



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

# OPERATIONAL PLAN

2024 - 26

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**He reo ahumahi, he oranga mahi**  
**He oranga ōhanga, he whenua taurikura**  
*Industry voice for employment productivity*  
*Economic well-being for a prosperous country*

Mā wai te huarahi e hora?  
Mā ngā ahumahi!  
Who will pave the  
pathway forward?  
Industry will!

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## He tīmatanga kōrero nā te Poari o Hanga-Aro-Rau | Foreword from the Hanga-Aro-Rau Council Co-chairs

We are delighted to bring you the Hanga-Aro-Rau Operational Plan for 2024-2026. This document outlines the key activities Hanga-Aro-Rau will proudly deliver in the coming financial year as we continue to connect with industry to gain meaningful insights about how vocational training can help businesses boost productivity and, in turn, boost prosperity for all in Aotearoa New Zealand.

This Plan is supported by our Statement of Strategic Direction which broadly sets the course for Hanga-Aro-Rau through to 2028. This seminal work connects to and draws on all the knowledge and deliverables contained within our foundational documents: our Order in Council, the Council's Letter of Expectation, Māori and Pacific Peoples Workforce Development Strategies, the Tertiary Education Commission's Funding Agreement, our Key Performance Indicators, Annual Action Plans and, of course, our Operational Plans.

Additionally, this Plan is supported by the Letter of Expectation 2023-2024 (to be reviewed in the second half of 2024) which provides a vision for how Hanga-Aro-Rau will leverage our regional industry connections and understanding to create better outcomes for learners and businesses, ensure qualifications are fit for purpose, address the growing labour and skills gaps, support the Māori Economy and Pacific Workforce as part of a strong NZ Economy, and provide valuable research about industry-wide trends affecting our businesses and our economy.

Together, the Statement of Strategic Direction and Letter of Expectation clearly articulate the principles that guide us: strong industry voice, strengthening economies, and increasing productivity across all regions in the sectors we serve. These key focus areas form the foundation of this Operational Plan, which provides a detailed roadmap for Hanga-Aro-Rau over the next two years.

We are enabled by the strong governance, management and organisational capability we have developed since we began our journey in 2021. We are confident in our capacity to deliver on this Plan and adapt to whatever system changes are needed over the year ahead. We are excited to continue our journey of building a strong, sustainable and responsive vocational education system that meets the needs of industry, iwi businesses, employers and learners.

Ngā manaakitanga



**Dr Troy Coyle**  
Co-chair



**Renata Hakiwai**  
(Ngāti Kahungunu, Rongomaiwahine,  
Tūwharetoa, Waikato-Tainui)  
Co-chair

## He kupu arataki nā Ngā Tumu Whakarae o Hanga-Aro-Rau | Welcome from the executive leaders of Hanga-Aro-Rau

Hanga-Aro-Rau proudly continues its pursuit of an improved vocational education system by working alongside industry to gain meaningful insights about how we can provide greater success for learners and businesses to support a thriving and prosperous Aotearoa, New Zealand.

Guided by robust feedback from our Industry Stakeholder Group and National Industry Advisory Groups, Hanga-Aro-Rau creates tangibly improved outcomes across the manufacturing, engineering and logistics sectors we serve. We are doing so by delivering our core functions: skills leadership, standard-setting and development, programme endorsement, and providing guidance to the Tertiary Education Commission (TEC). We continue in our commitment to support a vocational education system that provides for all people in our industries to reach their full potential, including those who have been traditionally underserved. Our industries play a significant role in helping New Zealand grow and prosper, and we exist to help them do that.

We have successfully met the outcomes we set out to achieve in our Operational Plan 2023-2024, and we are assured of our ability to deliver an equally aspirational programme of work in 2024-2026. Through detailed engagement and analysis involving stakeholders across our industries, we have identified the following areas of ongoing focus for the year ahead:

- Increase the capability of our domestic market to create a more sustainable economy
- Establish and maintain robust channels for industry voice, particularly for small - and medium-sized businesses
- Reduce gaps in the workforce's capability and capacity
- Provide strong leadership through the ongoing evolution of the vocational education system by giving informed advice to TEC and collaborating with stakeholders and organisations across the sectors we serve, including the other WDCs
- Provide value for money by efficiently connecting learners and workers to the skills industry needs
- Utilise our nationwide network of staff to support businesses and learners in all regions across Aotearoa New Zealand
- Meet cultural obligations under Te Tiriti o Waitangi
- Create more equitable outcomes for Māori, Pacific peoples, women and tāngata whaikaha (disabled people); help our industries attract these underserved groups and progress them into higher-skilled work - we know workforce diversity is a key element of success to address skills and labour shortages and ensure resilient workforces into the future

We are committed to supporting our government's priorities, and as the vocational system evolves, these focus areas will remain relevant. Our explicit focus for 2024-2026 is on enabling a strong and prosperous New Zealand economy, which must include building a strong Māori economy.

By 2026, our industries will better support a broader labour market to meet the changing needs of industry. They will have an established pipeline of workers, with skills shortages filled by supporting a more diverse workforce at every level of industry.

We will continue to inform TEC with investment advice and regional perspectives to ensure that resource is targeted to high-impact provision.

Our regions will be better supported, with stakeholders across the motu providing deep insights to ensure national consistency in the delivery of skills training.

Rigorous programme moderation and endorsement will better meet the industry's needs, ensuring that qualifications are fit for purpose and learners have met the required standards.



**Phil Alexander-Crawford**  
(Ngāti Hine, Ngāti Rēhia,  
Ngāpuhi)  
Chief Executive



**Samantha McNaughton**  
Deputy Chief Executive



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

Hanga-Aro-Rau is the Workforce Development Council (WDC) for New Zealand’s manufacturing, engineering and logistics sectors. We serve over 105,000 businesses, employing over 650,000 people across 75 sectors (the largest of any WDC). Since our establishment in 2021, we have built strong connections with industry, iwi businesses, employers, business and community groups, providers and other stakeholders within the vocational education system. These connections have enabled us to identify the key issues our stakeholders need support to address.

One of the biggest priorities for our industries, and the employers and workers among them, is to address the chronic skills and labour shortages. In doing this, they will thrive with solid and productive workforces with the skills and capability to evolve to meet the changing nature of work. Solid and productive industries will ensure a strong and productive economy, increasing prosperity for all New Zealanders.

**Key areas of focus for our industries are:**

1. Strong workforce pipeline to ensure stability, enable growth, and address chronic skills and labour shortages. This includes building and maintaining a diverse workforce, tapping the talent of previously under-served groups, and ensuring strong and sustainable career pathways.
2. A strong and connected vocational education system that anticipates and responds to the changing needs of our demography, workplaces, and industries and flexibly prioritises on-the-job training designed around industry capability and capacity.
3. Ensure the vocational education system understands the local (including rural versus metro) and regional nuances to best meet the specific employer and workforce requirements while ensuring a nationally consistent approach to training and qualification outcomes. This ensures local needs are met while enabling portability and transferability of skills and knowledge as industries evolve.
4. A vocational education system that represents value for money in delivering to industry needs while ensuring provision directly links to the needs of employers and their evolving workforces.

Māori comprise a higher proportion of the manufacturing and engineering workforce in comparison to other industries, and our sectors are the second-largest employers of Pacific peoples. Māori and Pacific peoples are more likely to be employed in low-skilled occupations that could be most at risk of disruption as our sectors evolve with Industry 4.0. These groups are also younger and growing at faster rates than other groups. Therefore, we – and our industries - prioritise Māori and Pacific peoples for the industries we serve to create robust pipelines into our industries and provide fulfilling and sustainable careers.

Our purpose is to provide industry with a strong voice in making New Zealand’s workforce fit for today and the future. We also honour Te Tiriti o Waitangi and strengthen Māori– Crown relations by giving Māori and iwi businesses a greater voice.

We know that vocational education has a direct impact on strengthening economic outcomes. We recognise our fundamental role in ensuring that industry has a strong and direct influence on vocational education to ensure it builds highly skilled and thriving workforces.

As one of six Workforce Development Councils, we are committed to collaborating to ensure we operate efficiently and effectively. This includes working together where our industries (or iwi or employer stakeholders) intersect, efficiently utilising resources, rather than working in silos, to address workforce challenges, such as attracting and retaining more people in the industries we serve.

## Sectors by Manufacturing, Engineering and Logistics

### Manufacturing

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

### Engineering

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

### Logistics

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





Hanga Aro-Rau Council

Our governing Council

Our Order in Council sets out the requirements for our governing Council. We are proud to have a diverse, highly skilled, and experienced Council committed to our kaupapa of ensuring that industry voice drives and influences a vocational education system responsive to their needs.

Our Council is co-chaired by Dr Troy Coyle and Renata Hakiwai (Ngāti Kahungunu, Rongomaiwahine, Tūwharetoa, Waikato-Tainui), reappointed by the Industry Stakeholder Group in 2023. The Council composition aligns with the requirements of our Order in Council. We uniquely have two associate Council roles (one filled, one vacant at the time of writing this plan due to the permanent appointment of an Associate member to a Council member). Our associate roles provide a clear developmental pathway for future council members, and they participate in a comprehensive governance development programme and all governance discussions.

Our Council reviews its performance via an annual self-evaluation aligned with the Institute of Directors evaluative framework and the requirements of our Order in Council. Our Industry Stakeholder Group externally evaluates its performance.

Key area of focus relate to:

- Purpose and leadership
- Informed decision making
- Effective oversight
- Culture and behaviour
- Council operations
- Council Co-chairs.

An output of the performance evaluation is an action plan, which the Council monitors against. In addition to this, the Council regularly undertakes skills and capability assessments and discussions around succession.

Our Industry Stakeholder Group conducts council member recruitment and appointment. Over the next two financial years, recruitment and appointment of at least five Council members is expected to occur (September 2025, Jun-December 2025, and June 2026).

The work plan included in this document is informed and endorsed by the Hanga-Aro-Rau Council, and management provides regular tracking against the plan at each Council meeting. The work plan links to our Statement of Strategic Direction as well as the needs of our stakeholders, as evidenced through our engagement and research activity. Our Statement of Strategic Direction and Operational Plans are anchored to our Order in Council and key governmental strategies, including the Tertiary Education Strategy, Ka Hikitia and the Action Plan for Pacific Education 2020-2030.

Governance performance measures to 30 June 2026

The following table sets out the governance performance measures which will be reported six monthly to TEC via formal Progress Reports, as well as in our Annual Report.

Focus Area	Measure	Agreed Target
Governance	The WDC maintains a strong and capable governing council that provides effective leadership, agrees plans with achievable targets, understands its functions and responsibilities, and has the skills and experience to fulfil its functions.	<ul style="list-style-type: none"><li>• Regular council self-assessment, independent governance assessment in line with the Order in Council (OIC) and results actioned</li><li>• The Council publishes its Statement of Strategic Direction at least once every three years, as required by its OIC (clause 8)</li><li>• The Council publishes its Annual Report, as required by its OIC (clause 9)</li><li>• The Council meets the Constitutional Membership required by its OIC (clause 10)</li><li>• The Council adheres to the Appointments Process and Matters to be Considered under its OIC (clauses 11 and 12)</li><li>• Council meeting agendas provided to the TEC.</li></ul>
	The Council undertakes its duties in alignment with its Order in Council (OIC)	

Source: Guide for Workforce Development Councils – Operational Plans to 30 June 2026



Hanga Aro-Rau Industry Stakeholder Group

Industry Stakeholder Group | Te Au Awenga

We have a unique requirement in our Order in Council to establish an Industry Stakeholder Group (ISG). This core group is representative of industry, including their workforces, as defined in section 7d of our Order in Council, and is an essential part of our governance ecosystem.

The group was established in June 2022, and its primary purpose is to:

- Provide guidance and feedback on our organisational strategic direction and performance (including endorsement of key organisational documents such as our Statement of Strategic Direction, Operational Plan and Investment Advice to the Tertiary Education Commission)
- Offer advice and guidance from an industry perspective
- Evaluate the performance of our governing Council
- Recruit and appoint future governing Council members.

The members of the Industry Stakeholder Group are:

**Allan Jack**  
Ovation NZ

**Bryn Thompson**  
Metalcraft Engineering

**Scott Lawson**  
Fire Protection Association of New Zealand (FPANZ)

**Melissa Bennett**  
Red Stag Timber

**Peter Cordtz**  
The Cause Collective  
Appointed 19 May 2023

**Ida-Jean Murray**  
North Drill

**Sean Rooney**  
Allied Petroleum

**Mary Jensen**  
Waikato Engineering Careers Association (WECA) and Smart Waikato Trust

**Ruth Cobb**  
PrintNZ

**Rick Lunn**  
Smart Trade Solutions

**Peter Busfield**  
New Zealand Industry Association

**Scott Fisher**  
OffsiteNZ

**Wayne Butson**  
Rail and Maritime Transport Union

**Peter Jones**  
Manurewa High School

**Catherine Lye**  
Advanced Manufacturing Aotearoa

**Amanda Wood**  
Business Central



The rūpū is independently chaired by **Ngahiwi Tomoana**

The group meets at least twice in person per calendar year (March and August), with the second meeting including our governing Council. In addition, regular (bi-monthly) online hui are convened to enable continual feedback on the direction of Hanga-Aro-Rau. Management also have regular hui with the ISG Chair.





## National Industry Advisory Groups

Ensuring industry voice is central in all that we do, in 2023 we established nine National Industry Advisory Groups (NIAGs). The Groups provide critical industry guidance for our operations and priorities, and represent the following sectors:

- Automotive, including heavy, light, collision repair and refinishing, electrical and electric, parts and accessories, protective coatings, and forklift
- Engineering including mechanical, refrigeration and air conditioning, fire protection, heavy engineering
- Extractives including mining, quarrying, blasting and drilling, petrol and coal manufacturing, non-metallic mineral manufacturing
- Manufacturing including general, plastics, print, wood, metals
- Ports including stevedoring and freight forwarding
- Food and Beverage including retail meat, baking, food production, meat processing, dairy processing, beverage processing (including bottling, can making, etc)

- Commercial Transport including commercial road transport, passenger transport, rail, marine and maritime transport, waste transport and resource recovery, driver training
- Marine including boat building and maintenance, composites technology, marine retailing, and marine technology
- Supply Chain and Distribution (in partnership with Ringa Hora) including logistics, warehousing and storage, postal and courier services, customs and freight, and related support services.

In addition to setting our industry-specific priorities and holding us accountable for delivering against them, the NIAGs are central to creating our Workforce Development Plans (which include action plans). These plans articulate the priorities and expectations of the specific sectors they represent and outline the specific activities that will achieve the required outcomes.

## Letter of Expectation

Our governing council issued us with a Letter of Expectation in 2023 to deliver against our Statement of Strategic Direction and embed our Operational Plan 2023–24. We continue to align with this guidance to ensure we will continue our journey to transform vocational education in Aotearoa, New Zealand. We expect to receive an updated 'Letter of Expectation' in the second half of 2024, and we will remain agile to it.



**PO BOX 445  
Wellington 6141**

**hangaarorau.co.nz**

28 February 2023

**Phil Alexander-Crawford**  
Chief Executive

Kia ora Phil,

### Hanga-Aro-Rau Letter of Expectations

We write to convey our expectations of Hanga-Aro-Rau for the year 2023/2024, and for the medium term.

The functions and duties of Hanga-Aro-Rau are clearly set out in our Order in Council, we have had 18 months of operations and we are close to having our Statement of Strategic Direction finalised. These two documents underpin this letter and will continue to guide what is needed to improve our vocational education system and provide a stronger industry voice through the WDCs.

The board is encouraged and pleased with what has been delivered to date, and where we are as an organisation. Using that strong start, we need to maintain the momentum for positive change and better outcomes. As an organisation that has been in operation for over 18 months, the significant gains that have made over this time, suggests we must now start transitioning our organisation out of start-up mode into a period where we are mature and effecting transformation. As with any organisation there are always a range of factors, some of which we can control and others that we must adapt to. For both, we see Hanga-Aro-Rau playing a key role in assisting our industries to prepare for the future through the required workforce development.

Accordingly, we expect Hanga-Aro-Rau to reflect industry voice in all that we do. This means our industries need to feel we are advocating for them in the education eco-system, supporting their aspirations and preparing them for the future.

### ***Mā wai te huarahi e hora? Mā ngā ahumahi! – Who will pave the pathway forward? Industry will.***

We expect Hanga-Aro-Rau to support the building of a productive, circular, and inclusive economy that improves the wellbeing of all New Zealanders. This requires:

- |   |   |
|---|---|
| 1. Relevant vocational education that meets the current and future skills requirements of industry, employers, learners, regions, Māori, iwi, and hapū – a vocational education system for all. | 6. Learning environments and pastoral care practices appropriate to diverse learner groups and modes of delivery. |
| 2. National consistency in graduate outcomes.   | 7. Increased learner access to provision across the motu.   |
| 3. The vocational system to address inequities for underserved learners.  | 8. Increased attractiveness of vocational education   |
| 4. Clear pathways enabling learners to progress skill development.  | 9. A stronger voice for learners, employers, Māori employers and regions, including iwi development.              |
| 5. Learners able to transition seamlessly between site, region, mode and employer.  | 10. Integrated network of provision that is financially sustainable.  |

We have a role to lead/facilitate/support across our country's vocational system-we are all wayfinding -there are many opportunities to create real value for our sectors and you need to continue to rise to the challenge both in unison and independently. It will create at times discomfort; however, we will endeavour to ensure that an appropriate values-based environment is established with the appropriate support structures in place for you to thrive in your role.

#### Priority Expectations

We expect Hanga-Aro-Rau to support sector-wide changes where they are needed, and you should have strategies now to deliver on them. We encourage you to look for the opportunities to accelerate delivery of better outcomes and prioritise your budget to deliver on that. As part of the wider system our priorities are outlined clearly below,

#### Expectation 1: Strong Industry voice

- Act as the industry voice within the vocational education system.
- All communications about the role of Hanga-Aro-Rau must emphasise this.
- Embed and reflect and an industry-focused approach – ensure that our interactions improve outcomes for industry. Hanga-Aro-Rau must add value to our industries, and we must always challenge ourselves that we can demonstrate this.
- Liaise with industry to ensure that our voice reflects industry aspirations, needs and future requirements.
- Take industry with us on a journey of transformation- sometimes looking further over the horizon than participants have the luxury to be able to.
- Inspire, guide, show best practice, and new ways of working and learning.
- Prepare our industries for future workforce requirements.

#### Expectation 2: Giving effect to Te Tiriti o Waitangi.

- Collaborate with Māori industry and Māori employers.
- Support Māori Crown relationships.
- Honour Te Tiriti o Waitangi in form and function as outlined in the Education and Training Act, 2020.
- Assist our industries to understand why we have this obligation and how it supports industry
- Build cultural confidence, cultural capability, and cultural competency to deliver workforce development outcomes and provide the support for people to continue their journey. A particular emphasis on understanding the role Te Tiriti o Waitangi has as outlined in section 4 and section 9 of the Education and Training Act, 2020.
- Actively lift cultural practice and competency of all staff -this includes normalising the use of te reo me ona tikanga.
- Encourage more Māori into our sectors.
- Engage with Te Kahui Ahumahi, a place to test your thinking.

#### Expectation 3: Achieving equitable outcomes.

- Work to improve opportunities for Māori, Pacific, and disabled peoples, and women.
- Improve equity of voice. This includes the voices of all specified industries within our Order in Council, to contribute to the creation of a sustainable, globally engaged, and adaptive New Zealand.
- Ensure fair and equitable outcomes for all people whilst providing opportunities to reach their full potential and capabilities, in particularly to those who have been traditionally underserved by the education system.
- To engage with the Fono- a place to test your thinking.

#### Expectation 4: Te taiao: Hardwire sustainability.

- Develop skills through the Vocational Education system to deliver intergenerational wellbeing as indicated by the Living Standards Framework and Sustainability Goals.
- Promote and advocate the values of kaitiakitanga through the transition to a low-emissions and climate-resilient New Zealand.
- Prepare our industries for circularity, i.e., the circular economy.

#### Expectation 5: Strong Operating rhythm

- Promote, embed and build a strong culture and working environment that is values-led.
- Embed strong and core business practices which include robust:
  - Business planning
  - Policies, systems, controls, and procedures
  - Health and safety practices
  - Fiscal management
  - Operating processes
- Develop recording and reporting systems to ensure we can monitor and report on achievement of the objectives in the SSD.
- Reach a stage, by the end of FY2024, where Hanga-Aro-Rau will have formed strong foundations, will have transitioned from start-up stage to a more mature state where a strong operating rhythm is established.
- Due to a strong operating rhythm, you will increase efficiency, productivity, and the effectiveness of team members. Habits are hard to form, but an operating rhythm will help team members and create accountability.
- Build a culture of Financial Integrity/Financial probity.
- Ensure strong financial management where resourcing is available to deliver on what we have prioritised.
- Develop a culture of evidence-based decision making.
- Work with wider vocational system which include vocational partners.
- Make the appropriate decision where and when it comes to collaborating across the RoVE system and across other WDC's. We accept that the six WDCs are at different stages of growth and operating maturity. Our order in council is clear on its guidance with regards to collaboration and we encourage this. But we note this is not a requirement nor is it practical to collaborate on everything.
- Manage and monitor our key service provision with Hapaitia, ensuring service levels are appropriately met.
- Work with all providers, Te Pūkenga, Wānanga and Private Training Organisations.

#### Expectation 6: Transformation

- The transformation we are delivering is described, measured and reviewed annually.
- This is a core part of our identity and focus.
- We do things innovatively. We understand future threats and opportunities and are preparing our industries for them.

#### Expectation 7: Delivering on our promise.

- Deliver on all promises made to a high level of standard and quality.
- Develop a set of organisation KPI's and key milestone points, that you will deliver on in conjunction with our annual planning and budgeting process.

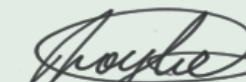
We wish you all the best for the FY2023/2024.

#### Nga mihi nunui

On behalf of the Hanga-Aro-Rau Workforce Development Council



**Renata Hakiwai**  
Co-chair



**Dr Troy Coyle**  
Co-chair





Our Hanga-Aro-Rau kaimahi are based in regions throughout Aotearoa New Zealand

## Our people

We are proud to employ 65 kaimahi from all over Aotearoa, New Zealand. Since our inception, we have taken a deliberate regional approach to employment to reflect the regional nature of our sectors and stakeholders.

Our organisation is structured around the essential functions specified in our Order in Council, with the majority of our workforce (and therefore budget) focused on 'front-line' delivery, which directly supports and engages with industry, community, business, and education stakeholders. As vacancies arise, we take a pragmatic review of the roles to ensure we remain aligned with our strategic aspirations and legislated obligations.

Our Executive Leadership Team also takes a holistic review of the organisational structure to ensure we are aligned with our Council's Letter of Expectation 2023, as our priorities evolve to ensure we continue to bring in and/or develop the right capability.

While most of our workforce is remote, reflecting our regional approach, kaimahi are supported with office facilities in Tāmaki Makaurau, Kirikiriroa, and Te Whanganui-a-Tara. In addition, the health, safety, and well-being of our kaimahi are paramount. All kaimahi have completed health and safety training, with ongoing refresher training expected over 2024-26; given that many of our kaimahi travel, maintaining knowledge of hazards and health and safety awareness when on-site is essential.



Our Executive Leadership team, left to right: Poumatua/ GM Māori Workforce Darrell Lambert; GM Improvement and Operations Yvonne O'Callaghan; Deputy Chief Executive Samantha McNaughton; Chief Executive Phil Alexander-Crawford; GM Industry Standards Hagen Tautari; Executive Officer Alisha Tsai.

Our executive leadership team, co-led by Chief Executive Phil Alexander-Crawford and Deputy Chief Executive Samantha McNaughton, lead the organisation to deliver against our Operational Plan and Statement of Strategic Direction. Their role is to ensure that the industry has a strong voice influencing vocational education and future workforce development needs. They also ensure we honour Te Tiriti o Waitangi and give a greater voice to iwi businesses.

## Our Tīma Around Aotearoa



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



Honouring Te Tiriti in all that we do

We know we cannot grow others without continuing to develop ourselves. In 2023-24, we delivered a bespoke Māori cultural capability programme in partnership with Te Wānanga o Aotearoa to our kaimahi. This programme aims to ensure our people are equipped to effectively engage and support Māori and non-Māori industries and businesses to develop their workforces.

Māori - being a younger population – will continue to comprise larger proportions of our workforce in the years to come. Hence, preparing employers now is essential to ensure continuity and industry growth. On this basis, a core vision for Hanga-Aro-Rau is to enable more Māori with higher skills in higher-paid jobs and improved employment opportunities. Our cultural programme and ongoing support will allow our kaimahi to meaningfully engage in achieving this vision. From 2024, we expect to have an industry version developed.



Collaboration

We know we are one influential yet small part of a complex ecosystem that facilitates vocational education and labour market outcomes critical to ensuring a strong and thriving economy. We are committed to collaborating with all partners to ensure our industries get what they need so that their workforces and their whānau, communities and broader social networks can have fulfilling and prosperous careers.

Our close collaboration with other Workforce Development Councils will continue in 2024–26, covering a range of activities from governance, operational management, research, engagement and standard-setting initiatives.

These will include, but are not limited to:

- Collaborating on women in industry initiatives, including the Trade Careers website
- Collaborating on Māori, Pacific peoples and disabled people strategic development and initiatives, knowing that these groups are currently under-represented or under-supported in our industries but provide a critical solution to chronic skills and labour shortages
- Sharing knowledge and insights gathered through engagement and research to maximise efficiency and avoid duplication of functions.
- Co-designing qualifications, standards and shared understanding around moderation activities and provider engagement
- In addition, we are growing our provider engagement tīma to strengthen connections with all providers that support our sector. This includes the regional ‘Te Pūkenga’ network and work-based learning.

We will continue our close and collaborative engagement with our regional networks, leveraging connections from the former Regional Skills Leadership Groups, as well as those through local community organisations, business associations and networks, EDAs and chambers of Commerce.

The deliberate regional approach we have taken since our establishment will remain a core feature of our operation to ensure we build a local and regional perspective that results in nationally consistent standards – an essential need of our industries.

Our Chief Executive will continue participating in the Vocational Education Leadership Group, and we will continue to ensure our work provides clear direction to continuously improve and evolve vocational education to best meet industries’ and their current and future workforce needs.



DNA 1st Solution – Tāmaki Makaurau

He tirohanga rautaki | Strategic context

Our [Statement of Strategic Direction 2023–2028](#) provides direction to ensure our work delivers on our industries’ need for a highly productive, thriving and sustainable workforce. We know that this directly correlates to a strong and thriving economy (including Māori economy). Our annual work plans are directly connected to the Statement of Strategic Direction, and we have enough flexibility to evolve as our industries’ needs evolve.

We expect to commence a review of a Statement of Strategic Direction in 2024 in anticipation that our newly confirmed Government will provide clarity on its ongoing vision for vocational education and workforce development. Until then, we will continue to operate in line with our Strategic Planning Framework.

Te Pae Angitu | Strategic planning framework

Our vision | the horizon we look to

Engineering, manufacturing and logistics industries' voices influence vocational education to create equitable outcomes and a sustainable Aotearoa.

Our purpose | what keeps us moving

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

Outcomes

These outcomes for our Order in Council requirements form part of the Intervention Logic Map which connects to our functions and activities.

<p><b>1. Te Tiriti partners enable us to strengthen the Māori economy and workforce development</b> Our <i>Te Tiriti o Waitangi Framework</i> guides us in meeting our obligations as we move to strengthen the Māori workforce and economy through enabling more Māori with higher skills in higher paid jobs, and improved employment opportunities.</p> <p>Tertiary Education Strategy (TES) Objectives 1, 2, 3</p>	<p><b>2. Improve the influence of industry voice</b> in the strategic direction of workforce development for the manufacturing, engineering and logistics industries. This will lift productivity, enabling a strong economy.</p> <p>TES Objective 4</p>	<p><b>3. Enhance the ability of industries and employers to respond to New Zealand's current and future workforce needs</b> by developing the skills, qualifications and expectations for providers to deliver. These will consider new global challenges, emerging technologies, global sustainability goals, the changing nature of work, the skills, knowledge and qualifications learners need to achieve future success, and the transition to a low-emissions and climate-resilient New Zealand.</p> <p>TES Objectives 2, 3, 4</p>	<p><b>4. Improved opportunities and equitable outcomes</b> for all people in Hanga-Aro-Rau industries to engage in meaningful and highly productive work enable strong and sustainable economic growth.</p> <p>TES Objectives 2, 3, 4</p>	<p><b>5. Improved regional workforce development outcomes</b> through intricately understanding local, regional and national workforce development needs, while ensuring nationally consistent outcomes.</p> <p>TES Objectives 4</p>
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Our core functions

The functions and powers we have that enable us to achieve our outcomes.

Honouring Te Tiriti o Waitangi					
<p><b>Leadership:</b> To lead and coordinate industry efforts to identify workforce needs and support the vocational education system and employers to meet those needs. This is supported by research and analysis, advocacy, workforce plan development and contributing to career services.</p>	<p><b>Qualifications system products:</b> To develop and maintain industry qualifications, capstone assessments and skill standards that meet industry needs.</p>	<p><b>Endorse programmes:</b> To provide industry with assurance that their needs will be met by programmes. The programme endorsement function provides learners and employers with confidence and supports consistent and coherent programme delivery in the system.</p>	<p><b>Moderation activities:</b> To ensure learners have met a required standard when they are awarded a qualification. This involves confirming that assessment materials are fit for purpose and that assessment decisions are fair, valid and consistent with the national standard.</p>	<p><b>Brokerage and advisory services:</b> Brokerage services aim to help employers and industries meet their skills needs. Advisory services aim to guide employers and industries on the importance of vocational education and training and improve learner/worker experiences in their industries.</p>	<p><b>Advise the Tertiary Education Commission (TEC):</b> To enable WDCs to guide and influence TEC's vocational education funding decisions.</p>

Our pou | Strategic pillars

Our pou, or strategic pillars, are the foundations by which Hanga-Aro-Rau will build itself over the next five years to serve industry, employers, underserved employees and learners, and the communities within which they reside.

<p><b>Honour Te Tiriti</b> Honours Te Tiriti and supports Māori–Crown relationships. Our Te Tiriti partners inform how vocational education is improved by Māori for Māori.</p>	<p><b>Strong industry voice</b> Engineering, manufacturing and logistics industries voices and those of Māori employers influence improved vocational education outcomes.</p>	<p><b>Equitable outcomes for all</b> Hanga-Aro-Rau embeds equitable outcomes in all its functions and ways of working to support improvement in equitable outcomes for all.</p>	<p><b>Hardwire sustainability</b> Engineering, manufacturing and logistics industries and Hanga-Aro-Rau develop skills through the vocational education system to meet the Living Standards Framework and Sustainability Development Goals.</p>
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Underpinned by our Values

<p><b>Collaboration</b> Reciprocal relationships, engagement and integrity are at the heart of what we do and how we work.</p>	<p><b>Partnership</b> Active involvement and engagement of Māori in co-designing initiatives, decision-making processes and meaningful dialogue.</p>	<p><b>Fairness</b> Genuine commitment to and explicitly promote equity in all areas of work. Ensure appropriate levels of support and resource, to set tone and lead by example.</p>	<p><b>Adaptability</b> Critical thinking to meet the needs of the present while contributing to a sustainable future for generations to come.</p>
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## He aronga mahi | Our priorities and operating context

This Operational Plan details our core focus areas for 2024–26 to drive impactful change to New Zealand's vocational education system, workforce development, and the industries and the people we serve.

Since our inception, we have engaged formally and informally with thousands of stakeholders, including Māori, industry associations, employers, employees, business entities, community organisations, unions, training providers (including the Te Pūkenga networks and PTEs), RSLGs, Māori organisations (including employers, consultancies, iwi and hapū), and local and central government agencies to seek to understand what is most important to our stakeholders and their workforce development needs.

We have also undertaken in-depth research, literature reviews, environmental scans, and primary and secondary data analysis. Where appropriate, we have collaborated with Ohu Ahumahi to determine and validate the most significant priorities for our industries and their stakeholders.

**Through our engagement and analysis, our stakeholders have told us that they expect us to:**

- 1. Enable a strong economy (including Māori economy)
- 2. Ensure a strong pipeline of skilled workers for our industry, with an explicit focus on diversifying workforces
- 3. Ensure regional needs are understood, while ensuring national consistency in the delivery of skills training
- 4. Deliver value for money.

Our Operational Plan for 2024-26 centres around the above priorities, which link to our Statement of Strategic Direction, Order in Council and broader Government priorities.

### Priorities for 2024-26

Hanga-Aro-Rau takes a proactive approach to its functions and duties, ensuring they directly contribute to the priorities identified by our stakeholders. We have created a strong and efficient operating system and evolved our organisational structure to ensure we can deliver what is required.

Collaboration with industry, the vocational education ecosystem, including other Workforce Development Councils, and the broader economic and labour systems are central to achieving the below priorities. We will continue our strong leadership role by ensuring our industries' workforce development priorities are supported through standard setting and advice (either on further investment and/or the career system).

A core focus for Hanga-Aro-Rau remains to ensure that all who live in Aotearoa, New Zealand, are aware of the industries we serve and the range of career opportunities available. We also remain committed to ensuring employers are supported to attract, train and retain a diverse workforce – our priorities remain with supporting more Māori, Pacific, disabled people and women in and into our industries. In addition, we know the ageing workforce and succession planning remain a central focus of most businesses. These facets are critically important to ensuring a highly productive workforce, industry and economy.

We will continue to seek strong and influential collaboration with NZQA, the TEC, the Ministry of Education, the Ministry of Business Innovation and Employment, and the vast vocational education provider network.

### Monitoring our performance

Our work plan has a range of expected outcomes, all with clear indicators of success. In addition, our functional work (detailed in the following section) provides clear targets for engagement, standard setting, quality assurance, and communication, all essential contributors to the outcomes required by our industries.

Our performance is measured in a range of ways, including collating independent formal and informal feedback from stakeholders through surveys, engagement, standard-setting activities, and feedback from our expansive provider networks.



### Impact measures

Our 2024-26 work plan performance measures against our objectives are presented on page 18. We include indicators of success, including performance measures. The following impact measures are included in the table below.

Existing or New	Reform of Vocational Education (RoVE) benefit	Key performance indicators	Measure	Frequency
Existing	A stronger voice for learners, industry, employers, Māori employers and regions, including iwi development	% of key industry and Māori sector stakeholders who agree their priorities are understood and effectively communicated by WDCs	To assess the levels of confidence of the main industry bodies and Māori sector stakeholders that their priorities are understood by the WDCs, and that the WDCs are effectively communicating these priorities to the sector	Reported annually in the August 2025 and August 2026 progress reports
Existing	Relevant vocational education meeting the skill needs of learners, industry, employers, regions, Māori iwi and hapu	% of key industry and Māori sector stakeholders that are confident graduates <u>will have</u> the relevant skills	Evidence that the main industry bodies and Māori sector stakeholders are confident that the system changes will result in graduates having the relevant skills	Reported annually in the August 2025 and August 2026 progress reports
Existing	Relevant vocational education meeting the skill needs of learners, industry, employers, regions, Māori iwi and hapu	% of key industry and Māori sector stakeholders that are confident graduates <u>have</u> the relevant skills	Evidence that the main industry bodies and Māori sector stakeholders agree courses and qualifications <u>have</u> equipped learners with the skills relevant to employers	Reported annually in the August 2025 and August 2026 progress reports

Source: Guide for Workforce Development Councils - Operational Plans to 30 June 2026

Detail around our functional priorities and legislative functions can be found in the following section.



## Hanga-Aro-Rau Operational Workplan 2024-26

The following sets out our workplan over the next two years. Unless otherwise stated, the activities detailed are ongoing and can all be achieved within the allocated budget. In some instances, there may be projects funded from our Special Initiatives Reserves (as per our Reserves Policy). Any changes will be reported in our six-monthly progress reports to the TEC.

The workplan links to the four objectives distilled from our Statement of Direction, confirmed by our industry stakeholders and aligned with Government priorities.

### 1. Enabling a strong economy, including a strong Māori economy

Work	Key Milestones	Measure / KPI by 30 June annually
1. Sector Workforce Development Plans	Workforce Development Plans for all sectors covered by our National Industry Advisory Groups are maintained annually with direction from our NIAGs.	Sector Workforce Development Plans are evidence-based and endorsed by National Industry Advisory Groups.
	Comprehensive sector workforce analysis identifies: <ul style="list-style-type: none"><li>• Key workforce development priorities and opportunities for the represented industries</li><li>• Opportunities to diversify and grow more diverse workforces to ensure industry productivity growth</li><li>• Opportunities for the vocational education system and broader labour market system to best meet the evolving needs of the industry</li><li>• Emerging technologies, circular economy opportunities, and other sector-specific initiatives that have a flow-on effect on education and career pathways</li><li>• Regional areas of focus, as well as the overall national and economic benefit of the sector</li><li>• Other elements specific to the industry and/or changing demographic of New Zealand.</li></ul> All Workforce Development Plans detail action plans that form the basis of the annual work plans. Over time, these plans can expect to set targets for growing the number of learners engaged in formal education, raising participation in the sector and other key metrics related to attraction, training and retention.	Sector Workforce Development Plans are updated and published on our website at least annually.  (note: due to the release of new data or the emerging changing needs of sectors, more frequent updates may be required. Ur NIAGs will provide guidance. Therefore some Plans could be updated more frequently than others).
	Workforce development plans are the basis of ongoing investment advice for the Tertiary Education Commission.	
2. Diverse workforces	Progress primary research as needed to support older workers in our sectors, develop clear industry/workforce succession plans and enable meaningful participation. (complete by 30 June 2025, monitoring against research actions in 2025-26 using findings to inform workforce development plans, etc.)	Ageing workers research programme project completed, with findings, tools and resources published on our website.
	Progress further research to best support disabled people in and into our sectors, as well as employers, industry and other interested groups. (The research programme is expected to be completed by 31 December 2025.)	Publish tools, support and guidance for attracting and supporting disabled people annually.
	Pacific Peoples Workforce Development Plan maintained annually with direction for our NIAGs and community stakeholders.	Pacific Peoples Workforce Development Action Plan is monitored against and updated annually to reflect the workforce development needs and aspirations of Pacific Peoples.
3. Pathways Services	Advisory services are provided that aim to guide employers and industries on the importance of vocational education and training and improve learner-worker experiences in their workplaces. (scoping to 31 December 2024, implementation from January 2025)	Employers and other stakeholders utilising the advisory services.  Advisory services address employer needs.
4. Māori Economy	Continue the comprehensive Māori engagement programme aligned to the workforce development priorities identified in our Māori Workforce Development Plan. All of these priorities link to the vision of attracting and supporting more Māori into higher-skilled and higher-paid roles within our sectors. Key areas of focus are: <ul style="list-style-type: none"><li>• Continue to grow and review the Māori stakeholder database, collating and analysing insights to information workforce development priorities</li><li>• Continue to engage and encourage iwi/hapu and/or Māori industry to engage in our functional activities (including qualification reviews, investment advice and NIAGs)</li><li>• Collaborating with at least two government agencies on five projects during 2024-26 to grow Māori workforce pipelines positively.</li><li>• Strengthening communication reach through delivering Māori industry events and sharing case studies of success and innovation</li></ul>	Five impactful projects delivered for Māori in partnership with at least two government agencies annually.  At least two Māori industry events are delivered annually, positively promoting the workforce development opportunities available.  At least 20 case studies or profiles are published via our communication channels.
5. Cultural Capability for our industries	A cultural capability pilot for our sectors is collaboratively developed with a Provider based on the kaupapa implemented for Hanga-Aro-Rau kaimahi, which will be rolled out wider in 2025-26.	Two cultural capability pilots conducted in 2024-25  Industry cultural capability programme rolled out 2025-26.



2. Ensure a strong pipeline of a skilled workforce for our Industries, with an explicit focus on diversifying workforces

Work	Key Milestones	Measure / KPI by 30 June annually
1. Diverse workforces	Refer to 1.2 above.	
	Insights gathered to better understand learnings/best practice from other jurisdictions on how we can get additional workforce into the country (that considers immigration settings).	Insights collated and at least annually reported on as part of our workforce development plans and investment advice.
	Key initiatives to remove or reduce the current barriers to attracting and retaining people, in collaboration with other agencies, groups and organisations, are created and rolled out.	TBC, but expected to be linked to the priorities of the Manufacturing Ministerial Reference Group. At least one pilot is created and rolled out annually.
	Targeted promotional campaign pilots to support Women in Trades that bring together education providers, employers, and Hanga-Aro-Rau to increase the number of women working and learning are scoped and created.	TradeCareers website is maintained and diversified to represent a range of groups and initiatives.
2. Secondary Education Strategy	Continue to collaborate with industry, government and career development organisations to strengthen awareness and connection with secondary schools across New Zealand.	Continue to lead events that bring together industry and schools to strengthen pathways (at least six events per year)
3. Provider Engagement Strategy	Provider Engagement Strategy is continually refined to engage with providers to encourage transformational design to support learning and teaching (Links to Outcomes 2 and 3).	Refer to engagement targets.
	The Engagement Strategy: <ul style="list-style-type: none"><li>Is clearly articulated with core focus areas and account management at a regional and scale level.</li><li>Reflects the ethos of transformation as a holistic approach where high collaboration is evident.</li><li>Focus on promoting our sectors, the various career pathways and brokering connections with schools, employers and other networks</li><li>Continue to support providers to continuously improve to best support learners in achieving success and pathway to further education and work</li><li>Continue to support and encourage more work and industry exposure and on-the-job learning.</li></ul>	
	Provider Engagement Training manual to ensure consistency in approach to quality assurance and other aspects as is developed and launched (by 31 December 2024) and maintained annually.	Provider Engagement training manual launched by 31 December 2024.  Training manual maintained annually.
	Insights against each provider gleaned from programme applications and combined with visits are fed into a strategy for each provider to lift performance in the system in areas identified. Tailored responses are provided to providers based on size, region, area of focus, performance, etc.	Individualised strategies are evident based on outcomes of insights from programme endorsement activity and provider engagement.  Expect to see improved moderation results from providers.
	Continue to deepen our links with NZQA to ensure we operate efficiently to best meet industry needs.	Streamlined and more efficient programme, qualification and standard approvals.  Continue to receive favourable ratings from NZQA based on their WDC quality assurance and standard-setting evaluations.
4. Qualification and skills pathways align with industry career pathways	Leveraging the workforce development plans, ensuring the qualification review schedules align with industry needs, and includes detailed mapping of career and education pathways.	All qualification suites are linked to industry need and have clear education pathways aligned with industry career pathways.

3. Ensuring a regional connection with stakeholders while ensuring national consistency in the delivery of skills training

Work	Key Milestones	Measure / KPI 30 June annually
1. Stakeholder engagement and communications	Regular and consistent communications are delivered to our stakeholders in the channels most appropriate for them, in accordance with the annual marketing and communications strategy.  Regional connections continue to be strengthened through active engagement and project collaboration (including standards development).	Refer to <i>Our Functions</i> section for detailed targets.
2. Programme Endorsement	Assure programmes are meeting the industry's needs through a rigorous endorsement function that provides learners and employers with confidence and supports consistent and coherent programme delivery in the system.  A formal review of the process will be undertaken each quarter in conjunction with Ohu Ahumahi to reduce the potential process overlap with NZQA. Application for programme endorsement is evolving to ensure programmes are meeting the needs of industry and learners enrolled.  Maintain strong connections with providers across Aotearoa, New Zealand, through our targeted provider engagement strategy.	Programme endorsement responsibilities with NZQA are remapped and responsibilities for Programme approval are articulated to all stakeholders impacted.  Programmes endorsed within 20 working days of receiving an application that meets all criteria.
3. Vocational Ecosystem	Agreement reached between HAR, NZQA and TEC on information sharing regarding Standard Setting functions and assuring NZQA and TEC.	Reporting against agreement in six-monthly progress report to TEC.
	Deepen our links with NZQA so that providers get a whole system approach to our mahi.  A strategy is developed that will drive a cross-system approach, sharing knowledge and identifying innovative responses to the complexities within the delivery of vocational education. And identify areas where transition strategies need to be developed, focusing on Hanga-Aro-Rau standard-setting responsibilities. Unpacking roadblocks within the systems criterion that inhibit the ability of our industries to meet the needs of their workforce.	Demonstrable efficiencies realised with approval processes to ensure industry access to the qualifications and programmes needed to advance their workforce.  Ongoing monitoring and review against the strategy (reporting six-monthly)
4. TEC Advice	Insights against each provider gleaned from programme applications and combined with visits – feed forward into the TEC investment advice; regional perspectives and nuances are strongly featured in the advice to ensure investment is targeted to high-impact provision.	Investment Advice is submitted as required by the funding agreement (but available anytime during the year).
	The Green List* process with TEC is developed and implemented that automatically acknowledge new qualifications, changes in identified roles, and industry needs (at a regional and national level). *The Green List details roles/occupations and related qualifications for potential migrants to Aotearoa. If the role is listed on this list, then there is a quicker path to residency. The qualifications on the list may also be funded via the TEC (if an individual needs to complete them in NZ)	The Green List process is streamlined and responsive to industry and TEC requirements.
	Māori insights are integrated into the annual advice to TEC, with a regional lens applied as needed.	Māori insights and recommendations are submitted to the Hanga-Aro-Rau TEC advice.
5. Māori Workforce Development	Strengthen the regional voice of Māori and industry through targeted connections and events.	One-day Māori industry events are delivered in five regions: Northland, Tāmaki Makaurau, Waikato, Napier, and Christchurch.

4. Ensure we are delivering value for money through our core functions enabling a better connected vocational education system

Work	Key Milestones	Measure / KPI by 30 June annually
1. Moderating Assessments	Moderating assessments to ensure learners have met a required standard when they are awarded a qualification. This involves confirming that assessment materials are fit for purpose and that assessment decisions are fair, valid, and consistent with the national standard.	Refer to function measures
	Moderation activities identify where learners may be disadvantaged by assessment practices.	
	A review of all processes attached to moderation and quality assurance is undertaken.	
	All recommendations identified in the 2023 NEM reports are explored, with a key focus on how our processes and insights can strengthen workforce development outcomes for our industries.	
	The moderation plan identifies different entity types, and a tailored approach for each is developed to ensure continuous improvement and development from providers, strengthening learner and industry outcomes.	
	Where opportunities are identified within moderation activities, initiatives to work with our Provider base to improve and implement best practices are undertaken, such as: sector-specific workshops, drop-in sessions, and roadshows.	
2. Ongoing communication and engagement with education ecosystem	A regular cadence of meetings of publicly funded providers, PTEs, and schools is established to inform these networks of qualification and standards reviews, new standards in development, programme endorsement and quality assurance, industry insights and trends, and investment priorities.	4 x quarterly meetings annually.
	Communication and engagement are through various platforms most suited to the provider network's needs.	Presentations at relevant conferences include CATE annually.
	Provide qualification and standard workshops / drop-in sessions	Refer to function measures for communications targets.
3. Industry centred standard setting	Active collaboration with industry, providers and other interested and impacted stakeholders to review and develop qualifications, standards and micro-credentials.	Workshops developed and schedule published on the website.
		All qualifications, standards and micro-credentials are endorsed by industry.
		Clear delivery provider partners are identified for all new qualifications.
		Refer to function measures.

He mana taurangi | Delivering our legislative functions

Our organisation is structured to deliver against our legislative functions outlined in our Order in Council. All roles across Hanga-Aro-Rau contribute to our functional delivery and effective operation. Being independent of training provision and delivery, our functions enable the industry to have a strong voice in shaping their vocational education pathways, informing investment advice and ensuring quality educational outcomes for learners and employers.

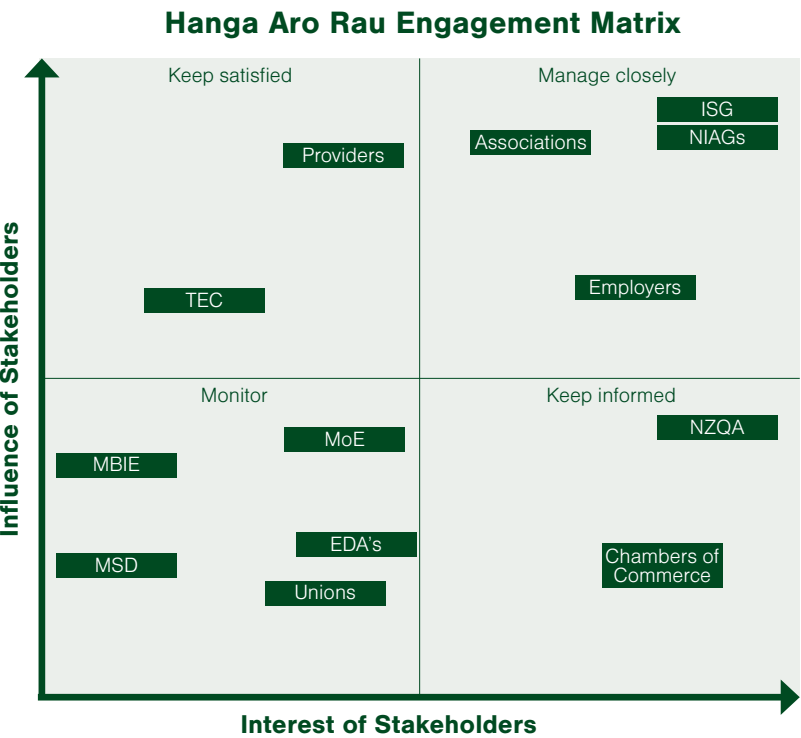
Skills and workforce leadership

Skills leadership occurs across our whole organisation and functions. Our dedicated engagement and research teams enable us to deliver skills leadership for the sectors we serve. Our engagement teams comprise dedicated personnel who work across industries, stakeholder groups, and the vocational ecosystem to ensure industry voice influences current and future workforce development.

We work with and influence the vocational education system in the following ways:

- **Dedicated Industry Relationship team** – to work directly with workplaces, associations, peak bodies, schools and other career development organisations to understand how best to respond to specific workplace development needs.
- **Dedicated Māori Workforce Development team** – to work directly with Māori businesses, iwi, and workplaces with more than 20% Māori staff requiring specialist advice and guidance on how best to meet their workforce development needs to improve productivity, attraction, and retention.

- **Dedicated Pacific Workforce Development team** – to work directly with Pasifika businesses and workplaces with Pasifika staff requiring specialist advice on how best to meet the workforce development needs of that staff in order to improve productivity, attraction and retention.
- **Dedicated Provider Engagement team** – to work directly with providers (including PTEs, Wānanga, and schools) to ensure industry needs are being met in terms of the delivery of training (workplace-based or off-job, depending on situation).
- **Well-developed relationship with the Tertiary Education Commission** to develop and provide advice related to provision of funding, monitoring of WDC performance, plus elevation of any associated issues that may result in a more cohesive, responsive vocational education system. **Well-developed relationship with NZQA** to ensure timely responses to industry workforce needs.



We understand our stakeholders and their needs

We engage directly with thousands of stakeholders face-to-face and tens of thousands through our tailored communication channels. Based on this, and respecting the diversity of our sectors and our unique role in the vocational education system, we have developed a stakeholder matrix to ensure we are utilising our resources efficiently and effectively.

Note: The above matrix is a general representation of where our stakeholders sit regarding influence and interest. However, Hanga-Aro-Rau does have specific relationship management with certain stakeholders based on industry challenges and opportunities.





DNA 1st Solution – Tāmaki Makaurau

Hanga-Aro-Rau prioritises engagements with key organisations through the development and maintenance of an engagement schedule broken into quarters across the financial year. Each stakeholder identified on the schedule is assigned a level based on the above matrix and other factors, including upcoming qualification reviews, new product development, influence and interest within the VE system, and the need for formalised skills response due to workforce need.

Engagements are proactively scheduled or in response to acute or emerging needs and opportunities. Reasons for engagement include, but are not limited to:

- Understanding and/or validating workforce development priorities, including new qualifications/micro-credentials, emerging needs, global trends, and acute workforce challenges.
- Determine strategic priorities for medium-longer term workforce development requirements.
- Opportunities to strengthen educational and career pathways, including promotion of our sectors, strategies to attract more people into our sectors and tool to support employers to retain people in our sectors.
- Partnering with other organisations to determine how to best support industry, current and future employees, and employers. These partnerships could include those with iwi businesses, community organisations, central and local government agencies, and the broader vocational education system.

- Facilitating stakeholder involvement in qualification and standard reviews, including their broader networks to validate the need and content, and inform prospective training providers around programme design and training delivery.
- Determining and/or validating priorities for investment (or divestment) in vocational training to support the provision of industry-endorsed investment advice to the TEC.

Our engagement activity drives our organisational priorities by informing our functions. It also ensures that we can, in an evidenced-based way, clearly advocate for our industries' needs across the broader vocational education ecosystem. In turn, we can also advocate for the vocational education ecosystem through our industry and stakeholder networks. Our Industry Stakeholder Group and National Industry Advisory play a critical role in validating and influencing our organisational (and broader vocational education sector) priorities and are a key feature of our engagement approach.

Tailored engagement approaches

Our industries, their people and their needs are diverse. Therefore, so our engagement approaches. We have a range of engagement mechanisms to ensure we are authentically capturing industry to inform workforce development and other economic priorities. These mechanisms range from 1:1 meetings, presenting at industry events (including conferences, executive meetings, and regional events), engaging with iwi businesses and community organisations in approaches tailored to their needs (e.g. on the marae), facilitating group discussions, research (e.g. surveys, focus groups or interviews), roadshows (e.g. to engage with schools, industry, communities), and so on.

The following table details the various ways we engage and the anticipated volume of engagement to confidentially inform our functions.

Stakeholder (group)	Nature of engagement and frequency	Functional lead	2023-24 engagement target
Industry			
Industry associations	<ul style="list-style-type: none"><li>• Face-to-face and virtual, conference presentations</li><li>• Connect at least once every two months</li></ul>	Industry transformation	1,500
Industry Stakeholder Group (ISG)	<ul style="list-style-type: none"><li>• Face-to-face meetings (at least two per year)</li><li>• Out of session communication (email, online hui)</li></ul>	CE/DCE/Poumatua	
National Industry Advisory Groups (NIAGs)	<ul style="list-style-type: none"><li>• One or two formal face-to-face meetings per year</li><li>• Out of session communication (email, online)</li></ul>	Industry transformation	
Employers	<ul style="list-style-type: none"><li>• Weekly engagement with employers across our sectors</li><li>• Regular communication via Te Hā</li><li>• Engagement in standard-setting mahi</li></ul>	Industry transformation/Māori workforce development	
Unions	<ul style="list-style-type: none"><li>• At least quarterly engagement with each union</li><li>• Regular communication via Te Hā</li><li>• Engagement in standard-setting mahi</li></ul>	Industry transformation	
Other groups as identified in our Order in Council (e.g. volunteers)	<ul style="list-style-type: none"><li>• At least quarterly engagement with identified groups</li><li>• Regular communication via Te Hā</li><li>• Engagement in standard-setting mahi</li></ul>	Industry transformation	At least <ul style="list-style-type: none"><li>• three iwi businesses</li><li>• 40 Māori employers</li><li>• 50 kaimahi</li><li>• 150 new contacts</li></ul>
Iwi/hapū Māori	<ul style="list-style-type: none"><li>• Five regional engagement events</li><li>• At least quarterly engagement with iwi (likely in collaboration with Ohu Ahumahi)</li></ul>	Māori workforce development	
Māori employers	<ul style="list-style-type: none"><li>• Weekly connection with Māori employers</li></ul>		
Regional groups, economic development agencies, related organisations	<ul style="list-style-type: none"><li>• At least two monthly engagements with all prioritised EDAs or other local/regional authorities</li><li>• Monthly connection with other industry/community specified regional organisations</li></ul>	Industry transformation	50
Providers	<ul style="list-style-type: none"><li>• At least one annual meeting with executive leaders from the public-funded provider network</li><li>• At least two monthly engagements with prioritised providers (refer to programme endorsement and moderation activities below)</li></ul>	CE/DCE Improvement and operations Industry standards	80
Community groups (including Pacific networks, tāngata whaikaha networks)	<ul style="list-style-type: none"><li>• Engagement with at least two community groups per month</li><li>• Groups have representation on our advisory groups</li></ul>	Industry transformation (linked to Hāpaitia shared services)	24
Vocational pathways	<ul style="list-style-type: none"><li>• Monthly engagement with government networks and influencers</li></ul>	Industry Transformation (Vocational Pathways team)	12

Communication

Our tailored communications approach has evolved to best meet our stakeholder requirements. Below is a summary of our communication methods and targets we have set for 2024–26. These support the implementation of our engagement plan.

Communication method	Audience	2023–24 target
LinkedIn	Industry, providers	At least two LinkedIn posts per week
Web stories	Industry, employers, providers, employees	At least one web story per fortnight
Press releases	Media (mainstream, industry, Māori, Pacific)	At least one press mention each month Two PR campaigns annually
Hanga-Aro-Rau-led industry stakeholder forums	Industry, providers, employees, unions, community organisations, iwi and hapū	At least two forums per year
Te Hā – Hanga-Aro-Rau external communication	Industry, providers, employees, unions, community organisations, government, iwi and hapū	At least four publications per year
Provider communication	Providers, employers, schools	At least six publications per year
Website	Industry, providers, employees, unions, community organisations, government, iwi and hapū	1000 site visits per month
Stakeholder newsletters	Industry, business, government	At least two Hanga-Aro-Rau industry stories published in stakeholder communications per month.  At least six Māori industry newsletters per year.  At least six Pacific industry newsletters per year.
TradeCareers	Industry, women, community groups, industry, business, government	At least two TradeCareers posts per week

Workforce Development Plans

Hanga-Aro-Rau has nine industry-specific workforce development (aligned with our NIAG groupings) as well as Māori and Pacific Peoples action plans. These plans articulate the future workforce development needs and priorities for our industries. These interactive web-based plans are dynamic and updated at least annually.

Each plan is co-created with a NIAG and/or specific advisory group that then monitors against the actions in the plan. The plans highlight:

- Future trends, challenges and opportunities expected to impact industry, including emerging technologies, significant projects, and regional priorities.
- Current trends, status of qualifications and review schedule, training provision and pastoral care considerations.
- Career and education pathways, including how we can strengthen pipelines into (attraction) and within (retention and progression) our sectors.
- Specific actions for Māori and Pacific workforce development, as well as specific industry considerations for women, those with disabilities, and older and younger workers.

In addition, our Māori and Pacific People’s plans link to strengthening economic outcomes at the industry, community and individual levels. The core vision of the plans is to have more Māori and Pacific Peoples in the sectors we serve, with higher skills and higher-paid jobs.

Research

Our comprehensive research programme is core to achieving our strategic objectives outlined in our abovementioned work plan. In addition, our team of dedicated and experienced business and data analysts and researchers provide guidance and support to the organisation to inform:

- How we can support industry to diversify their workforces knowing that diversification is a critical enabler of sustainable employment, industry prosperity and productivity.
- Qualification and standards development and review.
- New vocational education product opportunities.
- Insights for industry and engagement such as employment forecast, technological changes and research to support a diversifying workforce, with a focus on recruitment, support and retention of underserved groups, while also being mindful of sustainability goals and objectives.
- Insights and data for formal presentations and communications.
- Ethical guidelines for gathering information.

Research is a core area of collaboration with other Workforce Development Councils. In 2024–26 we will continue to collaborate on the following initiatives:

- Regional initiatives, such as hospital builds, iwi priorities, and sector initiatives (e.g. primary processing sectors).
- Industry diversity to ensure sustainable pipelines of people coming into and progressing within our sectors (specific initiatives are expected to be ongoing research on how disabled people can be attracted, supported and retained in our sectors, tools to support employers in diversifying their workplaces while being safe and inclusive, advocacy on behalf of our sectors to showcase the varied and dynamic careers available using existing platforms like TradeCareers).
- The Shared Data Platform to ensure we, the vocational education system and our stakeholders can access robust, meaningful and relevant data and information to make sound decisions around current and future workforce development needs.

Vocational pathways

We will continue our focus on strengthening connections between industry and the wider education and labour market system. This includes addressing the following barriers:

- Employers need quality workers and are struggling to attract and retain employees through the education-to-employment ecosystem
- Pathways into and progression with our industries are not visible or are deemed inaccessible – people cannot be what they cannot see

The status quo of employee progression and experience in our industries are two core workstreams that have been developed to begin addressing these issues, using a ‘two-thread’ approach.

1. Brokerage and Advisory:

Services that equip employers with the knowledge of how to engage with the education ecosystem, providing engagement guidelines and examples of good practice

**Key partners:**  
Employers, secondary and tertiary education institutions, Ministry of Social Development, Ministry of Education, Ministry of Business, Innovation and Employment, Economic Development Agencies, Mayors Taskforce for Jobs, community organisations

2. Inform the careers system:

Empowering ākonga by providing relevant agencies and associations with career pathway information and current industry insights

**Key partners:**  
Ministry of Education, Tertiary Education Commission, Careers and Transition Education Association of New Zealand, Career Development Association of New Zealand, industry associations and employers



Two-thread approach



An additional focus over 2024-26 is looking at how our services can impact the lifespan of a career. We have used Super’s Career Development theory to map our planned interventions across the career journey, from initial awareness and exploration through to the re-defining of a lifetime’s work. This mapping is underpinned by the National Career System Strategy, an all of Government approach to career development. Workforce Development Councils play a role in bringing industry voice into the strategy.

National Career System Strategy				
The career journey				
Growth	Exploration	Establishment	Maintenance	Re-framing
Identify good practice models and create studies of effective industry engagement with the education system				
Support inspiring the Future events				
Encourage safe, inclusive and welcoming workplaces - educate employers on the experience of rangatahi, career changers and the changing world of work; collate resources for employers on how to attract and retain a diverse workforce, succession planning and internal career development				
Establish and maintain relationships with key stakeholders in the education to employment space				
Gather and share industry insights and information to our key stakeholders including TEC, MoE, CATE, CDANZ				

Standard Setting

Hanga-Aro-Rau is the standard-setting body for more than 200 qualifications and just under 4,000 unit standards across the manufacturing, engineering and logistics industries we serve. Over the next two years we anticipate reviewing qualifications and standards (including micro-credentials and developing skill standards) across the following sectors:

- Apparel
  - Automotive
  - Maintenance Engineering
  - Competitive systems and practices
  - Engineering skills standards
  - Extractives
  - Fibreboard and packaging
  - Heaving engineering
  - Irrigation
  - Furniture
  - Marine systems
  - Power boat systems servicing
  - Supply chain
  - Locksmithing
  - Manufacturing
  - Joinery (led by Waihanga Ara Rau)
  - Maritime
  - Operate VHF Marine Radio (micro)
- Meat processing
  - Outdoor power equipment
  - Plastics
  - Ports
  - Primary products food processing
  - Outdoor power equipment
  - Forklift unit standards
  - Resource recovery
  - Dairy processing
  - International freight forwarding
  - Passive fire protection installation
  - Fire protection, detection and alarms
  - Solid wood manufacturing
  - Wood panel manufacturing
  - Coachbuilding
  - Refrigeration and air-conditioning
  - Rail operations
  - Digital Skills for Manufacturing (micro)

We prioritise being responsive to industry needs over the standard five-year review cycles requested by NZQA. Therefore, our standard-setting workplan naturally evolves as new initiatives are identified and endorsed by industry during the year. If this impacts on our ability to ensure all our qualifications are reviewed within the standard five-year time frame, we work with impacted industry stakeholders and NZQA to adjust review time frames.

In 2023–24, our stakeholders have identified, validated and endorsed development in the following areas. These will also form part of the 2024-2025 work plan and are in addition to the NZQA-mandated five-yearly reviews.



Robotics



Transport Engineering



Apparel Manufacturing



Primary Products Food Processing



Ports



CNC Machining

These new products provide opportunities for our provider network and will form a central feature of our investment advice to TEC.

We anticipate this trend to remain in 2024-26, with our stakeholders continuing to identify new opportunities for vocational education. As part of all development, we seek to partner up front with our provider network to ensure they can plan their programme design (and pastoral support structures) to best meet the needs of industry and ākonga undertaking these new products.

Paewhiri Mātauranga is the academic rōpū representing Hanga-Aro-Rau leaders who have a functional and strategic interest in standard setting. The purpose of this group is to provide guidance and approval for programme endorsement, new vocational education product development and overarching monitoring of the standard-setting work plans. Meeting monthly, this group plays a critical role in ensuring that all mahi associated with standard setting is linked back to industry and stakeholder needs.

Our strong and established process for connecting with industry, employers, providers, and other relevant stakeholders enables all stakeholder to confirm that our current and new educational products are fit for purpose. We take an ongoing continuous improvement approach to all educational products, which often results in changes to our review plan to ensure we responding to industry need.

Mātauranga Māori and qualification development

In 2023-24 the Industry Standards (Whatu Tohu) supported engagement with iwi to enable greater iwi support and engagement in qualification development and review. Iwi engaged over 2023-24 included Waikato-Tainui, Te Rūnanga o Toa Rangatira, and Ngāti Whatua.

Engagement with Waikato-Tainui was a collaborative opportunity with all six Ohu Ahumahi to consider a co-ordinated approach to our mahi while honouring Te Tiriti o Waitangi and supporting Māori-Crown relationships. Working with Te Rūnanga o Toa Rangatira all Ohu Ahumahi came together to understand the iwi aspirations and to identify opportunities for collaboration.

Given the strategic importance of Māori workforce development on New Zealand’s economic future, it is essential that iwi, Māori business, Māori learners and workers, and other stakeholders with a vested interest are actively engaged in the development and review of qualifications, standards and micro-credentials. In collaboration with our engagement teams, we seek to ensure that Māori have a strong presence and voice in standard setting.

Using Te Aronga Māori, we aim to embed a Māori worldview into our qualifications and standards to enable this to flow into training programmes and teaching and practice. Te Aronga Māori is currently being reviewed and updated to reflect our growth and understanding of mātauranga Māori and how this

is considered and applied within our activities. The impact of the change will be measured through quality assurance activities (including moderation and programme endorsement) and provider, ākonga (learner), employer, and iwi and hapū feedback as appropriate.

From 2024 to 2025, Te Aronga will be applied to review meat processing, ports and stevedoring, supply chain qualifications, strands, and standards. In 2025-2026, Te Aronga will be applied to other areas of Māori workforce development priority, including Commercial Road Transport, Solid Wood, Automotive Engineering and Supply Chain.

In 2022, we started the process of reviewing all our qualifications with a te ao Māori lens to align with our engagement and research kaupapa. We also began to identify opportunities to include mātauranga Māori, te reo Māori and tikanga within qualifications. Our industry standards tima (Whatu Tohu) has developed the Te Aronga Māori framework to enable this process. In te reo Māori aro means to focus, understand, comprehend; and aronga is direction, focus, interest, purpose).

The goal is to enable system transformation. The impact of change will be measured through quality assurance activities (including moderation and programme endorsement) and provider, ākonga, employer, and iwi and hapū feedback as appropriate. Using this approach, we aim to embed a Māori world view into our qualifications and standards to enable this to flow into training programmes and teaching and practice.



Annual Workplan Summary

A five-year work plan has been created which is reviewed at least quarterly. This work plan details all of the scheduled and overdue qualifications, standards and micro-credentials. Recognising that industry is dynamic with evolving skills needs, we ensure that there is enough resource in the work plan to allow for emerging needs as identified, validated and endorsed by industry.

Each workplan contains

- qualifications, standards and micro-credentials scheduled for review and development via NZQA
- New development, approved and scheduled via Paewhiri Mātauranga (academic rūpu)
- additional work brought forward from previous work plans (where a review spans multiple years).

2024-2025 Workplan (working schedule)

- 65 qualifications and 1390 standards scheduled for review and development
- includes product review and development mahi that continues from the previous workplan
- this workplan continues to be shaped and informed by industry.

2025-2026 Workplan (working schedule)

- 48 qualifications and 490 standards currently scheduled for review and development
- this workplan continues to be shaped and informed by industry
- will include additional work from the previous financial year as identified.



Programme endorsement

During the last financial year, and as we have matured our processes, a considerable collaboration between WDCs and NZQA has occurred to streamline the programme endorsement process: a core feature of ensuring industry voice is a strong feature of programme design and delivery. This critical function will continue to evolve as the vocational education system strengthens.

During 2024-25, we expect to remove duplication in endorsement processes across NZQA and WDCs to ensure they are streamlined and efficient. We will also continue to strengthen our collaboration with our provider network to ensure all programme endorsement criteria can be achieved. Our dedicated provider engagement team has worked closely with providers to support the programme design and application process, and this has resulted in an exponential improvement in the quality of applications. We will retain the 1:1 provider collaboration as well as our informal ‘drop-in sessions’ where providers can come to our team and ask any questions.

We expect to process around 80-100 programme endorsement applications (based off the volume from previous years and recognises that providers are growing in confidence; however, this is not a target and entire entirely contingent on provider activity). All programme endorsement applications will be processed within 20 working days.

Quality Assurance

**(including moderation and best practice for providers)**  
We continued to improve our moderation practices through maturing our data intelligence and provider analytics. Our data intelligence tool has continued to evolve to ensure evidence of assessment practice (especially patterns of poor assessment practice) are driving our selection and prioritisation of moderation samples. A moderation plan is published annually.

Our strong commitment to supporting our provider network work towards best practice has paid dividends, with a significant increase in the number of pre-assessment moderation samples being at the national standard during 2023-24. Therefore, we will retain our tailored focus to improve quality outcomes in 2024-26. Our objective is to foster quality partnerships across the provider network, align training programmes with industry demands, and ensure our efforts are contextually and regionally relevant to meet industry, provider and learner needs.

We are enhancing our planning and forecasting capability, enabling us to call for moderation samples from the provider base in January and then stagger when the provider must submit the samples between February and November. This enables effective planning and resourcing for all entities involved. All high-risk unit standards will be moderated in the first quarter of every financial year. This ensures that any potential risk to learners’ competency is addressed promptly.

In addition to our moderation panning and cycle outlined above, we also ‘regionalise’ our providers to enable targeted oversight and intervention at a regional level (even though the unit standards may be delivered nationally or in multiple regions, we recognise that provision in each region is nuanced; therefore our quality assurance approach must reflect that). Our deliberate regional approach informs national consistency, and we also adopt a ‘portfolio’ approach for providers with national coverage and consistency in delivery. This ensures consistency in curriculum delivery, teaching and learning practices, and sharing best practice.



Advice to TEC on the mix of vocational education provision

Most of our insights gleaned from stakeholder engagement, research, and standard-setting activities (including qualification and standards development, moderation and programme endorsement) inform the advice we provide to TEC on future investment in vocational education.

Our 2025 investment advice TEC 2025 was also developed by examining historical and forecast employment data supplied via the economic consultancy service Infometrics. Where variations above or below 5% to the employment data were identified, the WDC examined the affected occupations in those sectors. Those identified occupations were then linked, where applicable, to qualifications relating to the skillsets of those occupations and enabled us to frame specific and targeted questions for our stakeholder network to determine ongoing investment requirements.

As we matured in the process, so too did our ability to run this analysis and stakeholder discussion continuously, as well as ensure that it formed a central focus for our NIAGs. Our advice

delivered through the 2024-26 years will continue to evolve, and the analysis will become more sophisticated whereby we hope to forecast specific skills and occupational requirements at a local, regional and national level (e.g. the engineering sectors needs XXX CNC operators nationwide, with X% needed in Dunedin over the next three years).

Validation will continue against official statistics, stakeholder engagement, and learner data (enrolments, completions, and hopefully, employment in and longevity in our industries tracked over time). We will also validate with our regional networks to ensure regional needs are clearly specified. Recent historical enrolment and completion rates of the qualifications identified were also examined.

At this stage, we are planning to provide formal advice to the TEC annually (November, based on the 2023-24 funding agreement). We are also building capacity to provide advice at any time, given the evolving nature of new skills development in our sectors.

Function measures

Our activity is measured and reported on monthly basis. Our functional measures are summarised below:

Function	Measure
Skills leaderships	Formal engagement with at least 2,000 stakeholders, including industry, employers, employees, iwi businesses and hapū, Māori employers, community groups, unions, regional stakeholders, providers
	Frequent and tailored communication to showcase skills leadership in action
	Research and insights published and used to drive sector and industry transformation.
	Sector workforce development plans are refreshed annually.
	Industry satisfied that their career and education pathways are clear and visible (baseline in 2023–24)
Qualification and systems	55 qualifications reviewed
	980 standards reviewed
	Te Aronga Māori framework evaluated with iwi
	Iwi insights on the Te Aronga Māori framework captured and incorporated
	All standards overdue for review that do not align to a qualification suite are scheduled for review in the 2024/2025 workplan
	10% of product development will be moderated annually as part of quality assurance processes
Programme endorsement	Comply with NZQA Self-Assessment requirements.
	All programmes endorsed within 20 working days
Moderation activities	Comply with NZQA Self-Assessment requirements.
	100% of all moderation activities were completed, including pre-assessment moderation (estimated at least 600), post-assessment moderation (estimated at least 700), and consent to assess (estimated at least 10).
	<i>Note that specific targets for moderation and consent to assess activity can not be calculated due to the responsive nature of the activity. The estimates are based on the volume of activity from previous full financial years.</i>
	30% of our provider base will be called for moderation each quarter.
Investment advice	Comply with NZQA Self-Assessment requirements
	Advice evidences industry need.
	Advice submitted to TEC on time and to specification to inform annual investment planning.

PENAPENA PŪTEA I  
FINANCIAL MANAGEMENT  
AND RISK

Penapena pūtea | Financial management and risk

Financial management

In preparing our budget for 2024-26, we have worked on the basis that the annual funding envelope from TEC remains consistent with the 2023-24 financial year. The following details two annual budgets (2024-25 and 2025-26), compared to 2023-24 (including the anticipated surplus). In addition, a five-year forecast is included. Our operational work plan is designed on the basis that it fits within our operating budget, as evidenced in previous years of operation  
Our proposed budgets are presented below:

2024-26 High level budget (including 2023-24 expected forecast)

Profit and Loss Statement	2023/24 Forecast \$000s	2024/25 Budget \$000s	2025/26 Budget \$000s
	\$000s	\$000s	\$000s
TEC Funding	13,114	13,114	13,114
Other Income	260	182	177
Total Income	13,374	13,296	13,291
People Costs	8,990	9,997	10,282
Travel	718	894	892
Engagement, Meetings and Events	231	188	186
Qualifications and Assurance	108	-	-
Governance	302	313	300
Consultancy	277	68	68
Other Expenses	661	501	504
Operating Costs	11,287	11,961	12,233
Hāpaitia Costs	1,643	1,645	1,657
Total Expenditure	12,930	13,606	13,890
Total Surplus / (Deficit)	444	(310)	(599)
Reserve Projects	0	470	485
Movement to Reserve Projects	0	(470)	(485)
Shared Services - Lease	132	117	117
Movement to Capital Reserve	(132)	(117)	(117)
Movement to Accumulated Surplus	576	277	2

Please note: All financial amounts are displayed in as 000s in this report, this may result in \$1 rounding variances.

Annual budget assumptions:

1. The TEC funding envelope for FY2025 and ongoing years will be unchanged from the current FY2023, at \$13,113,603 (GST exclusive).
2. The draft budget is proposed to deliver a modest total surplus for FY2025, with a break-even position for FY2026. After allocation of asset lease costs to the Capital reserve, the operating surplus is budgeted of \$277k for FY2025 and \$2k for FY2026.
3. The FY2025 and FY2026 budgets are based on the organisational operational plan from 1 July 2024 to 30 June 2025, which is a consolidation of the operational plan for each of the cost centres.
4. These operational plans, individually and organisationally, are aligned to the Statement of Strategic Direction (SSD) 2023-28.
5. Management has taken a conservative approach to the budget with a preparation based on a bottom-up build-up of costs by each cost centre manager.
6. People costs, including remuneration and people development, continues to be the highest investment for Hanga-Aro-Rau, currently at 73% of total expenditure. Management is taking the opportunity to reassess the different requirements for roles that are vacant, yet to be filled or on hold, to ensure they are still fit for purpose.
7. A 5% Personnel Costs contingency has been included in both FY 2024/2025 and FY 2025/2026 to support our kaimahi through the uncertainty, specifically for retention purposes should that support be required. The contingency is classified as a new project, named “Kaimahi Support Project”, and the project is budgeted to be funded from Reserve Projects if required.
8. While management continues to focus on effective cost management, it is expected that in order to maintain high levels of engagement with industry, travel costs are likely to increase (25% up on Forecast 2023-24). Qualifications and Assurance expenditure is primarily for contracted SME services and has been reallocated to Contractor costs, which are included under People costs. Savings are planned in consultancy costs, which are reflective of central government procurement guidelines.
9. Hāpaitia Shared services also remains the second highest cost at 12%, including depreciation for FY2025 and FY2026. Hāpaitia is forecasting to maintain static levels of expenditure in coming years as service delivery enhancement projects are embedded in day-to-day operations.
10. The five-year forecast indicates that in the last 3 years we are likely to see deficits incurred with static income and inflation adjusted costs. These deficits would be offset against prior year surpluses with sufficient equity and cash reserves maintained.



Profit and Loss Statement Five Year Forecast 2025-2029	2024/25 Budget \$000s	2025/26 Budget \$000s	2026/27 Forecast \$000s	2027/28 Forecast \$000s	2028/29 Forecast \$000s
TEC Funding	13,114	13,114	13,114	13,114	13,114
Other Income	182	177	169	149	119
Total Income	13,296	13,291	13,283	13,263	13,233
People Costs	9,997	10,282	9,880	10,160	10,449
Travel	894	892	910	928	946
Engagement, Meetings and Events	188	186	190	194	198
Governance	313	300	298	298	298
Consultancy	68	68	69	71	72
Other Expenses	501	504	511	518	526
Operating Costs	11,961	12,233	11,858	12,169	12,489
Hāpaitia Costs	1,645	1,657	1,645	1,645	1,657
Total Expenditure	13,606	13,890	13,515	13,826	14,146
Total Surplus / (Deficit)	(310)	(599)	(232)	(563)	(913)
Reserve Projects	470	485	0	0	0
Movement to Reserve Projects	(470)	(485)	0	0	0
Shared Services - Lease	117	117	117	117	117
Movement to Capital Reserve	(117)	(117)	(117)	(117)	(117)
Movement to Accumulated Surplus	277	2	(116)	(446)	(797)
Opening Reserves	7,187	6,877	6,278	6,046	5,483
Surplus/ (Deficit)	(310)	(599)	(232)	(563)	(913)
Closing Reserves	6,877	6,278	6,046	5,483	4,570

Please note: All financial amounts are displayed in as 000s in this report, this may result in \$1 rounding variances.

Balance Sheet Forecast and Budgets	2021/22 Actual \$000s	2022/23 Actual \$000s	2023/24 Forecast \$000s	2024/25 Budget \$000s	2025/26 Budget \$000s
ASSETS					
Bank Accounts and Short Term Deposits	5,266	6,629	7,073	6,771	6,190
Hapaitia Advance	444	300	328	328	328
Hapaitia Advance Capex	0	525	467	467	467
Accounts Receivable	8	38	0	0	0
Prepayments	23	62	116	116	116
Total Assets	5,740	7,554	7,984	7,681	7,100
LIABILITIES					
Accounts Payable	657	556	459	457	479
Income In Advance	417	0	0	0	0
Employee Entitlements	290	377	457	457	457
GST	(50)	(130)	(121)	(112)	(115)
Other current liabilities	11	8	2	2	2
Total Liabilities	1,325	811	797	804	822
Net Assets	4,415	6,743	7,187	6,877	6,278
EQUITY					
Accumulated Surplus	45	218	840	1,127	1,129
Operating Reserve	3,000	3,000	3,000	3,000	3,000
Capital Reserve	900	796	617	491	374
Special Initiatives Reserve	400	2,600	2,600	2,130	1,645
Te Kahui Ahumahi Reserve	70	129	129	129	129
Total Equity	4,415	6,743	7,187	6,877	6,278

Please note: All financial amounts are displayed in as 000s in this report, this may result in \$1 rounding variances.

Cashflow Forecast Forecast and Budgets	FY 22/23 Actual \$000s	FY 23/24 Forecast \$000s	FY 24/25 Budget \$000s	FY 25/26 Budget \$000s	FY 26/27 Forecast \$000s
Receipts from Govt	13,113	13,152	13,114	13,114	13,114
GST (net)	(80)	9	9	(4)	5
Payments to Employees	(6,725)	(8,360)	(9,399)	(9,675)	(9,461)
Payments to Suppliers	(4,943)	(5,567)	(4,092)	(4,077)	(3,952)
Net Cash flows from operating	1,365	(766)	(368)	(642)	(294)
Proceeds from sale of PPE	(104)	(132)	(117)	(117)	(117)
Net Cash Flows form Investing	(104)	(132)	(117)	(117)	(117)
Receipts of Interest	102	260	182	177	169
Cash from Financing	102	260	182	177	169
Net/Inc Decrease in Cash	1,363	(506)	(302)	(581)	(242)
Opening Bank Balance	5,266	6,629	7,073	6,771	6,190
Closing Bank Balance	6,629	7,073	6,771	6,190	5,948

Risk management

As we have matured from a start-up operation to a fully functioning workforce development council, we completed a comprehensive review of all risks and our operating environment during the 2023-24 years. The detailed review resulted in an expanded risk management framework covering risk owners if/then scenarios, and mitigations. The updated risk matrix is especially critical given the dynamic environment in which vocational education is at the time of developing this operational plan.

The risk matrix and detail are reviewed monthly by our Executive Leadership Team, bi-monthly by the Council and quarterly by our Audit, Risk and Finance Committee.

At the time of writing, the biggest external risks to our operation related to the disestablishment of Te Pūkenga and the dynamic post-election environment. Mitigations involve taking a proactive approach to maintaining our engagement with our stakeholders and Te Pūkenga. Where possible, we have developed structured work plans and engagement plans with Te Pūkenga around programme endorsement, moderation, and overall quality assurance capability development.

Financial and risk performance measures

Management measures for inclusion in your Plan to 30 June 2026

Focus Area	Measure	Agreed Target
Financial management	The WDC has performed within its budget (via the standard Financial Planning and Reporting Template)	• Any material difference between actuals and the overall budget is explained in financial planning
Risk management	The Risk Register is completed (including risk details and level of risk). Each risk has an appropriate response for mitigation	• Mitigation activites identified for all identified risks





He maurea kai whiria!

Ignore small matters  
and direct effort toward  
important projects





**HANGA-ARO-RAU**

**Manufacturing, Engineering  
and Logistics**

Workforce Development Council

## **OPERATIONAL PLAN 2024 - 26**

**He reo ahumahi, he oranga mahi**

**He oranga ōhanga, he whenua taurikura**

*Industry voice for employment productivity*

*Economic well-being for a prosperous country*

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