



HANGA-ARO-RAU

**Manufacturing, Engineering
and Logistics**

Workforce Development Council



Operational Plan
Whakamahere Nekehanga
2022/23



Introduction

Welcome to the 2022/23 Hanga-Aro-Rau Vision from our Co-chairs

Tēnā koutou katoa

Our matawhānui or broad vision for Hanga-Aro-Rau is that the manufacturing, engineering and logistics industries we represent will have a greater leadership role and influence across the vocational education system and its transformation.

Our corresponding aspirations for the vocational education system are, in turn, firmly grounded in the Reform of Vocational Education (RoVE) vision that vocational education delivers intergenerational wellbeing and supports an economy that is growing and working for everyone in Aotearoa New Zealand, while honouring Te Tiriti o Waitangi. Our role is to bring the industry voice to that kaupapa, or purpose.

We acknowledge the lineage of the RoVE whakapapa and the mahi of all those who have gone before in creating this kaupapa of transformation, and those who we now walk alongside in its implementation. We particularly acknowledge the contributions of the Interim Establishment Board. We also recognise the support of our sister Workforce Development Councils, noting our joint ongoing commitment towards collaboration for the benefit of our industries, some of which cross WDCs in their training requirements.

Our Hanga-Aro-Rau whānau is excited to be part of the innovative RoVE environment, with a shared purpose of providing vocational education that is accessible and relevant to all industries, employers and learners in every region of our motu, Aotearoa. We are looking forward to doing justice to the promised transformation of vocational education.

Everything we do is underpinned by our partnerships and relationships with industry, Te Tiriti partners, iwi, hapū, the Government, the broader RoVE ecosystem, unions, employers and employees, learners, influencers and many other important groups. Each one of these partnerships is genuinely recognised, valued and nurtured within this vision.

Our vision for success is that we impactfully influence the strategic direction of workforce development for the manufacturing, engineering and logistics industries to create a sustainable, globally engaged and adaptive New Zealand. We know we have been successful when all people in our industries – including business owners, Māori business owners, those from our underserved communities, and employees – are confident that the vocational education system is meeting both their current and future workforce development needs.

The formation of a new Industry Stakeholder Group (ISG) in 2022, as mandated in our Order in Council (OIC), will help reinforce

that confidence and ensure that our industry voice directly influences our strategic direction, performance evaluation and the appointment of future Hanga-Aro-Rau Council members.

Our focus is on supporting our industries to interface with the other parts of the vocational education ecosystem. We work with providers to ensure programmes are relevant to employers and endorsed by industry. We ensure that learners can be confident their qualifications will meet employers' expectations and national industry standards.

As Co-chairs, we also recognise the mahi of our Council members and our leadership team who have led the successful 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.

We identify the many challenges that remain as New Zealand begins its recovery 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.

Removing barriers to learning for our Māori, Pacific peoples, neurodiverse, aging and disabled workforce is a top priority, and others will emerge as we continue systematic, meaningful engagement with our industries.

Our approach remains agile and flexible so that we can respond to these emerging industry priorities, particularly as we implement two detailed research projects; 1) examining the effects of COVID-19 on our industries; and 2) investigating industries' skills and workforce needs with a spotlight on diversity in the workplace.

In the context of an ever-changing environment, this plan takes an immediate view of some of our industries while we build our five-year Strategic Statement of Direction.

Ngā manaakitanga



Dr Troy Coyle and Renata Hakiwai

Hanga-Aro-Rau Co-chairs



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Welcome to the Hanga-Aro-Rau 2022/23 Operational Plan from our Chief Executive and Deputy Chief Executive

Tēnā koutou katoa

As Chief Executive and Deputy Chief Executive of Hanga-Aro-Rau, we welcome you to our 2022/23 Operational Plan. Our goal for this plan is to help shape a sustainable, equitable, globally engaged and adaptive Aotearoa to enable greater social mobility and prosperity. It will also drive transformational change in our vocational education system to make it accessible and inclusive to all, with industry voice always at the centre of our work.

We are committed to embedding equity in our mahi and relationships as we walk alongside our many collaborators including industry, Te Tiriti partners, iwi, hapū, the Government, the broader RoVE ecosystem, unions, employers and employees, learners and influencers.

We realise this commitment to equity through our operational pou, the 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.

During our WDC's establishment phase, we defined our specific role within the broader RoVE context, which is clearly outlined in this report's 'Our focus' section. This definition, alongside our stakeholder engagement and research, directly informed the five focus areas for our key priorities. They also enable us to perform the required functions under Section 366 of the Education and Training Act 2020, as well as those outlined in our Order in Council.

These five key priorities are (1) industry voice; (2) Te Tiriti o Waitangi; (3) equity; (4) current and future workforce development needs; and (5) qualifications systems, programme endorsement and moderation.

We will know we are successful in meeting our industry voice priorities when industry has confidence that we fully understand the skills they need, we are well connected to all our stakeholders, our Pacific People's engagement meets the Pacific Action Plan outcomes, and we understand Māori and iwi business aspirations in our sectors and meet Ka Hikitia outcomes.

In line with our Te Tiriti o Waitangi priorities, we are implementing our Rangatiratanga Strategy (Māori Workforce Development Plan) to provide evidence of the shifts required to honour Te Tiriti, developing internal competency and capability in line with Mātauranga Māori and tikanga, and forming strong and effective relationships with Māori and our Te Tiriti partners.

We will progress our equity priorities by engaging, listening to and helping fill gaps in research for traditionally underserved groups

in our sectors. We aim to identify with these groups' barriers and enablers to vocational education, the bias and unconscious bias that exists, and how we can help address issues that affect equitable access, participation, and success. Our expected initial impact is to facilitate an increase in the percentage of Māori, Pacific peoples and disabled people engaging in our industry and helping support outcomes such as those within the Living Standards Framework. We will advocate with our industries and partners on the benefits of equity and diversity.

Our fourth key priority is to guide industry workforce development so industry has access to appropriate vocational educational pathways based on research that considers new global challenges, emerging technologies, sustainability, the changing nature of work and the transition to a low-emissions, climate-resilient New Zealand. We will support national and regional industry needs with kaupapa Māori research principles underpinning all that we do.

And finally, our qualifications systems, programme endorsement and moderation priorities see us supporting quality vocational education and training outcomes, developing a strategic view of skills our industry needs now, and in the future, and translating these needs into expectations of what the vocational education system will deliver.

Many of these key priority outcomes will be realised beyond the life of this annual operational plan, so we have developed our Hanga-Aro-Rau self-evaluative framework (refer to Figure 12 on page 37) to help us continually reflect on our mahi especially as it is relevant to our OIC and RoVE outcomes. It also enables us to measure incremental impacts, and this framework becomes a teaching tool that drives action, continuous improvement and transformation.

We are excited to continue our role in creating change in the vocational education ecosystem that will deliver the skills our industries and their people need, while prioritising a greater volume of diversity and a stronger equity of outcomes.

Noho ora mai



Phil Alexander-Crawford, Chief Executive
and Samantha McNaughton, Deputy Chief Executive

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This 2022/23 Operational Plan was endorsed by the Hanga-Aro-Rau Council on 22 April 2022. The Hanga-Aro-Rau Council, Executive Leadership Team and kaimahi would like to acknowledge all of the many stakeholders and groups that have contributed to the creation of this plan. Your support and endorsement will enable us to collectively and collaboratively transform vocational education in Aotearoa New Zealand.

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.



Carla Seymour-Mansell

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.



Jerome Mika

Jerome Mika 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.



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 NZ Meteorological Service. He has extensive experience as a director with organisations in the manufacturing and technology sectors and considerable involvement with vocational education.



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.



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 NZ 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 (Nga Puhi, Ngati Whatua, Ngati Wai, and Ngati 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.



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 a board member of the Building and Construction Industry Training Organisation (BCITO).

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.

About Hanga-Aro-Rau

Who we are

We are one of the six Workforce Development Councils (WDCs) whose role is to ensure the vocational education system meets industry needs and gives a stronger voice to Māori business and iwi development.

Our purpose

Our purpose is to provide industry with a strong voice in making Aotearoa's workforce fit for today and the future. As vocational education has a direct impact on improving social, economic and sustainability outcomes, we continue to work on its transformation, making it more accessible to all New Zealanders.

Our people

Just like the industries and stakeholders we serve, our kaimahi are based across the motu.

In the spirit of the taura whiri, the plaited rope represented on our logo, our people have already come together in unity to form the foundational aho (strands) of a vibrant, engaging, and transformational team culture built on partnership, internal and external collaboration and the transformation of vocational education.

The taura (rope) is made by plaiting aho (strands) made from rolled muka (scraped flax strands), creating a stronger taura than the aho could on their own. This metaphor is used by kaiwhaikōrero (orators) to connect whānau groups through a shared ancestor and to acknowledge a leader's ability to bring people together.

Our Full Time Equivalent headcount will be 73. At the time of writing this Operational Plan, we were recruiting 35 kaimahi with the expectation that the majority of roles, if not all, will have been filled by 30 June 2022.

For detail on how our organisation is structured, please refer to Figure 2 overleaf.

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 are expected to 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 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.

To ensure everything we do is aligned to our obligations outlined in our OIC as well as the RoVE vision, we have developed a self-evaluation tool. This tool is used by all staff, our Executive Leadership Team and Council to ensure that all our mahi will achieve the transformation and outcomes needed to enable industries, their workforces and their communities to thrive. This tool enables continual reflection and improvement, while also holding us to account as we continue our journey of transformation (for more detail on this tool refer to *How we will know we're successful?* on Page 36).



Our tīma around Aotearoa



Figure 1: Map of Hanga-Aro-Rau kaimahi (April 2022)

Our organisation structure

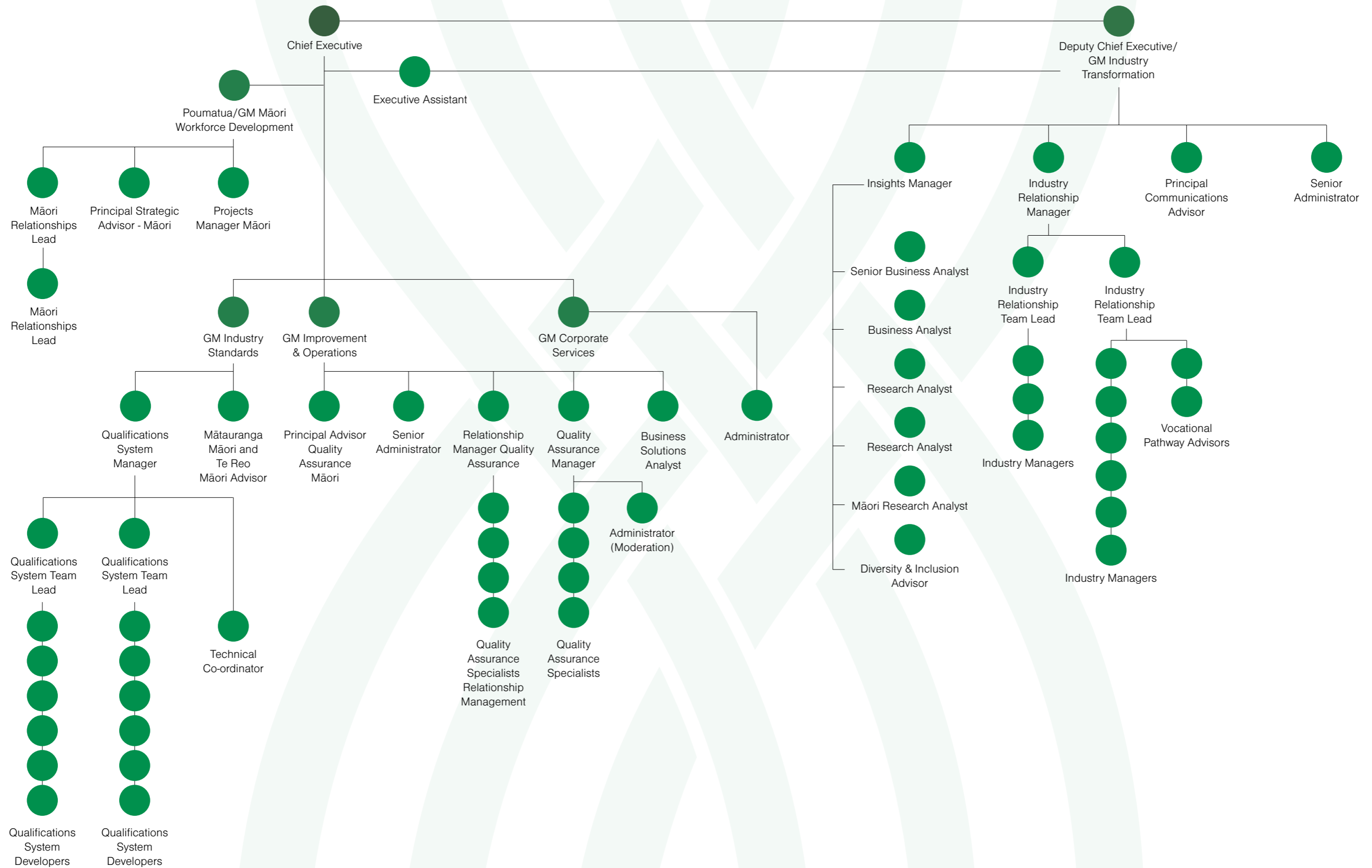


Figure 2: Hanga-Aro-Rau Organisational Chart (April 2022)

The industries we serve

Hanga-Aro-Rau (Manufacturing, Engineering and Logistics) Workforce Development Council represents industries including Manufacturing, Engineering, Processing, Extractives and Drilling, Transport (including heavy and commercial), Postal, Warehousing 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
- 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

Figure 3: Hanga-Aro-Rau sectors

The industries Hanga-Aro-Rau represents employ 657,144 people in approximately 105,000 businesses that contribute \$80b 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 NZ workforce.

All our sectors are facing common challenges in the workforce. Some of the challenges have been existing or longer-term, such as meeting the demand for new skills due to the rapid growth of technology because of Industry 4.0 (the fourth Industrial

Revolution), through to an aging workforce, a lack of succession planning and a demand for leadership training.

Many of these challenges have been further exacerbated by COVID-19 and its ongoing impacts – not only on individual workplaces and workforces due to lockdowns and isolation, but on the broader supply chain due to global disruption. The lack of skills traditionally sourced through immigration or international work visas has created a skills gap. A low unemployment rate has reduced employers' access to the labour market, forcing business to adopt automation to fill the lack of manual labour, however, this has brought on new challenges such as a skills shift where digital and cognitive skills are required to replace these roles.



Our establishment

Our establishment

During late 2021 and early 2022, Hanga-Aro-Rau proceeded with our establishment

We were able to quickly build capability and capacity to progress functional workplans in our standard setting and quality assurance areas; we were able to design and commence our external engagement strategy; and we were able to advance 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 development programme for all staff.

Engagement

Hanga-Aro-Rau is committed to building strong connections and partnerships with all stakeholders 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. Shortly after our establishment, we quickly engaged with a range of stakeholders to understand their workforce development and their expectations of Hanga-Aro-Rau and establish the connections needed to maintain strong relationships going forward. In 2022 we continued this approach, as well as making new connections to further understand the priorities of all stakeholders we serve.

Engagement is a fundamental tool for connecting with industry and their workforces and ensuring the vocational education systems anticipates, responds to and/or adapts to the changing nature of industry and their people to build inclusive, thriving, sustainable and productive workforces.

Our engagement approach is industry-led and based on the following principles:

- **Partnering** with our stakeholders to understand their needs and work with them to design and implement effective solutions to ensure sustainability and prosperity.
- **Transforming** the way we engage to gather and verify intelligence to drive transformational change in vocational education and workforce development.
- **Collaborating** across the broader educational ecosystem, including training providers and schools, non-governmental organisations, underserved groups, Regional Skills Leadership Groups (RSLGs) and government and local government entities to ensure a holistic approach to workforce development.



Figure 4: Hanga-Aro-Rau's stakeholder matrix

Through honouring Te Tiriti o Waitangi and supporting Māori-Crown relations, we:

- Gather, consolidate and preserve the voices of our stakeholders through meaningful and reciprocal engagement. This includes the voices of small, bespoke and rapidly changing industries.
- Provide leadership by identifying current and future needs and advocating those needs to be met through partnering with industry, providers, regional bodies and the Government. This will, at times, require the prioritising of some voices to help ensure fair and equitable outcomes for all people in our specified industries.
- Strengthen our partnering 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.

Success is defined in a number of ways, including:

- Our industries see Hanga-Aro-Rau as their voice on vocational education and workforce development.
- Māori, including iwi, hapū, learners, and employers, and our Te Tiriti partners are confident Hanga-Aro-Rau are contributing to a vocational education system that meets their needs and respects their mana in Aotearoa's labour market and society, as well as underpins their sustainability, viability and relevance to Māori and Aotearoa's economies.
- Intelligence is leveraged to build on what's gone before, to create vibrant and advancing skills leadership plans that ensure our industries are preparing now for the skills and capability they need in the future.
- Traditionally underserved groups (including those by way of gender, Pacific peoples and our disabled community) have a strong presence, influence and partnership with us to truly improve access to vocational education and prosperous, sustainable careers.



Hanga-Aro-Rau supports the collision repair and automotive refinishing sectors.

Formation of Hanga-Aro-Rau's Industry Stakeholder Group

Hanga-Aro-Rau has a unique element in our Order in Council (sections 12-16) that we need to establish an Industry Stakeholder Group (ISG). This was identified as something our industry held as important during the initial stakeholder engagement process conducted by the interim Establishment Board. This rōpū will enable our industry to influence the direction and performance of Hanga-Aro-Rau. It will also be responsible for future appointments to the governing Council, and members must represent a broad range and diversity of views across our specified industries.

The purpose of the ISG is:

- To provide industry voice at a strategic and operational level, providing constructive challenge to ensure we drive transformation and enhance equity.
- To review performance on strategic and operational matters (including our Statement of Strategic Direction and future Operational Plans)
- To appoint future governance members to the Hanga-Aro-Rau Council.

At the time of writing this plan, the group was being formed, with the inaugural meeting anticipated for May 2022. The rōpū will be chaired by an independent person who will have an extensive background in te ao Māori (including te reo Māori and mātauranga Māori) further enabling Hanga-Aro-Rau to honour Te Tiriti o Waitangi.

Provider Engagement Strategy

In early 2022, Hanga-Aro-Rau developed a Provider Engagement Strategy. This strategy was designed to enable Hanga-Aro-Rau to sustainably and meaningfully engage with our provider network to ensure it meets the current and future needs of the industries and their workforces that we serve.

We are mindful that engagement is multifaceted and will occur at both a strategic level (long-term view and executive level) and operational level (for example, to support the day-to-day mahi around qualification, standard design and development, and moderation). We are also mindful that Te Pūkenga is currently the sole vocational education provider for most of the sectors we support and the broader Ohu Mahi, so we are collaborating across all WDCs to ensure engagement with Te Pūkenga is efficient and effective.

Like all other engagement, the principles we operate by are partnership, collaboration and transformation. We always strive to be mana enhancing, and to ensure we represent the needs of our industries.



Te Korowai ō Maikuku (waka house) near Hobson Beach shelters a ceremonial waka named Ngātokimatawhaorua, built to celebrate the 100-year anniversary of the signing of Te Tiriti.

Honouring Te Tiriti

Our Hanga-Aro-Rau approach is based on initially bringing ourselves up to a level of understanding so that we are in position to understand what has already been said by our Te Tiriti partners, Māori, iwi, hapū and whānau. There is a wealth of voice that comes to us as taonga to be listened to and help guide us in both the establishment phase and our next operational period. It is not in replacement of engagement, partnering, co-design nor testing with our Te Tiriti partners, but an initial approach that is equally applicable for our next operational period and what we see as a rightful obligation upon us.

Therefore, key guidance/voice has been sought from:

- He Whakaputanga o te Rangatiratanga o Nu Tirene (1835)
- Te Tiriti o Waitangi (1840)
- Ngāi Tahu Perspective on the Reform of Vocational Education (March 2019)
- TEU submission on RoVE (5 April 2019)
- TTDMC (New Zealand Māori Council endorsed) submission on RoVE (April 2019)
- RoVE Technical Workshop (The Tauranga Yacht Club Wānanga) (28 May 2019, TEC)
- ITP Roadmap 2020: What we heard from the sector and its stakeholders (TEC)
- Te Pae Tawhiti including annual report (2021/22, Te Pūkenga)
- Te Arawhiti Guides
- Establishment Unit materials (2021)
- Hanga-Aro-Rau self-reflective duties and functions tool (2022)
- Te Rito Research (2021, Te Pūkenga)

From this basis, we have commenced direct engagement with our Te Tiriti partners, Māori, iwi, hapū and whānau. We are working to define Māori business, and while we recognise that a large proportion of non-Māori (or 'mainstream') businesses employ larger proportions of Māori, we believe that these businesses will also be influential in affecting change for Māori. This will be researched and tested in 2022/23.

We also collaborated across Ohu Mahi via our Poumatua (General Manager, Māori Workforce Development) to develop a programme of work for 2022/23, which will include an approach to Te Tiriti that allows individual approaches within a wider umbrella kaupapa.

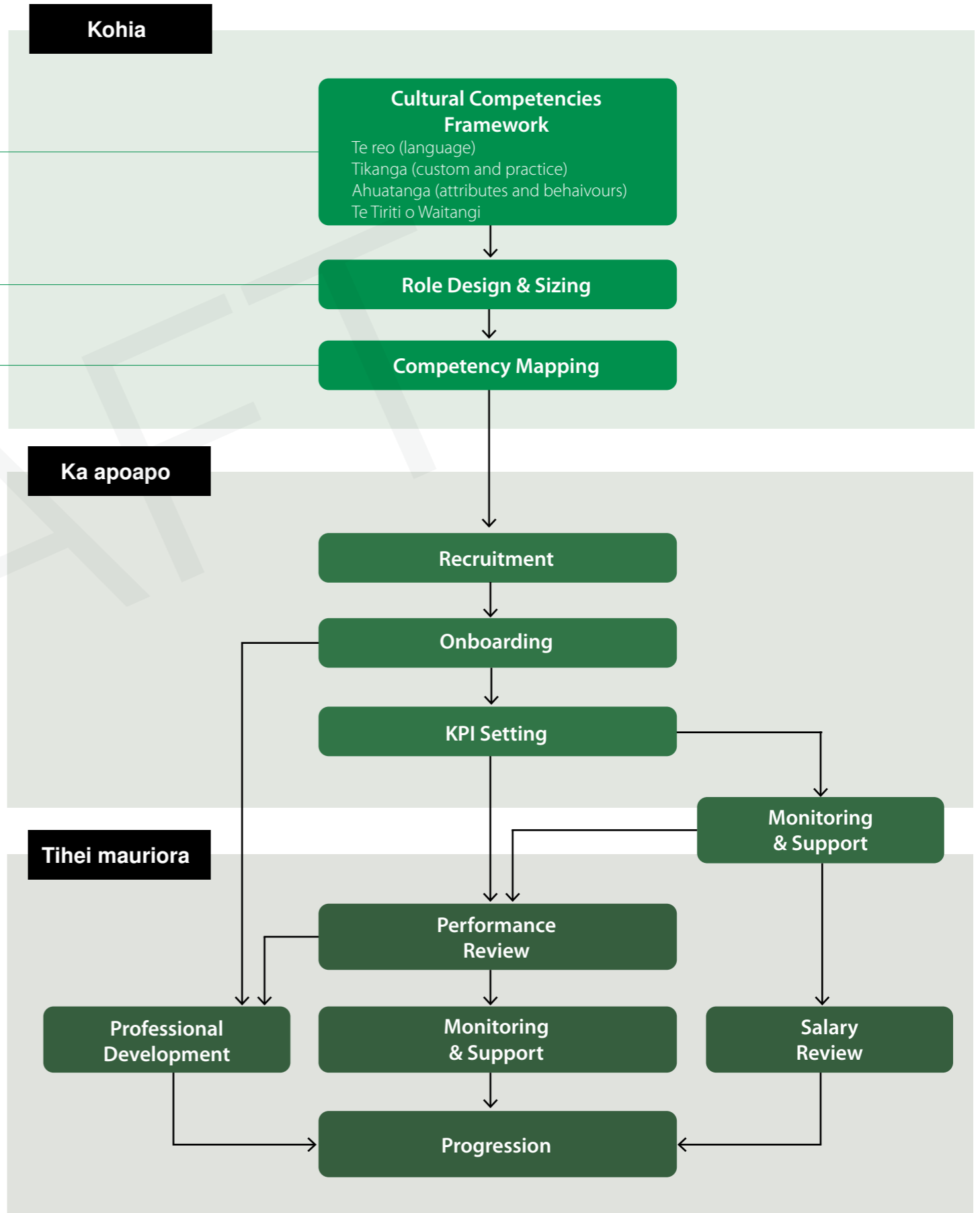
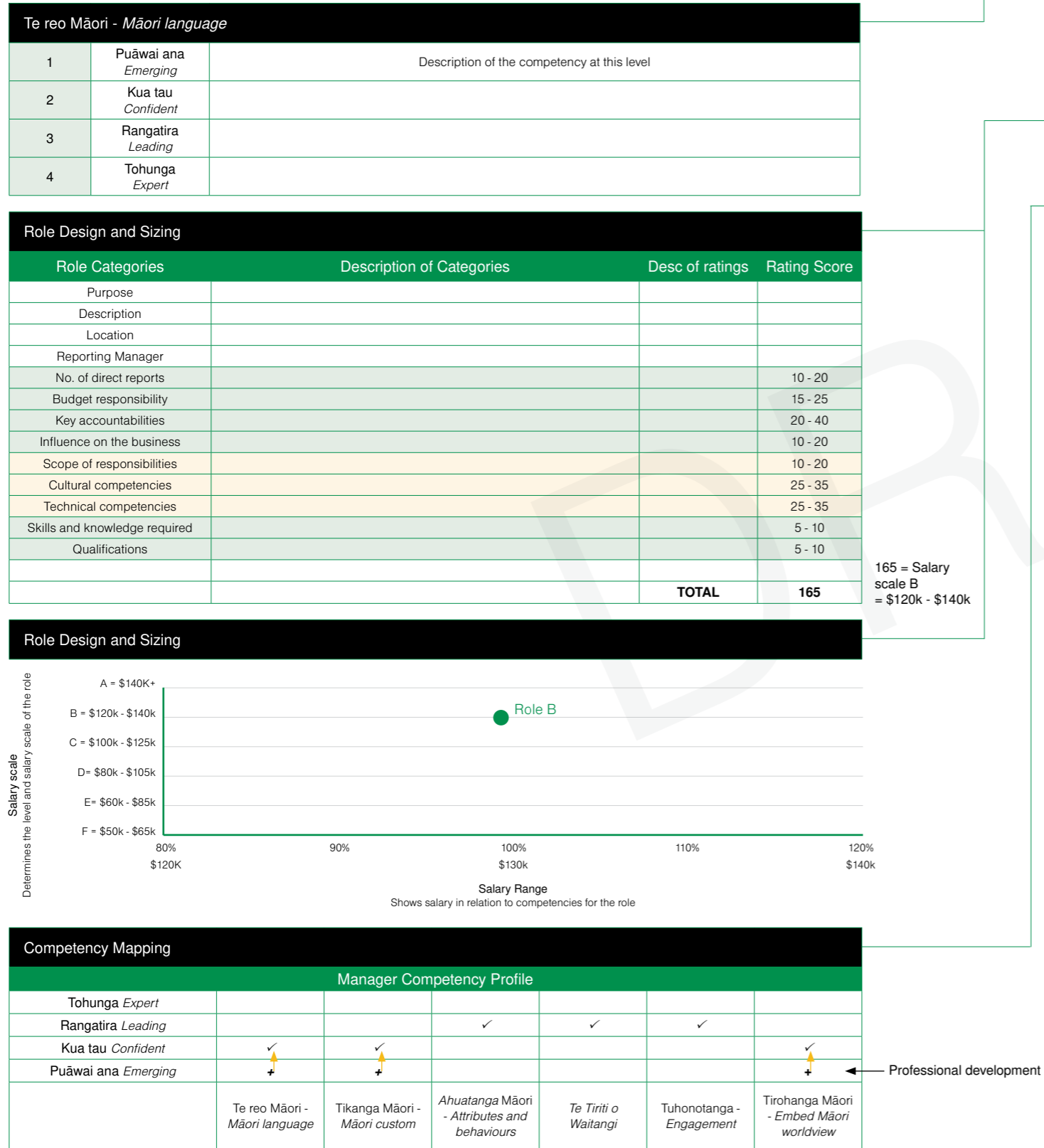
Rangatiratanga Strategy

In early 2022, we developed our *Rangatiratanga Strategy*, which outlines our strategic intentions and activities to meet our accountabilities to honouring Te Tiriti o Waitangi and support for Māori-Crown relations.

The plan identifies pou (pillars) - such as industry voice, partnership and engagement, cultural capability, and systemic change - upon which the foundation of our mahi will be built and will provide focus for our investment and efforts in 2022/23.

Cultural Capability Roadmap

Since our establishment in October 2021, we have focussed on not only building our tima, but also prioritising the development of our cultural capability. We have developed a Cultural Capability Roadmap that extends into 2022/23.



This roadmap not only builds cultural competency into our internal frameworks, but it ensures all kaimahi have access to development opportunities that expand their knowledge and application of Te Ao Māori, te reo, and Te Tiriti o Waitangi to ensure we authentically honour it in all that we do.

Figure 5: Hanga-Aro-Rau's Cultural Capability Roadmap (April 2022) - DRAFT

Pacific specific

In March 2022, we completed a deep dive ‘desktop’ analysis of the representation of Pacific peoples in our industries. 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, and as is well documented in the RoVE literature as well as insights from Te Pūkenga’s Te Rito report, Pacific peoples’ learners tend to have lower qualification completion rates compared to Māori, Non-Māori and Non-Pacific peoples¹.

In general, Pacific peoples’ populations are younger, and on a strong growth trajectory. Infometrics², 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.

Therefore, it is critical that we investigate further:

- How Pacific peoples are currently supported in manufacturing workplaces (including attraction, retention, career progression).
- How employers across all Hanga-Aro-Rau sectors can attract and support more Pacific peoples into their businesses as a mechanism to address commonly known skills gaps, as well as workforce succession.
- What needs to be done differently to support Pacific peoples’ educational achievement to ensure success and increased social mobility.

There are a few limitations to the current data, including the reliance on Census data and data equity whereby detailed insights are often not possible due to limitations to its collection and how it is analysed. Some of these limitations will be addressed through COVID-19 recovery projects (see below), but we also anticipate Hanga-Aro-Rau will need to undertake further research in 2022/23.

Forecast job openings per year Hanga-Aro-Rau sectors

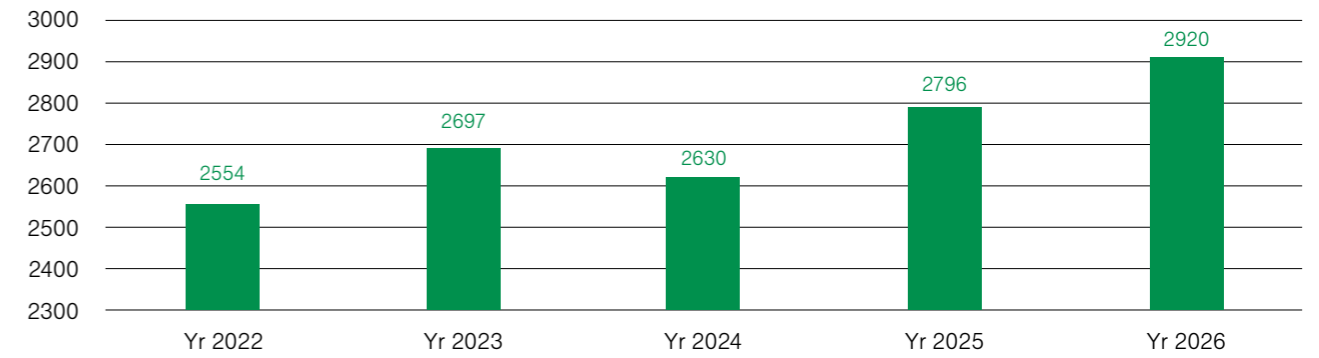


Figure 6: Forecast job openings for Pacific Peoples in Hanga-Aro-Rau sectors

Forecast employment growth 5 years to 2026

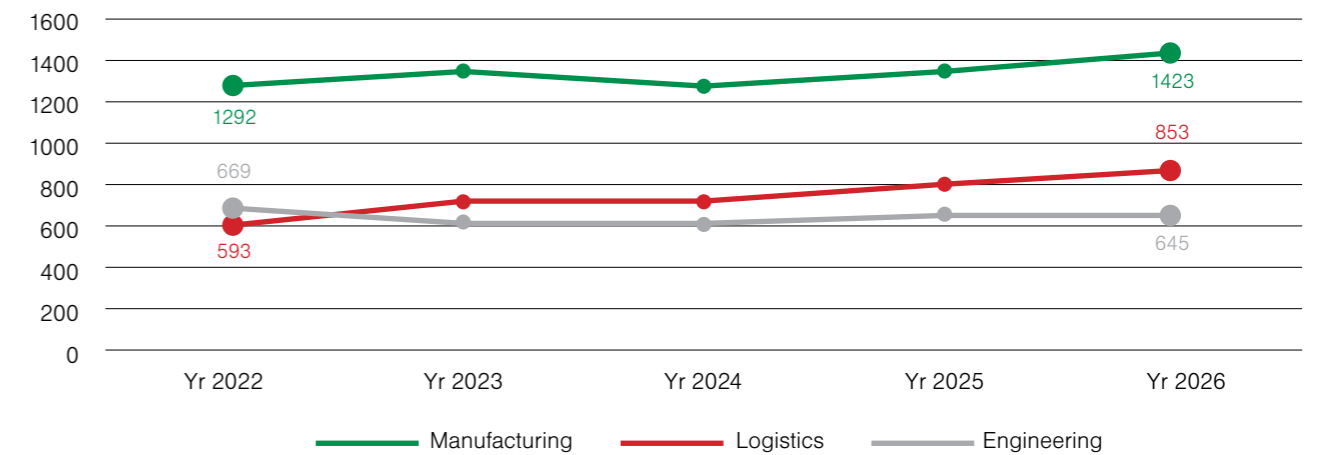


Figure 7: Forecast employment growth for Pacific peoples in Hanga-Aro-Rau sectors

1 Data Source: Nga Kete, Tertiary Performance SDR, Qualification completion by learner demographics over time 28.2.2022

2 Data source: Infometrics, 2022 (based on 2018 Census data)

Regional Skills Leadership Group engagement

In early 2022, Hanga-Aro-Rau undertook an intensive engagement project targeting MBIE Leads from all Regional Skills Leadership Groups (RSLGs) to build relationships that will enable ongoing collaboration across areas of mutual priority.

Key to this project has been gaining an understanding of regional priorities for the 2022 Regional Workforce Plans to allow the relevant priorities to be reflected in Hanga-Aro-Rau's Skills and Workforce Leadership Plan. We also took this opportunity to share our own insights from industry engagement across the motu as well as advocate for our industries to feature in future initiatives led by RSLGs.

This engagement has identified opportunities for further collaboration and partnership during 2022/23 and beyond, acknowledging the rich membership of Te Tiriti partners, Māori, iwi, hapū and whānau in the RSLGs, as well as industry and business leaders.

Hanga-Aro-Rau's ability to understand the regional perspective against what we know nationally will support how we focus our priorities for the next two years. In addition, our Interim Investment Advice to the TEC will more specifically articulate our sectors' regional priorities as well as those for the specified priority populations.

Regional Skills Leadership Group (RSLG) priorities for 2022

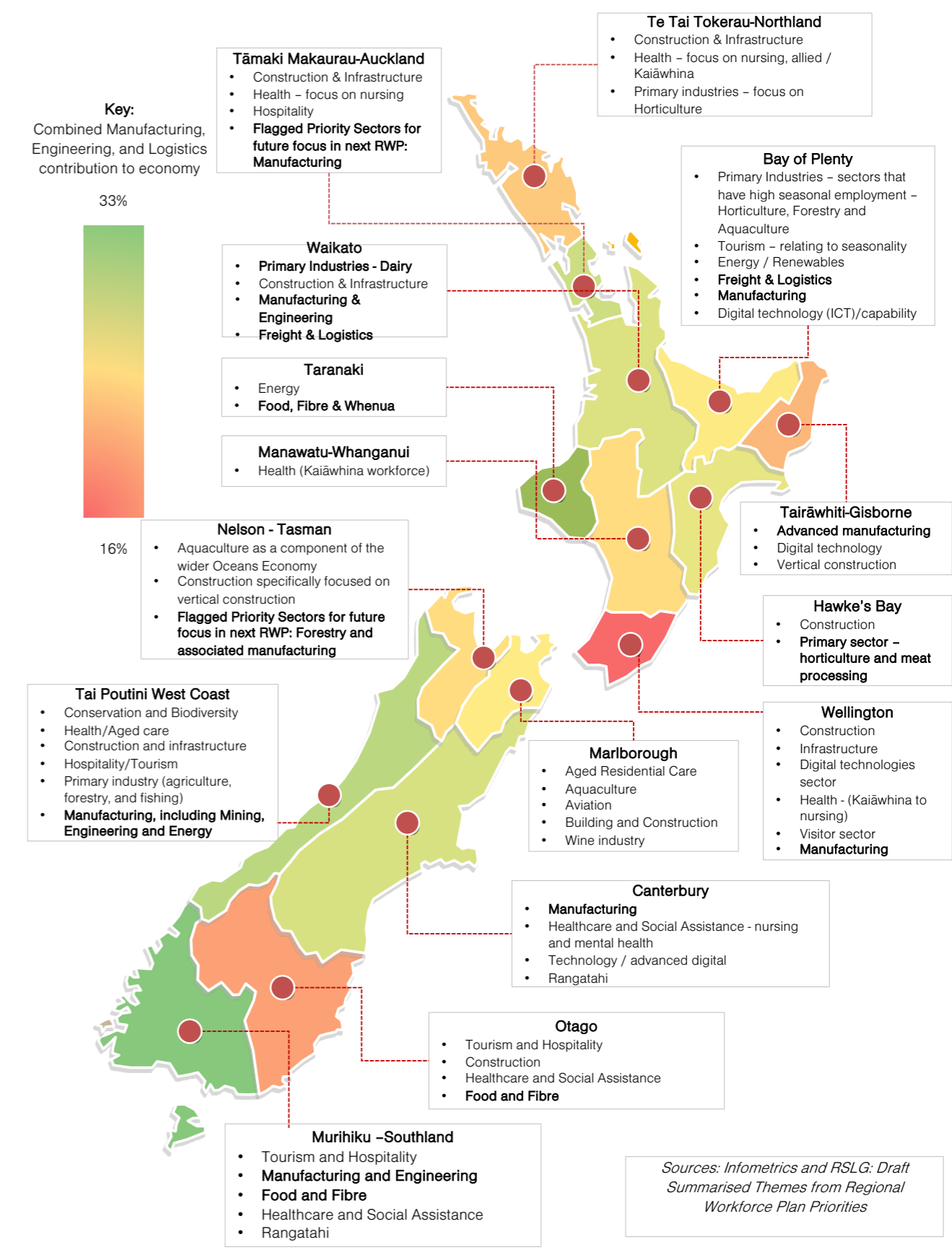


Figure 8: RSLG priorities for 2022

Supporting manufacturing and engineering sectors to recover from COVID-19

We are grateful for being awarded \$630,000 from the Tertiary Education Commission's COVID-19 Response Projects Fund. This pūtea will allow us to fund research into how vocational education and training can help our vital, COVID-19 hard-hit manufacturing and engineering sectors to:

- maintain their current workforce
- retrain and upskill to ensure workforces are future-proofed for a changing post-COVID environment, especially as access to skilled migrants will be limited.

We're proud to be partnering with Ngāi Tahu, manufacturing and engineering employers, industry associations, and chambers of commerce on this mahi. Using an inclusive, mana taurite approach ensuring equity and reciprocity, the research hypothesis, methodology, results, and strategy will be designed in true partnership. Frequent evaluation and review opportunities will allow the direction of the project to be adjusted where aspirations of Māori and those traditionally underserved by the system would benefit.

The project will provide tangible and iterative benefits to industry and iwi in small bursts as it progresses. We expect the project to be completed by the end of 2022, informing a comprehensive action plan for 2023.



Forklift standards fall within the remit of Hanga-Aro-Rau.

Industry Equity Project

As part of a TEC-funded COVID-19 Response project, Hanga-Aro-Rau is collaborating with Waihanga-Ara-Rau to extend the highly successful and impactful Women in Trades research to our sectors, as well as other groups that have traditionally not been attracted to these sectors and/or particular roles. All industries are facing the challenges of skills shortages due to growth and/or transformation/innovation and/or the aging workforce.

This project is being scoped at the time of writing, with research expected to continue into the 2022/23 year. Findings are expected by December 2022 and will inform future workplans to strengthen equity, participation and success for all.

Skills and Workforce Leadership Plan

At the time of writing this Operational Plan, Hanga-Aro-Rau was advancing the development of our inaugural Skills and Workforce Leadership Plan for submission to TEC by 30 June 2022.

The objective of the plan is to provide our industries, TEC, and other key stakeholders with a view of the challenges and opportunities within the sectors, ideas for what is needed to meet our national skill requirements within our sectors - both currently and for the future, and to begin to develop a picture of how our industries have been impacted by various challenges (aging workforce, COVID, specific challenges for Māori and Pacific peoples).

Our objectives for this year's plan include:

1. An overview of our high-level sectors via quantitative data gathering.
2. Quantitative data gathering attempted across all 74 sectors.
3. A deep dive "under the microscope" into six priority industries (wood manufacturing, print, signmaking, commercial road transport, automotive engineering, mechanical engineering) via quantitative and qualitative data gathering. These industries were selected by:
 - Significant presence of, or significant lack of, Māori within the industry
 - Alignment to Qualification Reviews
 - Representation of a cross section of each of our high-level sectors
4. Specific thought pieces dedicated to impacted areas of our industries particularly focused on:
 - a. Māori
 - b. Pacific peoples
 - c. COVID-19
 - d. Aging workforce

To support our insights and ensure that our industries' voices are central to this plan, we are undertaking at least 40 in-depth interviews across the specified sectors. All stakeholders listed in our CRM - Aka Kōrero - have also received an invitation to complete an online survey. Emerging themes are helping to shape our areas of focus in our Operational Plan and are outlined in the following section.



Hanga-Aro-Rau's coverage areas include baking.

Embedding equity in all we do

Our approach to equity is underpinned by three key operational pou:

1. Ensuring that equity is owned at all levels
2. Translating equity into action
3. Building equity capacity for all staff and within our industries

1. Ensuring that equity is owned at all levels

We work across our internal organisation and with our external partners and stakeholders to see the worth, benefit, responsibility and opportunity in embedding equity and inclusion. We acknowledge that they are intertwined strands to shared ownership, and that all the RoVE whānau must do more to take steps to embed equity into all our operations, decision making, and organisational culture to make these values and norms part of our DNA.

During our Establishment Phase we developed and implemented guiding principles for our employment policies and other business relationships, which feature in all that we do. We recognise our responsibility to model equity, like all RoVE partners, otherwise how can we ask it of others?

Changing the organisational culture is a difficult and challenging process that requires patience and attention to all phases of a worker's journey, through our own mahi and our relationships with customers, suppliers, stakeholders, iwi, hapū and the members of the communities in which we operate.

2. Translating equity into action

We seek to model equity in action and give examples of what equity looks and feels like. By getting this right internally, we see this as a key enabler to make a positive change among all who we serve.

For example:

- Making a strong commitment from the top by signalling that senior management assumes responsibility for equal employment issues and is committed to diversity, thus sending a strong message to other managers, team members and our stakeholders.
- Setting up an organisational policy establishing clear procedures on non-discrimination and equal opportunities and communicating the policy both internally and externally.
- Addressing complaints, handling appeals, and providing recourse to employees in cases where discrimination is identified.
- Establishing bipartite bodies involving freely chosen staff representatives, in order to determine priority areas and strategies, to counter bias in the workplace, and to ensure that all workers are committed to the organisational goals regarding diversity and non-discrimination and to advocate and work with our stakeholders to pursue equity.
- Setting measurable goals and specific time frames to achieve objectives.

3. Building equity capacity for all staff and within our industries.

To ensure equity remains a key focus, we are committed to building capacity and capability for all staff and the industries we serve. In 2022/23 we intend to progress this through:

- Providing training at all levels of Hanga-Aro-Rau, particularly for those involved in recruitment and selection, as well as supervisors and managers, to help raise awareness and encourage people to act against discrimination, and support inclusion and diversity.
- Supporting ongoing sensitisation campaigns to combat stereotypes.
- Monitoring and quantifying progress to identify exactly what improvements have been made.
- Ensuring equal opportunity for skills development, including scheduling to allow maximum participation.
- Encouraging efforts of our stakeholders and our partners to build a climate of equal access to opportunities.

A key ingredient (as noted above) to Hanga-Aro-Rau promoting equity (specifically as our OIC directs us to) when working with our industries and other partners. The steps in delivering this duty will be:

1. Identifying those of our industries that are already practising approaches to equity. Examples include Engineering New Zealand and their Diversity Agenda Accord. The accord has over 160 industry and education partners whose goal is to help engineering and architecture firms become more diverse and inclusive through awareness, empowerment, and action. This includes a personal commitment and taking of responsibility by CEs and business owners to be held publicly accountable for achieving truly diverse industries.
2. Profiling through partnership those existing adopters as our Hanga-Aro-Rau Industry Champions. These include identifying models of practice that we can help profile in our function of advocating for industry.
3. Uplifting best practice that will help inform our advice, both in terms of regional and motu wide approaches.
4. Working directly with organisations that we can leverage for impact through developing bespoke approaches. An example of this is our partnership with Business NZ (in development) where we would include an equity and sustainable development approach to our shared mahi.
5. Testing our thinking simultaneously with our Te Tiriti partners as well as those who have been traditionally underserved by the vocational education system.



Our focus for 2022/23

Hanga-Aro-Rau acknowledges its role in achieving the RoVE vision of a strong, unified, sustainable vocational education system that is fit for the future of work and delivers the skills that industry and employers need to thrive now and in the future. All this is underpinned by honouring Te Tiriti o Waitangi and strengthening Māori-Crown relations.

We acknowledge that there are some features of the reform that Hanga-Aro-Rau has a stronger accountability towards informing or achieving, than others. Below is a depiction of how Hanga-Aro-Rau specifically influences all RoVE outcomes.

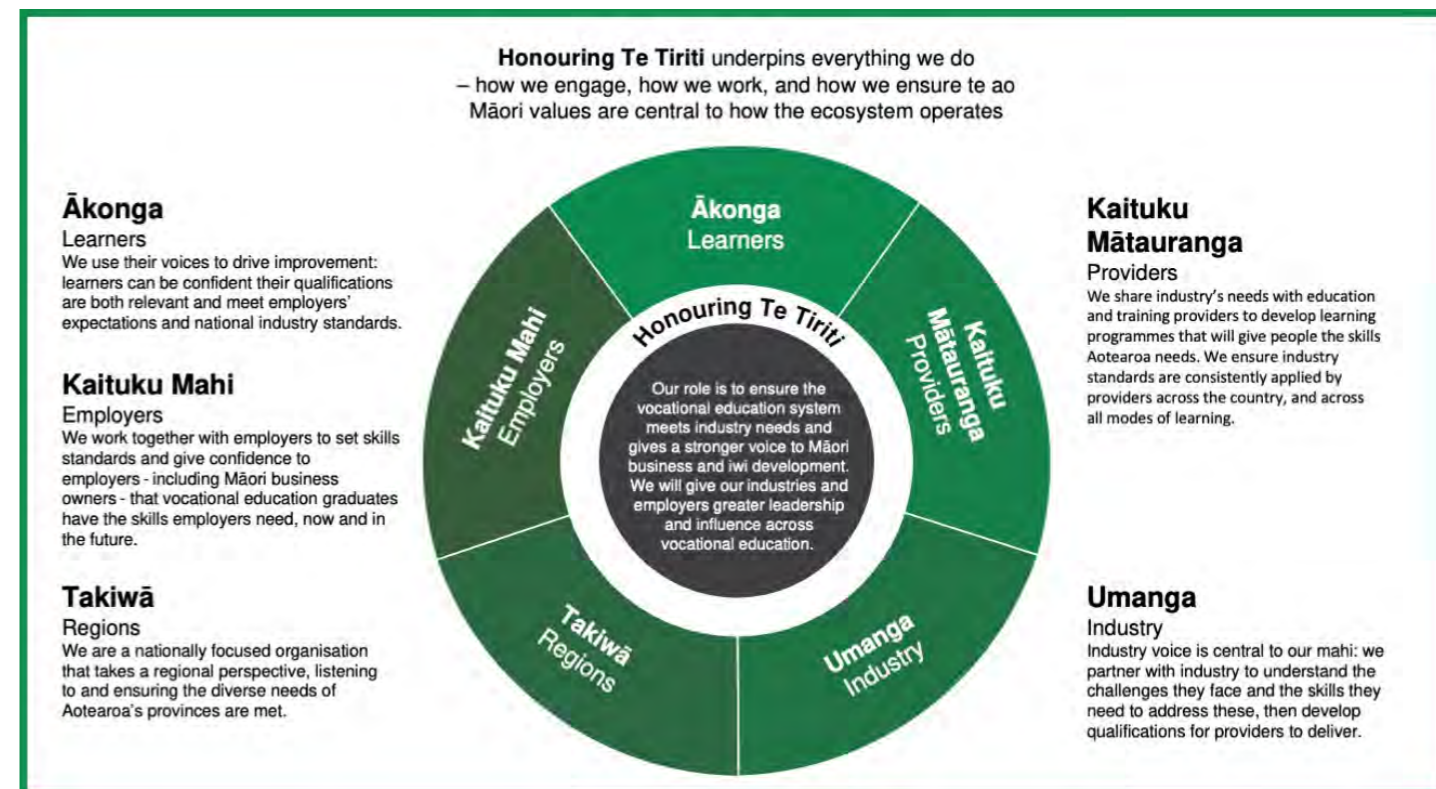


Figure 9: How Hanga-Aro-Rau contributes to the RoVE outcomes

Our focus for 2022/23

Intervention logic map

During our Establishment Phase in late 2021 and early 2022, we were able to define the elements of the broader reform and the specific roles we play in realising its vision.

For us this means that:

- **Industry voice** influences the strategic direction of workforce development for the manufacturing, engineering and logistics industries contributing to the creation of a sustainable, globally engaged, and adaptive New Zealand.
- **Te Tiriti partners** inform how vocational education is improved by Māori for Māori.
- **Opportunities for all people in our industries** to reach their full potential and capabilities are increased by supporting industry to focus on involvement of Māori, Pacific peoples, disabled and neurodiverse people.
- Industries and employers' **ability to respond to New Zealand's current and future workforce needs** is improved by developing the skills, qualifications, and expectations for providers to deliver that consider 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.
- **National workforce development** is improved through maintaining a strategic view of skills needed now and in the future with **regional perspective**.
- We **transform** how industry qualifications and skills standards are developed to create **shifts in inclusion, equity and cultural authenticity** over time by creating pathways from what is done now, to what should be done.
- **Vocational educational eco-system collaboration**, including collaboration with Ohu Mahi (Workforce Development Councils) to ensure system efficiency, is central to our operation, engagement and focus.

A key element to our mahi and success will be contingent on how we continue to be a trusted partner, how we collaborate and how we lead transformation, not only in vocational education, but in supporting our industries, and most critically, their workforces to maximise their potential.

For 2022/23 we bring together all that we have achieved and learned during our establishment to extend on areas our stakeholders have identified as critical priorities.

All of this is outlined in our intervention logic map overleaf. The map outlines our high-level priorities for 2022/23, and how they align with our purpose, our Order In Council and the broader Reform of Vocational Education goals.

In developing this map, we have reviewed key strategic documents (including the Tertiary Education Strategy, Ka Hikitia, the Pacific Action Plan, the Disability Action Plan, all documents developed by the WDC Establishment Unit and underpinning RoVE documents) to ensure our mahi is cemented in the system outcomes required for vocational education to truly transform our industries, their workforces and their people.



Hanga-Aro-Rau is responsible for driver education qualifications.

Intervention Logic Map 2022/23

A strong, unified, sustainable system for all vocational education that delivers the skills that learners, employers and communities need to thrive.

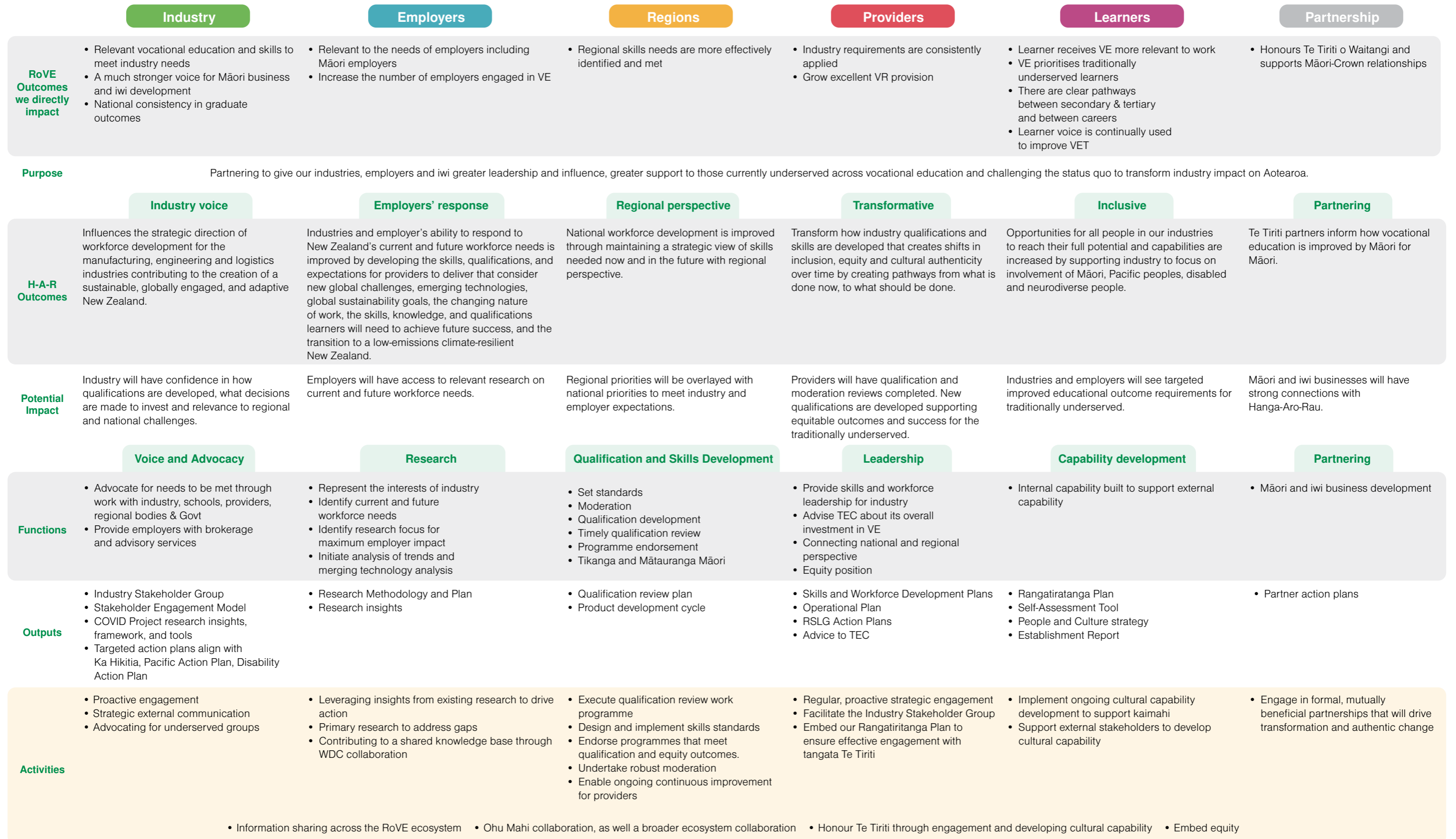


Figure 10: Hanga-Aro-Rau's Intervention Logic Map for 2022/23

Our workplan 2022/23

For 2022/23, our priorities are informed by:

- Extensive and diverse stakeholder engagement in 2021/22 to establish strong connections. This involved a range of stakeholders, including industry (including industry associations, employers, employees, unions, and volunteers); industry influencers (such as government, chambers of commerce, business organisations, not for profit organisations, and economic agencies and research partners); RSLGs; vocational education providers; and Te Tiriti o Waitangi partners.
- Progressing and achieving our Establishment Plan priorities and functional workplans, including qualification development schedules, our moderation plan and developing our Skills and Workforce Leadership plan.
- Commencing research, especially our COVID-19 Response Projects to: support manufacturing and engineering sectors recover from the impacts of COVID-19 on their workforces; identify opportunities for more equitable workforces that attract a wide variety of people at any stage of their careers; and develop tools that enable us to access diverse datasets to enable more informed and sophisticated analysis to better support future workforce planning.
- Reviewing all educational strategies listed in our OIC to ensure explicit links are made to the specific actions that Hanga-Aro-Rau can most directly influence, as well as the RoVE outcomes we directly influence and those that we contribute to.
- A reality that at the time of writing this plan, Hanga-Aro-Rau has only been operational for six months, and we expect our thinking, ways of working, and organisational priorities will continue to evolve, just as we have during our Establishment Phase.
- Putting in place the mechanisms, frameworks and processes needed to operate Hanga-Aro-Rau effectively and the skilled people needed to propel us forward.
- A key constraint during this establishment phase was engaging meaningfully in a COVID-19 environment. While we have had success navigating the various challenges and established strong and trusted relationships, we know it has impacted how we work and intend to work into the future particularly where kanohi ki te kanohi is the preferred method to gain trust with our partners.

Key themes:

- All stakeholders are navigating their response to the challenges imposed by COVID-19 and see this a dominant priority for 2022 and 2023.
- Ensuring that the aging workforce is supported with meaningful work and career and education pathways is an ongoing priority. Anecdotal insights gathered in late 2021 and early 2022 suggest that the older workforce may be seeking to stay in employment longer, but potentially performing different duties due to COVID-19 response, the macro-economic situation, or simply because they are healthy and keen to remain engaged and connected with the industry they are passionate about.
- Employers in our industries employ a large number of Māori staff. Based on our high-level engagement and analysis, we believe that the most immediate and impactful shift in empowering industries, employers and the broader workforce to honour Te Tiriti and develop supportive and accessible cultures to attract more Māori, and greater success for Māori, is to ensure our engagement emphasises “mainstream” employers as well as those identified as Māori employers, Māori industry and iwi business.
- Employers in the manufacturing industry have a high number of Pacific peoples in their employ. We know a key priority for us is how we might influence and advocate for equity into these workspaces in the support of employers in upskilling and retraining to rely less on migrant labour.
- More investigation is needed to truly understand how manufacturing, engineering and logistics sectors can attract a more diverse workforce (including sex, ethnicity, age, location, disability) to address succession challenges as well as the opportunities presented by the future of work (including Industry 4.0 and the new ways of working developed in response to the pandemic).



Hanga-Aro-Rau supports the maritime industry, including port operations.

Therefore, based on the previous pages, the below table summarises the key priorities for Hanga-Aro-Rau from 1 July 2022 to 30 June 2023.

Function/Duty	Outcome	Indicators	Activity	Due date
Industry Voice	Hanga-Aro-Rau facilitates the voices of the specified industries to contribute to the creation of a sustainable, globally engaged, and adaptive New Zealand.	<ul style="list-style-type: none"> 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. Effective reciprocal engagement with ecosystem relationships ensures Hanga-Aro-Rau is well connected with all its stakeholders and can demonstrate it Pacific peoples' engagement developed to meet Pacific Action Plan outcomes Māori businesses and iwi business engagement developed to understand aspirations and to meet Ka Hikitia outcomes; which are tested with 'mainstream' employers 	Industry Stakeholder Group established to inform strategic direction of HAR evidenced by strong industry, employers, Māori business and iwi endorsement of the strategic direction	Confirm Annual Workplan – July 2022 First meeting with HAR Council – September 2022 Endorsement Statement of Strategic Direction – October 2022 Monitor progress against workplan - ongoing
			Strong demonstrable links with stakeholders evidenced through endorsement of activity	Ongoing
			Pacific engagement – research in vocational pathways – 2022/23, implementation 2023/24 (see also 'Equity' focus)	June 2023
			COVID Project to research Māori, Pacific Peoples and disabled communities to gather insights to inform strategic direction	December 2022 <i>Will inform detailed workplan for 2023</i>
			Implement our Rangatiratanga Strategy (Māori Workforce Development Strategy)	Ongoing <i>A detailed workplan is under development at the time of writing the 2022/23 Operational Plan, and we anticipate specific projects will be undertaken in 2022/23</i>
Te Tiriti o Waitangi	Contributes to an education system that honours Te Tiriti o Waitangi and supports Māori-Crown relations	<ul style="list-style-type: none"> Rangatiratanga Strategy (Māori Workforce Development Plan) evidences shifts required to honour Te Tiriti Internal competency and capability developed and evidenced through Mātauranga Māori and Tikanga Māori embedded in ways of working and evidenced through strong and effective relationships with Māori and Te Tiriti partners 	Internal cultural competency and capability framework delivered in partnership with Māori	Capability development included in the transformation roadmap
			Māori and Te Tiriti partners inform strategic direction of Māori by Māori	Testing with Industry Stakeholder Group - September 2022
			Māori voice is gathered and how it influences 'shifts' is fed back	COVID-19 Response project insights and actions – December 2022 Engagement activity – ongoing <i>Detailed workplan anticipated late 2022</i>
			Test the hypothesis that initial focus on mainstream employers will create the most impactful shift	Initial research and investigation to determine baseline completed – September 2022 Strategy/plan developed November 2022 Implementation from December 2022
			Build a Māori partnering framework to ensure Māori voice influences our mahi and direction	2023 to 2024
Equity	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.	<ul style="list-style-type: none"> Engagement with underserved groups is prioritised to ensure learner barriers and enablers inform 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 Insights gathered call out learner barriers and enablers and how we address them. Research identifies bias and unconscious bias and develops tools to create shifts in industry, for employers – shifts are evidenced through the uptake of the tools initially. Expected impact is a greater percentage of Māori, Pacific peoples and disabled engaging in the industry and expressing cultural safety 	Increase industry support to focus on involvement of Pacific peoples engaged in manufacturing in South Auckland seeking how to identify long term, sustainable employment opportunities and pathways for Pacific peoples	June 2023, with implementation in 2023-24
			Industry Equity Project (COVID-19 recovery fund)	Completed – December 2022 <i>Workplan expected to be developed once actions/recommendations identified from the research</i>
			Partnerships developed with experts, industry, employers and providers to drive change	Formal partnerships identified – July 2022 Engagement ongoing
Current and Future Workforce Development needs	Support the responses to New Zealand's current and future workforce needs to drive defensible decision making and strategy development that considers 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.	<ul style="list-style-type: none"> Collate data and research that considers 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 National workforce development is developed alongside regional drivers to understand local industry and employer need Kaupapa Māori research principles will underpin all that we do. 	Share easily digestible research insights and data aligned to OIC requirements	Ongoing <i>Everything we do is underpinned by primary and secondary research</i>
			Skills and Workforce Development Plans that prioritise sectors where the most need is identified and includes circular economy drivers	June 2023
			Exploring emerging technologies and preparing the workforce – specifically digital literacy initiative	June 2023
			Develop workforce development strategies for specified sectors following a review of all existing strategies and research	<i>Industries will be confirmed following the completion of the Skills and Workforce Leadership Plan under development at the time of writing this plan</i>
Qualifications Systems, Programme Endorsement and Moderation	Supporting quality vocational educational and training outcomes. To develop and maintain a strategic view of the skills our industries require now and in the future. We translate these needs into expectations of what the vocational education system will deliver.	<ul style="list-style-type: none"> Standard setting and national external moderation system sets expectations on providers for relevance of qualification and programme delivery for industry, iwi and learners, particularly those underserved Relationship link with providers enable learner insights to be shared to continuously improve the vocational education system Programme endorsement ensures industry needs are met, as well as improving equity for all learners to obtain industry-endorsement qualifications Employers get the skills they need, when they need them; they actively engage to set skills standards Relationships are developed with employers to create opportunities to influence skills setting requirements for graduate outcomes 	Annual Qualification and Standard review workplan in place (refer to Section Delivering on our Functions for the 2022/23 detail)	June 2023
			Implement annual moderation plan	June 2023
			Implement our provider engagement strategy, collaborating with providers to gather learner insights, programme performance and continuous improvement	Ongoing
			Employer voice information flow established and demonstrable in CRM, enabling seamless sharing of insights between Hanga-Aro-Rau and providers	Ongoing
			Programme endorsement function fully operational	Ongoing

Figure 11: Hanga-Aro-Rau's detailed workplan for 2022/23

What do we know is missing and what are we going to do it about it?

As noted, we are a new organisation and our knowledge of our industries, their workforces, our Te Tiriti partners, the challenges of those traditionally underserved, as well as the macro-economic environment we operate in is expanding rapidly. We know that there are many things we don't know yet, but we will know in three, six, or 12 months and beyond.

We are mindful that this plan is for 2022/23, and that we are simultaneously developing our five-year Statement of Strategic Direction. Some aspects of our OIC and the priorities of Hanga-Aro-Rau are reliant on having a solid foundation on which to build.

The areas below are those that are on our radar to being embedded into our workplan over the next 12 months, but we have not yet identified the specific project or initiative:

<p>Creating direct links to Ka Hikitia and the Pacific Action Plan. More specific links will be developed as we understand more of Māori business, iwi and our Pacific communities.</p>	<p>Explicit equity and anti-racism position. We have begun our internal journey and have a solid approach to diversity and thinking differently about how we attract people. The external macro level of reaching the full potential and the shift required will be a long-term strategic goal.</p>	<p>Disabled (including neurodiverse) community action plans are yet to be developed. We need to gain greater understanding through the COVID Project to ensure impactful action.</p>	<p>Links to RSLGs will be explicit through further documents (including our Skills and Workforce Leadership Plan) as well as the confirmation of each of the RSLG's priorities for 2022/23.</p>	<p>Link to global sustainability goals will be formed in our long-term plan.</p>
<p>Low emission technology exploration has begun in the automotive area. This will continue through our partnerships with providers.</p>	<p>Emerging technologies. Digital literacy will be key to supporting how well the workforce and learners engage to develop core skills. Industries are already looking to automation on a larger scale to adapt to changing migrant labour availability or leverage technology differently. We expect to gain greater understanding through the COVID Project and how this might support the green and circular economy to profile industries where this is happening.</p>	<p>Specific learner engagement is a provider responsibility, we will develop relationships with providers to ensure what we design and develop creates equitable outcomes for learners.</p>	<p>Existing subsector groups for industry-specific engagement are being utilised, over time we see a need to understand how we might gather more diverse views to test our transformation progress.</p>	<p>Programme endorsement is a function that we perform. How we might gain greater confidence from industry in the endorsement function including furthering equity and inclusion is part of the next planning cycle as we work with NZQA in its development.</p>

Authentic, collaborative partnerships will ensure success

We cannot achieve our priorities alone, we will go further faster when we partner to achieve our goals for the benefit of industry, employers and learners.

Developing authentic, collaborative and trusted partnerships is central to Hanga-Aro-Rau's operating model. We know that the true vision of RoVE cannot be realised if the ecosystem does not collaborate and if the voices of our industry, Māori, underserved and Te Tiriti partners is not central to all that we do.

Therefore, we intend to continue to build strong partnerships with a range of stakeholders in 2022/23, including, but not limited to:

- Industry (including industry associations, industry influencers, employers, employees, volunteers, and unions)
- Te Tiriti partners
- Māori employers, Māori industry groups, and iwi organisations (including those with a vested interested in manufacturing, engineering and logistics sectors, but not only those organisations)
- Those that have been traditionally underserved, including advocacy groups
- Providers, including providers that may not yet be supporting vocational education in our sectors, but might be able to in the future
- Government, including the Tertiary Education Commission (TEC), the New Zealand Qualifications Authority (NZQA) and the Ministry for Business, Innovation and Employment (MBIE).
- Ohu Mahi – collaborating across all Workforce Development Councils on shared initiatives to achieve efficiencies in the broader vocational education system (including research, functional mahi, tools and systems, Chief Executive forums, and so on).
- Regional Skills Leadership Groups (RSLGs).

How will we know we're successful?

The 'indicators' presented in our key areas of focus will be developed into performance measures, whereby we will monitor and evaluate our success. Noting that many of the outcomes we are contributing, will be realised over a longer timeframe beyond the life of this annual operational plan, we will use the below Hanga-Aro-Rau self-evaluative framework to ensure that:

- All mahi undertaken by Hanga-Aro-Rau aligns with our OIC and RoVE outcomes, as relevant.
- We can start to 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 becomes a teaching tool internally and externally signalling the expected level of impact across the business. It is intended to drive action, continuous improvement and, ultimately, system and industry transformation.

Self-reflective evaluation tool

Outcomes	Self-reflective practice questions	Evidential Indicators
Outcome 1: Strong industry voice	1 How does this facilitate the voices of our industries: manufacturing, engineering and logistics?	<ul style="list-style-type: none"> • Desktop analysis of existing industry statements/consultation (could be industry specific/general; could be regionally/nationally/internationally relevant) • Testing of that with focus group/s to validate • Priority learner specific and prioritising their voices: Māori, Pacific peoples, disabled, gender that practises their voice so to address data inequities (e.g. kaupapa Māori, decolonising practices, action research) • New research using defensible methodology and methods with wide enough group to be valid/credible/authentic • Methods such as interviews, social media, surveys, polls, focus groups using questions and engagement that removes bias and creates space for equity of voice • Cross Government research and data allowing for the above considerations • Internal team, council, Industry Stakeholder Group as they hold great experience • Peak bodies and think tanks.
	2 Does it do this in a way that helps our industries contribute to the creation of a sustainable, globally engaged, and adaptive New Zealand?	
Outcome 2: Connected education system	1 How does this 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 (total employment, income levels, productivity, decent work decent income, having secure work, a quality working environment, and for workers to have a voice in the workplace) • Understanding any inequities in data and how we will address that • Setting of goals/targets to measure success of our actions and interventions • Honouring Te Tiriti o Waitangi as a starting point (including tino rangatiratanga – agency and authority) and reflecting in statement of Kaupapa • Obtaining, understanding and reflecting data and voices of those traditionally underserved by the education system (Te Rito, consultation/submissions from RoVE) using culturally appropriate ways (including engaging Māori learners in the context of their whānau) • The three official languages of Aotearoa New Zealand are used throughout • Physically, culturally, emotionally, and spiritually safe environments.
	2 Does this have a specific focus on those traditionally underserved by the education system?	
Outcome 3: Fair/ equitable	1 How does this 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. • Clearly and purposefully prioritise those voices and needs in research focus, engagement and actions/ recommendations through investment of time and resources • Analysis is based on accepted and authentic methodologies and methods that support equitable research and outputs • Effective identification, analysis and action planning for Māori outcomes. Any gaps are minor and not of high significance • Working with existing research and interventions including within our industries and providers that have been proved successful and scaling those throughout our industries through advocacy • Mahi is undertaken by and with those that are most affected by inequity through methods such as desktop analysis, direct voice, testing, with them undertaking the mahi themselves and providing solutions to us. • 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. • Embedding equity within systems/policies/processes levers.
Outcome 4: Honours Te Tiriti o Waitangi	1 In what ways does this contribute to an education system that honours Te Tiriti o Waitangi?	<ul style="list-style-type: none"> • Written commitment to Te Tiriti and asking our partners as to their views of us • 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 • Outcomes and results from services have high value to Māori, relevance and demonstrate positive service impacts • Reporting and self-review on issues of importance to Māori is clear, genuine, and timely, and forms part of wider organisational guidance • There is expressed cognisance of Māori worldviews demonstrated throughout organisational business approaches • Ongoing collaborative partnership with iwi/hapū, Māori communities can be demonstrated.
	2 How does it support Māori-Crown relations?	
Outcome 5: Working with stakeholders	1 How have you sought to work with learners, industry (including, but not limited to, employers, employees, self-employed people, volunteers, industry associations, and unions), tāngata whenua, stakeholders, and the other workforce development councils and other organisations to deliver the outcomes that the Council seeks?	<ul style="list-style-type: none"> • Understanding of what outcomes our Council are seeking • Written commitment to these groups of industry (including, but not limited to, employers, employees, self-employed people, volunteers, industry associations, and unions) • Effective identification, analysis and action planning for these groups. Any gaps are minor and not of high significance • Quality is consistently demonstrated in processes and service delivery/approaches to support outcomes for these groups • Outcomes and results from services have high value to these groups, relevance and demonstrate positive service impacts • Reporting and self-review on issues of importance to these groups are clear, genuine, and timely, and forms part of wider organisational guidance • There is expressed cognisance of these groups' views with a positive affirmation of Māori worldviews demonstrated throughout • Ongoing collaborative partnership/testing/engagement with iwi/hapū, Māori communities can be demonstrated.
	2 In what way does this support the responses to New Zealand's current and future workforce needs, taking into account— i. new global challenges; and ii. emerging technologies; and iii. global sustainability goals; and iv. the changing nature of work; and v. the skills, knowledge, and qualifications learners will need in future to achieve success for themselves and their communities; and vi. the transition to a low-emissions and climate-resilient New Zealand	
Outcome 6: Contributes to the reform and education strategies	1 how does this give effect to— i. the relevant parts of the tertiary education strategy; and ii. Ka Hikitia—Ka Hāpaitia; and iii. the Action Plan for Pacific Education 2020–2030	<ul style="list-style-type: none"> • Clear mapping of actions/advice/outputs against the strategies • Peer reviews • Having sufficient level of cultural expertise so that appropriate engagement and analysis is used (e.g. senior knowledge of Mātauranga Māori) • Using existing voice from these population groups (e.g through desktop analysis) to form findings and actions • Testing/peer reviewing with Māori and other population groups identified in the tertiary education strategy • Peer reviews engaging those with capability within the relevant population groups to give advice and guidance.
	2 In completing this, how have you had regard to the needs of Māori and other population groups identified in the tertiary education strategy?	
	3 Has there been any consultation with the persons or bodies it considers on reasonable grounds represent the interests of Māori and those population groups?	
Outcome 7: Advocates for our industries	1 Does this 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"> • 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 • Capability to complete that analysis and select initiatives that should be supported and the opportunity for collaboration and partnership to accelerate their effectiveness • Clear identification of how this is to be measured, tracked and advanced.
	2 Does this include research that supports our functions?	
	3 Does this promote opportunities for all people to reach their full potential and capabilities by supporting quality vocational education and training outcomes?	
	4 How does this address the needs and aspirations of priority learners in our industries, including Pacific learners and people with disabilities?	



Delivering on our functions

Figure 12: Hanga-Aro-Rau's Self-reflective evaluation tool (April 2022) - DRAFT

The print industry falls within Hanga-Aro-Rau's coverage areas.

Delivering on our functions

This section outlines the specific activity Hanga-Aro-Rau intends to take to deliver against our functions as listed under Section 366 of the Education and Training Act 2020. Please note that some of this has already been listed in the Areas of Focus for 2022/23 section of this plan.

Skills leadership

Skills leadership is a core function that ensures industry and stakeholder voice is cemented in all that we do. It comprises a range of activities that can be grouped under engagement and research (insights). Many of the activities have been described above as they are fundamental to achieving our 2022/23 priorities, however summaries of more general, business-as-usual activity, including FTE, are presented below.

Skills Leadership Functional Workplan 2022/23

Activity	Deliverables	Metrics	FTE
Engagement with all stakeholders as defined above	Refer to 'Industry Voice' and 'Te Tiriti' above for an indication of focus areas for 2022/23 We will continue to evolve our engagement model as we mature as an organisation. Engagement is resource intensive, requiring staff to build strong, authentic and collaborative relationships. Given the breadth of industries we serve, each relationship manager has a small number of sectors they serve to build relationships with (this includes any stakeholders that have a vested interest in that industry).		
RSLG Engagement (Note: this is specified as a continued area of focus in 2022/23 based on the broad priorities identified in 2022)	Maintain relationships established in 2022 Ensure connections inform our 2022/23 Skills and Workforce Leadership Plan Support other Ohu Mahi with RSLG connections Project: Auckland RSLG and Hanga-Aro-Rau research project in supporting Pacific peoples in manufacturing	RSLGs are satisfied with our engagement and find it mutually beneficial Links are strong between Regional Skills Leadership Plan and our Skills and Workforce Leadership Plan(s) Connections facilitated by July 2022 (if not earlier) Increase industry support to focus on involvement of Pacific peoples engaged in manufacturing in South Auckland seeking how to identify long term, sustainable employment opportunities and pathways for Pacific peoples	20
Skills and Workforce Development Plans	Skills and Workforce Development Plans (30 June 2023)	Endorsed by Industry, including our Industry Stakeholder Group and RSLGs Endorsed by Te Tiriti Partners	6
Insights	Workforce profiles for use by industry, internal teams and other interested stakeholders	Data informs functional activities (such as engagement priorities, operational outputs like the Skills and Workforce Development Plans, new qualifications, etc)	4

Standard setting, programme endorsement and moderation

Hanga-Aro-Rau is the standard setting body for 222 qualifications and 4,285 unit standards across 75 sectors. Our total number of current qualifications and standards does 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.

In our initial establishment period in late 2021, we sought to determine our qualification review workplan for 2022 to 2026, based entirely on the qualifications and unit standards listed on the New Zealand Qualifications Framework. This analysis identified an uneven distribution of qualification reviews, with the majority of the 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 the workplan to review approximately 50 qualifications per year and around 1,000 unit standards, leaving sufficient flexibility in our resourcing to accommodate new requests to support industry needs.

Academic Rōpū

As part of our early establishment, we put together a formal internal committee to apply rigour to our qualification development plan (including approving new initiatives) and programme endorsement. The pūtake of the Academic Rōpū is to ensure that significant decisions made on behalf of our industries, hapū and iwi have due exposure to all the representatives within Hanga-Aro-Rau. This is to ensure that a balanced approach to decision making is central to the working of Hanga-Aro-Rau, thereby creating an environment of collective accountability.

The committee is led by the CE and DCE, and there are voting and non voting members. Debate is encouraged and decisions are by consensus; however, the chair reserves the right to make split calls and reserve decisions for further consultation if required.

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, all discussion is minuted and decisions are logged for future reference.

Programme endorsement

For Hanga-Aro-Rau, 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 their identified skill, knowledge and capability needs as well as the supported learners 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 an Academic Rōpū.

Moderation and quality assurance

Moderation is a tool to provide quantitative data that informs where Hanga-Aro-Rau quality assurance activity should be focused. Hanga-Aro-Rau takes a consultative and continuous improvement approach to moderation to enable providers to focus on how to elevate performance and strengthen learning outcomes for all, especially those traditionally underserved. Providers can expect transparency in our approach, with clear articulation of what is expected from them.

There are a range of moderation activities that we undertake, including pre-moderation to ensure assessment material meets unit standard requirements, and post-moderation to ensure that assessment decisions are consistent both within and across providers. We also provide Consent to Assess for providers to use unit standards as part of their programme delivery. This process determines the provider's capability to meet the requirements to deliver and assess against unit standards.

In 2022/23 we are implementing a new team which will be focussed on provider relationships and working with providers to strengthen quality assurance practices. This will enhance moderation activity and support any investment advice we provide to TEC in the future. Again, in keeping with our principle of partnership and collaboration, this will enable providers to improve holistically and continuously, rather than solely relying on external moderation outcomes.

Standard Setting, Programme Endorsement and Moderation 2022/23 Functional Workplan

Activity	Deliverables	Metrics	FTE
Planned qualification and unit standard reviews (Items already listed on the NZQF)	<ul style="list-style-type: none"> 50 qualifications reviewed 1,032 unit standards reviewed 	<p>Qualifications and unit standards are endorsed by industry and other impacted stakeholders</p> <p>Reviewed qualifications and unit standards are approved by NZQA</p>	17 <i>(Note: We are not able to predict the volume for programme endorsement, and we do expect this to increase significantly in 2022/23 which may impact of future FTE requirements. We expect to be in a stronger position to determine FTE by the end of 2022)</i>
New qualifications, standards, micro-credentials developed to meet industry need	<p>New opportunities for vocational solutions identified through industry, RoVE ecosystem and Te Tiriti Partner engagement</p> <p>Endorsed through our Academic Rōpū</p> <p>Solutions are developed in timely and collaborative manner</p> <p><i>(Note: we acknowledge this is vague as our initial focus during our establishment phase was to progress and complete all priorities that transitioned from TITOs. We were also building internal capability to enable an agile response to industry needs)</i></p>	<p>Qualifications and unit standards are endorsed by industry and other impacted stakeholders</p> <p>New qualifications and unit standards are approved by NZQA</p>	
Programme endorsement	<p>Embedding the process so that all providers are aware of requirements</p> <p>Programmes endorsed and enable provision to be activated</p>	<p>Regular communication to providers. Providers supply the right information at the right time</p> <p>All programmes are endorsed within a 20-working day period</p> <p><i>Presuming all information provided by the applicant is correct and complete</i></p>	
Moderation	All providers and schools will be moderated at least once in a calendar year	<p>Minimum of three unit standards with three samples for each are selected</p> <p>30% of provider base called each quarter</p>	6
	Identified high risk providers visited and improvement plan implemented	Minimum of two providers visited each month	5
	School cluster moderation workshops undertaken	Workshop held in each region each quarter	5
	Provider Engagement plan implemented	Minimum of two providers visited each month	5

Investment advice

At the time of writing this plan, Hanga-Aro-Rau was also preparing its inaugural (and interim) 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.

The advice will be delivered by 30 June 2023, with advice supplied before that as the stakeholder needs are identified. We look forward to continuing to work with TEC as we develop and implement this process.



Financial management

Financial management

During the Establishment Unit phase, the funding model had been prepared to determine necessary funds required for the 2023 financial year. A number of assumptions had been built into this and since then a significant amount of work has been put into better determining assumptions and activities that drive specific costs, to ensure the most accurate information can be budgeted for the coming year.

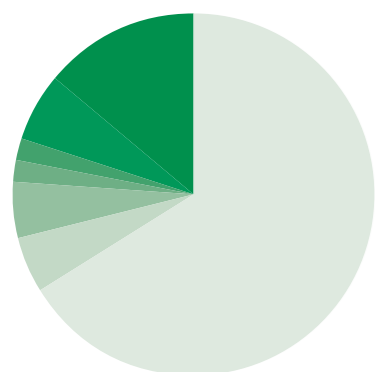
Given at the time of preparation of this budget, we were still establishing operational and strategic plans, there is a likelihood of variation for a number of cost areas for 2022/23. This is described below.

Budget for the period ending 30 June 2023

Based on the budget proposed, net surplus is projected to be **\$85,594**. After adjusting net capital allocations (tagged capital funding less depreciation), net surplus for operations is expected to be **\$271,814**.

Total operating revenue (excluding funded projects) for the period ended 30 June 2023 is expected to be **\$13,117,591**. This is all made up of the TEC funding.

Total expenditure (excluding funded projects) is anticipated to be **\$13,031,996** for the financial year.



WDC Costs	Amount (\$)	Amount (%)
Personnel	8,676,817	66
Travel & Transport	595,919	5
Engagement, Meetings and Events	698,040	5
Contractors and Consultants	236,800	2
Subject Matter Experts	295,625	2
Other Direct Costs	742,000	6
Shared Services (Hāpaitia)	1,786,795	14
Total	\$13,031,996	100%

Personnel costs is expectedly the largest cost, being \$8,676,817 or 67% of all expenditure. Budgeted personnel costs are made up of \$8,243,747 in base salaries (including provisional salary adjustment uplift), \$247,312 in employee benefits and \$185,758 in other related staffing costs. It is assumed that the recruitment of employees will be largely completed by the beginning of the financial year, and as such these personnel costs are not anticipated to be particularly sensitive to variation.

Travel and Transport (\$595,919) and Engagement costs (\$698,040) are the next most significant costs. Most of the Travel and Engagement costs have been determined based on activity measures and cost drivers tracking how often Hanga-Aro-Rau staff members will travel to visit and host various stakeholders. Even though the current year has been restrictive with regards to travel around the country, for budgeting purposes there is still an optimistic view that travel will proceed normally during the course of the 2023 financial year.

Subject Matter Experts (\$295,625) and Contractors and Consultants (\$236,800) are anticipated to be necessary in supporting the workforce with technical and strategic advisory with operations. Although employment base is expected to be filled, should delays in recruitment occur then contractor costs will expectedly increase to cover the shortages.

At the time of preparing this paper, Hāpaitia (Ohu Mahi Shared Services Company) operational costs (Excluding Depreciation) are projected to be \$9,603,435 for the 2023 financial year. These costs are expected to be shared equally, so one-sixth of this being the cost for Hanga-Aro-Rau (\$1,600,576).

Depreciation on capital held by Hāpaitia can be indicatively projected to be \$1,117,315 for the financial year. One sixth of this (\$186,219) being the cost for Hanga-Aro-Rau.

Hāpaitia Costs (WDC Portion)	Amount (\$)
Hāpaitia - Personnel and Consultants	754,423
Hāpaitia - Office and Other	349,087
Hāpaitia - IT (Ongoing)	255,318
Hāpaitia - Property and Insurance	241,749
Hāpaitia - Depreciation	186,219
Total	\$1,786,795

Figure 13: Breakdown of Expenditure for 2022/23

Other Information

Projects

The CN-22 COVID Project began in February 2022, it is anticipated that \$252,000 will be spent (40% of total funding for the project) over the period from 1 July to 30 November 2022. This is based on the assumption that 60% of the funding will be spent in the current, 2021/22 financial year.

Reserves

As at 30 June 2023, a total retained funding is expected to be held of \$3,604,496. Please refer to the proposed budget below for a summary of the reserve movements for the 2023 financial year. Hanga-Aro-Rau is expected to enter the 2023 financial year with \$3,518,902 in retained funding (reserves) from the 2022 financial year.

These reserves are made up of two pools: one being operational retained funding (\$1,630,318) and the other for capital expenditure (\$1,888,584) to be reduced by depreciation on-charged by Hapaitia over time. Based on proposed 2023 budget, the operational surplus is anticipated to increase \$271,814 whilst the capital surplus is naturally expected to reduce by the depreciation on-charged for the year (\$186,219).

Proposed Budget for the year ending 30 June 2023

Hanga-Aro-Rau : Budget Summary for the year ended 30 June 2023

30 June 2023 (Y2)			
Revenue	\$		
TEC Operation Revenue	13,117,591		
Total Revenue	\$13,117,591		
30 June 2023 (Y2)			
High-level Expenses	\$	% of Expenses	% of Operational Funding
Direct Costs			
Personnel	8,676,817	66	66
Contractors and Consultants	236,800	2	2
Subject Matter Experts	295,625	2	2
Governance	357,000	3	3
Travel & Transport	595,919	5	5
Engagement, Meetings and Events	698,040	5	5
Research and Insights	150,000	1	1
Memberships and Subscriptions	100,000	1	1
Other	15,000	0	0
Contingency	120,000	1	1
Total Direct Costs	\$11,245,201	86%	86%
Overheads			
Shared Services (Hāpaitia) - OPEX	1,600,576	12	12
Shared Services (Hāpaitia) - Depreciation	186,219	1	N/A
Total Overheads	\$1,786,795	14%	12%
Total Spend	\$13,031,996	100%	98%
Total Surplus	\$85,594		
Plus Depreciation	186,219		
Total Surplus (OPEX)	\$271,814		
30 June 2023 (Y2)			
Other			
Projects Summary	\$		
CN-22 Project Funding	630,000		
CN-22 Project Spend (FY22)	-378,000		
CN-22 Project Spend (FY23)	-252,000		
Net	0		
Reserves Summary			
	OPEX	CAPEX	Total
Opening Reserves (based on 2022 Forecast)	1,630,318	1,888,584	3,518,902
Movement	271,814	-186,219	85,595
Closing Reserves	1,902,132	1,702,365	3,604,497

Hāpaitia (Ohu Mahi Shared Services Company)



HĀPAITIA
Shared Services
Workforce Development Councils

Hāpaitia Ltd was created as a jointly owned company for the provision of shared services functions across Ohu Mahi, the six Workforce Development Councils. Hāpaitia is a limited liability company with a Board of Directors that includes a representative from each Workforce Development Council. Led by a General Manager, Hāpaitia's purpose is to provide Information and Communications Technology services, Finance, People and Culture and Office Management Services for the WDCs and act as a vehicle to assist with collaborative activities. Hāpaitia charges the WDCs on an equal basis for these services monthly.

The Finance Function

The dedicated Finance team, led by Financial Controller Leanne Milligan, broadly offers the following services to the WDCs as defined in the Service Level Agreement:

- Strategic Financial Policy and Advice
- Annual Reporting and External Audit
- Budgeting, Monthly Forecasting and Financial Modelling
- Procurement & Contract Management
- Monthly Management & Project Financial Reporting, (tracking income and expenditure for tagged grant receiving projects)
- Internal Audit & Risk Management
- External Financial Reporting (TEC)
- Expense & Credit Card Management
- Financial Accounting Services (Banking, Accounts Payable & Receivable, Asset Management, Payroll, Tax & Compliance)

The Finance team comprises of the following personnel:

- Financial Controller – Responsible for Strategic Financial Policy and Advice and oversight of Finance Function as a whole
- Financial Accountant – Responsible for Monthly Management Accounting and Annual Reporting and External Audit
- Management Accountant – Responsible for Budgeting, Forecasting, Financial Modelling, Project reporting and External Reporting to TEC
- Assistant Accountant – responsible for Financial Accounting Services and Expense and Credit Card Management.

During the first half of the 2022/23 financial year, two additional roles will be recruited with a Procurement Specialist responsible for Procurement and Contract Management and an Internal Auditor to be responsible for the Internal Audit and Risk Management function. A review of finance personnel resources against workload and financial information and systems demands was conducted towards the end of the 2021/22 financial year to ensure planned resourcing is adequate to meet the needs of the Councils.

Financial Policies and Procedures

Hāpaitia Ltd is currently continuing a project to develop a comprehensive set of Finance and Assurance Policies which started in 2021/22. A number of Finance Policies were submitted for approval to each of the Councils in May 2022 and will be operationalised for the full 2022/23 financial year. Councils have approved a key control policy with their Delegation Policy and Procedures approved in November/December 2021. The delegations schedule covers financial, legal capex, contract and comprehensive human resource management delegations provided to Tier 1 – 3 managers, noting that all delegations must be approved directly by Council for all tiers. The other finance policies include:

- Prudent Reserves Policy
- Treasury Policy
- Procurement Policy
- Fraud and Corruption Policy
- Sensitive Expenditure Policies (Travel & Expenses, Catering & Entertainment, Credit Cards, Gifts Policy, Koha Policy, Employee Reimbursements & Allowances policy)
- Accounting & Budget Policies
- Fixed Asset Policy (also covers use of assets)
- Conflict of Interest Policy

In conjunction with the development of the Finance Policies, the Hāpaitia team has completed a comprehensive suite of systems documentation including, flow charts and process documents for key finance systems and a RASCI review of finance duties to ensure adequate segregation of duties and sufficient internal controls are in place for the beginning of the 2022/23 financial year.

Key Financial Controls and Systems

Key financial controls that are in place include:

- Bank accounts are reconciled on a daily basis
- Approval Max Purchase Order approval system to ensure purchase orders are raised and approved by one-up managers with correct delegations and goods and services are received for AP processing. All AP payment batches are reviewed by the Financial Accountant and approved by bank signatories
- Expense Management system implemented to ensure that reimbursement and credit card expenses are correctly recorded and approved
- Monthly balance sheet reconciliations and financial workpaper reviews
- Monthly financial reporting to Executive Leadership and Governance, including variance analysis against budget and prior monthly forecast and monthly forecast reviews
- Payroll reviews and authorisation by CE
- Masterfile reviews of Suppliers and Employees (in Payroll) and changes to Approval Max (Delegations) are conducted on a quarterly basis by the Financial Controller
- Review of Internal Controls (Segregation of Duties) via RASCI analysis with onboarding of additional finance team members
- Establishment of External Audit programme including the use of Internal Audits.

Hanga-Aro-Rau Organisational Risks

Hanga-Aro-Rau takes a proactive approach to identifying, mitigating and managing all organisational risks (including health, safety and wellbeing, and financial risk). Our risk frameworks and registers are formally reviewed monthly by our Executive Leadership Team and on a quarterly basis by our Finance, Audit and Risk Committee and our Council. Health, Safety and Wellbeing risks are reviewed monthly by all.

Organisationally, our key risks to achieving our 2022/23 Operational Plan is on our ability to secure capability for all vacant roles. At the time of writing this report, that equates to 36 FTE (approximately half of the full FTE for Hanga-Aro-Rau). While a range of activities are underway to recruit for all vacant roles, and we have confidence that they will be filled by 30 June 2022, market conditions are challenging and competitive, not least across Ohu Mahi, but the broader vocational education ecosystem.

Title	Description	Impact	Rating	Controls
Recruitment	IF recruitment for all vacant roles is not completed by 30 June 2022	THEN Hanga-Aro-Rau may not be able to deliver against all focus areas outlined in its 2022/23 Operational Plan	Medium	<ul style="list-style-type: none"> • Utilising recruitment agencies in addition to Hāpaitia to expediate recruitment • Challenging and competitive market, so recruitment agencies have more networks to access to head hunt more candidates • Engage contract resource for specific projects to ensure they can be delivered effectively to meet industry and stakeholder needs

Refer to Appendix for our Organisational Risk Registers.

Financial Risks

The key financial risks identified by the Hāpaitia Financial Controller, in order of priority, for the Council include:

Operational Risk – the risk that financial loss could occur through mismanagement, error, fraud, or unauthorised use of Council funds. This will be mitigated through the application of our delegation’s policy, segregation of duties, reconciliations, and reviews of working paper documentation, sound reporting systems, procedural documentation and review of compliance and implementation and review of Treasury Policy and compliance. Our Internal Controls systems and processes should effectively reduce this risk to low likelihood of occurrence.

Liquidity Risk – the risk that due to unforeseen events or circumstances the Council will not be able to meet its day-to-day financial commitments. The Financial Controller at Hāpaitia has the overall responsibility for day-to-day cash and working capital management. Executive Leadership and Governance leaders are provided with cash flow reports and forecasts to provide oversight of this function. The Treasury Policy specifically provides for regular Treasury Reporting and appropriate investment of any surplus funds to ensure effective mitigation of liquidity risk.

Funding Risk – the risk that arises from insufficient funding being available to support desired activity and outcome outputs. There is concern that the projected states underlying the establishment budgets and year one operating budgets are flawed and that this may impact adversely on ability to deliver given budget constraints. Continued review and modelling of future funding needs and communication of this through TEC Relationship Managers to our funding agency TEC will assist in mitigating this risk.

Interest Rate Risk – the risk that changes in interest rates will lead to an unforeseen loss for the Council. It is noted that as the Council is not a borrower this risk is low however the Treasury Policy does provide guidance on the effective arrangement of investments to mitigate any risk.

Credit Risk – the risk that the credit rating of the entity with which the Council places its investments deteriorates and that there is a potential counterparty default in repayment of invested funds. The draft Treasury Policy provides clear guidelines as to the rating requirements of counter parties which must be A or above for investments greater than 12 months and A-1 or above for short term investments. Effective implementation of the Treasury policy will mitigate this risk.

Foreign Exchange Risk – this risk arises from changes in foreign exchange rates creating a loss for the Council. As the Council has very little interaction with other currencies this risk is minimal and core guidance to mitigate any risk is provided in the Treasury Policy.

The above risks are reviewed annually with a report made to the Finance, Audit and Risk committee as part of our Treasury reporting policy. Any additional risks identified are also reported and form part of our risk management reviews. As a result of the policies, controls, systems and reviews that have been established the above risks are effectively managed and there is a low likelihood of these being crystallised.



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