN 2815-9438 (Print)
ISSN 2815-9446 (Online)

Published by: Hanga-Aro-Rau

Tāmaki Makaurau office, Level 4, 277 Broadway,
Newmarket, Auckland 1023

Kat Billing's Samoan heritage is from the villages of Vaiusu and Fagaloa. Kat is a welder at D&H Steel who has completed her New Zealand Certificate in Mechanical Engineering - Level 3 and is studying towards an Introduction to Automotive Engineering Micro-credential.

Ngā Ihirangi | Table of contents

Anei mātou o Hanga-Aro-Rau About Hanga-Aro-Rau	6	Te Whakawhanake Kaimahi Māori Māori Workforce Development	29
He Tirohanga Whānui Hanga-Aro-Rau at a glance	7	Whanake ā-Kiwa Pacific Peoples’ Workforce Development	31
Ngā Whakatutukitanga Whakapūmau Hanga-Aro-Rau establishment milestones	8	Mata Herehere Industry transformation	34
Ngā Ahumahi Our industries	11	Whakamanahia te mahere kia ora Skills leadership in action	36
Tā Ngā Heamana Pūrongo Co-chairs Report	13	Whatu Tohu Industry standards	40
Tā Te Tumu Whakarae me te Tumu Whakarae Tuarua Pūrongo Chief Executive and Deputy Chief Executive Report	15	Tūtohu Kounga Improvements and operations	43
Te Rūnanga Whakahaere Our Governing Council	19	Turuturu Tautoko Corporate services	45
Ngā Tumu Whakahaere Our Executive Leadership Team	22	Te Reo Ahumahi Industry voices	46
Te Iwi o Hanga-Aro-Rau Our people	24	He Tauākī Tutukinga ā-mahi Statement of Service Performance 2021/22	54
Te Tiriti o Waitangi Honouring the Treaty of Waitangi	26	He Tauākī Pūtea Financial Statements	59
Te Rōpū Kiripānga Ahumahi Industry Stakeholder Group	28	Independent Auditor’s Report	60
		Notes to the Financial Statements	69
		He Āpitihanga Appendices	93

Anei mātou o Hanga-Aro-Rau | About Hanga-Aro-Rau



Who we are

We are one of six [Workforce Development Councils \(WDCs\)](#) or Ohu Mahi established on 04 October 2021 under the Reform of Vocational Education. Our role is to ensure the vocational education system meets industry needs and to give a stronger voice to Māori business and iwi development.

Our purpose

Our purpose is to provide the manufacturing, engineering and logistics industries we represent with a strong voice in making the workforce of Aotearoa fit for today and the future, while honouring Te Tiriti o Waitangi and supporting Māori-Crown relations.

Our mahi

We work with industry and employers to understand the skills that are needed to support a more productive, sustainable, equitable, high-wage economy that lifts the skills of all New Zealanders to enable greater social mobility. We share this knowledge with our education and training provider partners, who create learning programmes that give all people relevant skills to address future workforce needs.

In consultation with our many partners, we also lead the development of new industry qualifications and the review of current qualifications, set industry standards and quality assure training provision against industry standards. Where appropriate, we will set and help with capstone assessments at the end of a qualification. We also endorse vocational education programmes prior to them being approved by NZQA.



HANGA-ARO-RAU
Manufacturing, Engineering and Logistics
Workforce Development Council

He Tirohanga Whānui | Hanga-Aro-Rau at a glance

Since becoming operational on 04 October 2021, the Hanga-Aro-Rau tīma has been building capability and capacity to activate our operating model, drive industry engagement, use insights and research to inform our priorities, honour our commitment to Te Tiriti o Waitangi and embed equity in all that we do. We are delighted to share the highlights of our mahi to 30 June 2022.



We are the standard-setting body for:

214 qualifications
4,000 unit standards
75 sectors



We started reviewing:

73 qualifications
1,490 unit standards



We honour:

Te Tiriti o Waitangi and our commitment to equity in all our mahi



We were awarded:

\$630,000

by TEC to fund a COVID-19-recovery industry research project.



We listened to our industries to create a:

79-page

Skills and Workforce Leadership Plan based on industry need.



We recruited:

50 kaimahi



We established a:

15-member

strategic Industry Stakeholder Group



We engaged with:

15 Regional Skills Leadership Groups

Thousands of industry stakeholders and partners

129 Māori-owned businesses/businesses with 20 per cent or more Māori employees

N.B: All figures correct at time of writing or as at 30 June, 2022 fluctuations occur throughout the year.

Ngā Whakatutukitanga Whakatū Whare |

Hanga-Aro-Rau establishment milestones

08 Sep 2021

Hanga-Aro-Rau
Chief Executive Phil
Alexander-Crawford
appointed

04 Oct 2021

Hanga-Aro-Rau
and five other Workforce
Development Councils
become operational. Dawn
service to open Pōneke
office for all Councils.

28 Jan 2022

Tāmaki Makaurau
office for all six
WDCs officially
opens

Feb 2022

MITO gifts
Hanga-Aro-Rau its
Automotive Workforce
Development Strategy
taonga

Mar 2022

Expressions
of interest for
Industry Stakeholder
Group (ISG)

Apr 2022

First
Hanga-Aro-Rau
post-assessment
moderation completed

Apr 2022

Hanga-Aro-Rau Operational
Plan and Interim Investment
Advice submitted to TEC

May 2022

Founding
members of ISG
appointed

01 Jun 2022

WDC programme
endorsement process
launched

Jun 2022

Final TEC Investment
Advice submitted
to TEC

Jun 2022

2022/23 Operational
Plan and budget
approved by TEC

Dec 2022

First edition of the
Hanga-Aro-Rau
industry newsletter,
Te Hā (The Voice)

Feb 2022

Awarded COVID-19
recovery research
funding by TEC for
manufacturing and
engineering sectors

Apr 2022

COVID-19
recovery research
project begins in
partnership with De-
loitte

Apr 2022

Hanga-Aro-Rau
Establishment Phase
final report to TEC

May 2022

Hanga-Aro-Rau and
Waihangā Ara Rau formally
co-leading the Industry
Equity Project

29 Jun 2022

ISG holds its first
wānanga

Jun 2022

2022/23 Skills
and Workforce
Leadership Plan
submitted to TEC

16 Sep 2021

Hanga-Aro-Rau Deputy
Chief Executive Samantha
McNaughton appointed

Feb 2022

First fully Hanga-Aro-
Rau-led qualification
review begins

16 May 2022

Hanga-Aro-Rau
full leadership team
in place

Ngāi Ahumahi | Our industries

Hanga-Aro-Rau Workforce Development Council represents the manufacturing, engineering and logistics industries including wood manufacturing, bakery, butchery, mechanical, automotive and marine engineering, dairy processing, extractives and drilling, and transport.

We ensure our sectors lead and influence the vocational education system and its transformation.

Sectors by Manufacturing, Engineering and Logistics

Manufacturing

Alcohol Manufacturing (Excluding Wine)
Aluminium Joinery
Apparel
Automotive Parts and Wholesaling
Baking
Binding and Finishing
Boat Building and Maintenance
Chemical Manufacturing
Dairy Processing
Direct Mail Production
Energy and Chemical Plant Operations
Fibreboard and Paper Packaging
Food and Beverage Manufacturing
Furniture Manufacturing
General Manufacturing
Glass Processing
Industrial Textiles
Kitchen Joinery
Marine Technology
Meat Processing
Metal Manufacturing
Motor Vehicle Manufacturing (Coachbuilding)
Non Metallic Mineral Manufacturing
Offsite Manufacturing
Petroleum and Coal Manufacturing
Pharmaceutical and Medicinal Product Manufacturing
Plastics, Polymer and Rubber Product Manufacturing
Primary Processing Support
Print
Protective Coatings
Pulp and Paper
Retail Meat/Butchery
Signmaking
Solid Wood Manufacturing
Textiles
Tissue Converting
Wood Panel and Plywood Manufacturing

Engineering

Automotive Engineering
Automotive Reglazing
Collision Repair
Composites Technology
Dairy Systems Engineering
Engineering Design and Consulting Services
Engineering Fabrication
Extractives
Extractives - Blasting
Extractives - Drilling
Fire Protection
Irrigation
Laundry and Dry-Cleaning Services
Locksmithing
Maintenance Engineering
Mechanical Building Services
Mechanical Engineering
Motorcycle Engineering
Outdoor Power Equipment
Refrigeration and Airconditioning
Welding

Logistics

Air and Space Transport
Commercial Road Transport
Customs and Freight Support Services
Digital Infrastructure
Driving Skills
Forklift
Maritime and Marina Operations
Postal and Courier Services
Rail Transport
Resource Recovery and Efficiency
Road Passenger Services
Stevedoring and Ports
Supply Chain
Warehousing and Storage
Water Freight and Passenger Transport

The industries Hanga-Aro-Rau represents employ 657,144 people in approximately 105,000 businesses that contribute \$80 billion of New Zealand's GDP. Māori make up approximately 14 per cent of the manufacturing workforce, 11 per cent of the engineering workforce and 16 per cent of the logistics workforce. Females account for 30 per cent of the manufacturing sector, 17 per cent of the engineering sector and 24 per cent of the logistics sector. The average age of the three sectors is 45 years old which is three years older than the total New Zealand workforce.

Heavy Diesel Apprentice Trey Williams (Kaituna), Penske NZ.

Tā Ngā Heamana Pūrongo | Co-chairs Report



*Hanga mai nuku
Hanga mai rangi
E aro ki te aronga nui
E aro ki te aronga matua e
Kia arorau te whakaaro ki ngā wawata o ngā ahumahi
Tēnei a Hanga-Aro-Rau e tū nei*

*Ka whakamānawatia ake te wāhi ngaro i ngā tini manaakitanga e tau iho ai
ki a tātou. Tahuri ake ngā whakaaro ki ō tātou mate tuatinitini o te wā kua
riro atu ki te taiheke nui, ki a Hinenuitēpō. Waipuke nei te puna roimata ki a
koutou, e moe, e oki, haere atu rā. Hoki mai ki a tātou te tai ora e pari nei ki
uta kia amohia ake ngā mahi ā nunui mā, ā roroa mā, tēnā rā tātou.*

*E ngā maunga whakahī, ngā rerenga awa, ngā terenga waka e rārangi mai nei.
Nei rā te reo whakamihi o Hanga-Aro-Rau ki a koutou. Nau mai, tahuti mai rā.*

*Created from below
Created from above
Focus with great purpose
Understand the important direction
With logical and coherent thinking towards the aspirations of industry
Here is Hanga-Aro-Rau*

*We pay respect to the upper realms for the care and support provided to us.
Our thoughts turn to the multitudes who have passed on and departed on the
descent to Hinenuitēpō. We are inundated with aroha for you all. Sleep, rest and
farewell. We return back to the living gathered here to carry on the work
of our forebears. Greetings one and all.*

*To the prominent mountains, the flowing rivers and voyaging canoes assembled
here, Hanga-Aro-Rau acknowledges you. Welcome.*

Tēnā koutou katoa

We are delighted to share this Hanga-Aro-Rau Inaugural Annual Report that details the extensive mahi undertaken in this financial year. The emphasis of this report is from when we became operational on 04 October 2021 through to the end of our financial year, 30 June 2022. However, our Governing Council was in place and active prior to this date.

The focus of our mahi is to ensure that the manufacturing, engineering and logistics sectors that we represent have a greater leadership role and influence across the vocational education system and its transformation.

Our aim is that vocational education delivers to the current and future workforce requirements of our industries, while honouring Te Tiriti o Waitangi. Our role is to bring the industry voice to that kaupapa, or purpose.

Everything we do within Hanga-Aro-Rau is underpinned by our relationships with industry, Te Tiriti partners, iwi, hapū, the Government, unions, employers, employees, learners, influencers, and other important groups. Each one of these partnerships is valued and nurtured by the Hanga-Aro-Rau tīma. We work collaboratively with our partners to amplify the voice of our industries.

We acknowledge our partnership with the Tertiary Education Commission (TEC) and its key role in the whakapapa of Workforce Development Councils.

We also recognise the support of our sister Workforce Development Councils. We honour our joint ongoing commitment towards collaboration for the benefit of our industries, some of which cross WDCs in their workforce development requirements.

In June 2022, we were pleased to welcome our new Industry Stakeholder Group (ISG), as mandated in our Order in Council (OIC). The ISG will ensure that the industry voice directly influences our strategic direction, performance evaluation and the appointment of future Hanga-Aro-Rau Governing Council members.

As Co-chairs, we are grateful for the commitment of our industries, Council, ISG members, and Leadership team in the creation of an agile WDC during such a tumultuous period in New Zealand's social and economic history.

We look forward to the continuation of this transformative mahi further into 2022 and 2023 while moving past the establishment phases that have challenged the reforms of vocational education. We are proud of the high performing team that has been created within Hanga-Aro-Rau, and their true dedication to delivering positive outcomes for our industries.

We identify the many challenges that remain as New Zealand recovers from the social and economic impacts of COVID-19, and we commit to addressing the unique needs of our industries, communities, and partners that we serve. Maximising the potential of our Māori, Pacific peoples, neurodiverse, aging and disabled workforce is also a top priority.

Finally, we would like to thank each one of our kaimahi, external partners and stakeholders for being an integral part of what has been a very successful first nine months for Hanga-Aro-Rau.

Ngā manaakitanga



Dr Troy Coyle and Renata Hakiwai
Hanga-Aro-Rau Co-chairs

Tā Te Tumu Whakarae me te Tumu Whakarae Tuarua Pūrongo

| Chief Executive and Deputy Chief Executive Report

*'He painga Ohu Mahi, he oranga ahumahi,
He painga ahumahi, he oranga Ohu Mahi'*

Kei aku nui, kei aku rahi, tēnā rā koutou katoa.

E mea ana te whakataukī 'mā te huruhuru, ka rere te manu.' Nō reira, e tika ana kia whakamānawatia koutou rā ngā ringa raupā, ngā ringa rehe o tēnei kaupapa - nā koutou anō ā tātou mahi i rangatira ai. Inā te nui o ngā mahi kua tutuki kē i roto i te tau tuatahi nei ka hori atu, ā, he nui tonu ngā mahi kei mua i te aroaro.

Kia kaha, kia māia, kia manawanui!

*'What works for Hanga-Aro-Rau, provides wellbeing for industry,
What works for industry, provides wellbeing for Hanga-Aro-Rau'*

To the esteemed and important people, greetings to you all.

As the adage goes 'adorned with feathers, the bird will soar' (this metaphor references that with the right support in place, anything can be achieved). And so, it's important to acknowledge the team – all the hard workers, professionals and experts onboard this journey with us. You are the reason our work is of a high calibre and standard. A significant amount of work has already been achieved within this inaugural year, and there is still a lot of work ahead.

Be strong, be brave and give it heaps!

Our establishment

As we reflect on the past nine months' of mahi to establish and operate Hanga-Aro-Rau, we are humbled by the efforts of all those who have made it happen. It is our role to bring together the influence of our manufacturing, engineering and logistics sectors to help transform vocational education for them, their people, their communities, and all of Aotearoa New Zealand.

We have achieved so much in such a short time. We are helping drive and influence change across the system to create strong, unified and sustainable vocational education fit for the future. However, we are not doing it alone.

We're grateful for the support of industry, our Te Tiriti partners, iwi, hapū, our Government partners including: the Tertiary Education Commission (TEC), the Ministry of Education (MoE), Regional Skills Leadership Groups (RSLGs), the

New Zealand Qualifications Authority (NZQA) and the Ministry of Business, Innovation and Employment (MBIE); unions, employers, employees, learners and influencers in this hīkoi.

This annual report describes how we have created strong foundations to help our industries fill their skills needs and enable the labour force of Aotearoa to have access to quality work as part of that skills pipeline.

We are also building our internal capacity and capability with 50 kaimahi on board on 30 June 2022. We've activated our operating model, we're driving external engagement, delivering against our core functions of standard setting, quality assurance and skills leadership, and we're using insights and research to inform and deliver on our workplans, as required by our Order in Council.

Industry engagement

A major priority for Hanga-Aro-Rau is industry engagement. Our Industry Relationship, Māori Workforce Development, and Industry Standards' teams are constantly connecting with stakeholders to progress workforce development mahi. These relationships bring together and amplify the collective voice of our industries.

Kōrero with all 15 Regional Skills Leadership Groups (RSLGs) around Aotearoa ensures our sectors are represented regionally and

there is connectivity between our respective workforce plans, iwi, hapū, Māori employers, and providers including Te Pūkenga, Private training establishments (PTEs) and Wānanga.

Our [Skills and Workforce Leadership Plan](#) has seen us engage with six broad industry sector groupings to survey stakeholders to understand their skills and workforce development priorities in the coming year.

Industry Stakeholder Group

In late June, we formally welcomed our new independent Industry Stakeholder Group (ISG), as mandated in our Order in Council. This group facilitates our industry voice to directly influence

our strategic direction, performance evaluation, and is responsible for the appointment of future Hanga-Aro-Rau Council members.

Te Tiriti o Waitangi

Our commitment to give a stronger voice to Māori business and iwi/hapū development while honouring Te Tiriti o Waitangi is woven throughout our work and organisational culture. We are creating our Rangatiratanga Plan to provide

guidance and framework of the shifts required to honour Te Tiriti, develop internal competency and capability in line with mātauranga Māori and tikanga, and form strong and effective relationships with Māori, iwi and hapū.

Equity focus

Our equity focus has prompted the creation of our operational pou, three pillars that guide us to embed equity at all levels, translate equity into action, and build equity capacity for all staff and our industries.

Our manufacturing industry is the largest employer of Pacific peoples and the second largest employer of Māori, and we have a determined focus on maximising the potential of our people. Together with the building of our industries' immediate skills through immigration, our increasing Māori and Pacific communities provide a significant opportunity for us to create and grow a sustainable base for a skilled workforce. Hanga-Aro-Rau is developing a Pacific Peoples' Strategy which is a core focal point for 2022/23. This strategy will guide us in developing the potential of our current and future Pacific workforce.

As part of a TEC-funded COVID-19 Response project, Hanga-Aro-Rau is collaborating with the Construction and Infrastructure WDC, Waihanga Ara Rau to extend the impactful research into [Women in Trades](#) (and other underrepresented groups in our sectors). Findings are expected by December 2022 and will inform future workplans to strengthen equity, participation, and success for all.

Meanwhile, we continue to work directly with all our other priority groups who have traditionally been underserved including people with a disability, older workers, and neurodiverse people.

Research grant

In February, we received \$630,000 for research from the Tertiary Education Commission (TEC) COVID-19 Response Fund. This pūtea is in support of the manufacturing and engineering sectors' recovery from the impact of COVID-19 on their workforce and operations.

We have partnered with Deloitte on this exciting research project which is well underway, and we look forward to sharing the impactful outcomes later in the year.

Financial performance

Hanga-Aro-Rau reported a financial surplus of \$4,414,922 for the period from 04 October 2021 to 30 June 2022. The surplus was achieved as Hanga-Aro-Rau commenced building capability and capacity to grow our core functional workplans in the standard setting and quality assurance areas and designed and instigated our external engagement strategy. As a result of differences in the timing of establishment activities this resulted in a one-off surplus for our first reporting period, ending 30 June 2022.

We have advanced our commitment to honouring Te Tiriti o Waitangi and building equity through the appointment of critical roles, including our Poumatua, and implementing a cultural capability programme for all kaimahi. The investment in building a tīma of talented kaimahi since our establishment has been, and continues to be a rewarding one, as we embark on the next phase of our journey.

Gratitude

Finally, we would like to acknowledge and share our deep gratitude for the mahi, pūngao (energy) and tohungatanga (expertise) of each of our kaimahi, our Leadership team, our Council members and Co-chairs Dr Troy Coyle and Renata Hakiwai, our Industry Stakeholder Group members

and Interim Chair Matua Turi Ngatai, Matua Joe Te Rito for his ongoing guidance and all the skilful partners who walk alongside us.

Ā māua mihi nui,



Phil Alexander-Crawford,
Chief Executive

Samantha McNaughton,
Deputy Chief Executive

Te Rūnanga Whakahaere | Our Governing Council



Renata Hakiwai | Co-chair

Renata Hakiwai, (Ngāti Kahungunu, Rongomaiwahine, Tūwharetoa, Waikato Tainui) is the Managing Director of HTK Group Ltd, a purpose-driven organisation that meets the growing demand for Māori and indigenous professional services. He has more than 10 years of experience in senior positions and is a successful investor and dual exit entrepreneur. He sits on a range of Boards including crown, commercial, iwi, post-settlement entities, not for profit and start-up entities.



Dr Troy Coyle | Co-chair

Dr Troy Coyle is the CEO of NZ Heavy Engineering Research Association (HERA). She has more than 20 years' experience in the engineering and manufacturing sectors in both New Zealand and Australia including senior roles with New Zealand Steel Ltd, Blue Scope Steel Ltd, and the University of Wollongong. Dr Coyle also has a current portfolio of governance roles.



Rachel Mackintosh

Rachel Mackintosh is the Assistant National Secretary for E tū, New Zealand's largest private sector union. She has 20 years of experience in unions and has previously held senior roles with E tū and EPMU. Ms Mackintosh is the Vice President of the New Zealand Council of Trade Unions and Co-chair of the Advanced Manufacturing Industry Transformation Plan Steering Group.



Jerome Mika

Faamoetauloa Po'e Jerome Mika is of Samoan descent from the villages of Moata'a, Lelepa, Safune and Saolufata. His current role is Community and Business Development Lead at The Cause Collective, a Pacific social change agency in South Auckland. He has previously held roles focusing on engaging with Māori and Pacific communities and ensuring cultural insights are embedded into projects. Jerome has led and been part of great teams in both the corporate and not for profit sector.

As the Workforce Development Council for the print sector we walk alongside all those in the industry including businesses such as SCG Print.

**Nick Leggett**

Nick Leggett is the Chief Executive of the Road Transport Forum, the peak industry body for the trucking industry. He has previously held many executive level positions including Executive Director of the New Zealand Alcohol Beverages Council, Executive Director of Porirua Chamber of Commerce, and Mayor of Porirua City. Mr Leggett is a Director of MITO, the industry training organisation for the motor, transport and contracting industry, and a Director of WRC Holdings LTD and Chair of the Hutt Mana Charitable Trust.

**Maea Pivac**

Maea Pivac (Ngā Puhi, Ngāti Whātua, Ngāti Wai and Ngāti Hine) is the Managing Director of Tai Tokerau Trades Training, an educational consultancy specialising in vocational education and industry capability development in Northland. She is also the Director of a small business advisory company called People Weavers Raranga Tangata Ltd, and of Kia Mauria te Pono Ltd. Ms Pivac has worked across the PTE, ITO, ITP sectors and in industry in a large Northland company with a strong and enduring commitment to industry training.

**Stuart Lawrence**

Stuart Lawrence (ko Uenuku te Iwi) is Director - Programme Kaitautoko at Whatukura Ltd, a boutique consultancy firm. He previously spent 13 years as National Manager - Māori for The Skills Organisation Industry Training Organisation. Mr Lawrence holds many governance positions including Chair of Māori Pacific Peoples Trades Training (Tamaki), an advisory board member of Project Retrain – Increasing Gender Equity, and a committee member for several community organisations.

**Mark O'Grady**

Mark O'Grady is the Owner and Managing Director of Excel Digital Ltd, one of New Zealand's largest cut sheet digital print operations. He has previously held senior executive roles at Wool Equities Ltd, New Zealand Wool Board, and the New Zealand Meteorological Service. He has extensive experience as a director with organisations in the manufacturing and technology sectors and considerable involvement with vocational education.

**Carla Seymour-Mansell**

Resigned May 2022

Carla Seymour Mansell (Ngāti Raukawa, Whakatōhea and Ngāti Maniapoto) is Owner-Operator of TC Logistics and Project Manager for Waka Kotahi New Zealand Transport Agency based in Tairāwhiti. She has extensive experience in the transport and logistics industry and a long-standing commitment to the promotion of health and safety at work.

Council and Audit, Finance and Risk Committee meetings attended

For nine months to 30 June 2022*

Name	Role	Appt date	Term expiry	Audit, Finance and Risk Committee meetings attended	Council meetings attended	Councillor fees received (gross)
Carla Seymour-Mansell	Council member	8 July 2021	Resigned 20 May 2022		1	\$17,500
Jerome Mika	Council member, Audit, Finance and Risk Committee member	21 June 2021	20 June 2024	2	7	\$20,000
Maea Pivac	Council member	17 January 2022	13 December 2023		5	\$20,000
Mark O'Grady	Council member, Audit, Finance and Risk Committee Chair	21 June 2021	20 June 2024	4	8	\$22,000
Nick Leggett	Council member, Audit, Finance and Risk Committee member	21 June 2021	20 June 2025	4	7	\$20,000
Rachel Mackintosh	Council member, Audit, Finance and Risk Committee member, Remuneration Committee member	21 June 2021	20 June 2025	3	7	\$20,000
Renata Hakiwai	Council Co-chair, Remuneration Committee member	21 June 2021	20 June 2023		7	\$40,000
Stuart Lawrence	Council member	21 June 2021	20 June 2024		8	\$20,000
Troy Coyle	Council Co-chair, Remuneration Committee member	21 June 2021	20 June 2023		7	\$40,000

* This excludes all Council meetings and other activities undertaken during the establishment phase between June 2021 and October 2021.

Ngā Tumu Whakahaere | Our Executive Leadership Team



Phil Alexander-Crawford, Chief Executive

Phil Alexander-Crawford (Ngāti Hine, Ngāti Rēhia, Ngāpuhi) is a highly experienced leader of transformation, who has worked with and for iwi and hapū. Mr Alexander-Crawford was previously Director of Te Pae Tawhiti – Māori Equity Partnership at Te Pūkenga. He has held senior leadership positions in the vocational education sector, including Chief Executive of Te Matarau Education Trust, General Manager Education for the Ngātiwai Trust Board and as Director of Development for Tai Tokerau Wānanga (NorthTec).



Samantha McNaughton, Deputy Chief Executive

Samantha McNaughton has been involved in the vocational education sector for more than a decade and has held various senior positions at Competenz, MITO and Skills International.

Prior to her current role, Ms McNaughton led the strategic industry engagement and learning design and innovation functions, including standard setting, quality assurance, resource development and programme innovation at Competenz. She is acutely aware of the workforce development challenges facing New Zealand and is particularly passionate about ensuring all people have clear and accessible educational pathways that support sustainable employment and prosperity.



Mike Crossan, General Manager Industry Standards

Mike Crossan is the former Executive General Manager Learning Services at Primary ITO, previously having worked at LearningWorks and Wintec. He has been in the vocational education sector for the last 20 years and prior to that was an automotive mechanic for 18 years.

Mr Crossan has an absolute passion for the transformation of lives and communities through the opportunities that vocational education provides having received those opportunities for himself and his whānau.



Yvonne O'Callaghan, General Manager Improvement and Operations

Yvonne O'Callaghan is an experienced leader in vocational education, with a proven track record in developing staff, ensuring academic integrity, delivering training, process improvement and change management.

Prior to her current role, Ms O'Callaghan managed the Quality Support team at Competenz for five years and, more recently, was involved in preparing the organisation for its transition to the Workforce Development Councils. She has a strong background in a broad range of industries, including ten years' training experience which saw her write and deliver learning modules.



Darrell Lambert, Poumatua

Darrell Lambert (Ngāpuhi, Ngāti Whātua, Ngāi Tūhoe, Ngāti Ruapani and Ngāti Kahungunu) has 25 years of experience in the tertiary sector and has held several senior leadership roles responsible for improving outcomes for Māori. Prior to joining Hanga-Aro-Rau, Mr Lambert was the Regional Economic Development Manager for the Ministry of Social Development (MSD) in Te Taitokerau (Northland). In this role he worked with hapū/iwi, industry and local/ central government to stimulate regional economic development that generated employment and improved wellbeing indicators for Te Taitokerau.



Maria Fuata, General Manager Corporate Services

Maria Fuata brings 15 years of experience in financial management and corporate services, working across many New Zealand crown entities, primarily within the Pacific business development, Pacific regional cooperation and Pacific media spaces. Prior to that, Ms Fuata worked in auditing and assurance at PricewaterhouseCoopers in Suva, Fiji. She was recently the Programme Manager Pasifika at Auckland UniServices Limited.

Ms Fuata is an advocate for promoting and preserving Pacific languages and cultural identity as a taonga and leads this mahi for her Rotuman language and culture as a community leader and Chairperson of the New Zealand Rotuman Fellowship Incorporated Society. She currently serves on the Pacific Business Trust and Pacific Media Network boards.

She is of Rotuman descent, from the villages of Itumuta and Juju, born and raised in Lautoka, Fiji.

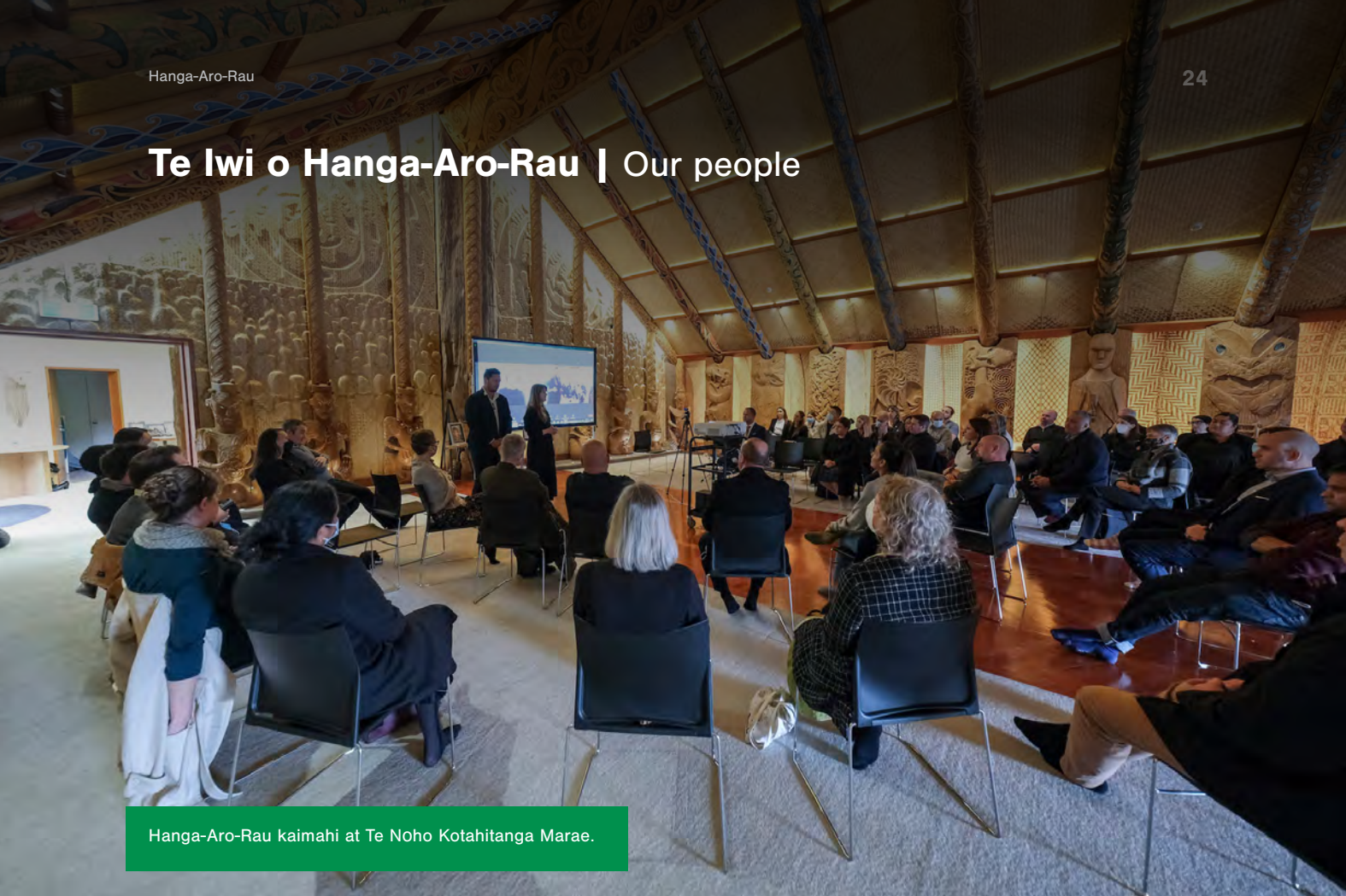


Alisha Tsai, Executive Assistant

Alisha Tsai has more than seven years of ELT support experience in the vocational education sector and ten years as an Executive Assistant in both the public and private sectors before that. Prior to her current role at Hanga-Aro-Rau, Ms Tsai was an Executive Assistant at Unitec Institute of Technology and the Committee Secretary of its Rūnanga Māori Advisory Committee.

Brought up in a family with a strong education background, she is passionate about working in an organisation that is here to drive transformational change in vocational education for future generations.

Te Iwi o Hanga-Aro-Rau | Our people



Hanga-Aro-Rau kaimahi at Te Noho Kotahitanga Marae.

In our nearly nine months of operation to 30 June, we have successfully recruited a nationwide tīma of 50 people. While it has been challenging to recruit during a pandemic and with

Flexible working

Our flexible working practices mean we hire the best people from across Aotearoa, not just in one or two locations. This means that, just like the industries and stakeholders we serve, our kaimahi are based throughout the motu as illustrated on our tīma map on page 25. This is also in recognition of supporting employment throughout the motu and the need for regional on-the-ground insights for our industries.

Keeping our kaimahi connected

With our tīma spread throughout New Zealand we are constantly developing ways to stay connected. Our internal communications channels include a comprehensive staff update delivered to inboxes

serious skills shortages in New Zealand, we are delighted to have built such a dedicated, capable team in such a short time.

In the spirit of the taura whiri, the plaited rope represented on our logo, our people have come together in unity both remotely and in person, to form the foundational aho (strands) of a vibrant, engaging, and transformational team culture. This foundation is built on the tenets of partnership, internal and external collaboration, and the transformation of vocational education. We have two physical offices, one in Newmarket, Tāmaki Makaurau - Auckland and one in central Pōneke - Wellington.

every Friday, a fortnightly all-staff hui, a quarterly leaders' learning and development meet up, an online Friday Fun session, and a twice yearly all-staff get together.

Our Tīma Around Aotearoa



Te Tiriti o Waitangi | Honouring the Treaty of Waitangi

Throughout our establishment we have worked to contribute to an education system that honours Te Tiriti o Waitangi and supports Māori-Crown relations. We have done this by growing the capability, resources and processes necessary to:

Gather, consolidate and preserve the voices of our stakeholders through meaningful and reciprocal engagement, including the voices of small, bespoke and rapidly changing industries. As a foundation for that engagement, we have used the guidance of the Māori-Crown relations framework of Te Arawhiti – The Office for Māori Crown Relations and work from the wider ecosystem such as Te Pae Tawhiti the Te Pūkenga Tiriti o Waitangi Excellence Framework.

Provide leadership through identifying current and future needs and advocating those needs to be met through partnering with industry, providers, regional bodies and the Government. We recognise that, at times, requires the prioritising of some voices to help ensure fair and equitable outcomes for all people in our specified industries.

Strengthen our partnerships with Māori to ensure the vocational education system meets the needs of Māori, iwi and hapū industry, businesses, learners and their whānau to fill present and future workforce development needs.

Model partnership as we have with our co-chair roles, Governing Council membership, Industry Stakeholder Group and test our thinking/approaches with groups such as Te Kāhui Ahu Mahi¹.

Look for ways that we can work directly with iwi and hapū as we are doing with Te Matarau Education Trust and our research into equity in our industries.

Our approach is to build a platform and provide the conditions for Hanga-Aro-Rau and our kaimahi to make contributions of consequence to our duties under Te Tiriti o Waitangi and Māori-Crown relations. Our role is to help develop the Māori workforce and we will continue to drive this with our partners. We have had the benefit of learning more from the strong Māori voices that exist on many of the RSLGs and from provider-held regional iwi and hapū relationships such as those that sit with Te Pūkenga via their subsidiary network.

We support the need to ensure ‘Māori are enjoying and achieving education success as Māori, as they develop the skills to participate in te ao Māori, Aotearoa and the wider world’ – as set out in Ka Hikitia – Ka Hāpaitia², the Government’s Māori Education Strategy.

We know we have further to go. We’ll know we are successful when Māori, including iwi, hapū, learners, employers, and our Te Tiriti partners are confident Hanga-Aro-Rau is contributing to a vocational education system that meets their needs. That system must also respect their mana in the labour market and society of Aotearoa, while underpinning their sustainability, viability and relevance to the economies of Māori and Aotearoa.

Te Matarau Education Trust

At the heart of Te Matarau Education Trust sits a purpose and vision that adds value to our Industry Equity Research project in collaboration with the Construction and Infrastructure WDC Waihangā Ara Rau. This project extends the impactful [research into women in trades](#) and other underrepresented groups in our sectors.

Te Kaupapa (Purpose)

Kete Riki, Kete Tangariki

To assist our people on their life's journey

Te Pae Tawhiti (Vision)

Kia tū tangata ai tātou, puta noa i te ao

We will stand with confidence and competence, anywhere in the world

Te Matarau Education Trust is a collective of five hapū and iwi that came together 10 years ago to support Māori and Pasifika Trades Training in Tai Tokerau. They are strong advocates for greater equity in vocational education as well as providing a unique iwi, hapū based pastoral care for ākonga throughout Tai Tokerau.

We are pleased to have them as part of our important research project as they bring perspectives that help support us in our Te Tiriti hīkoi.

“We know the importance of the industries that Hanga-Aro-Rau represents for our people and our wider economy. Te Matarau is passionate about helping our people succeed in raising their skills. A holistic approach is how we assist our people

and we’ve found this approach really makes a difference to their wairua and wellbeing,” says General Manager Te Matarau Education Trust Georgina Connelly (Ngāti Whātua, Te Uri o Hau).

“To do that we use mana enhancing theories and there must be pathways to careers that are sustainable.”

1. Te Kāhui Ahumahi is a group made up of Māori members of the Workforce Development Councils. This group supports the WDCs to honour, give effect to and embed Te Tiriti o Waitangi and support Māori Crown relationships.

2. education.govt.nz/our-work/overall-strategies-and-policies/ka-hikitia-ka-hapaitia/



Members of our Executive Leadership tīma and Governing Council officially welcome our Industry Stakeholder Group members at a pōwhiri at the Te Noho Kotahitanga Marae on 29 June 2022.

Te Rōpū Kiripānga Ahumahi | Industry Stakeholder Group

Hanga-Aro-Rau has a unique element in our [Order in Council](#) (sections 12-16) that requires us to establish an Industry Stakeholder Group (ISG). This rōpū was officially welcomed at a pōwhiri on 29 June 2022.

It will enable our industries to influence the direction and performance of Hanga-Aro-Rau. The groups' purpose is to provide industry voice, review performance on strategic and operational matters and make future appointments to our Governing Council.

Our founding members are:

Allan Jack - Ovation NZ

Bryn Thompson - Metalcraft Engineering

Catherine Lye - Employers and Manufacturers Association

Duane Mann - The Cause Collective

Ida-Jean Murray - North Drill

Mary Jensen - WECA and Smart Waikato Trust

Melissa Bennett - Red Stag Timber

We received more than 50 applications across the diverse breadth of industries Hanga-Aro-Rau serves. A robust selection approach was managed by external advisors and the ISG's Independent Interim Chair – Matua Turi Ngatai – to ensure a fair and unbiased process.

Pererika Makiha - Coastguard NZ

Peter Busfield - NZ Marine Industry Association

Rick Lunn - Smart Trade Solutions

Ruth Cobb - Print NZ

Scott Fisher - Offsite NZ

Scott Lawson - Fire Protection New Zealand

Sean Rooney - Allied Petroleum

Wayne Butson - Rail and Maritime Transport Union.

To ensure the ISG meets its diversity requirements, further co-opted appointments will follow later in 2022.



Our Māori Workforce Development tīma is working with Bespoke Chocolatier Thomas Hilton (Te Parawhau, Ngāpuhi, Ngāti Whātua (Ōrākei, Kaipara), Te Whakatōhea) of Ao Tiakarete.

Whanake Māori | Māori Workforce Development

Our skilful Māori Workforce Development tīma has been doing the mahi on our Rangatiratanga Strategy (Māori Workforce Development Strategy). With recruitment still ongoing, our currently small-but-mighty team is focused on laying the foundations of effective relationships with Māori industry, iwi and hapū. We can amplify these voices and understand how we can meet their workforce development needs and maximise their potential.

We know there are disparities as well as great opportunities within our workforces, and we need to support change where it is needed. Māori employment has been growing at a greater rate than population growth – except during post-Global Financial Crisis and the COVID-19 period.

In 2021, Māori employment in New Zealand was 30 per cent higher than in 2013 (+82,000)³.

Fourteen per cent (90,000) of the Hanga-Aro-Rau sectors' workforce are Māori, with more than half (45,565) of Māori in our sectors employed in manufacturing.

The average earnings gap between Māori and all earners remains high at around \$8,000.

Current population projections show the Māori population reaching one million by 2033 and one in five people will be Māori by 2043. Therefore, it is evident that Māori need to be a large part of our skills and workforce planning and development.

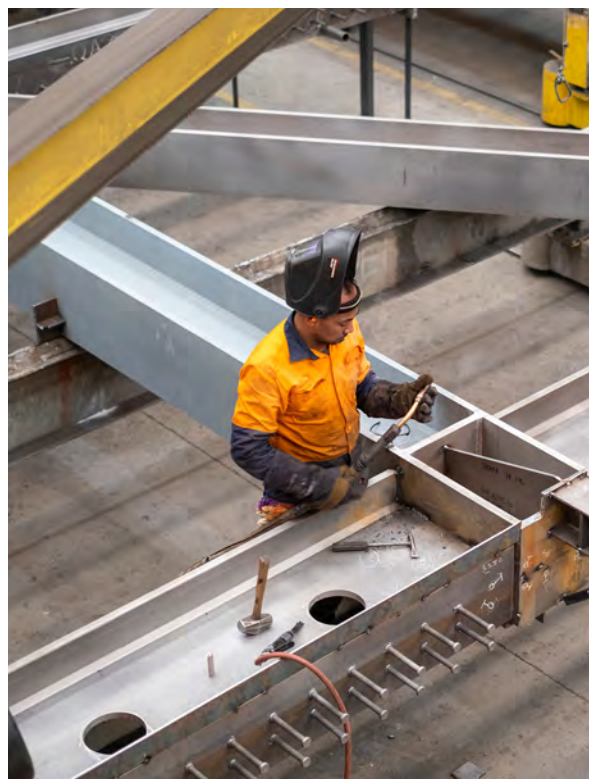
Our Māori Workforce Development team's strategy is about creating connection first and foremost, then collaborating on Māori development within our industries. They have attended wānanga throughout Aotearoa to connect with many different groups from Māori sole traders to large Māori corporations.

3. All figures in this section are from Infometrics

A simple but meaningful example of this connection and collaboration is a Māori mechanic and business owner in rural New Zealand. He completed his first engine change at 10-years-old, but school wasn't for him and he was often told he wouldn't get anywhere. Despite his best attempts he wasn't able to find an apprenticeship.

However, he had the determination to do it his way and 20 years' later is the go-to mechanic in his area. He now gives talks at his local marae to inspire rangatahi and show them they can succeed as Māori business owners. Our team have connected with him and are supporting him to go further in his own career, while they are being guided by his knowledge and personal experience to help ensure our qualifications meet the needs of Māori learners and businesses.

Part of our team's mahi is to create a comprehensive database of businesses with 20 per cent or more Māori employees or Māori-owned pakihi (businesses) in our manufacturing, engineering, and logistics sectors. Starting at zero contacts, this database has now grown to nearly 200 contacts, with 129 of those having had direct contact from us as at 30 June.



Steel fabrication in action at D&H Steel.

The team facilitates and leads a te ao Māori perspective for all our work, which has seen collaboration on various aspects of our skills leadership projects listed on pages 36-39. They have also drafted other tools and policies to ensure the commitment from Hanga-Aro-Rau to honour Te Tiriti o Waitangi is embedded throughout all that we do, and that a Māori Workforce Plan is created for our industries. These include:

Cultural Competency Roadmap

An internal framework designed to increase the cultural capability of our kaimahi while acknowledging and supporting how this develops for each person over time. With te reo Māori being one of our official languages we also help lead an internal Te Reo Strategy.

Māori Engagement Framework

An engagement planning tool for all of Hanga-Aro-Rau to guide effective engagement with Māori to produce better quality outcomes and realising Māori-Crown partnerships. It recognises that genuine engagement with Māori is acknowledgement and understanding:

- of their rangatiratanga and status as Treaty partners
- that mātauranga Māori (Māori knowledge) makes an important contribution to solving policy and practical problems
- that Māori have the resources and capability to contribute
- that some issues affect Māori disproportionately and that Māori themselves are therefore better placed to develop the solutions.⁴

Mātauranga Māori

The tīma is currently working alongside Dr Troy Coyle, Co-chair of our Governing Council and Maea Pivac, Governing Council Member to create a policy that honours and protects our Māori Intellectual Property. We are also working across Government agencies including TEC, NZQA and Te Pūkenga to come to a consensus on how mātauranga Māori will be given the due care needed.

Whanake ā-Kiwa | Pacific Peoples' Workforce Development

Pacific peoples have always had major significance in our industries and in March 2022, aided by a deep-dive 'desktop' analysis of Pacific peoples' representation in our industries the opportunities for us to support their workforce development became even more pronounced. Statistics revealed that there are approximately 45,000 (8 per cent) Pacific peoples employed in Hanga-Aro-Rau sectors, with the majority employed in manufacturing industries (typically concentrated in South Auckland).

The majority of Pacific peoples employed in our sectors are classified as labourers, with a very small proportion represented in higher-skilled roles. In addition, as is well documented in the RoVE literature and insights from the Te Rito report by Te Pūkenga, Pacific learners tend to have lower qualification completion rates compared to Māori, Non-Māori and Non-Pacific peoples.



Jerome Mika,
Hanga-Aro-Rau Governing Council Member:

"I am excited about the work we have started with our Pacific communities and know often there is not one main solution but several things that need to be done to make an impact on what challenges us. Hanga-Aro-Rau is starting to focus on creating the conditions for change by figuring out what needs to be done and by whom, then enlisting the help of others as part of the cause.

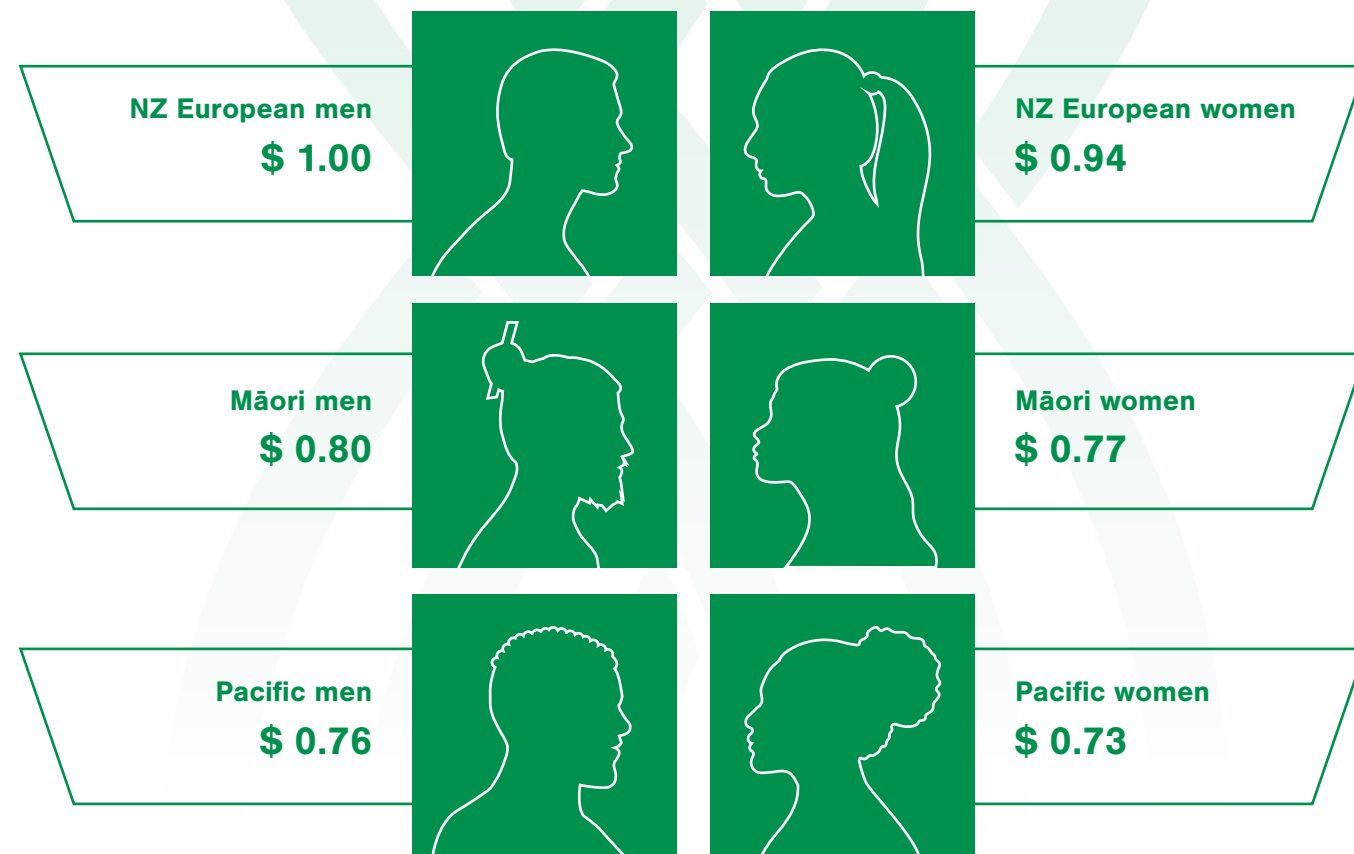
We won't do this on our own. We will work collectively with those who have a stake in seeing all parts of the community thrive. I know industry, employers, unions, and the wider system all have a part to play in helping build our workforce. With courage we will help make a difference."

With many of our industries now employing older-than-national-average workforces we are fortunate that in general, Pacific peoples' populations are younger, and on a strong growth trajectory. Infometrics, our economics partner, projects that New Zealand's Pacific peoples' population will reach half a million by 2028.

This population is essential for our industries' succession and sustainability – our calculations suggest that there will be 3,000 new (or replacement) job openings per year to 2026, based on the current Pacific peoples' workforce and anticipated population growth. Most of this growth is expected to be in our manufacturing sectors. There is also a clear disparity in pay between different parts of our community and we can help groups to address this through workforce development.

4. We acknowledge the foundational mahi that had been started with Te Pae Tawhiti-Te Tiriti Excellence Framework.

Pacific Pay Gaps



In 2020, the gap in average hourly wages experienced by Pacific men was 24 per cent and Pacific women by 27 per cent when compared to New Zealand European men. Pacific Pay Gaps are substantial and persistent, and have not changed significantly for more than ten years.

Accordingly, we see it as both an opportunity and responsibility for us to help develop, together with our Pacific communities and industries, a workforce plan that supports this development. As we develop our strategy and implement it, we will test this with our Ohu Mahi Pacific Fono⁶ as well as work with, partner and support our communities themselves to achieve better outcomes.

5. Sourced from the Pacific Pay Gap Enquiry www.pacificpaygap.hr.co.nz

6. The Pacific Fono is a collective of WDC members of Pacific heritage voice who provide strategic leadership across WDCs. This group supports WDCs to deliver on our obligations to help Pacific learners and āiga/families by providing knowledge, advice and support, engaging with Pacific industry, business and communities, and ensuring alignment of approaches to Pacific-related work programmes across WDCs.

Pacific peoples in our industries⁷

In 2018, Pacific peoples were 8.3 per cent of the total population, projected to be 458,000 in 2023 and account for more than 10 per cent of the total population by 2038.

A young population: 31.4 per cent are aged under 15 years. The median age is 23.7 years (for Māori this is 25.6 years, for Asian, 31.5 years, and for European, 41.2 years). High employment numbers in manufacturing, engineering and logistics.

At the end of December 2021, there were 164,900 Pacific peoples employed, the highest on record; around a third were employed in the Hanga-Aro-Rau sectors.

Pacific peoples make up around 8.4 per cent of all employees in our three sectors combined, over half these workers are in manufacturing. Many Pacific employees are unskilled.

A quarter of the current working population are in labouring jobs, with men more likely to work in manufacturing jobs and women in healthcare and social services.

The Pacific median income in 2018 was \$24,300 compared with \$31,800 for all New Zealanders.

Only 1.5 per cent of Pacific people (3,831) are business owners/working proprietors.

There is an upward trend in the number of Pacific peoples enrolling for level 3 and 4 certificates, assisted by strong enrolments in 2021 (23,240).

Completion rates for Pacific peoples in industry training in our sector has been in the mid to high 70 per cent range in recent years (with a decline in 2020). Completion rates are better than for all industry training – by 10 per cent in 2019 and 2020.

The underutilisation rate for Pacific peoples in the labour market (15 per cent in 2021) is higher than European (9.3 per cent) but lower than for Māori (16.9 per cent).

The effect of COVID-19 initially saw an increase in the number of underutilised Pacific people – indicating a larger proportion who were in and out of work, likely casual or temporary in nature, and reflecting the impact of the pandemic on our sectors in general.

However, by 2021 underutilisation was the lowest it has been for 10 years – as for all ethnicities – likely due to the current labour shortage.

7. All data in this section is aggregated from Infometrics; StatisticsNZ, and the Ministry for Pacific Peoples, 2021a; 2021b; Te Pūkenga (2021c).



Hanga-Aro-Rau Industry Manager Croydon Smith visits the Ports of Auckland as part of his industry engagement role.

Mata Herehere | Industry Transformation

Establishing engagement

During our establishment, we have recruited a highly skilled Industry Relationship tīma who have begun the implementation of a comprehensive external engagement strategy. This team is out and about in all corners of Aotearoa building strong connections and partnerships with stakeholders.

Their mahi is to ensure the vocational education system not only responds to current workforce development needs but proactively leads our stakeholders to understand their future workforce development requirements.

Our kaimahi are achieving this by:

Partnering with our stakeholders to understand their needs, and work with them to both design and where appropriate test then implement effective solutions to ensure sustainability and prosperity.

Transforming how we engage in gathering and verifying intelligence to drive transformational change in vocational education and workforce development.

Collaborating across the broader educational ecosystem, including industry, employers, unions, iwi, hapū, training providers and schools, non-governmental organisations, underserved groups, Regional Skills Leadership Groups and government and local government entities, to ensure a holistic approach to workforce development.

All engagement activity is recorded in our customer relationship management (CRM) system, Aka Kōrero, with monthly summaries and insights shared extensively.

Regional Skills Leadership Group engagement

In early 2022, our relationship team began intensive engagement with Ministry of Business, Innovation and Employment (MBIE) Leads from all [Regional Skills Leadership Groups](#) (RSLGs) to build relationships that will enable ongoing collaboration. A key outcome has been the understanding of regional priorities for the 2022 Regional Workforce Plans, with the relevant priorities reflected in the Hanga-Aro-Rau inaugural Skills and Workforce Leadership Plan. This is also helping inform networks of provision which are industry-specific, region-specific and project-specific skills plans that, in turn, informed our inaugural investment advice to TEC (and will continue to inform future advice).

It is also an opportunity to share our insights from industry engagement across the motu and advocate for our industries' inclusion in future initiatives led by RSLGs. Opportunities for further collaboration and partnership were identified, acknowledging the rich membership of Te Tiriti partners, Māori, iwi, hapū and whānau in the RSLGs, as well as industry and business leaders.

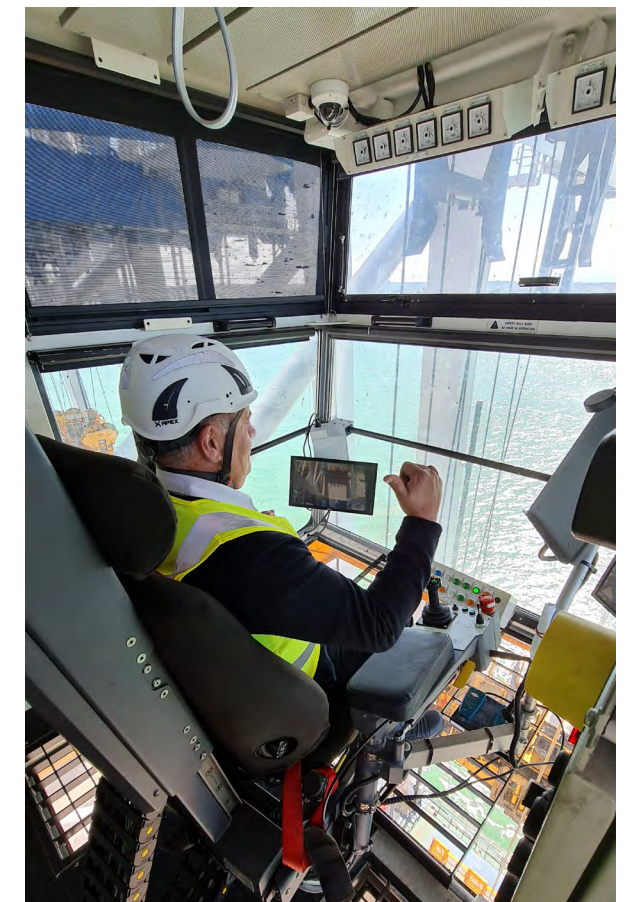
Insights mahi

We are also delighted to have most members of our very experienced Insights tīma on board. These are the amazing people who handle data and research, and their respective findings with a strong focus on diversity, inclusion, and equity.

The research undertaken by this team also considers new global challenges, emerging technologies, global sustainability goals, the changing nature of work, the skills, knowledge, and qualifications learners will need for future success and the transition to a low-emissions, climate resilient New Zealand.

Our team has been busy laying strong foundations and getting on with their workplan since we became operational on 04 October. As at 30 June, development work is near completion on a research strategy, our project management framework was completed, as well as mapping of several different types of industry classification codes (such as ANZSIC and ANZSCO) to ensure efficiency in sector analysis.

We have created an early iteration of a data research resource library and identified the software required to help create a better resource in the future. Other projects include creating sector profiles with our economic insights partner, Infometrics, co-leading work on the Ohu Mahi Shared Data Platform project and providing research expertise for all of our organisation's transformation projects.



Hanga-Aro-Rau Chief Executive Phil Alexander-Crawford (Ngāti Hine, Ngāti Rēhia, Ngāpuhi) up high in the cab of a ship-to-shore crane on an industry visit to the Ports of Auckland.

Hanga-Aro-Rau represents the automotive engineering industry working with a range of automotive businesses including Tesla.



Whakamanahia te mahere kia ora | Skills leadership in action

Collectively, our Industry Relationship, Māori Workforce Development, Insights and Quality Assurance, and Leadership tīma have led or participated in several major projects to gather further intelligence on the best ways to transform previous models of engagement, to listen to, and amplify, our industries' voice and conduct research into our industries' needs. These projects include the:

Skills and Workforce Leadership Plan

Our inaugural [Skills and Workforce Leadership Plan](#) (SWLP) was submitted to the Tertiary Education Commission (TEC) in June this year.

A cross-functional team from throughout the organisation combined quantitative data gathering with first-hand industry engagement with key stakeholders: employers, industry representatives and learners. We liaised with iwi and government representatives and members of other WDCs and RSLGs and included insights from industry and government-generated research reports.

The objective of the SWLP is to provide our industries, TEC, and other key stakeholders with a view of the issues and opportunities within the sectors we serve. It also provides suggestions on what is needed to meet the national and regional skill requirements within our sectors and begins to develop a picture of how our industries have been impacted by their various challenges, from within our borders and beyond.

Post-COVID-19 recovery research

Early in 2022, we were delighted to secure \$630,000 of funding for research into our industries' recovery from the TEC's COVID-19 Response Fund. This pūtea has enabled us to engage Deloitte as partners in our research into the manufacturing and engineering sectors' recovery from the impact of COVID-19 on their workforce and operations. We will be activating the findings and actions throughout our mahi with early work with the Canterbury and Tāmaki Makaurau RSLGs.

Industry Equity Project

As part of a TEC-funded COVID-19 Response project, Hanga-Aro-Rau is collaborating with the Construction and Infrastructure WDC Waihangā Ara Rau and the Te Matarau Education Trust to extend the impactful [research into women in trades](#) and other underrepresented groups in our sectors.

We're also proud to be working with Ngāi Tahu, manufacturing and engineering employers, industry associations, education providers and chambers of commerce on this mahi. We look forward to sharing the results and the meaningful outcomes we will drive from it later in the year.

All industries are facing the challenges of skills shortages due to growth and/or transformation/innovation and/or the aging workforce. This project is underway at the time of writing, with research expected to continue into the 2022/23 financial year. Findings are expected by December 2022 and will inform future workplans to strengthen equity, participation, and success for all.

Partnerships with business networks

We are pleased to be working in partnership with the EMA and the BusinessNZ Network to:

- Understand the state of Industry 4.0 workforce readiness within the manufacturing sector.
- Identify and map out the gaps to pave the roadmap for preparing manufacturing businesses for the future of work.
- Understand the extent to which manufacturing businesses are effectively planning for the impacts of the future of work.
- Identify the critical core skills required for participation in the manufacturing sector now and into the future.
- Understand how businesses are currently maximising the labour force participation of Māori, Pacific peoples, women and older workers.

A lot of this work is linked to the Advanced Manufacturing Industry Transformation Plan – an industry-led and government-enabled strategic plan to accelerate growth and transformation of a thriving Aotearoa New Zealand advanced manufacturing sector.

In addition, the BusinessNZ Network is supporting the development of our kaimahi to understand more about sustainability and the Sustainable Development Goals, and how we apply those to our work and that of our industries.

Investment advice to TEC

Hanga-Aro-Rau also delivered our inaugural [Investment Advice to TEC](#) around the level of investment and mix of provision. The nature of this advice will continue to evolve as our connections with industry, Te Tiriti partners, providers and the broader RoVE ecosystem deepen.

Advanced Manufacturing Industry Transformation Plan

Our relationship teams have also contributed to the Ministry of Business, Innovation and Employment's [Advanced Manufacturing Industry Transformation Plan](#) (ITP). At the time of writing, the draft plan was open for public submissions. It is an opportunity for business, unions and workers, government, Māori and wider stakeholders to co-create and co-own a plan to accelerate the growth and transformation of New Zealand's advanced manufacturing sector.

Hanga-Aro-Rau is proud to be featured in the plan, and looks forward to working with MBIE, businesses, unions, Māori and other stakeholders to attract and develop a diverse and high-skilled, high-wage workforce.

External communications

Early in 2022, our Principal Communications Advisor finalised our communications strategy to complement our engagement workplans and ensure Hanga-Aro-Rau is strongly positioned within our industries and in the vocational education ecosystem.

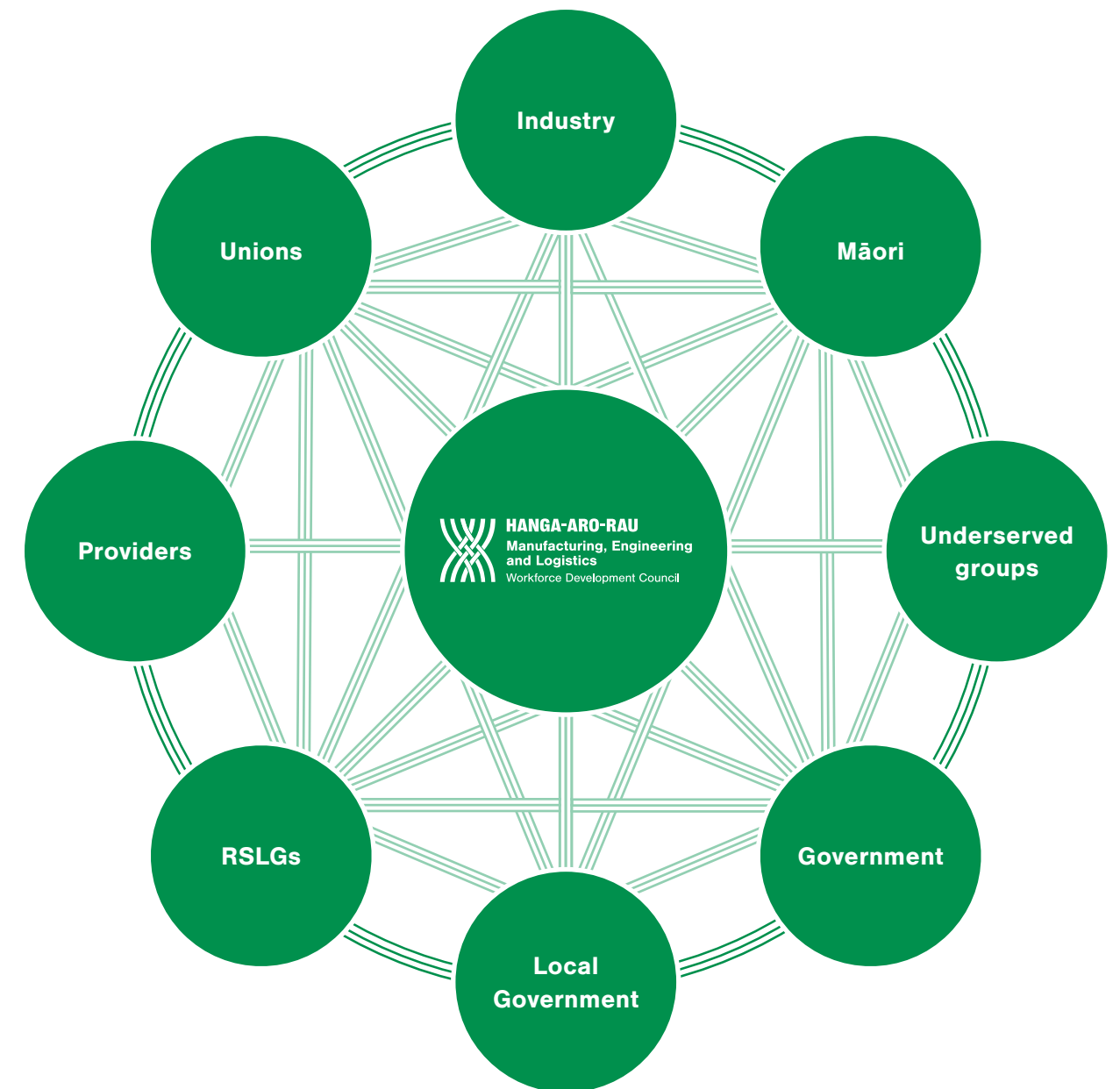
We launched our first formal industry communication newsletter 'Te Hā' in December 2021 – which means 'The Voice' and aligns with our organisational abbreviation (HAR). We have also established two other significant communication channels with our successful LinkedIn presence and the Latest News section of our website.



Hanga-Aro-Rau is the Workforce Development Council for port operations.

Stakeholder matrix

Our engagement model below illustrates the stakeholders we connect with via our Relationship teams, Māori Workforce Development team, Leadership team and communications channels, and how these partners are all inter-connected.



The Hanga-Aro-Rau stakeholder matrix.

Jack Prendergast (Cook Island Māori), Assistant Workshop Manager left and Andrew Curtis, Workshop Supervisor right, D&H Steel.

Whatu Tohu | Industry standards

Qualifications system mahi

Hanga-Aro-Rau is the standard setting body for more than 200 qualifications and 4,000 unit standards across 75 sectors. Our Qualifications System tīma is responsible for reviewing existing qualifications at least every five years and creating new qualifications as the industry need arises. Our total number of current qualifications and standards fluctuate as qualifications are reviewed or new development work occurs based on industry priority and need.

Approximately half of our qualification and unit standard suite relates to the manufacturing domain, followed by engineering and logistics. During our initial establishment period in late 2021, our time determined our qualification review workplan for 2022 to 2026, based on the qualifications and unit standards listed on the New Zealand Qualifications Framework (NZQF). This analysis identified an uneven distribution of qualification reviews, with the majority of our 75 sectors having reviews scheduled for 2025 and 2026.

In consultation with industry, providers, NZQA and other Ohu Mahi, we have been able to smooth our workplan to ensure we are responsive to industry needs as they arise.

Since establishment, the original team of four developers and one contractor completed the reviews of six qualifications and 283 unit standards. This was primarily the completion of work that was transitioned to us from the former Transitional Industry Training Organisations (TITOs).

At the time of writing, we had grown our team to 10 developers who are reviewing 73 qualifications and 1,490 unit standards. In addition to our scheduled reviews, our Academic Rōpū has approved four new qualification development projects to scope and develop based on new needs identified by the sectors we serve.

Throughout our establishment we have engaged with NZQA to progress mahi on skill standards, along with other Ohu Mahi participants, and had further conversations about upcoming changes to micro-credentials.

Te Tiriti o Waitangi

In alignment with our commitment to Te Tiriti and the transformation of vocational education, our Industry Standards' team has undertaken internal Māori cultural competency training with Pathways Awarua and we have recently appointed a mātauranga Māori and te reo Māori specialist to the team. We have reviewed our qualification development process to enable a closer alignment to Te Tiriti. We are developing our understanding and recognise that we will need to make further change to our systems and processes as our understanding grows so that partnership is further manifested in all that we do.

Qualification Development Fund – Welding, butchery and extractives

We are grateful to have received funding for three new projects from the TEC Qualification Development Fund. These projects include:



Welding

Ten years ago, separate welding qualifications were disestablished or left to expire, and became part of other qualifications, like mechanical engineering or automotive engineering. But listening to the needs of industry, it's clear this approach wasn't serving employers or learners well. At the beginning of June, we received NZQA approval of a level 3 and level 4 qualification in welding, with mahi underway to review the existing unit standards and create any new unit standards that are needed.



Extractives and mining

The review of nine mining qualifications has been deferred to incorporate legislative changes resulting from the Pike River Mine Enquiry. This includes the New Zealand Certificate in Mines Rescue Level 4. We have received funding to progress this in conjunction with several stakeholders including Worksafe and the Mining Board of Examiners.



Butchery

At the time of writing, Halal butchers are unable to complete their butchery qualification without handling pork products. A lack of qualified halal butchers impacts production lines, our ability to service global markets, lowers export revenue and has an overall impact on New Zealand's economic COVID-19 recovery. This review will look at the structure of the qualification and unit standard content to resolve this issue.

Academic Rōpū

As part of our early establishment, we created a formal internal committee to apply rigour to our qualification development plan (including approving new initiatives) and programme endorsement. The pūtake of this rōpū is to ensure a balanced approach to any decision made on behalf of industry, hapū and iwi with a quality assurance overview. An environment of collective accountability, debate and consensus decision-making is encouraged. The committee is led by the Chief Executive and Deputy Chief Executive.

The Academic Rōpū also endorses or makes changes to the workplan for the Industry Qualifications team and considers other academic issues as they arise. It meets once a month or as required based on workload, with all discussions recorded. In 2023, we will further develop it with external participation and guidance.

Steel fabrication in action at D&H Steel.

Tūtohu Kounga | Improvements and operations

Quality Assurance team mahi

Our wonderful quality assurance specialists do the vital mahi to ensure schools and providers assess our unit standards fairly against specific criteria, learners achieve the outcomes they need to complete an aspect of their learning, and employers gain the skill and knowledge they need in the workplace.

There are a range of moderation activities that this tīma undertakes.

Pre-assessment moderation involves evaluation of assessment material before it is used, to ensure it is fit for purpose and that it provides confidence that learners completing the assessments have the knowledge and skills required by industry.

Post-moderation ensures that the decisions assessors are making regarding learners' competence are consistent both within and across providers.

To illustrate the scale of their work, in April 2022, our specialists requested 762 samples of learners' assessed work to review as part of their post-assessment moderation. This represents assessments from 30 per cent of our providers. During 2022, all providers including schools, who are reporting Hanga-Aro-Rau unit standards will have been moderated.

We also support applications to NZQA for consent to assess for providers wanting to use the unit standards in Hanga-Aro-Rau sectors. This process determines the provider's capability to meet the requirements to deliver and assess against unit standards.

Our team is focussed on developing provider relationships and working alongside them to strengthen quality assurance practices. As part of this process, they visit providers to observe assessment taking place, and/or to check that the systems they have in place for assessment are functioning well. They measure this by checking against the criteria which providers need to comply with for consent to assess Hanga-Aro-Rau unit standards.

These quality assurance activities support continuous improvement in learning and assessment and inform any investment advice we provide to TEC. In keeping with our principle of partnership and collaboration, this enables providers to improve holistically and continuously, rather than solely relying on external moderation outcomes.

Programme endorsement

From 01 June 2022, the NZQA programme approval process changed in line with our matawhānui (vision) to give industry a greater leadership role in the way programmes are developed for work-based training. Under the Training and Education Act all WDCs are now required to consider provider programmes for endorsement prior to NZQA approval.

Programme endorsement is an essential function of the reformed vocational education system. Not only does it provide assurance that training providers understand the intent of a qualification and skills standards, but it also provides assurance to industry that the training programme reflects the identified skill, knowledge and capability needs, alongside the supported learner's need to be successful.

The function of programme endorsement has been collaboratively co-designed across all Ohu Mahi with NZQA and is largely set by the process that has been established by all WDCs, NZQA and MOE. However, the way the programme endorsement decisions are made by Hanga-Aro-Rau is established by our Academic Rōpū.



Precision AutoWerk Polisher Shantha Punchibandage.



Turuturu Tautoko | Corporate services

In late May 2022, we established a new Hanga-Aro-Rau Corporate Services division to work closely with Hāpaitia, the shared services company for the six Workforce Development Councils, that delivers the many support services we require.

We are delighted to have Maria Fuata, General Manager Corporate Services on board who is establishing the processes required to lead several areas of focus for our organisation.

The big rocks for corporate services are financial management and reporting, risk management and people and culture. These will see Maria and her yet-to-be-established team diving deep into monitoring expenditure and cashflow, financial forecasting, reporting to our key stakeholders and finding the best people for our organisation. Ensuring the well-being, health and safety of our kaimahi is paramount for Hanga-Aro-Rau.

The overarching emphasis of the team is to make sure we always implement best practice across our operations and performance as a public-funded organisation.

While they will also be busy with reporting, creating policies and procedures and management of COVID-19 challenges, their mahi continues to embed Te Tiriti o Waitangi across our support services so our people are well equipped to engage with industry, Māori, providers, our priority groups, and key stakeholders across Aotearoa.

Te Reo Ahumahi | Industry voices

These stories are an illustration of some of the broad range of employer and learner experiences across our 75 industries.

Surfboard shaper brings his American on-the-job expertise home

Simon Jones of Ghost Industries, who custom manufactures surfboards by hand under the T. Patterson Surfboards' franchise in Pāpāmoa.

EMPLOYER VOICE



Simon Jones (Ngāti Pikiao, Te Arawa) of Ghost Industries is a custom manufacturer of surfboards in Pāpāmoa

In 2013, Simon Jones (Ngāti Pikiao, Te Arawa) was a Māori surfing coach, competition judge and wannabe-board-shaper living in America who happened to chat to a guy on a California beach. That guy put him on the path to his dream job with a serendipitous introduction to an American high-end surfboard manufacturer.

"It's kind of a tough industry to get into really even though you might love it like I do. I feel like I got lucky just meeting some random guy at a beach in California," says Simon.

However, that chance meeting was just the beginning; Simon had to put in a huge effort to prove himself before he was eventually allowed to start shaping boards at the renowned Channel Islands Surfboards.

"I started on night shift, just putting the fins into the surfboards for about six months, then I moved to sanding the boards. It wasn't a nice job to start with, you're drilling holes in foam and it's dirty and you're playing with resin," explains Simon.

"The whole time I really wanted to become a shaper. That is the pinnacle of surfboard manufacturing, the shapers get all the credit!" he laughs.

"After my shift, I would go and practice shaping on throwaway blanks in the workshop. I watched the other shapers and saw what Al Merrick was doing. He is the founder of Channel Islands and he's very famous, like Kelly Slater."

After making more than 200 'practice' boards, Simon was able to put the company name on a board he had shaped. Then, it took another 3,000 boards before the team left him alone and stopped 'nit-picking on every detail' of his mahi.

"There's no bit of paper that says you are good or not good, you are your qualification. So, you have to show people how good you are."

In 2021, with the pandemic in full swing, it was time to come home with his American wife and the eldest three of his four kids now aged eight, six, two and three months.

"I really love surfing, and I wanted to make it better in the country I grew up in. I think that it's detrimental to surfboard making in a country if you don't have a local shaper who is making good quality surfboards. A lot of boards in New Zealand are being made in Thailand or South Africa or even Australia."

So, he approached another American surfing legend, Timmy Patterson, to enquire about taking his surfboard franchise to New Zealand. After Simon once again proved himself and his skills, Timmy told him he'd had a few other offers to sell his boards in New Zealand, but he wanted to work with Simon because they got along well, and he was impressed with his skill.

"He said he just wanted someone who knows what he's doing and who will spread the 'aloha' (love and fellowship) and stoke (excitement) of the T. Patterson brand, and I was happy to be that guy for him."

Simon is now focused on building the business in New Zealand. He is slowly spreading the word that his boards are customised in Aotearoa by a Māori board shaper (under the American franchise) and that his small adjustments to the boards have a big impact in New Zealand surf conditions.



Patton Engineering's high school trades initiative solves skills shortage

An innovative idea to fix their company's skills shortage led Patton Engineering to create 'real-life' trades training and apprenticeships for high school students that have inspired other organisations to do the same.

EMPLOYER VOICE



Former Hastings Boys' High School technology student, Manahi Goulton.

With more than 100 staff employed in Hawke's Bay, they were struggling to bring on motivated, work-ready young employees. Managing Director, Johnno Williams decided to put a plan into action to help relieve some of the staffing issues on the business. Going to a local high school was the first step in bringing new talent into their business.

"Four years ago, we initiated a partnership with our local secondary school to help solve our skills shortage and recruitment frustrations. With an aging workforce I knew we needed to focus on vocational training – but in such a way that we bring them through work-ready," said Johnno.

They now connect technology students from Hastings Boys' High School with tailor-made industry training, leading edge workshop equipment and pastoral care programme. Johnno says the programme has allowed students to get excited about engineering and excel in the subject.

Starting out, Patton Engineering worked with the school, charitable trusts, and industry suppliers to secure over \$400,000+ worth of equipment for the school's technology department.

To support a training intake of eight students every two weeks, the business built workstations complete with welders for students' learning. What welding the students do in one day at Patton Engineering is equivalent to what they used to do in an entire year at School.

"We are fortunate to have a diverse group of boys getting involved in the programme. Because we have them in our workshop regularly, we can follow their progress and nurture their skills. There are some real super stars," says Johnno.

"Our team are involved first hand in training the students. One reason this programme is so successful is because of the pastoral care provided by school, whānau, and a real-life work environment."

Each year, the students have a chance to secure one of three to four apprenticeships with the company.

"To be successful, it's vital the training we give these students is tailored to the needs of the industry."

There has been interest from other schools around Aotearoa and similar programmes initiated. Both Johnno and Salla Delport, head of the technology department at Hastings Boys' High School, have visited these schools and shared their expertise.

Johnno has big plans for the local programme which include taking an opportunity to replicate it at Hastings Girls' High School.

CustomPak team gain digital confidence from micro-credential training course

Family-owned recyclable packaging business, CustomPak is upskilling their team's digital capabilities with a new micro-credential qualification, ahead of installing new software and reviewing Industry 4.0 technologies.

EMPLOYER VOICE



CustomPak's Craig Williams is a graduate of the NZQA Digital Skills Micro-credential in Manufacturing.

With a new system in the pipeline to replace their current paper-based processes, alongside a recent Industry 4.0 review, General Manager Glenn Wilson was delighted to recently put nine of his Christchurch-based machine operators through the 'Skills Shift' programme.

As the company began to focus on ways to significantly improve efficiency and digital capability, Glenn recognised that this requires the manufacturing team to have a good level of digital literacy.

On completion of the course, he was pleased to see the team gain confidence to use digital work tools in everyday processes and to learn new things to keep up with digital change.

"I saw how their confidence grew when they actually had a qualification given to them, and I thought that was very powerful," says Glenn

Along with efficiencies across their office, factory and store processes, one of Glenn's goals is to make the manufacturing process leaner by reducing lost time through breakdowns and having more real-time stock data.

"We make thousands of units in a day, so on one machine we could make 40,000 units in an 8-hour shift. If that number drops to 35,500 units one day, we need to get the information on why that is very quickly to make sure it doesn't continue."

Digital literacy includes numeracy, literacy and computer skills. Across the manufacturing sector, digital literacy has been identified as the most pressing skills gap due to the technological changes required to remain competitive.

Hanga-Aro-Rau is the new Workforce Development Council which creates and oversees qualifications in the manufacturing industry. Hanga-Aro-Rau Deputy Chief Executive Samantha McNaughton says that as technology moves on it is important to keep manufacturing workers' digital skills up to date and the digital micro-credential is a perfect way to do so.

"As technology progresses further with Industry 4.0, workers need new skills to keep pace with new systems and processes, especially some older employees who have not been brought up during the age of digital technology, but who have invaluable experience in their fields," says Samantha.

"This new micro-credential has been designed specifically for the manufacturing industry, to improve the level of digital literacy and to begin to meet the demands brought about by Industry 4.0."

The digital skills programme consists of nine weekly training sessions to help manufacturing workers build a digital mindset and the digital confidence they need to engage more proactively with technology at work, supporting them to be ready to embrace Industry 4.0.

On completion of nine weekly training sessions onsite, the CustomPak graduates were the first to be awarded an NZQA Digital Skills Micro-credential in Manufacturing outside of the qualification's pilot programme.

The micro-credential is fully funded under the Government's Targeted Training and Apprenticeship Fund (TTAF) for employers who enrol their staff before 31 December 2022.

'One of the oldest in the class' embraces automotive training

Former kindergarten cook and teacher aide, 40-year-old Yanné Logan swapped one classroom for another, leaving her kindy class to study automotive engineering. After completing her level 3 qualification this year, she hopes to land an apprenticeship. She shares her remarkable journey.

LEARNER VOICE



Yanné Logan is working towards her level 3 automotive engineering qualification and hopes to go on to an apprenticeship. Photo courtesy of Rotorua Daily Post/Andrew Warner.

It's great being an older learner. At first, I was worried about going back into study, switching the brain back on, and being with people straight from school who knew about learning, research, how to use Chromebooks... but actually, I feel that being an adult with life experience has given me more backbone.

I've got more ability to respect the situation, to respect where the tutor's coming from, to ask for help and to help another student. I might be one of the oldest in the class, but what's surprised me is the number of females: it's almost a third of my class.

We joke about how cool it would be to have a women-only run workshop, where everything was pink and flowery. And joking aside, I actually think there'd be quite a market for it! Back when I was starting my working life, I couldn't have imagined it.

I worked in early childhood education and as a teacher aide for years – both traditionally women-dominated professions. Then with my two sons at secondary school, my feminist leanings came out. I'd always wanted to know what was going on with my vehicle – I hated relying on men and being 'mansplained' to, so I really started doing this course for personal interest and satisfaction.

Light fabrication apprentice is ‘loving every day’

Azaria Weston (Ngāruahine), a light fabrication apprentice at Longveld, Waikato says she loves being ‘out of her comfort zone and growing like crazy’. Here, she shares her story and her future aspirations.

LEARNER VOICE



Azaria Weston (Ngāruahine) is a mechanical engineering apprentice at Longveld, Waikato.

I went to an all-girls school and no one like me ever came to talk to us, I didn't even know what mechanical engineering was. I left school at 16, and tried a couple of training courses, and then we got taken to a Trades Expo, and a guy from a local company was so enthusiastic. He told us there was no reason a woman couldn't do the work and invited us to go and visit – I ended up doing a three-month work experience placement and loved it. There were three other women there and I enjoyed working with them – we still keep in touch today.

I moved to Hamilton and did a mechanical engineering level 2 course, then level 3. The tutor was really motivating and believed that women can do anything – in fact, he told us that women are especially good at lots of parts of the work because they have an eye for detail. I'd previously studied and completed both personal training and barista courses too, so was able to use these qualifications to bring in money while I studied.

I was lucky to get taken on at Longveld through a Work and Income New Zealand Incentive scheme “Mana in Mahi” which helped with funds for my training, and now I've done two years of my apprenticeship and I'm loving every day.

Keeping up with the guys at work is important to me – they are men, physically, naturally more fit, so you have to work a bit smarter. You don't have to pick up ten things on your shoulder at once, you can do two at a time, and your back's not sore the next morning.

Another thing is, men are more afraid to ask for help – but I'm always thinking about the next step, and who can I ask. It's okay to say, “hey, I don't know.”

In our workplace there's plenty of diversity. We're a close workplace and I enjoy it. Lots have been here over five years, and the office keeps it really transparent. If there's an opening and job roles come up, [the owners] always look internally first, they say, anyone can apply.

I will definitely keep doing courses once I finish my level 4. Knowledge is power. I love to be constantly learning. And also teaching others: by sharing, you understand it better yourself and you learn different tips too. I'd like to be a trainer.

Support for Print Apprentice of the Year makes the impossible, possible

Print Apprentice of the Year Kosema Fuiono, took home two major trophies at this year's Pride in Print Awards. Not only was he awarded the top overall apprentice honour, he was also the successful winner of the Heidelberg Offset Apprentice of the Year.

LEARNER VOICE



Print Apprentice of the Year and Heidelberg Offset Apprentice of the Year Kosema Fuiono.
Photo supplied by PrintNZ.

Kosema said he was “stoked” to win the award, particularly after overcoming his life challenges, such as emigrating from Samoa as a child, learning English and leaving school at 16 to support his family when his dad fell ill.

He describes his journey with Blue Star that started as a print assistant as the “impossible becoming the possible”.

“It is a very big achievement for me, from where I have started and how far I have come. I am really proud and happy and it is a story I want to tell my kids – that if you want something then you are going to have to work hard for it,” he said.

On winning the awards he paid tribute to the other finalists and his employers and team members at Blue Star Collard in West Auckland. He also shared his gratitude for the support and training he had received.

“I believe I am receiving this award on behalf of the very positive and supportive team of Blue Star Collard and the whole of Blue Star in Auckland and New Zealand,” he said.

“Thank you for the opportunity you have given me to extend my learning. I am very blessed to be working with people that have been doing this job their whole life – some 40-plus years – and I'm there every day, asking questions.

“I don't like to take any ‘all me’ credit, I like to pay thanks to those who have helped me to train. Without them giving me the knowledge, I wouldn't be here today.”

For now, Kosema is keen to continue where he is and keep on learning with a view to moving into management at Blue Star.

He Tauākī Tutukinga ā-mahi | Statement of Service Performance 2021/22

Our vision:

To understand the skills that are needed to support a more productive, sustainable, equitable, high-wage economy that lifts the skills of all New Zealanders to enable greater social mobility. We share this knowledge with our education and training provider partners, who create learning programmes that give all people relevant skills to address future workforce needs.

Ultimately, we seek to transform vocational education and our industries’ workforces to achieve social, economic and sustainable prosperity.

Our purpose:

Our purpose is to provide the manufacturing, engineering and logistics industries we represent with a strong voice in making the workforce of Aotearoa fit for today and the future, while honouring Te Tiriti o Waitangi and supporting Māori-Crown relations.

The Hanga-Aro-Rau Workforce Development Council commenced operations on 04 October 2021 with clear expectations set by the Crown and the Tertiary Education Commission (TEC) to undertake establishment activities that would provide a strong foundation for future operations. We worked to develop and implement an Establishment Plan that was approved by the TEC.

As we move out of the establishment phase and into the operational phase, we will begin work on assessing appropriate measures for performance assessment and establishing baselines for these measures. A key part of this work is the development of a Statement of Strategic Direction which will outline key deliverables and outcomes for the next five years, and the metrics we will use to effectively measure and monitor our success.

Underpinning all establishment activities and ongoing work is a genuine commitment to the principles of Te Tiriti o Waitangi in all that we do. Te Tiriti informs the composition of our Council, our organisational structure, how we approach our work, and our areas of focus.

Our Statement of Service Performance for 2021/2022 is based on commitments made in and undertakings outlined in our:

- [Order in Council](#)
- [Letter of Expectation from the Tertiary Education Commission and Funding Letters](#)
- [Education and Training Act 2020 \(Section 366-369\)](#)
- [Establishment Plan](#)

In October 2021, Hanga-Aro-Rau established a workplan aligned to our duties and functions detailed in our Order in Council. This workplan was populated with the key deliverables specified in our Establishment Plan and Funding Agreement, as well as the key objectives and activities necessary to establish ourselves in the broader Reform of Vocational Education ecosystem. Over our initial months of operation, our focus was on building our internal team, creating connections with industry, iwi, and other groups, and collaborating with the broader RoVE ecosystem. We also immediately set to work on our functional mahi.

Hanga-Aro-Rau Establishment Phase: 04 October 2021 to 30 June 2022.
(Refer to Establishment Report for the original workplan)

Our focus	Our objective	What does success look like?	What we achieved?
<div>1</div> <div>Industry voice</div> <div>Facilitates the voices of the specified industries to contribute to the creation of a sustainable, globally engaged and adaptive New Zealand.</div>	<div>• Industry has confidence we understand the skills needed by industry and employers and hold providers to account to create learning programmes that meet those needs.</div> <div>• Effective reciprocal engagement with ecosystem relationships ensures Hanga-Aro-Rau is well connected with all its stakeholders and can demonstrate it.</div>	<div>• Establish Industry Stakeholder Group (ISG) (section 12 of the OIC) by 30 June to be representative of industry as defined in our OIC.</div> <div>• Develop and implement a stakeholder engagement model that provides a framework for effective reciprocal engagement with ecosystem relationships in conjunction with other WDCs.</div>	<div>• ISG established and inaugural meeting 29 June 2022. (Refer to page 28 in Annual Report); over 50 EOIs with 15 members confirmed.</div> <div>• Stakeholder engagement model development and implemented (refer to pages 29-30 and 34-35 in Annual Report).</div> <div>• Established partnerships with WDCs and other members of the RoVE ecosystem, including TITOs, Te Pūkenga, PTEs (ref. Establishment Reports).</div> <div>• Engaged with WBL subsidiaries (Competenz and MITO), engaged with ITP subsidiaries (specifically MIT, Ara, EIT, Wintec, Otago), and head office.</div> <div>• Engaged with all 15 RSLGs to ensure our industries were considered by each region. (Refer page 35 of Annual Report and also evidenced in RSLG plans and feedback).</div> <div>• 11 sector advisory groups established for qualification review, totalling 34 meetings from April 2022 to 30 June 2022.</div> <div>• Scoping underway for National Industry Advisory Groups (section 27 in OIC).</div> <div>• Engagement focussed on creating connections and informing workforce development priorities including how we structure Skills and Workforce Development Plans, and our 2022/23 Operational Plan (refer to SWLP, Establishment Reports, Operational Plan).</div>

<div>2</div> <div>Te Tiriti o Waitangi</div> <div>Contributes to an education system that honours Te Tiriti o Waitangi and supports Māori-Crown relations.</div>	<div>• Te Tiriti o Waitangi is demonstrably honoured in all that we do.</div>	<div>• Develop competency and capability framework.</div> <div>• Develop strong and effective relationships with Māori and Te Tiriti partners.</div> <div>• Build a Māori partnering strategy and framework to ensure Māori voice influences our mahi and direction.</div>	<div>• Cultural capability framework developed and implemented (Rangatiratanga Plan) (refer to Establishment Plan).</div> <div>• Implemented co-governance model in the Council; and co-leadership model in the management structure.</div> <div>• Register of Māori employers and businesses developed (refer to pages 26-27 in Annual Report, and pages 29-30).</div> <div>• Developed and implemented Te Atā Huritao – our evaluative framework that enables ongoing self-reflection of our duties and functions (refer to Appendix 3 in the Annual Report).</div> <div>• Ongoing development of a Te Tiriti o Waitangi partnering framework (refer to pages 26-27).</div>
--	---	--	---

Our focus	Our objective	What does success look like?	What we achieved?
<div>3</div> <div>Equity</div> <div>Hanga-Aro-Rau provides opportunities for all people in the specified industries to reach their full potential and capabilities, including those who have been traditionally underserved by the education system as well as helps to ensure fair and equitable outcomes for all people in the specified industries.</div>	<div><ul style="list-style-type: none">Engagement with underserved groups is prioritised to ensure learner voice is central to our activity.Research targets equity and inclusion to maximise access to and equitable outcome of vocational education in Hanga-Aro-Rau sectors.Ecosystem partnerships to drive equity.</div>	<div><ul style="list-style-type: none">Develop an engagement plan to ensure all voices are heard across manufacturing, engineering and logistics sectors.Ensure organisational structure and roles reflect equity focus and priorities.</div>	<div><ul style="list-style-type: none">Completed initial data analysis of Pacific peoples (refer pages 31-33 of the Annual Report).Developed our Equity Framework (refer to Establishment Report and Operational Plan); created a Strategic Change Manager – Equity role to support embedding equity at all levels.Utilised various recruitment strategies to diversify our workforce.Collaborated with Te Pūkenga to support the Te Rito research to be embedded into our operations.Partnered with Waihanga Ara Rau to co-sponsor the Industry Equity Project, funded through TEC's COVID-19 fund (refer to page 37 in Annual Report and project documents).Took a strong equity focus in our COVID-19 response project (refer to page 37 in the Annual Report, and project documents).Ongoing for 2022/23 is to further develop our Vocational Pathways tīma to collaborate with TEC's Career Services to further advocate on careers available in our sectors.Engagement plans developed (refer to page 34 in Annual Report and Establishment Plans).</div>
<div>4</div> <div>Current and future workforce needs</div> <div>Support the responses to New Zealand's current and future workforce needs to drive defensible decision making and strategy development.</div>	<div><ul style="list-style-type: none">Collate data and research that takes into account new global challenges, emerging technologies, global sustainability goals, the changing nature of work, the skills, knowledge, and qualifications learners will need to achieve future success, and the transition to a low-emissions climate-resilient New Zealand.Guide industry workforce development so workforces can be supported by appropriate and relevant educational pathways to ensure continued success, sustainability and prosperity.Build a workforce that supports a circular economy.</div>	<div><ul style="list-style-type: none">Develop a research strategy and methodology in support of understanding current and future workforce needs to inform qualification and credential development.Research and data are gathered, analysed and distributed internally and externally.Develop benchmarks to support decision making.Develop communication channels to providers and RSLGs to support data gathering and sharing.Develop skills leadership plans that drive industry development.</div>	<div><ul style="list-style-type: none">Research strategy drafted, to be refined in 2022/23 as research projects develop (refer to page 37 in the Annual Report).Range of insights shared to inform qualification and standard review and development.Deep dive into Pacific peoples and Māori statistics to further understand these demographic groups in our sectors (refer to pages 29-33 of the Annual Report).Engaged with all 15 RSLGs and established close collaboration with MBIE; Hanga-Aro-Rau sectors featured in Tāmaki Makaurau and Canterbury regional plans. (Refer to page 35 of the Annual Report).Inaugural Skills and Workforce Development Plan developed and submitted to TEC by 30 June 2022. Plan published and disseminated to stakeholders; action plan being implemented in 2022/23.Awarded \$630,000 from TEC's COVID-19 Recovery Fund to understand the impact COVID-19 had on the manufacturing and engineering workforces. This research will provide a range of insights to develop a comprehensive workforce development strategy (or strategies) for the sectors we serve. (Refer to page 37 of the Annual Report).Research and industry engagement informed the development of the investment advice submitted to TEC in April 2022 (draft) and June 2022 (final) (refer to page 38 of the Annual Report as well as the formal advice document).</div>

Our focus	Our objective	What does success look like?	What we achieved?
<div>5</div> <div>People and culture</div> <div>Change leadership and approach is embedded early to ensure our people are valued through each phase of our development as an organisation.</div>	<div><ul style="list-style-type: none">The Hanga-Aro-Rau people know they are valued and supported to contribute meaningfully to the future of workforce development.Staff are given the tools and development they need to achieve our organisational vision.The health, safety and wellbeing of our staff in central to what we do.</div>	<div><ul style="list-style-type: none">Recruit all kaimahi by 30 June 2022.Develop and implement People and Culture Strategy that onboards and develops capability and culture to meet the strategic direction of the organisation.Identify functions and structure to support the Operating Model.Develop a change engagement approach and implementation plan.Establish KPIs for all staff and embed professional development plans for all staff.Implement a comprehensive cultural competency development programme to achieve our vision.Establish mechanisms to monitor and improve health, safety and wellbeing.</div>	<div><ul style="list-style-type: none">Recruitment was 70 per cent complete based on the original organisation structure handed over by the Establishment Board. (refer page 24 in Annual Report).During our Establishment Phase positions evolved (some merging), reducing the overall head count. It was also challenging to recruit specialist roles and some technical roles in a tight and competitive labour market. Short-term contract resource was utilised with recruitment progressing into 2022/23.Organisational structure and operational model confirmed (refer to Establishment Reports).KPIs drafted for implementation in 2022/23 aligned with the TEC-approved 2022/23 Operational Plan.Cultural capability programme initiated and embedded through the Rangatiratanga Plan (refer to page 29).Engaged SAFE 365 and commenced development of a suite of Health, Safety and Wellbeing policies, in addition to the interim policies drafted by Hāpaitia.</div>
<div>6</div> <div>Strategy and direction</div> <div>Strategy and direction is set based on evidenced data for impactful positive outcomes particularly for those traditionally underserved.</div>	<div><ul style="list-style-type: none">Requirements set through the OiC for the strategic statement is met and well informed.Stakeholders that have a vested interest in the strategic direction are enabled to provide input.Industry is confident that their voices have informed the strategic direction.</div>	<div><ul style="list-style-type: none">Develop Strategic Statement including goals, objectives and performance measures for the next 5 years. Industry stakeholder group informs strategy and direction.Undertake a full budget reforecast for 2021/22.Develop Operational Plan for funding and activity post June 2022.Develop an annual report to update TEC on engagement with WDCs and industry (due 90 days post year end).</div>	<div><ul style="list-style-type: none">Statement of Strategic Direction being drafted (refer to April Establishment Report).Budget reforecast completed and approved in March 2022.2022/23 Operational Plan and Budget submitted to TEC by 29 April (as per Establishment Plan) and approved by TEC on 13 June 2022.</div>

Our focus

Our objective

What does success look like?

What we achieved?

7

Qualifications systems product

Supporting quality vocational educational and training outcomes.

- Standard setting and national external moderation system sets expectations on providers for relevance of qualification and programme delivery for industry and iwi and learners particularly those underserved.
- Partnering with industry, providers, iwi, NZQA, WDCs and other relevant stakeholders to drive system transformation.

- Establish a comprehensive qualification review plan and implement for 2022.
- Design and implement framework for national external moderation system.
- Design and implement a framework for strengthening system quality assurance to ensure ongoing system integrity aligned with NZQA timeline.
- Engage with NZQA to support implementation of any systems changes.
- Develop and implement a Provider engagement strategy.
- 30% of providers that reported unit standards are called for moderation.

- Qualification review plan to 2026 developed. (Refer to Establishment Reports for detail, and page 38 of the Annual Report).
- Reviewed six qualification suites and 283 unit standards; a further review of 73 qualifications and 1,490 standards are scheduled for 2022/23.
- Established an Academic Rōpū to support with programme endorsement and qualification development (including new, out of plan initiatives to align with industry need).
- Designed and implemented the programme endorsement criteria with other Ohu Mahi to ensure consistency in approach; this went 'live' on 01 June. Twelve programmes were endorsed.
- Actively engaged and collaborated with NZQA and Ohu Mahi and the broader RoVE ecosystem on skills standard design.
- Drafted a provider engagement strategy to be refined further in 2022/23.
- Secured additional funding from TEC to expedite the development of qualifications for welding (high demand and urgent skills shortage), extractives and mining (regulatory framework review) and butchery (allowing for bespoke development to meet the growing specialist needs of Halal butchers).
- 190 providers (60 per cent) called for moderation against 1,561 individual learner samples from 104 unit standards across 42 domains.
- 13 Consent to Assess applications processed.
- 19 provider visits completed, with capacity growing as we grow our team.

8

Engagement and communication

Hanga-Aro-Rau engagement and communication is aspirational and builds confidence in the direction it's headed.

- Communication is frequent and meaningful fostering openness and transparency to industry, staff and stakeholders.
- Collaborative with other WDCs.
- Interested parties know which Council to connect with and with whom.

- Develop communications strategy and tactical plan.
- Develop brand guidelines and assets to ensure Hanga-Aro-Rau is strongly positioned in the vocational system and the industries we serve.

- Communications strategy developed and implemented (refer to Establishment Reports).
- Media policies developed, including training for ELT staff and Co-chairs.
- Developed strong internal communications with weekly staff updates and fortnightly all-staff hui to share knowledge.
- Created a strong social media presence via LinkedIn – more than 585 followers and 47 posts.
- Established a regular newsletter for all stakeholders; Te Hā – The Voice – is a bi-monthly digital newsletter sent to approximately 3,550 stakeholders, with an average open rate of 43 per cent.

He Tauākī Pūtea

Financial statements



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HANGA-ARO-RAU MANUFACTURING, ENGINEERING, AND LOGISTICS WORKFORCE DEVELOPMENT COUNCIL'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

The Auditor-General is the auditor of Hanga-Aro-Rau Manufacturing, Engineering, And Logistics Workforce Development Council (the Council). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements and statement of service performance of the Council on his behalf.

Opinion

We have audited:

- the financial statements of the Council on pages 64 to 92, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Council on pages 54 to 58 and.

In our opinion:

- the financial statements of the Council on pages 64 to 92:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance on pages 54 to 58:
 - presents fairly, in all material respects, the Council's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 30 June 2022 and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 16 December 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.



BDO Wellington Audit Limited

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the financial statements and the statement of service performance

The Council is responsible on behalf of the Council for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of the Council for preparing a statement of service performance that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the Council for assessing the Council's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Order in Council made under section 363 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Council's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.



As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate the appropriateness of the reported performance information within the Council's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 2 to 53, page 92, and pages 93 to 103 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.



In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Council.

A handwritten signature in blue ink, appearing to read 'Geoff Potter'.

Geoff Potter
BDO WELLINGTON AUDIT LIMITED
 On behalf of the Auditor-General
 Wellington, New Zealand

Statement of Responsibility

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance about the integrity and reliability of reporting.

The Council is responsible for the preparation of the Statement of Service Performance, under the Public Finance Act 1989, and Financial Statements for Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council and for the judgements made within them.

In the Council's opinion:

The Statement of Service Performance fairly reflects the performance of Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for 04 October 2021 to 30 June 2022.

The Financial Statements fairly reflect the financial position and operations of Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for 04 October 2021 to 30 June 2022.

Signed on: Friday 16 December 2022

Signed by:



Dr Troy Coyle
Hanga-Aro-Rau Co-chair



Renata Hakiwai
Hanga-Aro-Rau Co-chair



Phil Alexander-Crawford
Hanga-Aro-Rau Chief Executive



Samantha McNaughton
Hanga-Aro-Rau Deputy Chief Executive

Statement of Comprehensive Revenue and Expense

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

All in \$000s	Note	Actual	Budget
Non-exchange Revenue			
Government funding	2	9,339	8,999
Project grants funding	2	243	0
Total non-exchange revenue		9,582	8,999
Total revenue		9,582	8,999
Expenditure			
Employee expenses	3	3,347	3,889
Hāpaitia Limited - Shared Council services	3	927	685
Administration and other expenses	3	893	2,404
Total expenditure		5,167	6,978
Surplus/(Deficit) for the 9 months ended 30 June 2022		4,415	2,021
Total comprehensive revenue and expense			
		4,415	2,021
Total comprehensive revenue and expense for the period attributable to:			
Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council		4,415	2,021
Total		4,415	2,021

Explanations of major variances against budget are provided in Note 12. The accompanying notes form part of these financial statements.

Statement of Financial Position

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council as at 30 June 2022

All in \$000s	Note	Actual
Assets		
Current assets		
Cash and cash equivalents	4	5,266
Accounts receivable	5	58
Advances	5	443
Prepayments	5	24
Total current assets		5,791
Liabilities		
Current liabilities		
Trade and other payables	7	669
Employee entitlements	8	290
Revenue received in advance	9	417
Total current liabilities		1,376
Net assets		4,415
Equity		
Accumulated revenue and expense	11	45
Operating reserve	11	3,000
Capital reserve	11	900
Special projects reserve	11	400
Te Kāhui Ahumahi reserve	11	70
Total equity attributable to Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council		4,415

The accompanying notes form part of these financial statements.

Statement of Changes in Net Assets/Equity

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

All in \$000s	Note	Accumulated revenue and expense	Operating reserve	Capital reserve	Special projects reserve	Te Kāhui Ahumahi reserve	Total net assets/equity
Balance at 01 October 2021	11	0	0	0	0	0	0
Total comprehensive revenue and expense for the year		4,415					4,415
Transactions with owners of the controlling entity in their capacity as owners							
Transfers between reserves							
Operating reserve		(3,000)	3,000	0	0	0	0
Capital reserve		(900)	0	900	0	0	0
Special projects reserve		(400)	0	0	400	0	0
Te Kāhui Ahumahi reserve		(70)	0	0	0	70	0
Total transactions with the owners of the company		(4,370)	3,000	900	400	70	0
Balance at 30 June 2022		45	3,000	900	400	70	4,415

The accompanying notes form part of these financial statements.

Statement of Cash flows

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

All in \$000s	Note	Actual
Operating activities		
Receipts from Government		9,999
Goods and services tax (net)		(33)
Payments to employees		(2,732)
Payments to suppliers		(1,968)
Net cash flows from operating activities		5,266
Investing activities		
Net cash flows from investing activities		0
Financing activities		
Net cash flows from financing activities		0
Net (decrease)/increase in cash and cash equivalents		5,266
Cash and cash equivalents at beginning of the period		0
Cash and cash equivalents at end of the period	4	5,266

The accompanying notes form part of these financial statements.

Note Index

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note Number	Title	Page
1	Statement of accounting policies	70
2	Revenue	73
3	Expenditure	75
4	Cash and cash equivalents	76
5	Accounts receivable	76
6	Associates	78
7	Trade and other payables	79
8	Employee entitlements	79
9	Revenue received in advance	81
10	Financial instruments	81
11	Equity	84
12	Major budget variations	86
13	Operating leases	87
14	Commitments and contingencies	88
15	Related party transactions and key management personnel	89
16	COVID-19	91
17	Events after reporting date	91
Supplementary Information	Remuneration - Employee	92

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 1 | Statement of accounting policies

Reporting entity

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005. The Council is a body corporate established in October 2021 through Orders in Council (OiC) and in accordance with section 363 of the Education and Training Act 2020. The role of Hanga-Aro-Rau is to ensure the vocational education system meets industry needs and gives a stronger voice to Māori business and iwi development. Hanga-Aro-Rau will give their industries and employers greater leadership and influence across

vocational education. Success for Hanga-Aro-Rau will mean employers - including Māori business owners - are confident that vocational education graduates are ready for work and that the future skills needs of their industry will be addressed by the vocational education system.

Governance responsibilities are held by a Council, comprising Councillors who act in similar capacity to Directors on a Board of Directors.

Hanga-Aro-Rau is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

Basis of preparation

The financial statements have been prepared on a going concern basis. This means accounts have been produced on the assumption that Hanga-Aro-Rau will continue to operate for the foreseeable future (a period of greater than 12 months after the reporting date).

Preparing the accounts on a going concern basis will be subject to an annual assessment and declaration as part of the audit of the Annual Report and Financial Statements.

Reporting period

Hanga-Aro-Rau came into existence on 04 October 2021 and therefore the reporting period for the financial statements is for

the nine months from 04 October 2021 to 30 June 2022 and as such there is no comparative period.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Statement of compliance

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year. The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards Reduced Disclosure Regime (PBE Standards RDR) ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for public sector entities. For the purposes of complying with NZ GAAP, the Council is a public sector public benefit

entity and is eligible to apply Tier 2 Public Sector PBE Standards RDR on the basis that it does not have public accountability and it is not defined as large. The Council members have elected to report in accordance with Tier 2 Public Sector PBE Accounting Standards RDR and in doing so have taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. The Council has complied with its obligations under the Charities Act 2005.

These financial statements were authorised for issue by the Hanga-Aro-Rau Council on Friday 16 December 2022.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars which is Hanga-Aro-Rau functional currency and all values, are rounded to the nearest thousand dollars (\$000).

There has been no change in the functional currency of the controlling entity or any significant foreign operations during the year.

Budget figures

Budget figures provided in the annual financial reports will be derived from the financial budget approved by the Council at the beginning of the financial year. The Council did not approve a Statement of Financial Position, Statement of Changes in Net Assets/Equity or Cashflow budget for the year ended 30 June 2022.

Where revised budgets are submitted to and approved by the Council during the financial year, the most recent revised budget for that year will be used for management accounting reports only.

Early Adoption of Accounting Standards

Hanga-Aro-Rau has chosen to early adopt PBE IPSAS 41 Financial Instruments. This standard is effective for periods beginning on or after 01 January 2022 and establishes

requirements for the recognition and measurement of financial instruments. Disclosures are provided in note 10 to the Financial Statements.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 1 Statement of Accounting Policies (cont'd)

Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements made in applying accounting policies that have had significant effects

on the amounts recognised in the financial statements include the following:

Hanga-Aro-Rau has exercised judgment when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgment will be based on the facts and circumstances that are evident for each grant contract.

Judgment was also required when distinguishing between the research and development phase of projects and whether software costs meet the recognition criteria for capitalisation.

Goods and services tax

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or

payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income tax

Hanga-Aro-Rau is exempt from Income Tax as it is a registered Charity under the Charities

Act 2005. Accordingly, no provision will be made for Income Tax.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 2 | Revenue

Accounting Policy

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to Hanga-Aro-Rau, and measured at the fair

value of consideration received or receivable. The following specific recognition criteria in relation to revenue streams must also be met before revenue is recognised.

Revenue from Exchange Transactions

Interest and dividends

Interest revenue is recognised on an accrual basis, using the effective interest rate.

Dividends are recognised when the right to receive payment has been established.

Revenue from Non-Exchange Transactions

Non-exchange transactions are those where Hanga-Aro-Rau receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return. With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the non-exchange transaction revenue streams of Hanga-Aro-Rau must also be met before revenue is recognised.

Government Funding

Funding under the Workforce Development Council Fund is the main source of operational funding for Hanga-Aro-Rau from the Tertiary Education Commission (TEC). Hanga-Aro-Rau considers this funding to

be non-exchange revenue and recognises TEC funding as revenue when received. TEC funding has stipulations, and they take the form of restrictions not conditions.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 2 Revenue (cont'd)

Grants

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of

resources received, and whether this creates a liability (i.e. present obligation) rather than the immediate recognition of revenue.

Other grants received

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue. Stipulations that are ‘conditions’ specifically require the return of the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is

subsequently recognised as a non-exchange revenue as and when the ‘conditions’ are satisfied. Stipulations that are ‘restrictions’ do not specifically require the return of the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

All in \$000s	Actual 2022
Government funding classified as exchange transactions	
Government funding classified as non-exchange transactions	9,339
Project grant funding classified as non-exchange transactions	243
Total Government funding	9,582
Total revenue	9,582
Revenue classification	
Non-exchange revenue	9,582
Total revenue	9,582

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 3 | Expenditure

The table below provides detail regarding key areas of expenditure shown in the Statement of Comprehensive Income and Expenditure.

All in \$000s	Note	Actual 2022
Employee expenses		
Wages and salaries		2,991
Contractors		85
Councillors and board expenses	15	246
Other employee expenses		25
Total		3,347
Hāpaitia Limited - Shared Council Services¹		927
Administration and other expenses		
Consultancy and audit costs		
Consultancy costs		86
Audit costs ²		38
Total		124
People and culture costs		
Other staff costs		47
Recruitment costs		122
Total		169
Information Technology Costs		
Subscriptions and memberships		45
Total		45
Office and other costs		
General expenses		151
Communication and marketing		50
Travel and engagement		111
Project costs		243
Total		555
Total administration and other expenses		893
Total expenditure		5,167

1. Hāpaitia Limited provides the Workforce Development Councils with shared services including Finance, IT, People and Culture, and Office Management services.

2. Audit expenses paid or payable to BDO for the audit of financial statements

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 4 | Cash and cash equivalents

Accounting Policy

Cash and cash equivalents include cash on hand, cash in transit, in bank accounts and deposits with an original maturity of no more than three months. They are reported initially and subsequently at amount invested. If there are bank overdrafts these are shown in current liabilities in the Statement of financial position.

All in \$000s	Actual 2022
Bank deposits	5,266
Total cash and cash equivalents	5,266

There are no restrictions over any of the cash and cash equivalent balances held by Hanga-Aro-Rau.

No interest bearing accounts were held at 30 June 2022.

Note 5 | Accounts receivable

Accounting Policy

Receivables are recognised initially at fair value plus directly attributable transaction costs and subsequently at amortised cost, using the effective interest method, less impairment losses.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults and adjustments for future economic indicators.

For trade receivables from exchange transactions impairment losses, are based on an assessment of the lifetime expected credit loss conducted at the end of each reporting period. That is, at each reporting date, the entity is required to assess whether it expects to recover all receivable balances outstanding and, if not, perform an assessment of the amount of loss expected to be suffered over the life of the receivable.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 5 Accounts receivable (cont'd)

The amount of the loss is measured as the difference between the receivables carrying amount and the present value of estimated future cash flow. The carrying amount of the asset is reduced and the amount of the loss is recognised in surplus or deficit.

In a subsequent period, if the amount of the impairment loss decreases, the reversal of previously recognised impairment loss is recognised in the surplus or deficit.

There are no amounts overdue or to be impaired at the reporting date and no balances were written off to bad debts during the reporting period.

Advances

Advances have been made to Hāpaitia Limited for shared services to be provided. As provided in the Service Contract with Hāpaitia Limited further advances are made on request from Hāpaitia Limited and should the contract be terminated at any time, once all obligations of the Council to Hāpaitia Limited have been met the balance of the advance account would be payable to the Council. The advance to Hāpaitia Limited, an associate, is non-interest bearing (Note 15).

All in \$000s	Actual 2022
Receivables from exchange transactions	
Trade receivables from exchange transactions	8
Net trade receivables from exchange transactions	8
Receivables from non-exchange transactions	
GST Receivable	50
Advances to Hāpaitia Limited	443
Receivables from non-exchange transactions	493
Total receivables	501
Prepayments and other assets	
Prepayments	24
Total prepayments and other assets	24

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 6 | Associates

Accounting Policy

Associates

An associate is an entity over which Hanga-Aro-Rau has significant influence, but not control, over the financial and operating policies and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the

financial statements using the equity method of accounting. Investments in associates are measured at cost, including directly attributable transaction costs, in Hanga-Aro-Rau financial statements.

Hanga-Aro-Rau holds significance over the following entity, which is accounted for using the equity method:

Name	Voting Rights
Hāpaitia Limited	16.67%

Hāpaitia Limited, shared services provider for the Workforce Development Councils, operates on a break-even basis and hence there are no accumulated reserves and expenses to be carried forward. Each Council was issued with one equal share, unpaid. Therefore no Investment in associate balance is reported in the Council Statement of Financial Position.

Hāpaitia has the same reporting date as Hanga-Aro-Rau, being 30 June. The company is domiciled in New Zealand and is a limited liability company. There are no significant

restrictions regarding the distribution of dividends or repayments of loans from Associates. There were no contingent liabilities in relation to the associate, Hāpaitia Limited, as at reporting date. Management determined that Hanga-Aro-Rau had significant influence over Hāpaitia Limited even though it held less than 20 per cent of the voting rights because it has one representative on the board of directors of Hāpaitia Limited and has the same voting rights as the other five shareholders in Hāpaitia Limited, all of whom are Workforce Development Councils.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 7 | Trade and other payables

Accounting Policy

Short-term payables are initially recognised at fair value plus directly attributable transaction costs and subsequently at amortised cost, using the effective interest method. Payables

are non-interest bearing and are normally settled on the 20th day of following month or earlier per due date.

All in \$000s	Actual 2022
Trade payables	503
Accruals	155
Other payables	11
Total	669

Note 8 | Employee entitlements

Accounting Policy

Short-term employee benefits

Short-term employee benefit liabilities are recognised when there is a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date.

Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided. These include salaries and wages accrued up to reporting date, annual leave earned but not yet taken at reporting date.

Long-term employee benefits

Long-term employee benefits are those that are due to be settled beyond 12 months after the reporting date in which the employee provides the related service, such as long service leave and retirement gratuities, and have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of reporting are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 8 Employee entitlements (cont'd)

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans such as KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are recognised as an employee

benefit expense in surplus or deficit in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset (prepayment) to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Name	Actual 2022
Current	
Short-term employee benefits	290
Current portion of long-term employee benefits	0
	290
Non-current	
Non-current portion of long-term employee benefits	0
Total employee benefit liability	290

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 9 | Revenue received in advance

Accounting Policy

Project funding received has been recognised as income as expenditure directly related to project deliverables has been incurred. The remaining funding has been recognised as revenue in advance and is expected to be released to the Statement of

Comprehensive Revenue and Expense as the various project deliverables are completed. Unspent project funding at the conclusion of the project, as provided in the grant funding agreement, will be returned to the funder.

All in \$000s	Actual 2022
Revenue received in advance	
Project funding	417
Total	417
Current portion	417
Total revenue received in advance	417

Note 10 | Financial instruments

Hanga-Aro-Rau initially recognises financial instruments when Hanga-Aro-Rau becomes a party to the contractual provisions of the instrument. Hanga-Aro-Rau derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Hanga-Aro-Rau is recognised as a separate asset or liability. Hanga-Aro-Rau derecognises a financial liability when its

contractual obligations are discharged, cancelled or expire. Financial assets and financial liabilities are also derecognised when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid. Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, Hanga-Aro-Rau has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 10 Financial instruments (cont'd)

Hanga-Aro-Rau classifies financial assets and financial liabilities as amortised cost. Financial instruments are initially measured at fair value plus directly attributable transactions costs.

Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies provided in notes 5 and 7 and below.

i) Classification of financial instruments

The tables below show the carrying amount of Hanga-Aro-Rau financial assets and financial liabilities at the reporting date.

		Carrying amount (\$'000)		
		Financial Assets	Financial Liabilities	Total
		Amortised cost	Amortised cost	
	Note			
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	4	5,266	0	5,266
Receivables	5	501	0	501
Payables	7	0	(669)	(669)
		5,767	(669)	5,098

ii) Amortised cost financial assets

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within

PBE IPSAS 41 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in surplus or deficit. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are

recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Hanga-Aro-Rau financial assets measured at amortised cost comprise trade receivables from exchange transactions and other receivables and cash and cash equivalents in the statement of financial position. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

iii) Amortised cost financial liabilities

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. They are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Statement of financial position. For the purposes of

each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Hanga-Aro-Rau financial liabilities measured at amortised cost comprise trade and other payables and accruals in the consolidation of financial position.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 11 | Equity

Accounting Policy

The equity of Hanga-Aro-Rau comprises accumulated revenue and expenses and reserves. Equity is represented by net assets. Hanga-Aro-Rau manages its equity by prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that it achieves its objectives and purpose, while remaining

a going concern. As provided in the Prudent Reserves policy movements in reserves, both inward and outward, must be approved by the Council. The Prudent Reserves policy provides guidelines for determining the appropriate level of capital, operating and other reserves for the Council to hold each year to maintain its financial health.

All in \$000s	Actual 2022
Accumulated revenue and expenses	45
Reserves	
Operating reserve	3,000
Capital reserve	900
Special projects reserve	400
Te Kāhui Ahumahi reserve	70
Total reserves	4,370
Total Equity	4,415

All in \$000s	Actual 2022
Accumulated revenue and expenses	
At 04 October 2021	0
Surplus/(deficit) for the year before other comprehensive revenue and expenditure	4,415
Allocation to reserves	4,370
Balance as at 30 June 2022	45

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 11 Equity (cont'd)

The operating reserve was established by Council under the Prudent Reserves policy to receive an allocation of operating surplus for the financial year and funds from which could be applied with the approval of the Council for special initiatives or future operating deficits.

All in \$000s	Actual 2022
Operating reserve	
At 04 October 2021	0
Allocation from accumulated revenue and expense	3,000
Balance as at 30 June 2022	3,000

The capital reserve was established by Council under the Prudent Reserves policy to receive an allocation of any operating surplus for the financial year which could be applied for the purchase of capital assets in the future with the approval of the Council. The reserve would also be applied to cover the annual cost of leasing assets purchased by Hāpaitia Limited upon the establishment of the Workforce Development Councils and afterwards and leased to the Workforce Development Councils.

All in \$000s	Actual 2022
Capital reserve	
At 04 October 2021	0
Allocation from accumulated revenue and expense	900
Balance as at 30 June 2022	900

The Special Projects Reserve is a reserve established by Council under the Prudent Reserves policy to receive an allocation of operating surplus for the financial year which could be applied to fund future special projects and initiatives with the approval of the Council.

All in \$000s	Actual 2022
Special Projects Reserve	
At 04 October 2021	0
Allocation from accumulated revenue and expense	400
Balance as at 30 June 2022	400

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 11 Equity (cont'd)

The Te Kāhui Ahumahi reserve is a reserve established by Council under the Prudent Reserves policy to receive an allocation of operating surplus relating to funding received for budgeted Te Kāhui Ahumahi expenditure that was unspent during the financial year that may be called up for future mahi by Te Kāhui Ahumahi and approved for use by the Council at a future date.

All in \$000s	Actual 2022
Te Kāhui Ahumahi Reserve	
At 04 October 2021	0
Allocation from accumulated revenue and expense	70
Balance as at 30 June 2022	70

Note 12 | Major budget variations

The Council approved the budget in two tranches, the first, the expenditure budget was approved in October 2021 and the second tranche in March 2022 once funding letters were received from TEC and approved by the Board.

Explanations for major statement of comprehensive revenue and expense budget variations from the 2022 Hanga-Aro-Rau budget are detailed below in this table:

All in \$000s	Actual	Budget	Variance
Revenue variances			
Government funding	9,339	8,999	340
Project grants funding	243	0	243
Expenditure variances			
Employee expenses	3,347	3,889	(542)
Shared services	927	685	242
Administration and other expenses	893	2,404	(1,511)
Total comprehensive revenue and expense	4,415	2,021	2,394

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Government funding is higher than budget due to the receipt of additional funding from TEC that was distributed from unspent funds remaining after the TEC establishment unit concluded its mahi. COVID-19 Project funding received was not factored into the budget.

Employee expenses were less than budget due to delayed recruitment of staff positions which also led to a reduction in other administration and operating expenses (Note 15).

Note 13 | Operating leases

Accounting Policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the Hanga-Aro-Rau Statement of financial position.

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease.

Hanga-Aro-Rau has entered leasing arrangements with its associate Hāpaitia Limited for computer and office equipment as part of the service contract between both parties (Note 15).

Shared services were included in the budget as administration and other expenses with key savings coming in the form of personnel costs from Hāpaitia Limited, the shared services provider. These are one-off savings.

Hanga-Aro-Rau has a commitment under the service contract with Hāpaitia Limited to meet its computer and office equipment lease and continuing operating cost commitments for the life of the assets and lease commitments made by Hāpaitia Limited.

All operating leases have been signed through Hāpaitia Limited and costs are recharged to the Workforce Development Councils. Hanga-Aro-Rau has no other operating leases.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 14 | Commitments and contingencies

Accounting Policy

Commitments are future expenses and liabilities to be incurred, on contracts that have been entered into at reporting date.

Commitments

Hanga-Aro-Rau has a commitment under the service contract with Hāpaitia Limited to meet its computer and office equipment lease obligations and continuing operating cost commitments for the life of the assets and lease commitments made by Hāpaitia Limited during the term of the contract.

The annual operating lease value for the computer and office equipment is variable depending on the quantum of assets leased, with an approximate annual lease cost of \$93,700. The lease commitment continues until either party terminates the contractual arrangement.

Hāpaitia Limited has ongoing contractual commitments including operating leases. Each Workforce Development Council is required under the terms of the service contract to meet those commitments for the life of any contracts executed during the period of the service contract. The value of this commitment for Hanga-Aro-Rau at 30 June 2022 was \$1,187,000.

Contingent Liabilities

The funding from the Tertiary Education Commission sourced from under the Workforce Development Council Fund (“Fund”) has been assessed as being without conditions and recognised as revenue when received.

There are some circumstances when some or all of this funding could be required to be repaid (including receiving funding that Hanga-Aro-Rau is not actually entitled to) but the triggers for this contingent liability are very unlikely given the governance and management oversight processes in place.

The quantity of any contingent liability is difficult to quantify as even if events triggered a liability there is extreme variability in what this liability would be.

Capital Commitments

There are no capital commitments at reporting date.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 15 | Related party transactions and key management personnel

Accounting Policy

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that are reasonable to expect that Hanga-Aro-Rau would have adopted in dealing with the party at arm’s length in the same circumstances.

Further, transactions with government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with normal operating arrangements and undertaken on the normal terms and conditions for such transactions.

(ii) Key management personnel remuneration

Hanga-Aro-Rau classifies its key management personnel into one of two classes:

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body

Members of the governing body are paid annual fees in accordance with the Cabinet Office Circular CO-19 Revised Fees

Framework for members appointed to bodies in which the Crown has an interest, dated 29 January 2020. Senior executive officers are employed as employees of Hanga-Aro-Rau on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in ‘people’ for Members of the governing body, and ‘full-time equivalents’ (FTE’s) for Senior executive officers in each class of key management personnel is presented below:

All in \$000s (except number of members)	Actual 2022
Key management personnel related party transactions	
Council members	
Number of Council members*	0.32 FTE
Remuneration	239
Senior executive officers	
Full-time equivalent members*	3.6
Remuneration	764
Total full-time equivalent members	3.92
Total key management personnel remuneration	1,003

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 15 Related party transactions and key management personnel (cont’d)

*Carla Seymour-Mansell resigned from the Council on 20 May 2022 and has not been included in the number of Councillors at 30 June 2022. Remuneration paid during the year has been included in the total remuneration paid to Councillors.

**There are 6 members of the senior management team considered to be key management personnel. These members were employed throughout the period 01 October 2021 to 30 June 2022 resulting in a full time equivalent figure of 3.6.

(iii) Other related parties

During the reporting period Hanga-Aro-Rau transacted with the following related parties:

Related Party	Goods/Services Provided	Transaction Value 2022 (\$'000)	Accounts Payable (000's)	Accounts Receivable (000's)
Competenz	Payment received for leave balances from staff transferring to WDC	46	0	0
Te Pūkenga Work Based Learning	Payment received for leave balances from staff transferring to WDC	4	0	0
Hāpaitia Ltd	Shared Corporate Services including Finance, IT, People & Culture, and Office Management)	927	290	7

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Note 16 | COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic, and two weeks later the New Zealand Government declared a State of National Emergency.

Since March 2020, New Zealand has experienced several lockdowns and various alert levels which have affected the operations of business throughout New Zealand.

Most staff have worked in flexible conditions either working in the office or from home.

The main impacts on the financial statements due to COVID-19 are explained below:

Revenue	Receipt of Government COVID-19 recovery project funding.
Suppliers	The majority of suppliers are based in New Zealand, so the COVID-19 effect on supply was minimal.
Employees	The majority of staff were able to carry out their duties with minimal disruption to productivity.
Liquidity	Sufficient working capital reserves to meet day to day cash requirements have been held. COVID-19 has had limited effect on going concern status.

Note 17 | Events after reporting date

There have been no events, since reporting date, that have led to material effect on the interpretation of the financial statements presented.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
For the nine months ended 30 June 2022

Supplementary information

Remuneration - Employee

The Council has employees, not including Councillors, who received total remuneration greater than \$100,000 for the 9 month period ending 30 June 2022.

The employee counts are shown in the table below:

Total remuneration paid or payable	Number of Employees
\$100,000 - \$109,999	1
\$110,000 - \$119,999	1
\$120,000 - \$129,999	1
\$130,000 - \$139,999	0
\$140,000 - \$149,999	1
\$150,000 - \$159,999	0
\$160,000 - \$169,999	1
\$170,000 - \$179,999	0
\$180,000 - \$189,999	0
\$190,000 - \$199,999	0
\$200,000 - \$209,999	0
\$210,000 - \$219,999	0
\$220,000 - \$229,999	1
\$230,000 - \$239,999	0
\$240,000 - \$249,999	0
\$250,000 - \$259,999	0

Cessation Payments

There were no payments of compensation or other benefits paid or payable to persons who ceased to be members, committee members or employees during the 9 month period 04 October 2021 to 30 June 2022.

He Āpitihanga | Appendices

Appendix 1: Hoa Ahumahi | Our industry partners

Hanga-Aro-Rau represents the voice of the industries we serve in vocational education. We are grateful for the time, expertise and guidance of the many industry association partners we walk alongside including:

Association for Operations and Supply Chain Professionals (NZPICS)	Meat Industry Association (MIA)	New Zealand Taxi Federation (NZTF)
Association of Australasian Diesel Specialists	Metals NZ	New Zealand Timber Industry Foundation (NZTIF)
Australasian Pulp and Paper Technical Association (APPITA NZ)	Mindful Fashion NZ	New Zealand Trucking Association (NTA)
Baking Industry Association of New Zealand	MinEx	New Zealand Truck-Trailer Manufacturers Federation
Beef + Lamb New Zealand	Motor Industry Association of New Zealand (MIA)	OffsiteNZ
Brewers' Guild of New Zealand	Motor Trade Association (MTA)	Outdoor Fabric Products Association of New Zealand (OFPANZ)
Bus and Coach Association of NZ	National Association of Steel Framed Housing (NASH)	Plastics NZ
Canterbury Employers' Chamber of Commerce	National Road Carriers Association (NRC)	Port Industry Association (PIA)
Casting Technology NZ	News Publishers Association (NPA)	Print NZ
Collision Repair Association	New Zealand Association of Metal Recyclers (NZAMR)	Retail Meat New Zealand (RMNZ)
Customs Brokers and Freight Forwarders Federation of New Zealand	New Zealand Beverage Council (NZBC)	Road Transport Association (RTANZ)
Dairy Companies Association of New Zealand	New Zealand Drillers Federation (NZDF)	Southland and Otago Regional Engineering Collective (SOREC)
Employers and Manufacturers Association (EMA)	New Zealand Engine Reconditioners Association (NZERA)	South Pacific Professional Engineering Excellence (SPPEEx)
Energy Efficiency & Conservation Authority (EECA)	New Zealand Food and Grocery Council	Taxis United
Energy Management Association New Zealand	New Zealand Forklift Industry Association (NZFIA)	The Chartered Institute of Logistics and Transport (CILT)
Fire Protection Association of New Zealand (FPANZ)	New Zealand Heavy Haulage Association (NZHHA)	The Institute of Refrigeration Heating and Air Conditioning Engineers of New Zealand (IRHACE)
Furniture and Cabinet Making Association	New Zealand Manufacturers and Exporters Association (NZMEA)	The Manufacturers' Network
Heavy Engineering Research Association (HERA)	New Zealand Marine Industry Association (NZMIA)	The Southern Initiative
Ia Ara Aotearoa Transporting NZ (Road Transport Forum)	New Zealand Marine Transport Association (NZMTA)	Timber Industry Training Centre (TiTC)
Imported Motor Vehicle Industry Association (VIA)	New Zealand Milk Pumping Trade Association (NZMPTA)	WasteMINZ
Innovation Business Skills Australia (IBSA)	New Zealand Pork	Whāriki
Irrigation NZ	New Zealand Sign and Display Agency (NZSDA)	Wood Processors & Manufacturers Association (WPMA)
	New Zealand Shipping Federation (NZSF)	

Appendix 2: Ngā Tohu Mātauranga | Our qualifications (as at 30 June 2022)

Sector	Number of Quals	Review Date
Aluminium Joinery	4	31/08/2026
Apparel	4	30/04/2025
Automotive Engineering	14	31/12/2021
		31/12/2020
		31/12/2020
		31/12/2021
		31/12/2021
		31/05/2024
		30/06/2023
		31/12/2022
		31/01/2026
		31/01/2026
		30/11/2021
		31/07/2024
		30/07/2025
		30/07/2025
Automotive Parts and Wholesaling	1	31/05/2024
Automotive Reglazing	1	31/08/2026
Baking	6	31/12/2022
Boat Building and Maintenance	3	30/01/2027
Collision Repair	5	31/12/2020
Commercial Road Transport	6	30/09/2023
		31/12/2021
		31/12/2022
		31/12/2022
		31/12/2022
		31/12/2022
Customs and Freight Support Services	4	30/04/2026
Dairy Processing	5	31/03/2024

Sector	Number of Quals	Review Date
		30/09/2025
		30/09/2025
		Expiring
		30/09/2025
Dairy Systems Engineering	3	31/12/2024
		30/09/2025
		30/09/2025
Direct Mail Production	2	31/12/2022
Energy and Chemical Plant Operations	5	31/12/2023
		31/12/2023
		31/10/2024
		31/10/2024
		31/10/2024
Engineering Fabrication	1	Expires December 2022
Extractives	16	Expiring
		Expiring
		Expiring
		Expiring
		31/12/2022
		31/03/2025
		31/03/2025
		31/12/2020
		31/12/2022
		31/12/2020
		31/12/2020
		31/12/2020
		31/12/2020
		31/12/2020
		31/12/2020
Fire Protection	9	30/09/2026
		30/11/2025

Sector	Number of Quals	Review Date
		30/09/2026
		30/09/2026
		30/09/2026
		30/09/2026
		30/09/2026
		30/09/2026
		30/09/2024
Food and Beverage Manufacturing	4	30/04/2026
		30/04/2026
		28/02/2026
		28/02/2026
Furniture Making	3	31/12/2024
General Manufacturing	7	30/11/2025
		30/11/2025
		30/11/2025
		30/11/2025
		30/01/2027
		30/01/2027
		30/01/2027
Glass Processing	1	31/08/2026
Irrigation	2	31/12/2023
Kitchen Joinery	2	31/10/2025
Locksmithing	2	Expires December 2022
		31/12/2025
Marina Operations	1	30/01/2027
Marine Retailing	1	30/01/2027
Marine Technology	8	31/12/2025
		30/01/2027
		30/01/2027
		28/02/2023
		30/11/2025
		30/01/2027

Sector	Number of Quals	Review Date
		30/06/2023
		30/06/2023
Meat Processing	8	30/11/2020
		Expiring
		30/11/2025
		31/03/2024
		31/03/2024
		31/07/2022
		31/07/2022
		30/11/2022
Mechanical Building Services	1	31/12/2025
Mechanical Engineering	5	Expiring
		31/05/2026
		31/05/2026
		31/05/2026
		31/05/2026
Metal Casting	1	Expiring
Motorcycle Engineering	2	31/12/2022
Outdoor Power Equipment	1	31/05/2024
Plastics, Polymer and Rubber Product Manufacturing	5	31/12/2025
Primary Processing Support	3	31/12/2022
Print	4	30/06/2027
		30/06/2027
		31/12/2022
		31/12/2024
Pulp and Paper	5	31/03/2023
		31/03/2023
		31/03/2023
		31/12/2024
		31/12/2022
Rail Transport	6	30/06/2025
		30/06/2025

Sector	Number of Quals	Review Date
		31/12/2025
		31/12/2025
		31/10/2026
		30/09/2026
Refrigeration and Air Conditioning	4	31/12/2016
		31/03/2025
		31/03/2025
		28/02/2026
Resource Recovery and Efficiency	3	30/04/2026
Retail Meat/Butchery	3	31/12/2022
Road Passenger Services	1	30/04/2027
Signmaking	3	31/12/2022
		Expiring
Solid Wood Manufacturing	9	31/12/2024
Stevedoring and Ports	2	30/04/2026
Supply Chain	2	31/03/2025
Textiles	2	31/03/2025
Tissue Converting	3	31/12/2022
Water Freight & Passenger Transport	16	30/06/2025
		30/06/2025
		31/03/2026
		30/06/2025
		31/12/2025
		31/12/2025
		31/12/2025
		31/12/2025
		31/12/2025
Welding	2	30/06/2027
Wood Panel and Plywood Manufacturing	3	31/12/2024
	214	

Appendix 3: Āta Huritao⁸ | Self-reflective Duties and Functions Tool of Hanga-Aro-Rau

The Hanga-Aro-Rau self-evaluative framework was developed and tested in early 2022 when members of the SWLP Working Group met as part of a wider Hanga-Aro-Rau representation for a face-to-face, one-day wānanga at Whareroa Marae, Tauranga on 13 April 2022.

We were welcomed and hosted by Matua Turi Ngatai who helped guide us through the day. His far-ranging kōrero helped to set our context and underscored the importance of the work we are embarking on. A point he made when discussing hapū and iwi values resonated with us all: that when something is said, there is no back-tracking, and no deviation: Ngāi Te Rangi “ko Rauru kitahi e”. A transliteration was given as being: “Our word is our bond.”

- The tool is now used to ensure that:
- All mahi undertaken by Hanga-Aro-Rau aligns with our OIC and RoVE outcomes, as relevant.
 - We can measure the incremental impacts our mahi is having on transforming vocational education, honouring Te Tiriti o Waitangi, and strengthening equity in access to, participation in, and success for groups that have been traditionally underserved by previous systems.
 - The tool is an internal and external teaching tool, signalling the expected level of impact across the business. It is intended to drive action, continuous improvement and, ultimately, system and industry transformation.

Outcomes	Self-reflective practice questions	Visible in 2022 Plan	In development for 2023 and beyond	Sources, connections and guidance
Outcome 1: Strong Industry Voice	1:1	<p>How does this Plan facilitate the voices of our Manufacturing, Engineering and Logistics industries?</p> <ul style="list-style-type: none">• Quantitative data analysis to establish key economic and demographic features of our sector• Desktop analysis of existing industry statements• Site visits and industry engagement interviews to hear views, aspirations and challenges first-hand• Online survey of employers, industry representatives and stakeholders (outside the interview participants)• Industry Transformation plans which had wide stakeholder involvement including Unions• Selected industries focus for a 'deeper dive': Wood Manufacturing, Sign Making, Print, Apparel, Mechanical Engineering, Automotive Engineering, Commercial Road Transport• Triangulation testing of key supply and demand insights from the above, through interviews with all RSLG leads• Cross-Government research and data	<p>As in 2022, likely complemented by some or all of the following:</p> <ul style="list-style-type: none">• A new set of selected industries focus for a 'deeper dive'• Peak bodies and think tanks• Focus groups• Social media• Developing a working relationship with NZ Business to explore synergies• Consultation with unions especially for employee voice• New research using defensible methodology and methods with wide enough group to be valid/credible/authentic	<ul style="list-style-type: none">• National databases of statistics and forecasts• Hanga-Aro-Rau's own database of industry contacts• Publications from MBIE, MSD, MOE, MPP, Te Puni Kokiri• Oversight and review by Hanga-Aro-Rau Council and Industry Stakeholder Group• Industry reports including Industry Transformation Plans
	1:2	<p>Does it do this in a way that helps our industries contribute to the creation of a sustainable, globally engaged, and adaptive New Zealand?</p> <ul style="list-style-type: none">• Adaptation, flexibility and resilience were recurring themes in industry reports, and in interview and survey data. Workforce sustainability is also included in this Plan• Environmental sustainability and global engagement were not specifically addressed in data collection	<ul style="list-style-type: none">• Include wider application of sustainable development goals and global engagement as focus areas	

8. This name was gifted to us by Dr Joseph Te Rito and comes with the meaning 'careful/purposeful reflection'.

Outcome 2: Contribution to Education System	2.1	How does this Plan support the provision for all people in our industries to reach their full potential and capabilities?	<ul style="list-style-type: none"> Understanding the existing data to reflect the starting point for our industries and those employed within them (e.g., total employment, roles, productivity, work security, a quality working environment, and for workers to have a voice in the workplace) Understanding any inequities in data and beginning to formulate actions to address that Setting of goals/targets to measure the success of future actions and interventions against Reviewing learner data – from quality-assured published reports and individual illustrative narratives included in this Plan Inclusion of priority group voices from Te Pūkenga's Te Rito reports: (1) all Te Pūkenga learners and Māori learners (2) Pacific learners and Pacific staff (3) disabled learners 	<p>Continuing the approach from 2022, adding:</p> <ul style="list-style-type: none"> Increased focus on gathering learner/employee voice Developing better systems to connect with this group of stakeholders directly (rather than via employers or providers) Strengthening our engagement with providers Strengthening the voice of Māori and Pacific Peoples in our mahi (e.g., leveraging the role of Pacific staff at Deloitte as reviewers of our work) Gaining greater access into TEC datasets to allow for more in-depth storytelling 	<ul style="list-style-type: none"> Use of data and voices of those traditionally underserved by the education system (Te Rito, consultation/submission documents from RoVE) Māori business and iwi consultation Industry engagement interviews and surveys that specifically ask about workforce diversity, and representation of priority learner groups Alignment with Government vision for education: National Education and Learning Priorities (NELP) and Tertiary Education Strategy (TES) - 2023 Steering from Hanga-Aro-Rau Council Insights from Hanga-Aro-Rau Industry Stakeholder Group Connections through Hanga-Aro-Rau Relationships Team
	2.2	Does this Plan have a specific focus on those traditionally underserved by the education system?	<ul style="list-style-type: none"> Much of the demographic data and discussions in this Plan are priority learner specific: Māori, Pacific peoples, disability and gender Our kaupapa: led by our Poumatua (General Manager Māori Workforce Development), to ensure honouring Te Tiriti as a starting point (including tino rangatiratanga – agency and authority) emphasizing action research considering decolonizing mindsets and intended approaches Starting to test these tenets in the way we use questions and engagement with our stakeholders, and the way we report their contributions: i.e., obtaining, understanding and reflecting using culturally appropriate ways (including engaging Māori learners in the context of their whānau) Starting to use language that removes bias and creates space for equity of voice Looking at how we can provide physically, culturally, emotionally, and spiritually safe environments 	<ul style="list-style-type: none"> Developing relationships and incorporating insights from education stakeholders: TEOs, NZQA Invite provider representatives to attend relevant Hanga-Aro-Rau groups (e.g., Qualification Review Panels) Emphasising decolonising, and action research Including a focus on the transition from secondary school into vocational learning and workplaces Engaging directly with priority groups for their voices and expanding our coverage to consider neuro-diverse and people with disabilities Including a focus on the potential learners who aren't engaged, and why? Extending our use of the three official languages of Aotearoa New Zealand across our mahi 	
Outcome 3: Fair / Equitable	3.1	How does this Plan help ensure fair and equitable outcomes for all people in our industries?	<ul style="list-style-type: none"> Understanding the data and any gaps and building from that to create measures of success Starting to clearly and purposely prioritise those voices and needs in research focus, engagement and actions/ recommendations including investment of time and resources Analysis is starting to be based on accepted and authentic methodologies and methods that support equitable research and outputs Our vision is that mahi is undertaken by and with those that are most affected by inequity through methods such as desktop analysis, direct voice, testing, then undertaking the mahi themselves and providing solutions to us. Hanga-Aro-Rau has begun this process by ensuring diversity within its own workforce, and by working closely with industry stakeholders and iwi partners 	<ul style="list-style-type: none"> Further exploration of existing research and interventions (including within our industries and providers) that have been proved successful and scaling those throughout our industries through advocacy Developing plans and activities for working with mainstream industry, employers and peak bodies to see the benefits of supporting fair and equitable outcomes Identification and advocacy of levers that our RoVE and all of Government can accelerate/magnify or introduce Continuing to empower those most affected by inequity – in our own team, and across the sector Possible focus groups: mental health in the workforce, neuro-diversity and people with disabilities 	<ul style="list-style-type: none"> Reflects discussions of equity from diverse published reports, RoVE submissions, wānanga, Te Pae Tawhiti and Korero Mātauranga Pilot advice to TEC related to single funding model, in collaboration with other WDCs, and agreed focus areas. Fairness and equity are key components of the current Hanga-Aro-Rau/Deloitte COVID-19 Recovery research
Outcome 4: Honours Te Tiriti o Waitangi	4.1	In what ways does this Plan contribute to an education system that honours Te Tiriti o Waitangi?	<ul style="list-style-type: none"> Written commitment to Te Tiriti and our Poumatua and Council provide ongoing guidance and oversight Planning for collaborative partnership with iwi/hapū, and Māori communities demonstrated in the range of data and voice included in this plan Outcomes and results from engagement and research presented in this Plan have high value and relevance to Māori, and demonstrate a platform for positive and ongoing action 	<ul style="list-style-type: none"> Continuing our mahi in 2022 towards effective identification, analysis and action planning for Māori outcomes. Any gaps are minor and not of high significance Quality is consistently demonstrated in processes and service delivery/approaches to support outcomes for Māori, as we develop actions based on our learning from this initial 2022 plan 	<ul style="list-style-type: none"> Continuous improvement and self-reflection (including this document) guided by Hanga-Aro-Rau Poumatua and Council, and peer-reviewed by iwi partners Māori business and iwi consultation Feedback from the Kahui group – Turi May 9-10 Literature related to kaupapa Māori best practice
	4.2	How does it support Māori-Crown relations?	<ul style="list-style-type: none"> There is expressed cognisance of Māori worldviews demonstrated throughout organisational business approaches Reporting and self-review on issues of importance to Māori is clear, genuine, and timely, and forms part of wider organisational guidance We model our commitment to Te Tiriti and our kaupapa in all interactions and across all internal and external relationships (including our own recruitment processes and Te Tiriti workshops for our staff) 	<ul style="list-style-type: none"> Continuing alignment and checking in with iwi partners to ensure mana oritī, and that Māori are the voice for Māori Strong industry, agency and provider relationships will allow Hanga-Aro-Rau to undertake leadership and advocacy roles to assist others to advance Te Tiriti understanding and enactment Our Rangatiratanga Plan and our Māori Data Sovereignty policy may assist others to develop their own statements and understanding 	

Outcome 5: Working with stakeholders	5.1	How have we sought to work with learners, industry (including, but not limited to, employers, employees, self-employed people, volunteers, industry associations, and unions), tāngata whenua, stakeholders, the other WDCs and other organisations to deliver the outcomes that the Council seeks ⁹ ?	<ul style="list-style-type: none"> Understanding our Order in Council and what TEC are expecting from Hanga-Aro-Rau Understanding of what outcomes our Council are seeking Started consultation and engagement with most groups (including, but not limited to, employers, employees, industry associations, tāngata whenua/iwi/hapū, learners other WDCs) Engagement with all 15 x RSLGs and reflection of their priorities in the plan Identified the importance of reporting and self-review on issues of importance to these groups being clear, genuine, and timely, and forms part of wider organisational guidance There is increasing cognisance of these groups' views with the understanding we need to positively affirm of Māori worldviews In this 2022 Plan, Hanga-Aro-Rau selected four areas for focused discussions relating to current and future workforce needs. These were: Māori, Pacific Peoples, the COVID-19 effect, and the aging workforce. We acknowledge that we did not specifically target topics i – vi 	<ul style="list-style-type: none"> Ongoing collaborative partnership/testing/engagement with groups contacted in 2022 will be consolidated We will look to grow our networks and extend our database of industry representatives and employers Contact and connections extended to include groups not specifically represented in this Plan, including self-employed people, volunteers, and unions Effective identification, analysis and action planning for all groups. Quality is consistently demonstrated 	<ul style="list-style-type: none"> Industry relationships and Te Tiriti partners WDC and RSLG meetings Webinars – Employers and Manufacturers Association (EMA) Wānanga and self-review
	5.2	In what way does this Plan support the responses to New Zealand's current and future workforce needs, taking into account— i. new global challenges ii. emerging technologies iii. global sustainability goals iv. the changing nature of work v. the skills, knowledge, and qualifications learners will need in future to achieve success for themselves and their communities vi. the transition to a low-emissions and climate-resilient New Zealand	<ul style="list-style-type: none"> During this self-reflection, HAR team members who conducted industry, Māori business and iwi/hapū engagement interviews contributed a number of observed examples of good practice across these topics. We will use these observations as a starting point to facilitate sharing of strategies and successes across our sectors We believe we have identified an opportunity for HAR to support industry in our sector by building connections, through effective leadership, communication and networking and supporting advancing our duties 	<ul style="list-style-type: none"> Topics i – vi will be addressed in future annual Skills and Workforce Leadership (SWL) Plans Actions will include developing mechanisms to identify, describe and share good practice from one operator which may be transferable to others in the industry, while protecting intellectual property and competitive advantage A framework to support this work might have wider transferability across other WDC, RSLG and/or provider initiatives Exploring synergies for working with Centres of Vocational Excellence (CoVEs) 	<ul style="list-style-type: none"> 2023 - Business NZ, EMA and other memberships Ongoing engagement and consultation across our sector and stakeholder groups
Outcome 6: Contributes to the reform and Education Strategies	6.1	How does this Plan give effect to— i. the relevant parts of the Tertiary Education Strategy ii. Ka Hikitia–Ka Hāpaitia iii. the Action Plan for Pacific Education 2020–2030	<ul style="list-style-type: none"> As part of this self-reflection, we have included clear mapping of work – underway and proposed - against the Government's strategies, priorities and intentions described in these documents 	<ul style="list-style-type: none"> Work on future SWL Plans will follow 2022 processes, and look for opportunities to extend the number of persons or bodies able to represent Māori and other priority population groups, who are interested in partnering with us 	<ul style="list-style-type: none"> Peer reviews Government directives, strategies and policy documents that overlap with our sector, and impact vocational education – we have referred to some of these already in this plan (see references) and will continue to grow our familiarity with these in 2023 Feedback from as wide a breadth of our industry stakeholders and Te Tiriti partners as possible
	6.2	In completing this Plan, how have we had regard to the needs of Māori and other population groups identified in the Tertiary Education Strategy?	<ul style="list-style-type: none"> This Plan has drawn on existing voice from these population groups (e.g., through desktop analysis) to inform reporting and plan future actions Identified specific data showing Māori within our industries Testing/peer-reviewing with Māori and other population groups identified in the Tertiary Education Strategy has begun – e.g. with feedback sought on this report prior to submission Peer reviews engaging those with capability within the relevant population groups to give advice and guidance 		
	6.3	Has there been any consultation with the persons or bodies HAR considers on reasonable grounds represent the interests of Māori and those population groups?	<ul style="list-style-type: none"> Started engagement 		
Outcome 7: Advocates for our industries	1	Does this Plan help advocate for our industries and promote career opportunities within our industries with the aim of achieving a balance in the supply and demand for skilled employees?	<ul style="list-style-type: none"> This first SWL Plan has assisted Hanga-Aro-Rau to identify our stakeholders, frame the way we seek to engage with them, and gather data to provide a benchmark of the Manufacturing, Engineering and Logistics workforce in 2022 	<ul style="list-style-type: none"> Continued collaboration and partnership with industry will help us identify initiatives which benefit employers and employees, to champion 	<ul style="list-style-type: none"> Relationships
	2	Does this Plan include research that supports our functions?	<ul style="list-style-type: none"> Insights from interviews, visits and a survey have been aligned with desktop analysis of existing plans/interventions/levers/initiatives that providers/industry and all of Government already have in place to promote opportunities for all people to reach their full potential and capabilities 	<ul style="list-style-type: none"> Working more closely with providers, we will be well-positioned to advocate for quality vocational education and training which support the aspirations of employers, employees AND priority learners 	<ul style="list-style-type: none"> Peer review and stakeholder feedback
	3	Does this Plan promote opportunities for all people to reach their full potential and capabilities by supporting quality vocational education and training outcomes?	<ul style="list-style-type: none"> In addition to these two types of data, we have commissioned our first significant research project, related to Covid-19 recovery, in partnership with Deloitte 	<ul style="list-style-type: none"> We will begin work to develop clear systems to measure, track and advance our work and effectiveness as leaders and advocates for our industries 	<ul style="list-style-type: none"> Ongoing monitoring and application of national statistics and measurements
	4	How does this Plan address the needs and aspirations of priority learners in our industries, including Pacific learners and people with disabilities?	<ul style="list-style-type: none"> We have concentrated on building collaboration and partnership to inform this Plan. These connections will also help us to accelerate the effectiveness of our mahi in 2023 and beyond 		<ul style="list-style-type: none"> Performance monitoring from TEC as our funder

9. See: Hanga-Aro-Rau Statement of Strategic Intent



HANGA-ARO-RAU

**Manufacturing, Engineering
and Logistics**

Workforce Development Council

**PŪRONGO Ā-TAU
INAUGURAL ANNUAL REPORT 2021/22**

FOR NINE MONTHS TO 30 JUNE 2022