



HANGA-ARO-RAU

**Manufacturing, Engineering
and Logistics**

Workforce Development Council

PŪRONGO Ā-TAU ANNUAL REPORT 2023-24

1 JULY 2023 TO 30 JUNE 2024



HE TAUĀKĪ ARATAKI
OUR GUIDING STATEMENT

He reo ahumahi, he oranga mahi
He oranga ōhanga, he whenua taurikura

Industry voice for employment productivity
Economic well-being for a prosperous country

This 2023-24 Annual Report was endorsed by the Hanga-Aro-Rau Council on 29 October 2024.

The Hanga-Aro-Rau Council, Executive Leadership Team and kaimahi would like to acknowledge all the stakeholders and groups contributing to this year’s ongoing mahi to transform the vocational education and training (VET) system. Your support and endorsement will enable us to collectively and collaboratively create a more productive and prosperous Aotearoa New Zealand.

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

Hanga-Aro-Rau is the Workforce Development Council (WDC) for New Zealand’s manufacturing, engineering and logistics sectors. We serve over 82,000 businesses employing more than 544,000 people across 75 sectors (the largest of any WDC). Since our establishment in 2021, we have built strong connections with industry, Māori businesses, employers, business and community groups, providers, iwi/hapū 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 chronic skills and labour shortages. In doing so, 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.

Māori comprise a higher proportion of the manufacturing, engineering and logistics workforces compared to other industries, and our sectors are the second-largest employers of Pacific peoples in New Zealand. 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 workforce pipelines and provide fulfilling and sustainable careers.

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. We understand the needs and opportunities of working with and in the regions (including rurally), not just in the major centres. We remain committed to delivering on our functions, advocating for our industry sectors, and supporting a smooth transition through any future system changes.

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 and efficiently utilising resources, rather than working in silos, to address workforce challenges such as attracting and retaining more people in the industries we serve.

Key areas of focus for our industries are:

1. A strong workforce pipeline to ensure stability and enable growth. This includes building and maintaining a diverse workforce, tapping the talent of previously underserved 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 local (including rural versus metro) and regional nuances to meet specific employer and workforce requirements best 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 on industry needs while ensuring provision directly links to the needs of employers and their evolving workforces.



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

WHO WE ARE

We are the manufacturing, engineering and logistics workforce development council.

OUR PURPOSE

Our purpose is to provide the manufacturing, engineering and logistics industries we represent with a strong voice to influence their current and future workforce development to enable improved prosperity, strengthened productivity, and a thriving economy.

OUR MAHI

We collaborate with industry, employers, regional networks, iwi/hapu Māori, and community groups to:

- Understand the current and future workforce development needs through engagement and research.
- Provide leadership and evidence of those needs and ensure they are reflected in the education pathways available.
- Independently set and quality assure industry-endorsed education standards, including qualifications, skills standards, and micro-credentials.
- Understand the skills needed to support a more productive, sustainable, high-wage economy that lifts the skills of all New Zealanders to enable greater social mobility. We share this knowledge with our education and training provider partners, who create learning programmes that give all people relevant skills to address future workforce needs.

WE ARE THE STANDARD-SETTING BODY FOR:

218 qualifications
3,777 unit standards
75 sectors

WE SERVE:

More than 82,000 businesses employing more than 544,000 people
More than 350 providers (including schools)

WE ARE STRENGTHENING:

- The voice of industry in the vocational education system to ensure it best meets current and future workforce needs.
- Our commitment to Te Tiriti o Waitangi by implementing a cultural capability programme for our people and our stakeholders.
- We work closely with our industries to understand their needs and collect their feedback. As part of this mahi, we conducted a Vocational Education and Training (VET) outcome measures survey with the following feedback received through this process:
- 69 per cent of key industry and Māori sector stakeholders agree that their priorities are understood and effectively communicated by WDCs
 - 57 per cent of key industry and Māori sector stakeholders are confident that graduates will have the relevant skills
 - 48 per cent of key industry and Māori sector stakeholders are confident that graduates have the relevant skills
 - 40 per cent of industry agree that their career and education pathways are visible and clear
 - 54 per cent of industry agree that their career and education pathways are still developing.

WE DEVELOPED:

- 17 micro-credentials
- 19 skills standards

WE HAVE REVIEWED:

- 47 qualifications
- 277 unit standards
- 14 micro-credential support letters issued by providers

WE COMPLETED:

- 566 pre moderation
- 777 post moderation
- 31 consent to assess applications
- 86 programme endorsements

WE HELD:

22 National Industry Advisory Group (NIAG) meetings between 1 July 2023 and 30 June 2024. These hui covered all nine of our NIAGs and one NIAG Co-chair hui.

5 Industry Stakeholder Group (ISG) hui in FY2023-24

2 Whanake Māori events (coordinated and facilitated by Hanga-Aro-Rau) in the second half of the financial year

WE ENGAGED WITH:

2,592 stakeholders and partners, including Māori industry, iwi, hapū, employers, learners, unions, associations, and providers across 75 sectors

WE ISSUED:

Industry-endorsed investment advice to the TEC and drafted and/or published nine workforce development plans, a Māori Workforce Development Plan, and the Lumama'i Tangata Moana – Pacific Peoples Action Plan.

Ngā Whakatutukitanga Whakapūmau |
Hanga-Aro-Rau 2023-24 milestones

- July 2023**
Launched Bystander Intervention Guidelines (in partnership with Waihangara Ara Rau)
- August 2023**
Rolled out a bespoke cultural capability programme (He Puke Tāngata) for Hanga-Aro-Rau kaimahi
Our Pacific Workforce Development Engagement team was established
Pete Jones and Amanda Wood joined our ISG
- September 2024**
Signed a Memorandum of Collaboration with Pacific Business Trust (along all other WDCs)
- October 2023**
Completed our second annual audit and published our 2022-23 Annual Report
- November 2023**
2025 Investment Advice provided to the Tertiary Education Commission (TEC)
Commenced disabled people, tāngata whaikaha Māori, and tagata sa'ilimalo research project to reduce barriers in industry and increase employment
Internal Employee Engagement Survey
- December 2023**
Submitted briefings to incoming ministers following the change in Government
Farewelled Maea Pivac from the Hanga-Aro-Rau governing Council and formally appointed our governance associate, Teresa Poli, to a full Council member position
- February 2024**
Launched organisational values
- March 2024**
Provider newsletter launched with good uptake
Tāmaki Makaurau Whanake Māori Industry event
- April 2024**
Māori Industry brochure launched
- May 2024**
Dual completion (Endorsements and Approvals) programme endorsements with New Zealand Qualifications Authority (NZQA); first two trials underway
Supported the closing ceremony of our old office and the welcoming ceremonies for our new office in Tāmaki
Published disability research literature review: Unlocking potential: What the research tells us about the current enablers of employment for disabled people
- June 2024**
Eight Workforce Development Plans published on our website
Kirikiriroa Whanake Māori Industry event



Ngā Ahumahi | Our industries

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council is responsible for ensuring the vocational education system in New Zealand is meeting the current and future needs of the manufacturing, engineering and logistics industries.

We play a fundamental role in a unified vocational education system that brings together industry and educators to ensure New Zealand’s workforce is fit for today’s needs and tomorrow’s expectations.

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

- 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



Tā Ngā Heamana Pūrongo | Co-chairs' Report

Tēnā koutou katoa

It is our privilege to share with you the 2023-24 Hanga-Aro-Rau Annual Report. This report details the extensive work we have undertaken in this financial year as we have continued to work alongside industry, Māori businesses, employers, employees, sector associations, community and business groups, unions, iwi, hapū and our fellow WDCs. Together, we have built strong connections with industry and gained meaningful insights about how vocational training can help businesses boost productivity and, in turn, boost prosperity for all in Aotearoa New Zealand.

This document is supported by our Statement of Strategic Direction, which broadly sets the course for Hanga-Aro-Rau. This seminal work connects to and draws on our Order in Council and informs all of our operational plans, including our industry, Māori and Pacific workforce development plans, and our annual Operational Plan, which our Tertiary Education Commission funding agreement is based on. Additionally, this Report is supported by the Letter of Expectation 2023-24 (to be reviewed in the second half of 2024), which provides a vision for how Hanga-Aro-Rau will leverage our deep industry connections and understanding to create better outcomes for learners and businesses, improve existing qualifications, address the growing labour and skills gaps, support the Māori economy as part of a strong NZ economy, and provide valuable research about industry-wide trends affecting our businesses and our economy.

Together, these documents clearly articulate the principles that guide us: strong industry voice, strengthening economies, and increasing productivity across all regions in the sectors we serve. We are proud to have delivered strongly on these key focus areas in 2023-24 and we are confident in our capacity to continue doing so while adapting to whatever system changes are needed over the years 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

Tā Te Tumu Whakarae me te Tumu Whakarae Tuarua Pūrongo | Chief Executive and Deputy Chief Executive Report

Hanga-Aro-Rau proudly continues its pursuit of an improved vocational education system by working alongside industry to provide greater success for both learners and businesses and support a flourishing, prosperous Aotearoa New Zealand.

Guided by robust feedback from our Industry Stakeholder Group and National Industry Advisory Groups, Hanga-Aro-Rau is creating tangibly improved outcomes across the manufacturing, engineering and logistics sectors we serve. We are doing so through the delivery of our core functions: skills leadership, standard-setting and development, programme endorsement and quality assurance, and providing investment advice to the Tertiary Education Commission (TEC). We continue with our commitment to supporting a vocational education system that provides for all people in our industries to reach their full potential, including those who have been traditionally underserved.

Through detailed engagement and analysis involving stakeholders across our industries, we are:

- Increasing the capability of our domestic market to create a more sustainable economy
- Establishing and maintaining robust channels for industry voice, particularly for small- and medium-sized businesses
- Reducing gaps in the workforce's capability and capacity
- Providing 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
- Providing value for money by efficiently connecting learners and workers to the skills industry needs
- Utilising our nationwide network of staff to support businesses and learners in all regions across Aotearoa New Zealand
- Meeting cultural obligations under Te Tiriti o Waitangi
- Creating more equitable outcomes for Māori, Pacific peoples, women, and tāngata whaikaha (disabled people), and helping our industries attract these underserved groups and progress them into higher-skilled work

- Deepening and expanding relationships with industries, peak bodies, regional employer and provider stakeholders, Tertiary Education Organisations (TEOs), and NZQA.

Our explicit focus is on enabling a strong and prosperous New Zealand economy, with a particular emphasis on building a strong Māori economy. Our vision is to enable more Māori with higher skills in higher paying jobs, cementing our commitment to Te Tiriti o Waitangi. We are continuing to support a broader labour market to meet the changing needs of industry with an established pipeline of workers and skills shortages filled by supporting a more diverse workforce at every level of industry. We have provided TEC with investment advice and regional perspectives to ensure that resource is targeted to high-impact provision. As a result, our regions will be better supported, with stakeholders across the motu providing deep insights to ensure national consistency in the delivery of skills training. With our support, industry's needs are being better met through rigorous programme moderation and endorsement to ensure that qualifications are fit for purpose and learners have met required standards.

We have earned the trust of our industries over the last three years by clearly demonstrating that what matters to them matters to us. While we know that we have ambitious goals, we are confident in our ability to deliver them, improve outcomes for both learners and industry, and build a more productive and prosperous Aotearoa New Zealand.



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



Samantha McNaughton
Deputy Chief Executive

Ngā Tumu Whakahaere | Our Executive Leadership Team



PHIL ALEXANDER-CRAWFORD, CHIEF EXECUTIVE

Phil Alexander-Crawford (Te Whiu, Ngāti Hine, Ngāti Rēhia, Ngāpuhi) is a leader highly experienced in supporting organisations in times of establishment and change, with a passion for the positive difference vocational education can make to people and their whānau.

Mr Alexander-Crawford has held senior leadership positions in the vocational education sector, including Director of Development for Tai Tokerau Wānanga (NorthTec), Chief Executive of Te Matarau Education Trust, and General Manager Education for the Ngāti Wai Trust Board. As an experienced governor, he has also chaired a number of charitable trusts and is presently a board member of Whānau Mercy Ministries Trust.



DARRELL LAMBERT, POUMATUA

Darrell Lambert (Ngāpuhi, Ngāti Whātua, Ngāi Tūhoe, Ngāti Ruapani and Ngāti Kahungunu) has 25 years of experience in the tertiary education sector across a wide range of functions. He has held several senior leadership roles with a strong focus on working with hapū, iwi and industry to improve outcomes for Māori.

Mr Lambert began his career as a tutor of traditional Māori carving for ten years. Before joining Hanga-Aro-Rau, he was the Regional Economic Development Manager for the Ministry of Social Development (MSD) in Te Tai Tokerau. In this role, he worked with hapū, iwi, industry, and local and central government to stimulate regional economic development that generated employment and improved well-being indicators for Northland. Other roles include Director at NorthTec – Te Pūkenga and Regional Director and Regional Academic Manager at Te Wānanga o Aotearoa.



SAMANTHA MCNAUGHTON, DEPUTY CHIEF EXECUTIVE

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

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



HAGEN TAUTARI, GENERAL MANAGER INDUSTRY STANDARDS

Hagen Tautari (Ngāti Hine, Ngāti Wai, Ngāti Kahu o Torongare) has worked in secondary, tertiary, and public education roles for the past 30 years. He has held senior and national leadership roles in the sectors of education, building and housing, employment, retirement, and treaty engagement.

Mr Tautari is also an experienced director/trustee, holding roles with Habitat for Humanity (Central Region), Te Rūnanga o Kirikiriroa, Te Tiratū Iwi Māori Partnership Board, and a number of Ahu Whenua Trusts.



YVONNE O'CALLAGHAN, GENERAL MANAGER IMPROVEMENT AND OPERATIONS

Yvonne O'Callaghan is an experienced leader in vocational education, recognised for her expertise in staff development, ensuring academic integrity, and holistic quality assurance. With a proven track record in training, process improvement, and change management, she is dedicated to continual enhancement within the vocational education sector.

Ms O'Callaghan has a strong background in a wide range of industries. She leverages this knowledge, along with her ability to engage and understand stakeholders' needs, to realise her vision of ensuring all New Zealanders are given the opportunity to pursue higher education.



ALISHA TSAI, EXECUTIVE OFFICER

Alisha Tsai has over nine years of experience in supporting the Executive Leadership Team within the vocational education sector, and a decade as an executive assistant in both the public and private sectors. Additionally, she has extensive experience providing support to governance boards, committees, and industry stakeholder groups, enhancing her expertise in organisational management and strategic planning.

Before assuming her current role at Hanga-Aro-Rau, Ms Tsai was deeply influenced by her family's strong educational background. She is dedicated to contributing towards a better vocational education system for future generations.



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

Kaimahi | Our people

We are proud to employ 63 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. It also has helped us source talent for quite often specialist roles and functions.

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 that 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 takes a holistic review of the organisational structure 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 and supporting our regional approach – kaimahi are supported with office facilities in Tāmaki Makaurau/ Auckland, Kirikiriroa/Hamilton, and Te Whanganui-a-Tara/Wellington. 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 2024-25; 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, co-led by Chief Executive Phil Alexander-Crawford and Deputy Chief Executive Samantha McNaughton, leads the organisation to deliver against our Operational Plan and Statement of Strategic Direction. Their role is to ensure that industry has a strong voice in influencing vocational education and future workforce development needs. They also ensure we honour Te Tiriti o Waitangi through supporting workforce development and give a greater voice to iwi businesses.

As part of our ongoing commitment supporting Māori and enabling a strong Māori economy, we established the He Puke Tāngata cultural capability programme. The intention was to develop our own capability to improve engagement and collaboration with Māori, strengthening outcomes for Māori overall. This in turn helps grow a productive New Zealand economy.

This two-stream, 12-week course was conducted by Te Wānanga o Aotearoa (TWoA) and provided Hanga-Aro-Rau staff with foundational knowledge to work more effectively with internal and external stakeholders. As many of our industries have found, cultural awareness training enables us to better engage potential workers from a growing Māori population, and we recognise that these capabilities could be used for both Māori recruitment and retention. We see the potential in this type of training for other WDCs and stakeholders within our industries and we look forward to future opportunities to expand upon this aspect of our mahi.



Hanga-Aro-Rau All Kaimahi Staff

Our Tima around Aotearoa New Zealand



Te Rūnanga Whakahaere | 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 (both vacant at the time of writing this Report due to the permanent appointment of an associate member to a Council member, the term expiring of the other, and uncertainty around the future longevity of the WDCs).

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

Key areas of focus relate to:

- Purpose and leadership
- Informed decision-making
- Effective oversight
- Culture and behaviour
- Council operations
- Effectiveness of 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 ISG conducts Council member recruitment and appointment.

The annual Operational Plan is informed and endorsed by the Hanga-Aro-Rau Council and Industry Stakeholder Group, and management provides regular tracking against the Plan at each Council meeting. This 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 work 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. Operationally, we will support any changes to the vocational sector by maintaining business continuity, advocating for industry needs, and supporting a smooth transition to any new system.



RENATA HAKIWAI CO-CHAIR

Renata Hakiwai (Ngāti Kahungunu, Rongomaiwahine, Tūwharetoa, Waikato Tainui, Ngāti Porou) is the Managing Director of HTK Group, a purpose-driven organisation established in 2015 to meet the growing demand for Māori and indigenous professional services. Mr Hakiwai has more than 13 years of experience in senior executive and leadership positions alongside being a successful investor and entrepreneur. He sits on the boards of a range of organisations that include Crown, commercial, iwi, post-settlement, not-for-profit, and start-up entities.

Mr Hakiwai was previously the Co-chair of the Interim Establishment Board of Hanga-Aro-Rau. He has a passion for Māori economic development with a focus on Māori business, innovation, enterprise, workforce development, and the future of work. He has deep connections with the communities in which he serves and sees himself as an enabler of people and an accelerator for Māori and indigenous development.



DR TROY COYLE CO-CHAIR

Dr Troy Coyle is the Chief Executive Officer of NZ Heavy Engineering Research Association (HERA). She has more than 20 years of experience in the engineering, construction and manufacturing sectors in both New Zealand and Australia, including senior roles with New Zealand Steel Ltd, Blue Scope Steel Ltd, and the University of Wollongong.

Dr Coyle was previously the Co-chair of the Interim Establishment Board and then the Establishment Board of Hanga-Aro-Rau. She has a portfolio of governance roles including Director of the Sustainable Steel Council, Steel Construction NZ, HERA Cert, and a member of MBIE's Building Advisory Panel.



STUART LAWRENCE

Stuart Lawrence (ko Uenuku te Iwi) is Director – Programme Kaitautoko at Whatukura Ltd, a boutique consultancy firm where he has led workforce development, pastoral care, and community projects, focusing on Māori and Pasifika development. He previously spent 13 years as National Manager – Māori for The Skills Organisation Industry Training Organisation.

Mr Lawrence holds several governance positions, including Chair of Māori Pasifika Trades Training (Tāmaki), an advisory board member of Project Retrain – Increasing Gender Equity, and a committee member for a number of community organisations.



Hanga-Aro-Rau Council



NICK LEGGETT

Nick Leggett is the Chief Executive of Infrastructure New Zealand. He has previously held a number of executive-level positions including as the Chief Executive of the Road Transport Forum. He was previously Mayor of Porirua City from 2010-2016.

Mr Leggett is a Director and Chair of Wellington Water Ltd and the Chair of the Hutt Mana Charitable Trust. He has previously held a range of governance positions, including being a Director of MITO (the industry training organisation for the motor, transport and contracting industry), Chair of Spark Foundation, and a member of Capital and Coast District Health Board. He is an outspoken advocate for inclusive industries that attract a sustainable pipeline of passionate people to power our nation's workforce into the future.



RACHEL MACKINTOSH

Rachel Mackintosh is National Secretary of E tū, Aotearoa New Zealand's largest private sector union. She has more than 25 years of experience in unions and has previously held a number of senior roles with E tū and EPMU.

Ms Mackintosh is the Vice President of the New Zealand Council of Trade Unions and was Co-chair of the Advanced Manufacturing Industry Transformation Plan. She has considerable previous experience with governance of tertiary education organisations, being a former board member of the Building and Construction Industry Training Organisation (BCITO) and of the Plastics and Materials Processing Industry Training Organisation (PaMPITO).



JEROME MIKA

Jerome Mika is a Community and Business Development Lead at The Cause Collective and also heads his own business consultancy in South Tāmaki Makaurau/Auckland. He has previously held a number of roles focusing on engaging with Pacific peoples, Māori, and underserved communities.

Mr Mika has extensive experience in business development, having led and been part of successful teams in both the corporate and not-for-profit sectors. He has worked as a Business Director for Ogilvy and Mather Marketing agency and was a senior consultant for a Pacific health provider during the COVID-19 response, supporting communities and influencing government direction and response to the pandemic.

In addition to his business development expertise, Mr Mika has 15 years of experience in the trade union sector, negotiating collective agreements and advocating for workers' rights in both Aotearoa New Zealand and Samoa.

Furthermore, Mr Mika works with the Polynesian Hall of Fame (PRHOF) and is actively developing wellbeing frameworks in Australia and the Asia Pacific region. He has also held governance roles and has a strong background in strategic relationships and project management.



GARY SUE

Gary Sue (Ngāti Ruanui, Ngāti Maru, Te Ātiawa, Ngāruahine) has a long-established career across the construction and infrastructure sectors and has extensive experience within vocational education in Aotearoa New Zealand. He spent more than a decade in roles with Downer NZ and BCITO and has now found his passion for education and positive impact.

Mr Sue has been with Kāinga Ora since October 2021 as the Principal Advisor Māori in the Greater Te Whanganui-a-Tara/ Wellington region, utilising his experience and knowledge of Te Ao Māori to establish genuine partnerships with iwi, hapū and rūpū Māori. He serves as a Justice of the Peace and is the immediate past President of the Hutt Valley and Districts JP Association alongside governance roles across various non-profit organisations.

Mr Sue seeks to build resilience in Māori and Pacific youth through education, to remove barriers, and to make the system more accessible and beneficial to learners.



TERESA POLI

Teresa Poli has worked in construction and infrastructure across Australia and Aotearoa New Zealand. She holds a Bachelor of Engineering (Hons), majoring in Environmental Engineering from the University of Waikato and has recently completed her Master of Engineering, where her thesis investigated enhancing the mana of Māori in engineering, industry, education and academia. The significance of the project assists in minimising the racism held in the engineering profession.

Ms Poli is passionate about promoting and supporting rangatahi, particularly Māori and wāhine, in construction and infrastructure roles. She brings her passion for broader social and environmental outcomes associated with the industry, advocating for a stronger Māori voice within the engineering, education, construction and infrastructure sectors.

Teresa was our inaugural Governance Associate, becoming a full Council member on 15 December 2023.



MAEA PIVAC

Maea Pivac (Ngā Puhi, Ngāti Whātua, Ngāti Wai and Ngāti Hine) has extensive experience in vocational education, both in Aotearoa New Zealand and Australia. So far in her 30+ year career, she has worked across the Private Training Establishment (PTE), ITO, and Institutes of Technology & Polytechnics (ITP) sectors, and in industry in a large Northland company with a strong and enduring commitment to industry training.

Ms Pivac is the Managing Director of Tai Tokerau Trades Training, an educational consultancy specialising in vocational education and industry capability development in Northland. She is also Director of a small business advisory company called People Weavers Raranga Tangata Ltd, Kia Mauria te Pono Ltd, and Wāhine Moana Tech-I Ltd, a start-up company specialising in a health and safety translation app.

Maea's tenure ended 14 December 2023.



SARAH BENIKOWSKY

Sarah Benikowsky joined our Council as a Governance Associate in 2023.

With her Bachelor of Communication Design and her studies through the chartered associate of Governance NZ, Ms Benikowsky brings design thinking into strategy and governance. She has extensive experience in information management, technology, and archives – both hands-on and strategic – across local government and the arts sector.

Ms Benikowsky is an active member of her community and a strong advocate for those who are neurodiverse. She is a member of the Northland Local Advisory Committee for Fire and Emergency NZ, guardian/kaitiaki of Alexander Turnbull Library, and has served on the Disability Advisory Group for Whangārei District Council.

Sarah’s tenure ended 30 April 2024.



MARK O’GRADY

Mark O’Grady is a past Director of Print NZ, the National Print Industry Association. He has previously owned and was Managing Director of Excel Digital Ltd, one of Aotearoa New Zealand’s largest cut-sheet digital print operations, was CEO at Wool Equities Ltd and New Zealand Wool Board and was General Manager of the NZ Meteorological Service.

Mr O’Grady has extensive experience as a director with organisations in the manufacturing and technology sectors and with vocational education, having been involved in the targeted review of qualifications, the manufacturer and supplier of training resources for almost all industry training organisations, as the major sponsor of the “Got a Trade: Got it Made” campaign, and as a judge at the NZ Apprentice of the Year awards. He was also a member of the Ministerial Science Task Force that led to the restructuring of the Government science sector and the establishment of the Crown Research Institutes (CRIs).

Mark’s tenure ended 21 June 2024.

Ngā Hui Whakaruruhau | Council and Finance, Audit and Risk Committee meetings attended

Name	Role	Appt date	Term expiry	Audit, Finance and Risk Committee Meetings attended	Council meetings attended	Councillor
Renata Hakiwai	Co-chair	21 June 2021	30 June 2026	0	7 out of 7	\$53,730
Dr Troy Coyle	Co-chair	21 June 2021	30 June 2025	0	7 out of 7	\$53,730
Gary Sue	Council Member	21 September 2022	25 September 2026	0	7 out of 7	\$26,829
Jerome Mika	Council Member	21 June 2021	20 June 2025	4 out of 5	7 out of 7	\$29,511
Maea Pivac	Council Member	17 January 2022	13 December 2023	0	1 out of 2	\$8098
Mark O’Grady	Council Member Finance, Audit and Risk Committee Member	21 June 2021	20 June 2024	5 out of 5	6 out of 7	\$29,511
Nick Leggett	Council Member Finance, Audit and Risk Committee Member	21 June 2021	20 June 2025	1 out of 5	4 out of 7	\$26,829
Rachel Mackintosh	Council Member Finance, Audit and Risk Committee Member	21 June 2021	20 June 2025	5 out of 5	5 out of 7	\$26,829
Sarah Benikowsky	Governance Associate	2 May 2023	30 April 2024	0	5 out of 6	Not applicable
Stuart Lawrence	Council Member	21 June 2021	20 June 2025	0	4 out of 7	\$26,829
Teresa Poli	Governance Associate	8 August 2022	14 December 2023	0	1 out of 2	Not applicable
Teresa Poli	Council Member	14 December 2023	13 December 2025	0	5 out of 5	\$15,650



He Kī Taurangi | Letter of expectation

Our first Letter of Expectation was presented by Hanga-Aro-Rau Co-chairs Renata Hakiwai and Dr Troy Coyle to CE Phil Alexander-Crawford in February 2023, detailing our expectations for 2023-24 and beyond.

The expectations as detailed in this letter are underpinned by our Statement of Strategic Direction and signal our ongoing intention to reflect industry voice in all that we do, advocate for them in the education and labour market ecosystems, support their aspirations, and prepare them for the future.

Specifically, this letter pledges a commitment to the following priorities:

- Acting as a strong industry voice and advocate
- Giving effect to Te Tiriti o Waitangi
- Achieving equitable outcomes
- Supporting our regions
- Ensuring business continuity
- Supporting industry through transition and change
- Te Taiao: hardwiring sustainability
- Creating a strong operating rhythm
- Transformation
- Delivering on our promises.



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 operation 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

He Mahere Moana | Our statement of strategic direction

Our Statement of Strategic Direction 2023–28 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.



Pics Peanut Butter – Whakatū/Nelson

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 New Zealand.

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 New Zealand 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>1. Te Tiriti partners enable us to strengthen the Māori economy and workforce development</p> <p>Our Te Tiriti o Waitangi Framework 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><i>Tertiary Education Strategy (TES)</i> <i>Objectives 1, 2, 3</i></p>	<p>2. Improve the influence of industry voice</p> <p>in the strategic direction of workforce development for the manufacturing, engineering and logistics industries. This will lift productivity, enabling a strong economy.</p> <p><i>TES Objective 4</i></p>	<p>3. Enhance the ability of industries and employers to respond to New Zealand's current and future workforce needs</p> <p>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><i>TES Objectives 2, 3, 4</i></p>	<p>4. Improved opportunities and equitable outcomes for all people in Hanga-Aro-Rau industries to engage in meaningful and highly productive work enable strong and sustainable economic growth.</p> <p><i>TES Objectives 2, 3, 4</i></p>	<p>5. Improved regional workforce development outcomes through intricately understanding local, regional and national workforce development needs, while ensuring nationally consistent outcomes.</p> <p><i>TES Objectives 4</i></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>Leadership: 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>Qualifications system products:</p> <p>To develop and maintain industry qualifications, capstone assessments and skill standards that meet industry needs.</p>	<p>Endorse programmes: 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>Moderation activities: 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>Brokerage and advisory services:</p> <p>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>Advise the Tertiary Education Commission (TEC): To enable WDCs to guide and influence TEC's vocational education funding decisions.</p>
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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>Honour Te Tiriti</p> <p>Honours Te Tiriti and supports Māori–Crown relationships. Our Te Tiriti partners inform how vocational education is improved by Māori for Māori.</p>	<p>Strong industry voice</p> <p>Engineering, manufacturing and logistics industries voices and those of Māori employers influence improved vocational education outcomes.</p>	<p>Equitable outcomes for all</p> <p>Hanga-Aro-Rau embeds equitable outcomes in all its functions and ways of working to support improvement in equitable outcomes for all.</p>	<p>Hardwire sustainability</p> <p>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>Collaboration</p> <p>Reciprocal relationships, engagement and integrity are at the heart of what we do and how we work.</p>	<p>Partnership</p> <p>Active involvement and engagement of Māori in co-designing initiatives, decision-making processes and meaningful dialogue.</p>	<p>Fairness</p> <p>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>Adaptability</p> <p>Critical thinking to meet the needs of the present while contributing to a sustainable future for generations to come.</p>
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Ngā Pou | Strategic pillars



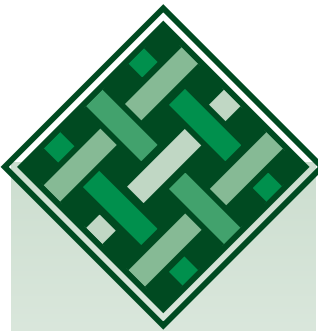
Ahumahi
Strong industry voice

Reflect and prioritise industry voice, advocate for our industries in the education ecosystem to create a sustainable, globally engaged, and adaptive Aotearoa New Zealand



Te Tiriti o Waitangi
Honour Te Tiriti o Waitangi

Supports Māori-Crown relationships. Our Te Tiriti o Waitangi partners inform how vocational education is improved by Māori for Māori



Ka Tika
Equitable outcomes

Embed equitable outcomes in all functions and ways of working to support improvement in equitable outcomes for all



Te Taiao
Hardwire sustainability

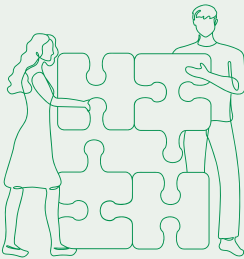
Develop skills through the vocational education system to meet the Living Standards Framework and Sustainability Development Goals



Te Whatu Tohu tīma / All-staff hui

Kia ū ki te ara | Our values

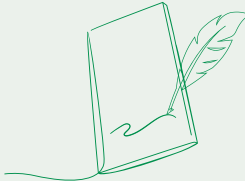
The Hanga-Aro-Rau values are an integral part of our mahi and describe how we do the work we do. By leading with our values of Collaboration, Partnership, Fairness and Adaptability, we are able to ensure industry, workforce, and learner success. Our values were developed by our kaimahi for our kaimahi. The Values Working Group (VWG), established in March 2023, worked across the organisation to develop values that reflect our functions and duties. They inform our ways of working with each other, our fellow WDCs, the vocational education system, and those we are here to serve. The values were published in late 2023 and align with our four Ngā pou Strategic Pillars. It was imperative that these values were owned by all and not just a top-down directive. Each value has a related Action – ‘the how’ as well as a ‘so that’ to ensure that, as an organisation, we can see how following these values directly links to our industry, provider and learner success.



COLLABORATION

Develop skills through the vocational education system to meet the Living Standards Framework and Sustainability Development Goals.

Reciprocal relationships, engagement and integrity are at the heart of what we do and how we work.



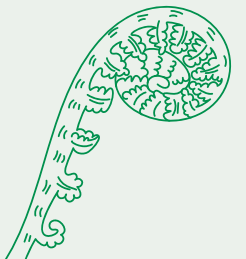
PARTNERSHIP

Active involvement and engagement of Māori in co-designing initiatives, decision-making processes and meaningful dialogue.



FAIRNESS

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.



ADAPTABILITY

Critical thinking to meet the needs of the present while contributing to a sustainable future for generations to come.

Ngā kupu tohutohu a ngāi ahumahi | Industry guidance for our mahi

TE AU AWENGA | INDUSTRY STAKEHOLDER GROUP

We have a unique requirement in our Order in Council to establish an Industry Stakeholder Group. 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 rōpū is independently chaired by Ngāhiwi Tomoana and strongly advocates for industry needs to be clearly represented in a well-functioning vocational education system. The Group met five times during 2023-24. The focus of the hui ranged from monitoring organisational performance and endorsing the TEC investment advice, to considering a range of options for WDC function in response to the new coalition Government and the disestablishment of Te Pūkenga. In March 2024 the ISG presented a proposal to Minister Simmonds that outlined opportunities to create a more efficient and effective, industry-focused standard-setting system.

With three governing Council member terms expiring in June 2024, the ISG sought to explore the most effective way to maintain continuity in a time of change. In discussion with two Council members (Jerome Mika and Stu Lawrence), the ISG agreed to extend their terms to ensure core institutional knowledge remained on the Council. Mark O’Grady – the Finance, Audit and Risk (FAR) Committee Chair - stood down

from the Council at the end of his term, and the ISG explored options to replace him. After deliberation and discussion with the Council chairs, it was agreed to appoint a fixed-term independent FAR Chair until there is clarity from the Government on the future of Workforce Development Councils. Debbie Chin was appointed and will start with Hanga-Aro-Rau in August 2024.

Allan Jack Ovation NZ	Peter Cordtz The Cause Collective
Mary Jensen Waikato Engineering Careers Association (WECA) and Smart Waikato Trust	Scott Fisher OffsiteNZ
Bryn Thompson Metalcraft Engineering	Ida-Jean Murray North Drill
Ruth Cobb PrintNZ	Wayne Butson Rail and Maritime Transport Union
Scott Lawson Fire Protection Association of New Zealand (FPANZ)	Sean Rooney Allied Petroleum
Rick Lunn Smart Trade Solutions	Peter Jones Manurewa High Schol
Melissa Bennett Red Stag Timber	Catherine Lye Advanced Manufacturing Aotearoa New Zealand
Peter Busfield New Zealand Marine Industry Association	Amanda Wood Business Central
	Pererika Makiha Coastguard NZ



Hanga-Aro-Rau Industry Stakeholder Group

Ko te amorangi ki mua
Ko te hāpai ō ki muri

With spiritual vision,
Achievement will follow

Since joining the ISG as Chair in 2023, I have benefitted from this unique opportunity for regions and industries to cross-pollinate, work collaboratively, and provide a united voice of leadership. In the last financial year, the ISG has met six times, and on the 6th of March 2024 we delivered a proposal to the Minister of Tertiary Skills and Education with our vision for the future of vocational education and training.

We have recommended a single New Zealand Skills Authority that consolidates the six WDCs into one entity, broadening its functions to include curriculum design, accreditation approval, and career services. If the proposal is accepted, I have requested to meet with the Minister personally along with other delegated members of the ISG. Until then, we will continue to deliver our functions to serve industry needs, advocate for industry at all levels, keep our kaimahi informed and supported, and remain agile in evolving the vocational education system to best meet industry needs.

I’ve never seen such a strong, diverse, unflinching group as Hanga-Aro-Rau and the ISG. Together, we are dynamic and versatile enough to move with any changes that come. It is our role to give the Government the benefit of our experience, demonstrate a way we think will work, reflect regional virility, and ensure national consistency. The role of the ISG is to weave all those things together with a united voice and purpose on behalf of all of the diverse sectors we serve.

It’s not a time to be a shrinking violet. We must be fearless in our thinking. Our economy will be under stress, so how do we help? That is what we should be thinking.

He kai kei aku ringa
Success is within our own hands



Ngā manaakitanga,
Ngāhiwi Tomoana
Chair
Industry Stakeholder Group

Pacific Fono

The Pacific Fono is made up of the Workforce Development Council (WDC) members of Pacific heritage.

Reflecting on the past year, the Pacific Fono has played a pivotal role in leading and shaping the vocational education and training (VET) landscape for Pacific communities. Through their guidance and strategic direction, the Fono has amplified Pacific representation and influence across the Workforce Development Councils, ensuring that the needs and aspirations of Pacific learners, industries, and communities are addressed within the VET system.

One of our most significant achievements this year has been the release of the Mana Moana Pacific Outcomes Framework. This framework is a major step forward in embedding Pacific values and perspectives within the VET system, serving as a key strategic tool to ensure the specific needs of Pacific learners and industries are recognised and met. It underscores our ongoing commitment to building a more inclusive and culturally responsive workforce development system that celebrates Pacific success.



Pro Life Foods – Waikato

Kāhui Ahumahi

The Kāhui Ahumahi, Māori members of the Ohu Ahumahi Workforce Development Councils, provides collective Māori strategic guidance, advice and support to the Ohu Ahumahi.

Over the last year the Kāhui Ahumahi focused on four areas: Te Tiriti o Waitangi, Mātauranga Māori, iwi/hapū relationships, and the industry and vocational education and training ecosystem.

In August 2023, the Kāhui Ahumahi sponsored a small Ohu Ahumahi working group. Their mahi led to He Rau Ranga Tira, a practical and adaptable tool for all kaimahi across the Ohu Ahumahi to put Te Tiriti o Waitangi into action. The Kāhui Ahumahi provided guidance as the mahi came to fruition and will continue to support implementation at a strategic level.

To accelerate progress toward the vision of working collectively to give effect to Te Tiriti o Waitangi and support Māori Crown relations, the Kāhui Ahumahi and Pacific Fono met in June 2024 to identify strategically aligned priorities and plan for delivery in the next financial year. Both groups then met with Chief Executives, Co-Chairs, and Te Herenga Kura (Poumatua/Manukura) to share and agree next steps.

The Kāhui Ahumahi would like to acknowledge the combined strength of three years of Māori workforce skills leadership insights across the Ohu Ahumahi. We will continue to support Māori workforce development recommendations to be realised despite changeable conditions.

Ko ngā pae tāwhiti, whaia kia tata
Ko ngā pae tata, whakamaua kia tina!



CODA – Tāmaki Makaurau/Auckland

National Industry Advisory Groups

Industry voice is central in all that we do, in 2023 we established nine National Industry Advisory Groups. The role of the NIAGs is to advise Hanga-Aro-Rau about skills and training issues within their specific industry sector, with a particular focus on lifting the skill levels of the Māori workforce and other traditionally underserved groups.

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, and heavy engineering
- Extractives, including mining, quarrying, blasting and drilling, petrol and coal manufacturing, and non-metallic mineral manufacturing
- Manufacturing, including general, plastics, print, wood, and metals
- Ports, including stevedoring and freight forwarding
- Food and Beverage, including retail meat, baking, food production, meat processing, dairy processing, and 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, and 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 sectors they represent and outline the specific activities that will achieve the required outcomes.

NIAGs are a way for specified industries to provide Hanga-Aro-Rau with input about the performance of its functions and to enable them to raise issues and concerns. Over the last financial year, the NIAGs have met 22 times and have:

- Provided advice and feedback on the strategic direction, trends, and performance within their sectors
- Provided advice on the current and future skills and knowledge requirements of their sector to inform the development and maintenance of quality, fit-for-purpose qualifications and inform Hanga-Aro-Rau of potential funding advice to the Tertiary Education Commission
- Been a forum where Hanga-Aro-Rau can obtain informed advice on issues or developments relevant to their sector and, where appropriate, test new initiatives and concepts prior to their launch
- Provided guidance on, and input into, the arrangements for managing the consistency of qualifications
- Advocated and promoted industry training within their sectors
- Supported the coordination of activities to improve performance within the industry
- Ensured that Māori and Pacific peoples in the workforce are appropriately supported
- Provided a mechanism for the specified industry to offer input into the performance of the WDC's functions
- Supported the development of nine Workforce Development Plans
- Attended wānanga (Māori members of NIAGs) to discuss opportunities and recommendations for greatest impact to improve Māori workforce development and shared Māori priorities for NIAGs, including industry cultural competence, Māori workforce development, and additional support from Hanga-Aro-Rau in areas of Māori representation
- Provided a submission, along with the ISG via Hanga-Aro-Rau, to Te Pūkenga on their proposed organisational structure
- Explored how our sectors can engage in any consultation on the VET system given the disestablishment of Te Pūkenga.



DH Steel Construction – Tāmaki Makaurau/Auckland

Āheinga Mahi | Our functional mahi

SKILLS LEADERSHIP

Our organisation is structured to deliver against our legislative functions as outlined in our Order in Council. All roles across Hanga-Aro-Rau contribute to our functional delivery and effective operation. Being independent from training provision and delivery, our functions enable 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 are comprised of dedicated personnel who work across industries, stakeholder groups, and the vocational ecosystem to ensure industry voice is influencing 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 business, iwi and workplaces with more than 20 per cent Māori staff who require specialist advice and guidance on how best to meet the workforce development needs of that staff to improve productivity, attraction and retention.
- Dedicated Pacific Workforce Development team – to work directly with Pasifika business and workplaces with Pasifika staff who require specialist advice on how best to meet the workforce development needs of that staff 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 the 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 need.

Understanding our stakeholders

During 2023-24 we engaged with 2,476 stakeholders representing industry, employers, regions and communities; most engagement was face-to-face or online, and the insights we gathered inform qualification development, research, our Workforce Development Plans, regional priorities and initiatives, and our overall strategic engagement. The purpose of all engagement is to ensure industry has a strong and validated voice to inform the vocational education and training system.

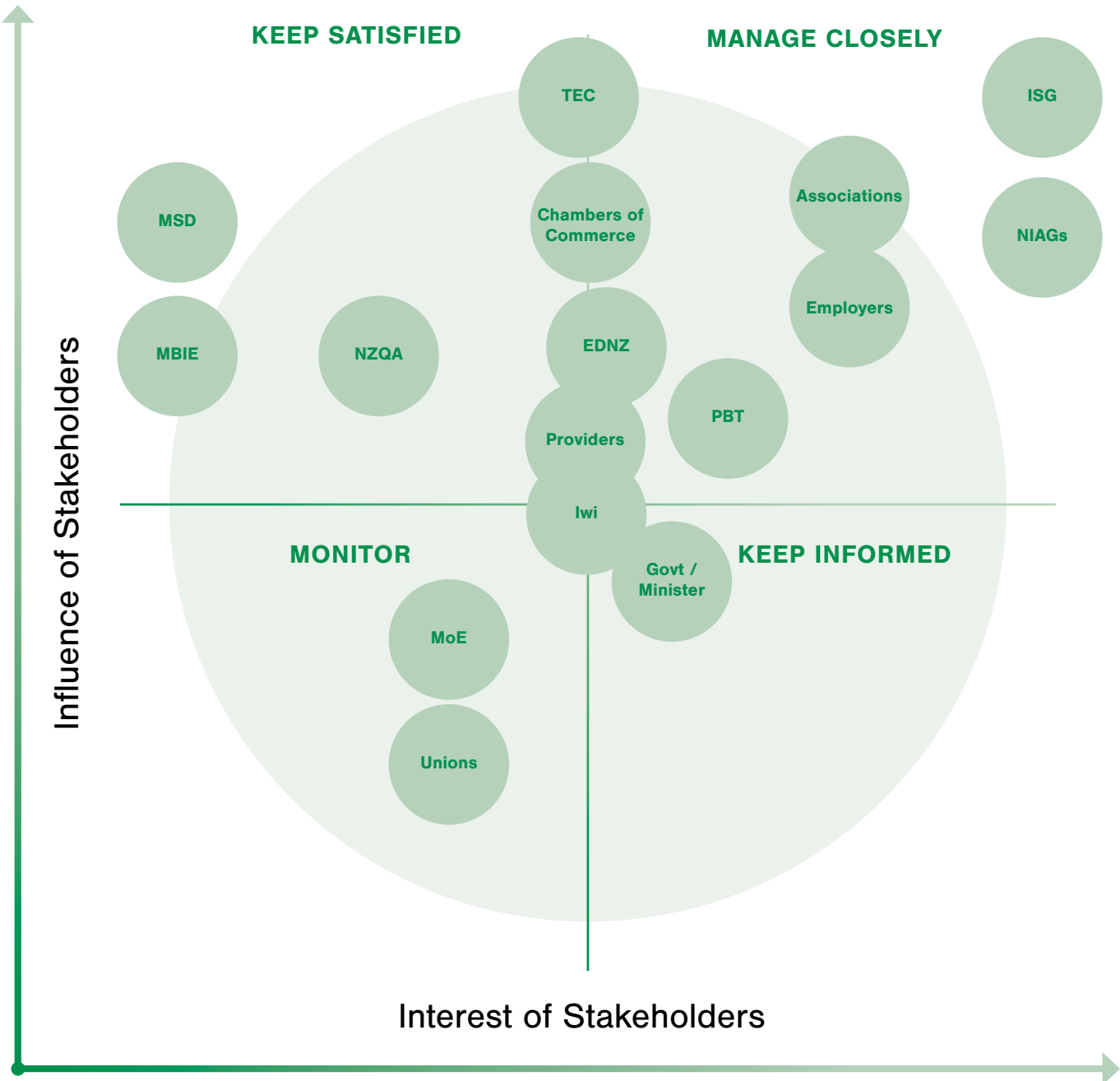
In the last financial year, the Industry Relationship team engaged with 1,600 stakeholders across 76 sectors and all 15 regions of Aotearoa New Zealand. Those engagements resulted in 80 projects that were either developed into industry-supporting initiatives or translated into actual products, tools and micro-credentials.

We have developed a Hanga-Aro-Rau Engagement Matrix (see page 39) to ensure we are utilising our resources efficiently and effectively to engage with the thousands of stakeholders within our remit.



Ports of Auckland

HANGA-ARO-RAU ENGAGEMENT MATRIX



Key:

- Keep satisfied** = Meet their needs, use existing communication channels and meetings, increase positive interest
- Manage closely** = Build good relationships, personal support, workshops
- Monitor** = General information, monitor behaviour communication and interest, use minimum effort
- Keep informed** = Involve them in low-risk or interest areas, establish potential supporters/change agents

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.



TRUSTED INDUSTRY ADVICE AND ADVOCACY

In addition to our formalised industry channels and teams, Hanga-Aro-Rau is collaborating with several external industry groups and associations. In particular, we have recently supported our Industry Relationships Manager, Mat Vandy, to join the New Zealand Board of Examiners for the Extractives industry. This appointment was in response to the Board's request for greater understanding of and connection to the vocational education and training system. Mat now sits on the moderation committee, reviewing all applications from mining companies for Level A or B code compliance on behalf of the Board. The Board is using Hanga-Aro-Rau insights and industry relationships to support their ongoing priorities.

Hanga-Aro-Rau Deputy Chief Executive, Samantha McNaughton, was invited to be a member of the Manufacturing Ministerial Productivity Advisory group to determine how the sector in Aotearoa New Zealand can excel. There are four key priorities relating to research and development, capital investment, strengthening perceptions and workforce development. The latter two priorities are where Hanga-Aro-Rau has been closely involved, supporting Advanced Manufacturing Aotearoa with a range of initiatives. Our Chief Executive, Phil Alexander-Crawford, was also appointed as a Council member for Advanced Manufacturing Aotearoa.

And across our organisation, our kaimahi sit on a number of industry councils such as the Fire Protection Association (FPANZ), the Maintenance Engineering Society of NZ (MESNZ) and have been invited to present at over numerous conferences and industry events.



Ao Cacao – Tāmaki Makaurau/Auckland

Regional focus

We are a national organisation that believes in the regions and have kaimahi all over the country, who are active members of their local communities. This gives us on the ground insights into the needs and opportunities of the regions. We understand the importance of engagement and collaboration with our regional stakeholders. Be that developing our iwi/hapū connections to create opportunities for young Māori in employment and training for our sectors, partnering with large scale projects such as Dunedin Hospital to create a new approach to training and workforce development or engaging with employers to create regional insights into our disability research or sector qualification development. We have established and continue to grow a national and regional industry presence supporting stakeholders, workforce development and local funding advice. The importance of regional organisations such as Economic Development Agencies, Chambers of Commerce is recognised, and we have strong networks with these groups. The regional infrastructure fund will add the additional need for us to ensure our plans complement and support those investments. We believe it is crucial to our mahi, to understand the needs and opportunities of the regions and the see benefit of these connections, partnerships and advice leading to greater national consistency in skills development and delivery and a strong NZ Economy.

As part of an ongoing commitment to get more Māori with higher skills into higher-paid jobs with improved employment opportunities, Hanga-Aro-Rau Workforce Development Council recently hosted the Whanake Māori Industry event in Tāmaki Makaurau, bringing together Māori industry and key stakeholders within the employment and VET system from across the region. This exclusive event – among the first of its kind for Māori in the manufacturing, engineering and logistics sector – featured Industry and Iwi leaders, Government agencies, providers, workforce development stakeholders and key rangatahi advocates from across the region in a rich discussion about Māori workforce and economy and its crucial role in driving economic growth across Aotearoa New Zealand.



Gisborne Hydraulic Services -Tūranga nui a kiwa/Gisborne

Te reo ahumahi | Industry Voices

GISBORNE DEBUT FOR FLUID POWER ENGINEERING CERTIFICATE

A multi-year regional collaboration was realised this year with the rollout of the NZQA-approved qualification facilitated by Hanga-Aro-Rau, the first-of-its-kind New Zealand Certificate in Fluid Power Engineering Level 3. Gisborne proudly rolled out the first programme and took enrolments ahead of an estimated 30 providers expressing interest across the rest of the country. The initiative started in 2022 when our team brought together twenty industry leaders.

Tasj Paulson, Gisborne Hydraulics Services (GHS) Director, recognised the need to support the specialised fluid power skillset and raised the idea of developing a qualification with Hanga-Aro-Rau.

“We held an industry meeting with the single purpose of establishing a recognised qualification,” Tasj says. “We discussed what this could look like, with the shared goal of making it viable and attractive for more hydraulic technicians to enter the industry.”

Also coming out of this hui was the establishment of the New Zealand Fluid Power Association, with Tasj as the inaugural chair. “Once we established the Association, we were able to begin conversations with training providers,” she says. The Association then worked closely with Hanga-Aro-Rau to develop a programme designed to provide emerging and established fluid power technicians with essential knowledge, health and safety understanding, and practical skills.

As the fluid power industry grows and its workers become formally qualified, Hanga-Aro-Rau will continue to provide both a sounding board and a voice and is currently working on the next phase of this qualification.

Kaupapa Rangahau | Research projects

JOINT WDC APPROACH TO MAXIMISING THE POTENTIAL THAT LIES WITH OUR DISABLED COMMUNITY

One significant resource that has been historically overlooked is the estimated 24 per cent of New Zealanders who are living with a disability. Hanga-Aro-Rau and Waihangā Ara Rau Workforce Development Councils recognise the considerable opportunity that is presented by reducing learning and workforce inequities for disabled people and tāngata whaikaha Māori. These organisations are working collaboratively to support this community to create better outcomes for industry, employees, and the Aotearoa New Zealand economy.

The two WDCs came together in April 2023 to establish a Disability Expert Panel. This Panel is composed of experienced industry professionals with lived experience of physical, intellectual and invisible disabilities. Together, they are addressing inequities, challenging stereotypes, and demonstrating a solid business case for employing disabled people.



Disability Expert Panel – Back: Phil Alexander-Crawford, Philip Aldridge, Heather Geddes Samantha McNaughton, Jonathan Tautari, Sarah Benikowsky. Front: Bobi Te Runa, Tamara Grant, Grant Cleland, Erica Cumming

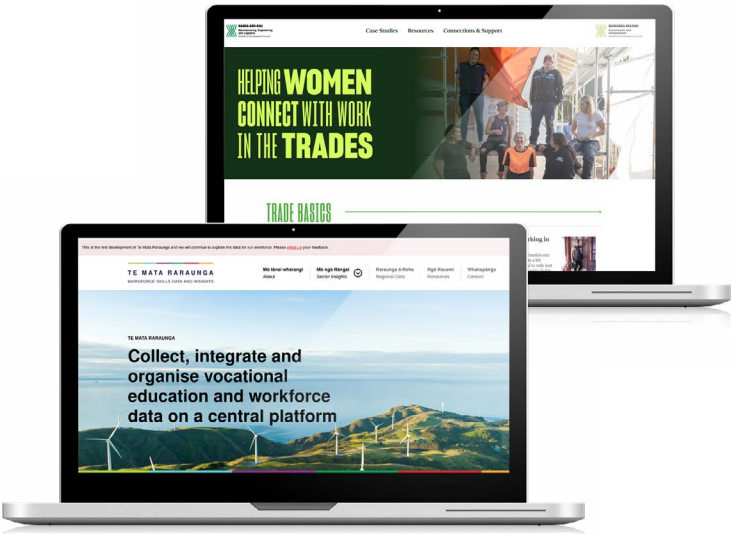
In 2023-24 primary research began around how to unlock the potential to attract, support and retain more disabled people into the sectors served by the two WDCs. A comprehensive literature review examining relevant national and international literature was completed and focused on the barriers to and enablers of employment for disabled people in workplaces in general and, where available, in Hanga-Aro-Rau and Waihangā Ara Rau industries, specifically.

The review guided the design of the primary research commenced in partnership with All is For All and the Donald Beasley Institute to understand the experiences of disabled people and employers in our industries and what we can all collectively do to unlock the potential of disabled people, improve social and economic outcomes, and lift the productivity of our industries by addressing chronic skills and labour shortages. Kōrero includes: 'How employment enables disabled people in our society', 'How supporting disabled people in the workplace can increase revenue and productivity', and 'How getting more disabled people into the workforce can contribute billions to our economy'.



Between February 2024 and May 2024, All is for All surveyed employers from across the manufacturing, engineering, logistics, construction and infrastructure industries, and 247 employer survey responses were received. A series of participant focus groups were held to assist to unpack the themes uncovered in the survey. 58 interviews were held, including 34 disabled people and 24 employers. Twenty-eight percent of respondents hailed from Tāmaki Makaurau/Auckland and 18.78 percent from Te Whanganui-a-Tara/Wellington, making up the largest groups of participants in the survey. We had strong representation across throughout the country with at least one from each region.

In 2024-25 the results of this engagement and subsequent research will be launched alongside industry and will be accompanied by a comprehensive action plan to unlock and realise the potential of disabled people. Hanga-Aro-Rau will also implement an internal capability framework to best support disabled people.



OLDER WORKERS LITERATURE SCAN

A Research Plan has been developed to support older workers based on an initial literature scan, definition of key terms, analysis of data about older workers in our industries, and an overview of Aotearoa New Zealand strategy, policy and legislation in this area. It outlines our strategy for a more extensive review of resources, an analysis of additional data, and engagement with employers and older workers across our sectors.

The research, as outlined in the Plan, will build on existing national and international studies and shed light on the challenges and opportunities presented by this demographic change. It will provide evidence for the development of collaborative programmes and resources to support older workers and their employers, as well as workforce planning and development over the medium and longer term.

A range of resources already exists for employers to best support older workers, and we are seeking to collaborate with various agencies to make this information accessible on our [TradeCareers](#) website.

BYSTANDER RESEARCH PROJECT

ConCOVE led this project to design a series of initiatives around creating inclusive workplace practices and bystander cultures within the construction and infrastructure sector, which is relevant to some of our industries. This work included the creation of an On-Site Upstander document and [full report](#). It continues with the ongoing development of resources for online partner websites and platforms and other types of engagements that the Industry Relationship team will share with our industries.

SHARED DATA PLATFORM

A Shared Data Platform has been created in collaboration with all other Ohu Ahumahi as a common and robust data repository with shared analysis and visualisation tools. Each WDC has their own publicly available version of the Platform; ours features both a [learner dashboard](#) and a [workforce dashboard](#). The learner dashboard shows enrolments and performance by qualifications, as well as learner demography. The workforce dashboard details the workforce and pathways into and through our sectors.

This research has included the development of labour market and well-being outcomes for learners, post-qualification, as well as the development of an employment forecast by occupation and a GDP forecast to inform our Advice to TEC 2025 regarding changes in qualification provision. Final reporting and forecasts are due for submission in June 2024.

WORKFORCE DEVELOPMENT PLANS

In late 2023 Hanga-Aro-Rau began work on our Workforce Development Plans (WDPs), which provide a framework for the industry to plan its workforce development priorities over the next five to 10 years. Launched in June 2024, the WDPs identify current and future workforce trends, needs, barriers, and opportunities aimed at supporting a sustainable workforce that has the capabilities and skills required to meet current and future challenges. The WDPs are informed by industry voice through our NIAGs, engagement, research, and insights.

They include:

- **Demographic information** – Who makes up our industries?
- **Roles** - Define the roles in our workforce and identify if there are emerging skills gaps.
- **Regional information** – Detail what is happening in the regions, location-specific needs, big projects, and workforce shortages.
- **Qualifications** - What is currently available, what is being developed, and where are the gaps, if any?
- **Pain points** - What are the top pain points for our sectors and what insights does Hanga-Aro-Rau have on these and what action will be taken?

There are nine industry-specific WPDs that align with our NIAG groups, as well as Māori and Pacific peoples action plans. These interactive, dynamic, web-based plans articulate the future workforce development needs and priorities for our industries and are updated at least annually. Each plan is co-created with a NIAG or a 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 and within 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 peoples 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.



DH Steel Construction – Tāmaki Makaurau/Auckland



CG Print – Tāmaki Makaurau/Auckland

EMPOWERING PACIFIC LEARNERS, BUSINESSES AND INDUSTRY



Pacific Business Trust - (Front row L-R) Chris Gosling Chief Executive Hāpaitia, Tofilau Talalelei Taufale Co-Chair Pacific Fono, Dr Claire Robinson Chief Executive Toi Mai, Paul Retimanu Chair Pacific Business Trust, Mary Los'e Chief Executive Pacific Business Trust, Reverend Nove Vailaau, Antonia Lilli Board Member Muka Tangata

The appointment of Pacific Workforce Development team and the signing of a Memorandum of Understanding with Pacific Business Trust accelerated our focus on developing an action plan to address the opportunities presented by a growing, younger Pacific workforce, as well as addressing some of the barriers currently experienced by the Pacific workforce in our industries (as identified through our 2022-23 research to understand the impact of Covid-19 of the sectors we serve).

As of June 2024, we were nearing the publication of Lumana’i o Tangata Moana, the Hanga-Aro-Rau Pacific Peoples Workforce Development Action Plan. This Plan advocates for the interests of the Pacific workforce within Hanga-Aro-Rau industries to influence positive systemic change across vocational education and training. In the creation of this Plan, we have engaged formally and informally with stakeholders, including Pacific learners and workers and Pacific organisations, to understand what is most important to Pacific peoples and their workforce development needs.

Lumana’i o Tangata Moana gives effect to actions Hanga-Aro-Rau is committed to, which advocate for the interests of the Pacific workforce and communities within our industries and influence positive, systemic change across the vocational education and training ecosystem.

Specifically, the Plan addresses:

- Persistent education and employment inequities between Pacific peoples and the total Aotearoa New Zealand population**
Statistics show that, compared to the total population, Pacific peoples have a higher Youth NEET (Not in Education, Employment or Training) rate, a lower rate of business ownership, are less likely to hold a higher qualification (Level 4 and above), are disproportionately represented in unskilled occupations, and earn less with income inequality well above the OECD average. The education system and government policies continue to look at ways to better serve Pacific peoples.
- Opportunities from Aotearoa New Zealand population trends**
Our country has an ageing workforce, and the total young, working-age population is reducing, with the most significant gaps forecasted for the next six years between ages 25 and 35. However, Pacific populations are younger, growing, and poised to command an increasing presence in the industry.



Hanga-Aro-Rau Pacific Workforce Team

- Intergenerational health and prosperity**
Quality work is crucial not only for personal well-being but also for socio-economic progress. It not only benefits individuals and their families but also contributes to the growth of communities and future generations.
- Safeguarding cultural knowledge and traditions**
Pacific peoples have distinct knowledge and cultural approaches with the potential to add value to organisations and to help everyone prosper.
- Social cohesion**
When people engage in meaningful work, it benefits not only them, but also their community. It offers a platform to acquire new skills, form social connections, and gain a sense of identity and belonging.

The four priority goals for Lumana’i o Tangata Moana are:

- Lead Pacific opportunities by identifying workforce gaps and leveraging those opportunities to improve access for Pacific peoples in manufacturing, engineering and logistics.
- Partner with our Pacific communities to understand Pacific cultural identity, expertise and aspirations.
- Strengthen our engagement with Pacific communities to improve qualifications and programmes that support equitable outcomes within the vocational education system to meet the needs of Pacific learners and workers.
- Value the future of our workforce by understanding and supporting the needs of our under-25 learners and acknowledging the older Pacific workforce’s experience and knowledge.



DNA Solutions – Onehunga

Te reo ahumahi | Industry Voices



Juken New Zealand – Te whanganui a tara/Wellington



Juken New Zealand – Te whanganui a tara/Wellington



Juken New Zealand – Te whanganui a tara/Wellington

Te reo ahumahi | Industry Voices

JUKEN NEW ZEALAND LIMITED, ADAPTING TO PACIFIC NEEDS IN INDUSTRY

“We’re a wood processing manufacturing site that employs a high proportion of Pacific Islanders,” says Adrian Grieg, Training Co-ordinator at Juken New Zealand Limited (JNL) Wairarapa.

JNL’s Pacific workforce is highly motivated, Adrian says, with deep humility and loyalty.

“They are very gracious about having a job here. The younger workforce is keen, eager to earn and learn. They are appreciative of the support and the opportunities we provide.”

One important way that JNL is supporting its Pacific workers is by providing a flexible working environment with a strong work-life balance, Adrian says. When the team recently noticed that they were struggling to

fill vacancies, JNL created a new 9am to 2:30pm shift to accommodate parents. “There are some constraints around solo parents’ ability to get into the workforce, so we created this shift that would allow them to get their kids to school, come to work, get some money, and then get back in time to pick them up.” The initiative has been so successful that other businesses in the area have since implemented similar shift flexibility.

JNL also prioritises a proactive approach to training, Adrian says, in particular through their programme Ingrain which brought in an external literacy and numeracy tutor to help Pacific workers achieve greater outcomes and fulfil their full potential. “The tutor would help with reading or writing. If you wanted to do unit standards, she’d do them with you. Many workers took the opportunity to do the road code with her and pass their learners’. A lot of the guys are very self-conscious, and they don’t want other people to know that they can’t read or write, or they struggle with things; they responded well to a one-to-one skills programme tailored to their needs.”

This customised and flexible approach to work and on-the-job training enables JNL to retain and progress its Pacific workforce through the business and into higher-paid positions. In his nearly 30 years of service at JNL, Timber Machinist Taeao Tafa (Samoa) has enjoyed many roles and earned qualifications in Foundation Skills, Solid Wood Manufacturing, Timber Machining and Forklift Operation. During that time, he has also welcomed his two sons into the business.

“I like to see the young Pacific boys like my sons here. They support all of us; we like coming to work and we want to do good work.”

This multi-generational, community-focused approach to the workplace is driven by giving Pacific workers channels and agency to shape their environment, Adrian says. “We’ve learned that, to get Pacific workers to engage, you need to find the leader in the group and hear what they have to say.”

One such leader is Levi Toilolo (Samoa), who has been with JNL since 2010. “When I started, I was doing stacking; now I am a Senior Operator,” he says, having completed certificates in Foundation Skills, Wood Manufacturing, Timber Machining, Confined Space Entry, and Forklift Operation over the years. Now an established leader in the business, Levi is excited to pass his knowledge on to the next generation of workers. “I’ve worked many jobs here, moving up and trying everything. At my age, I just want to share with the boys everything about this job I know to help them and the company. JNL is like my family.”

Hearing and learning from the Pacific workforce and businesses provides insights that inform and guide our work and will be invaluable in the creation of the redesigned Vocational Education Training system. The growing Pacific workforce will be a powerhouse in Aotearoa New Zealand’s economy, but only if training and opportunities are fit for purpose and organisations take a leaf out of JNL’s book.

Whanake Māori | Māori Workforce Development

Hanga-Aro-Rau is committed to He pūkenga tāngata, he pikinga taumata hei oranga mahi – enabling more Māori with higher skills in higher-paid jobs and with improved employment opportunities. Strong and productive Māori industries contribute to a thriving economy, fostering prosperity for all Māori and Aotearoa New Zealand as a whole. We recognise that the Māori workforce presents a major opportunity for our sectors to address the 157,000 jobs that need to be filled over the next five years. We are collaborating widely with industry, government and providers to create employment and training pathways to our sectors, to help Māori progress in the workplace, and to provide resources to help Māori be more successful. Our Māori industry relationships and the insights they provide are a taonga that continues to grow.

A strong Māori economy means a strong Aotearoa New Zealand economy – both regionally and nationally – and we can strengthen both by providing better training and career opportunities for our Māori workforce. To do so, we must work directly with and act upon the insights presented to us by our Māori industry leaders and stakeholders. By leveraging and coordinating stakeholders within the ecosystem, we can better meet the needs of Māori learners and provide more sustainable learning pathways for them, ensuring productive and profitable businesses across Aotearoa New Zealand.

We recognise the huge opportunity presented by our growing Māori population; investing in the development of Māori workers will directly address a projected skills gap of 56,000 workers across the manufacturing, engineering and logistics sectors over the next five years. 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.



CREATING ENDURING RELATIONSHIPS THROUGH ENGAGEMENT

In the past year, we have completed 287 industry engagements, significantly strengthening our understanding of Māori industry needs and the platform from which we can advocate for them. Our engagements and key relationships with Māori industry are foundational to how we conduct and shape our work. By actively collaborating with Māori industry leaders and stakeholders, we ensure that our projects are informed by Māori industry voices and perspectives and are grounded in Te Ao Māori principles. These relationships enhance our understanding of Māori industries, their priorities and our understanding and respect for Māori values, fostering a culturally responsive approach to our operations.

Between 1 July 2023 and 30 June 2024, our Māori Workforce Development team carried out 287 engagements with Māori Industry (49), non-Māori Industry with a vested interest in Māori development (47), Māori workers (32), iwi (27), unions (one), associations (16), providers (39), and others, including Government agencies (76).

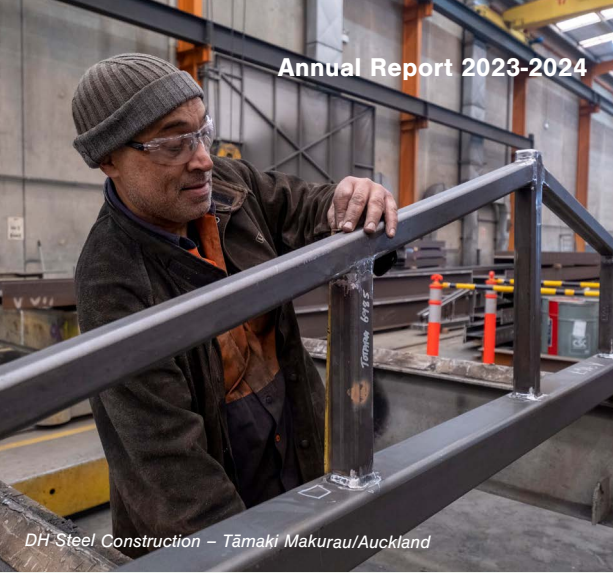
Through regular consultation and partnerships, we incorporate the insights and expertise of Māori industry into our methodologies and practices. This collaborative process ensures that our work is aligned with the aspirations and needs of Māori industry. We are highlighting the critical role of the Māori workforce in Aotearoa New Zealand’s economy, reinforcing its significance within the broader economic landscape. We are also strengthening connections with Government agencies within the employment, education and training eco-system to support Māori workforce development.

Our commitment to these engagements reflects our dedication to create an inclusive and culturally attuned working environment where the contributions of Māori industry are not only valued but are integral to our success and growth.

We have gathered key insights from our industry stakeholders that indicate:

- Industry wants to know how to better engage, attract and retain the Māori workforce
- Industry is grappling to embed Te Tiriti o Waitangi and wants to embrace Te Reo Māori
- There needs to be greater platforming of case studies and portfolios of organisations with good practices regarding Māori (see the case studies throughout this Report)

Our 23/24 insights also provided us with a clear snapshot of Māori in our sectors and the opportunities we can pursue with our stakeholders for better outcomes, stronger engagement and improved productivity. Informed by these insights and our extensive engagement, our Whanake Māori team has drafted the Mahere Workforce Development Plan to be published in the next financial year.



Ngā Tatauranga Māori | Māori Workforce Data



THE WORKING AGE
(15 YEARS+)
POPULATION IS
EXPECTED TO BE
719,000 BY 2028.

THE
PROJECTED MĀORI
LABOUR FORCE IN THE
ENTIRE WORKFORCE
IN 2028 IS **496,731**.



IN 2023, **29%** OF
MĀORI WERE EMPLOYED IN
HIGH-SKILLED JOBS
AND **46%** IN LOW-
SKILLED JOBS.

THE GROWTH RATE BETWEEN
2013 – 2023 FOR HIGHLY-
SKILLED
EMPLOYMENT WAS **55%**
COMPARED TO **36%**
FOR LOW-SKILLED.



45,050 MĀORI
COMPLETED VET
QUALIFICATIONS AT
LEVELS 3 TO 6 IN THE
10 YEARS TO 2022
AVERAGING AROUND
4,500 PER YEAR.

MAJORITY OF MĀORI
IN ANZSCO LEVEL 1
GROUPS ARE EMPLOYED
AS PROFESSIONALS
(72,127).
THE NEXT LARGEST
GROUP IS LABOURERS AT
69,840.

(based on 69% labour force participation rate)

CURRENTLY, MĀORI EMPLOYEES MAKE UP

16% OF THE MANUFACTURING WORKFORCE,
9.2% OF ENGINEERING AND
17% OF LOGISTICS.



Ao Cacao – Tāmaki Makaurau/Auckland

MĀORI IN MANUFACTURING, ENGINEERING AND LOGISTICS BY SECTOR

Sector	Automotive Engineering	Commercial Transport	Engineering	Extractives	Food & Beverage Manufacturing	General Manufacturing	Marine	Ports	Supply Chain
Number of Businesses (2023)	10,926	11,220	18,120	1,605	5,547	24,982	1,023	441	6,504
Number of Māori Businesses* (2020)	460	523	821	38	15	676	9	21	187
Total number sector employs (2023)	45,384	67,897	73,490	11,563	87,023	165,471	5,135	6,874	32,007
Total number of Māori employed by sector (2023)	4,992	11,735	5,879	1,734	20,886	21,511	565	1,787	5,761

* Māori-owned businesses only includes businesses with ownership data available, which is roughly one-third of all businesses.

REGIONAL CONNECTION
TO DRIVE ACTION

We delivered two Whanake Māori industry events in Tāmaki Makaurau/Auckland and Waikato, aimed at connecting regional Māori industry, government and providers to strengthen Māori workforce development. These exclusive events – among the first for Māori in the manufacturing, engineering and logistics sector – featured Industry and Iwi leaders, Government agencies, providers, workforce development stakeholders and key rangatahi advocates from across the region in a rich discussion about Māori workforce and economy and its crucial role in driving economic growth across Aotearoa New Zealand.

Participants and panellists brought a diverse set of experiences and perspectives that highlighted Mātauranga Māori and Te Ao Māori as an essential part of a productive and skilled workforce. The event provided a platform for Māori industry representatives to share their insights, emphasizing the importance of collaboration and connection within the sector.

The event facilitated the formation of long-term partnerships between industry, local community groups, including secondary schools to develop sustainable support systems for Māori workforce development.

To support stakeholder communications we launched the dedicated webpages for the Whanake Māori Workforce Development Team. We published 3 articles promoting the opportunity and enablers for the Māori Economy and Workforces, one of which was picked up by mainstream media including RNZ and Te Ao News. The team have also collated 20 case studies that will be published over the next 12 months.



Whanake Māori Industry Event – Waikato



Koru Customs and International Freight – Ōtautahi / Christchurch



Whanake Māori Tīma

Te reo ahumahi | Industry Voices

Ranui Herengi, Supervisor at Elite Superfinish Panel & Paint in Ōtautahi/Christchurch, is championing Māori representation in the automotive industry.

Tāngata whenua will make up 40 per cent of the workforce in Aotearoa New Zealand within the next eight years but remain persistently underrepresented and underserved across most of our industries. Ranui Herangi, Supervisor at Ōtautahi/Christchurch-based Elite Superfinish Panel & Paint, is just one of a handful of Māori in his whole industry in the South Island. He cites a lack of representation and inaccessibility to clear training and employment pathways as key barriers for Māori entering the automotive industry.

“I was lucky to have a good, stable whānau upbringing,” Ranui says. “I just wanted to do the best that I could at whatever I put my mind to. I met some peers and got into cars. I started to fix my own and play around with primers. I got a spray compressor and taught myself how to paint at home, and then put myself through Polytech.”

Ranui knew he had to stand out to secure an apprenticeship in this highly competitive industry.

“I wanted to put a good name out there for myself and for Māori. I made myself a portfolio and managed to beat out a number of Pākehā applicants.”

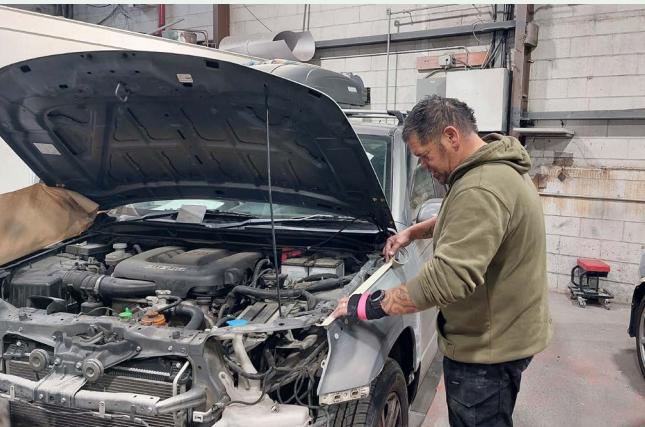
Through dedication and hard work, he quickly worked his way up in the industry. “I always strived hard to be a good tradesman which earned me the opportunity to be Manager of my first paint shop, where I stayed for about 10 years. From there, I became a technical demonstrator, selling and teaching the product I’d used for the past decade.”

The industry has been good to Ranui and his whānau, he says. “If you establish yourself as a good tradesman and auto refinisher, you don’t have to look for a job. In 30 years, I’ve never had to find a job. By putting myself out there and working hard, I’ve become a bit of a known brand in Ōtautahi/Christchurch.” He’s also leveraged his paint skills into other industries and applications. “You can paint anything if you’re willing to put in the mahi. There are so many opportunities. I’ve painted kitchen cabinetry and internal doors for building companies.

I now run a wee business of my own called Ride Perfect Concepts where I paint mountain and road bikes, some of which I do for koha so I can give back to tamariki who can’t afford it.”

The industry is suffering from a lack of both talent and training, Ranui says. “There has been a systemic failure of training that’s led to a lack of good tradesmen. I’ve trained many apprentices myself in the hopes that they can train those who come after them. But we also need to be doing more with community groups, kura, and iwi to get Māori into these roles. They need to see a role model – someone with a bit of age and authenticity – to make rangatahi believe they can do it too.”

“There are so many good, high-paying trades jobs out there that are rewarding in lots of ways. This trade gave me my first home and three beautiful children, and a comfortable, stable life where I can’t wait to get to work. To encourage others into the industry, you almost have to father younger tradesmen into the trade. Our rangatahi need to learn what’s out there for them. Tamariki and rangatahi are our future.”



Elite Superfinish Panel and Paint – Ōtautahi/Christchurch

Through their family business, Koru Customs & International Freight Limited, the Tomlinsons are bringing a Māori approach to customs clearance and freight forwarding services in Ōtautahi/Christchurch.

“This industry is all about getting stuff done,” says Steve Tomlinson (Ranitane ki Manawatu), Owner and General Manager of Koru Customs & International Freight Limited. “We’re a Māori family business and we like to bring a bit of flavour to our industry and what we do. We understand that a lot of what we’re moving is emotive or is being transported under deadlines with real-world consequences, so we try to treat every shipment like it’s our own.”

Since 2007 Steve Tomlinson (Ranitane ki Manawatu) and his wife and business partner, Maria (Ngāti Porou), have provided comprehensive customs clearance and freight forwarding services from their base in Ōtautahi/Christchurch. “As customs brokers, we facilitate the movement of goods in and out of the country with border control agencies like MPI [Ministry for Primary Industries], Customs, Food Safety, MFAT [Ministry of Foreign Affairs and Trade], and Internal Affairs.”

“Prior to starting the business, we were both working for a multinational customs company,” Maria says. “Steve kept giving more and more to that business and our whānau was lagging. We were burning ourselves out, living for work. We needed to reset. So, two dummies quit their jobs with no plan and that’s how this started.”

Maria designed the logo and chose the name, and Koru Customs & International Freight Limited was born. “We all know what the koru is symbolic of, and it definitely was a brand-new start for us,” she says.

Word-of-mouth referrals and above-and-beyond service have seen Koru grow into an international success and an exemplar of how Māori-led businesses can thrive through shared values and strong connections.

“Māori are really good at hospitality and we’re able to build relationships easily,” Steve says. “People respond to that, and they tell their friends.”

Their whānau-led approach has also enabled them to welcome daughter, Alyssa, into the business. “My dad’s been in the industry since he was 18,” she says, “so I grew up around it and came into it quite naturally.”

After earning a Bachelor of Commerce at Canterbury University, Alyssa took the leap and completed the Customs Brokers and Freight Forwarders qualification. “I didn’t need my degree to come into the industry, but as the first in the family to complete university, it’s something I’m quite proud of.”

“The pathway to what we do is varied,” Steve adds. “I started at a small family business where I learned the industry from the ground up. You don’t have to have any formal training because you can get taught on the job, but there are several qualifications available; Intro to Customs or Intro to Freight Forwarding are a good place to start.”

At Koru Customs & International Freight Limited, Te Ao Māori is ever-present, with te reo Māori spoken and Alyssa’s pēpē running around the office. Steve and Maria hope that their successful approach will inspire other Māori to consider a career in freight forwarding and customs and shed light on the varied opportunities available. “It’s a demanding but rewarding industry,” Steve says. “While we’re all fiercely competitive, we have lifelong contacts and friends. It’s more than just a workforce; we’re whānau as well and there aren’t enough of us.” “You don’t hear about our industry in Māori circles,” Maria agrees. “We just get lumped in with logistics. But we can influence people by inviting them in to meet us. It’s about the way we carry ourselves and how we represent who we are.”



Ngā Ara Ringarehe | Vocational pathways

Understanding the career and education pathways available within and across all of industries is fundamental to industry, employers, and our current and future workforces. This year our team continued to embed our Vocational Pathways Strategies to:

Equip employers with knowledge of how to engage with the education ecosystem, providing advice on good practice to create fruitful partnerships, underpinned by building employer capability in diversity, equity and inclusion practices

Empower learners and their sphere of influencers by equipping relevant agencies and associations with industry-informed career pathways, fostering a seamless connection between industry and the education ecosystem.

As part of this, we attended the Career and Transition Education (CATE) Association’s conference where CE, Phil Alexander-Crawford, was a keynote speaker. He spoke about the varied career opportunities available in our industries and the need for a joined-up system, including secondary transitions.



CATE Conference 2023 – Whangārei

Other key activities completed by our Vocational Pathways team included a collaboration with Whangārei Boys’ High School to deliver an Inspiring the Future event to Year 9 students, showcasing a range of local occupations and careers in the industries that Hanga-Aro-Rau and other WDCs serve. The event focussed on ‘planting a seed’ to help students realise the many diverse career pathways – far more than traditional and conventional pathways. The regional event was well supported by the local community as well as the Old Boys Association of Whangārei Boys High School and picked up by the Whangarei Leader. CEOs, engineers, mortuary technicians, a rocket scientist, and a nano robot scientist all spoke of their journeys and left the students sparking with ideas of what they could do in the future.

The team also worked with TEC on the occupational profiles for Tahatū, liaising with industry where necessary to ensure accuracy of information. Progress has been made in developing case studies to inform the creation of a Good Practice Guide for employers on how to connect with schools.



Inspiring The Future event – Whangārei

Whatu Tohu | Industry standards

The Industry Standards team (Whatu Tohu) review and develop qualifications, credentials and standards that are relevant, fit-for-purpose, meet industry need, and are approved and recognised on the NZQA qualifications framework. We facilitate advisory group meetings to collaborate with a wide range of stakeholders including industry, providers and Māori to inform the work we do.

In the last financial year, we developed and/or reviewed...



TE ARONGA MĀORI FRAMEWORK

In 2023-24 the Industry Standards team supported engagement with iwi to enable greater iwi support and engagement in qualification development and review. Iwi engaged over 2023-24 including 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 coordinated 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 Aotearoa 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. Therefore, we have developed the Te Aronga Māori Framework to identify opportunities for the inclusion of mātauranga Māori within qualifications and standards review and development. As part of a review for Resource Recovery, Ta Aronga Māori has been applied in the development of skill standards at Level 2 to identify the principles of kaitiakitanga within a resource recovery environment.

Using Te Aronga Māori, 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. 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 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.

QUALIFICATIONS AND RESPONDING TO INDUSTRY

Our annual workplan is based on NZQA's five-year cyclical review schedule of qualifications and standards across our sectors, with enough flex to respond to emerging skills needs by our industries. All standards in need of review that do not align with a qualification suite are scheduled for review in the 2024-25 work plan.



REVIEWED **43** QUALIFICATIONS AND DEVELOPED **4** NEW QUALIFICATIONS FOR THE PLASTICS FABRICATION, TRANSPORT ENGINEERING, AND INDUSTRIAL TEXTILE FABRICATION INDUSTRIES



REVIEWED **254** UNIT STANDARDS AND DEVELOPED **23** NEW UNIT STANDARDS ACROSS THE PRINT, PLASTICS FABRICATION, COLLISION REPAIR AND AUTOMOTIVE REFINISHING, FLUID POWER, COMMERCIAL ROAD TRANSPORT, PULP & PAPER MANUFACTURING, MEAT PROCESSING, TISSUE CONVERTING, AND FIRE SECTORS



DEVELOPED **19** SKILL STANDARDS COVERING DIGITAL SYSTEMS FOR MANUFACTURING, CNC MACHINING, AND INDUSTRIAL TEXTILE FABRICATION



DEVELOPED **17** MICRO-CREDENTIALS FOR THE EXTRACTIVES, PRINT, COMMERCIAL ROAD TRANSPORT, PLASTICS FABRICATION, DIGITAL SYSTEMS FOR MANUFACTURING, AND INDUSTRIAL TEXTILE FABRICATION INDUSTRIES



PROVIDED **14** MICRO-CREDENTIAL SUPPORT LETTERS FOR **8** PROVIDERS.

In the 2023-2024 financial year, the Hanga-Aro-Rau:

We launched and/or commenced the development of new qualifications initiated by industry since our inception. These qualifications were enabled due to the independent nature of our standard-setting and skills leadership functions, enabling greater innovation and agility by some providers. These qualifications cover niche and/or highly specialist areas of the sectors we serve, enabling stronger career and education pathways, which the former system would have struggled.

The qualifications and micro-credentials include:

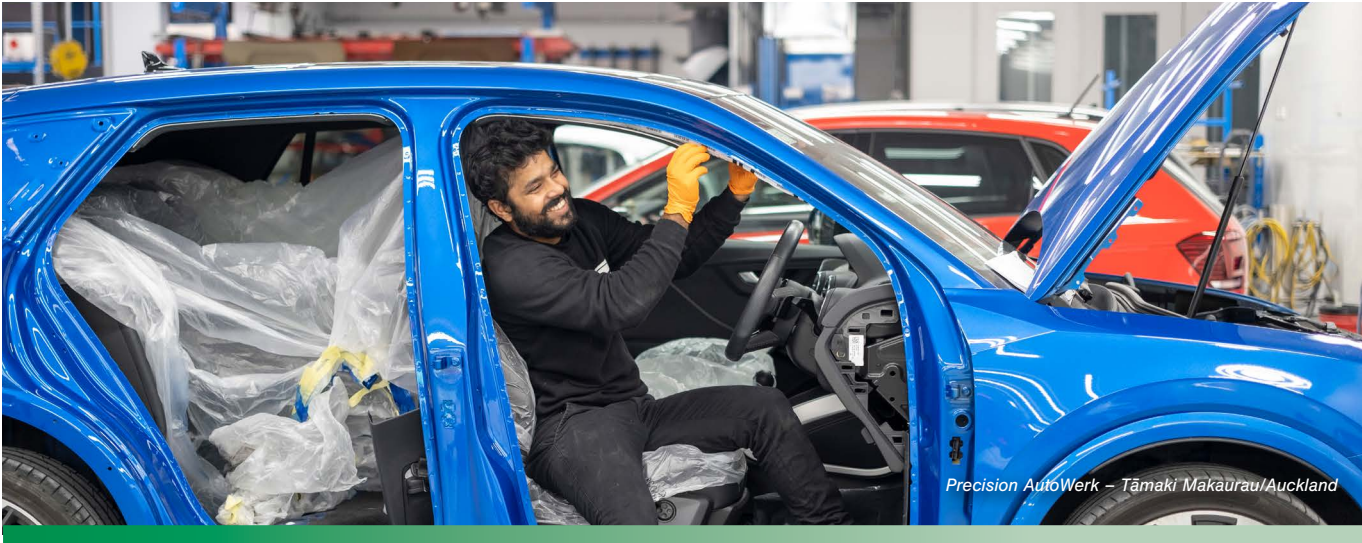
- Fluid power (resulting in a new and dedicated industry body)
- Binding and Finishing, die-making micro-credential-making micro-credential
- Skipper training
- Fertilizer application
- Sewing machinists
- Waste management micro-credentials
- Plastics fabrication
- CNC operation
- Digital systems for manufacturing
- Transport engineering

Whakamana hōtaka | Programme endorsement

Programme endorsement assures industry that the training programme reflects the identified skill, knowledge and capability needs aligned with the qualification outcomes, alongside the support learners need to succeed.

This year we have fostered a strong partnership with NZQA in the programme endorsement process. Together, we have conducted a comprehensive review of programme changes, identifying simple modifications that are now re-categorised as a Type 1 and no longer require submission through the endorsement process. This collaborative effort has significantly reduced overall programme approval times for providers. We are also piloting the simultaneous processing of the endorsement and approval process with NZQA, which has the clear advantage of reducing approval time. We are actively working on reducing areas of duplicated effort, clarifying the roles of WDC and NZQA, and striving for consistency and synergy in our approach.

INDICATOR OF SUCCESS	WHAT WE ACHIEVED 2023-24	WHAT WE ACHIEVED 2022-23
100% OF PROGRAMME ENDORSEMENT APPLICATIONS RECEIVED ARE PROCESSED WITHIN THE SPECIFIED SLR	100% OF PROGRAMME ENDORSEMENT APPLICATIONS RECEIVED ARE PROCESSED WITHIN THE SPECIFIED SLR	100% OF PROGRAMME ENDORSEMENT APPLICATIONS RECEIVED ARE PROCESSED WITHIN THE SPECIFIED SLR
TIMEFRAME (20 DAYS)	TIMEFRAME (20 DAYS)	TIMEFRAME (20 DAYS)
86 PROGRAMME ENDORSEMENT	32 APPLICATIONS COMPLETED	54 TYPE 2 CHANGES



Quality assurance

We continuously seek to evolve the approach to moderation and quality assurance processes with a focus on how transformation through quality assurance activities can be realised. This includes creating close and direct relationships with providers’ resource development and moderation teams and ensuring the resolution of any areas of improvement before submission. This strengthens assessment design and training delivery with the intention of improving learner outcomes.

The methodology for calling post-moderation selection is that all providers and schools assessed in the previous calendar year will be called for post-moderation at least once. Depending on the volume of assessments a provider undertakes or the outcome of quality assurance activities, a provider may be called more than once.

The selection of units is based on:

- Outcomes of previous moderation activity
- Newly developed or reviewed unit standards assessed
- Health and safety risks attached to the assessment
- All units with a significant health and safety risk will be called for moderation regardless of other provider assessment activity
- Assessment of new programmes or recently granted consent to assess applications.

We have implemented significant changes to our calling structure for post-moderation. Instead of quarterly calls, we now reach out to providers each month from February to November. This proactive approach allows us to provide more timely and targeted support to our stakeholders. Additionally, we now notify all providers at the beginning of the year about the unit standards we intend to call, further enhancing transparency and predictability in our processes.

Our moderation activity for the 2023-24 financial year has been:

777 POST-ASSESSMENT ACTIVITIES (COVERING **322** PROVIDERS, **357** UNIQUE UNIT STANDARDS, AND **3217** SAMPLES)

566 PRE-ASSESSMENT MODERATION ACTIVITIES (FOR **31** PROVIDERS)

31 CONSENT TO ASSESS APPLICATIONS PROCESSED (COVERING **250** UNIT STANDARDS)

Our approach to quality assurance is triangulated, where we work collaboratively to understand provider context and pedagogy. The triangulation approach connects industry, Hanga-Aro-Rau and learners, ensuring providers and Hanga-Aro-Rau identify areas for improvement and co-create solutions. This approach is designed to promote high standards, helping to maintain a commitment to academic excellence and quality in delivery. By ensuring consistent practices are applied to quality assurance and best assessment practices, we aim to provide a supportive environment for our providers and schools. Our provider engagement strategy operates at both a regional and national level.

Industry is guiding the Hanga-Aro-Rau quality assurance process through a new approach that centres providers and prioritises engaging with the regions. By working closely with regional training providers across Aotearoa New Zealand, we are able to create a more efficient and collaborative approach to programme endorsement and quality assurance. Our nationwide team of regional relationship managers are connecting meaningfully with providers to gain a deeper understanding of the specific challenges of their environment, who their learners are, and the context of assessment or programme delivery. This multi-faceted engagement approach, developed through 360 provider visits over the last two years, has provided new channels for industry feedback and facilitated strong regional relationships that position Hanga-Aro-Rau as an integral part of providers’ internal quality assurance systems.

Change through collaboration

Our approach is working: collaborative quality assurance for real results

From the outset, the Hanga-Aro-Rau quality assurance ethos has been to engage directly with schools and providers—both onsite and online. We made a strategic decision to structure our team and budget around meeting users of our qualifications and standards on their terms in their environments. This approach has enabled us to truly understand the challenges they face and the innovative strategies they’ve employed to overcome them, whether in the classroom or the workplace.

Rather than simply telling providers what they’ve done wrong, we guide them through the process, helping to improve internal moderation systems and develop high-quality assessment materials. This hands-on, collaborative method produces tangible, measurable results.

The data speaks for itself. Since 2022, our post-moderation outcomes have improved across all sectors we support:

- 5-7 per cent improvement for Private Training Establishments (PTEs)
- 8 per cent improvement for schools
- 6 per cent improvement for Work-Based Learning (WBL) providers
- A remarkable 21 per cent improvement for Te Pūkenga.

These gains highlight the value of taking time to provide advice and support rather than just issuing reports. Our team is dedicated to walking alongside providers and offering strategies for improvement instead of merely pointing out gaps. We’ve further strengthened our efforts by adopting regional portfolios, which means our relationship managers are now familiar with all the organizations delivering our qualifications within a specific region. This allows us to address each region's unique challenges and nuances more effectively.

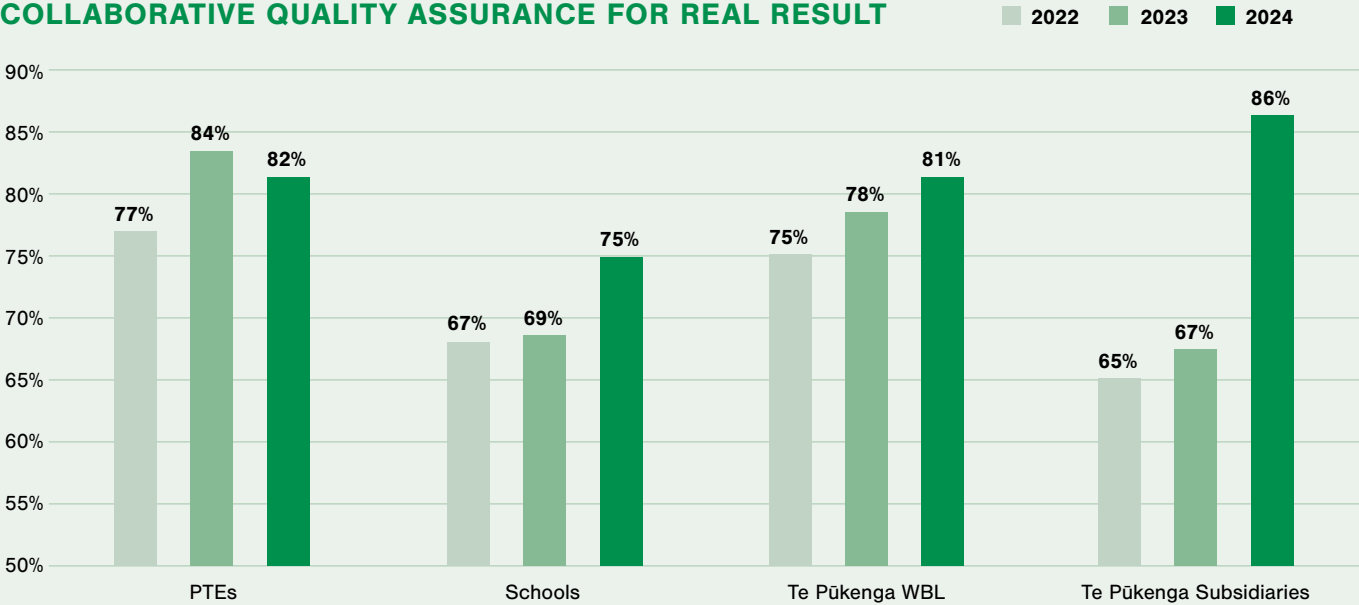
While desktop moderation remains essential for identifying where support is needed, our proactive approach—whether it’s picking up the phone to discuss issues or providing guidance on assessment material before it’s submitted for moderation — has made a tangible difference. Providers now seek our help developing assessment materials, ensuring success from the outset.

In 2024 we’ve conducted 221 provider visits, nearly doubling the 122 visits completed in 2023. This includes:

- 108 schools
- 41 PTEs
- 11 Te Pūkenga polytechnic subsidiaries
- 4 Te Pūkenga Work-based Learning Divisions.

These visits, especially to schools and PTEs, have provided the extra support necessary for improved moderation outcomes. The consistent rise in positive results confirms that we are on the right track.

OUR APPROACH IS WORKING: COLLABORATIVE QUALITY ASSURANCE FOR REAL RESULT

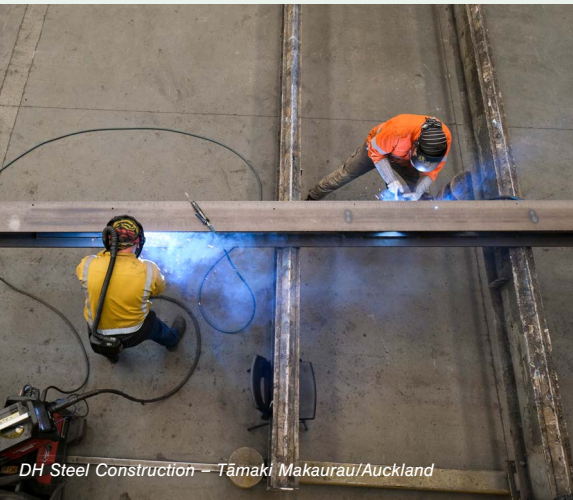




Kowtow Fashion – Te Whanganui a tara/Wellington



Regional Roadshow – Papaioea/Palmerston North



DH Steel Construction – Tāmaki Makaurau/Auckland

Provider engagement

We have invested significant time in building relationships with our providers and schools. Our core focus has been on how we can support them in achieving the best assessment practices. Because of the mahi we undertook in 2022-23, our providers now proactively contact us for guidance and support on assessment methodology and practices, writing assessment material, and contextualising assessment.

241

PROVIDER VISITS MADE UP OF

87 SCHOOLS

17 TE PŪKENGĀ

10 EMPLOYERS AND ASSOCIATIONS AND

47 PTES

The above figures speak to the engagements by our Improvements and Operations team. We have had 412 engagements with providers across our Hanga-Aro-Rau teams.

To cement our holistic approach to best practice assessment, Hanga-Aro-Rau offered the following support:

- Regional roadshows for schools with 77 schools attending
- Webinars for schools
- Drop-in Sessions
- Demystifying the Vocational Reform event with 70 stakeholders in attendance
- How TEC advice is formulated sessions.

Our approach to provider engagement and monitoring and support has resulted in a significant improvement in the proportion of moderation that meets the national standard. This reinforces the impartiality of independent standard setting and taking a whole-of-system view. In the six months to 31 December 2023, 80 per cent of providers achieved the national standard on the first submission, compared to 70 per cent in June 2023; the most notable improvement was with Te Pūkenga.

Investment advice to TEC

Most of our insights gleaned from stakeholder engagement, research, and standard-setting activities (including qualification and standards development, moderation and programme endorsement) inform the investment advice we provide. The feedback we collect from individual and collective stakeholders is triangulated with research and analysis of official statistics. It is then developed into themes to inform the vocational education system. These themes may relate to the creation of new qualifications or the refresh of others; they may relate to specific considerations for learners to improve success, or they may identify some new priorities relating to the delivery.

Given the diverse range of sectors we serve, we acknowledge the challenge we have in ensuring all voices are represented. To do this, we test with our Industry Stakeholder Group and our National Advisory Groups to confirm priorities. As an example, our analysis and testing may involve:

- Forecasting employment growth/demand, business change, and regional focus for a sector
- Analysing educational outcomes
- Validating industry demand with a representative group of stakeholders including employers, community groups, business organisations, and industry associations
- Engaging with providers to seek their input and explore how they might continue to support employers and learners in the specified sectors
- Testing with iwi and Māori employers as appropriate.

Once we have a rounded, evidence-based understanding of our sectors' priorities, then we are in a position to include this in our investment advice.

2025 INVESTMENT ADVICE

Our Advice to TEC for the 2025 funding year (delivered to TEC in November 2023) was supported by examining historical and forecast employment data supplied via the economic consultancy service Infometrics. Where variations above or below 5 per cent to the employment data were identified, we 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 these quantitative insights were supported with qualitative insights developed through a consistent engagement schedule with the industries Hanga-Aro-Rau represents. Recent historical enrolment and completion rates of the qualifications identified were also examined. As part of our validation process, these qualitative and quantitative insights were also presented to Regional Skills Leadership Groups (RSLGs) throughout Aotearoa New Zealand and aligned to the needs of those regions, where applicable.

HE TAUĀKĪ TUTUKINGA MAHI | STATEMENT OF SERVICE PERFORMANCE



Manufacturing, engineering and logistics industries’ voices influence the vocational education system to create equitable outcomes and a sustainable Aotearoa New Zealand.

Our Statement of Service Performance 2021-2022 was based on our:

- Order in Council, 2021 (OIC)
- Letter of Expectation from our Council and Funding Letters (2021)
- Education and Training Act 2020 (Section 366-369)
- Establishment Plan (2021).

As a newly established organisation, we launched our waka to deliver against our 2022-23 Operational Plan, in which our priorities were informed by:

- Extensive and diverse stakeholder engagement in 2021-22
- Progression and achievement of our Establishment Plan priorities and functional workplans, including qualification development of our Skills and Workforce Leadership plan
- Commencing research to understand the workforce development and labour priorities for our sectors, particularly in response to (and recovery from) the COVID-19 pandemic
- Reviewing all educational strategies listed in our OIC to ensure explicit links are made to the specific actions that Hanga-Aro-Rau can most directly influence and those that we contribute to
- Putting in place the mechanisms, frameworks and processes needed to operate Hanga-Aro-Rau effectively and the skilled people needed to propel us forward.

As we started to mature as an organisation, we steered our waka with more determination to deliver against our 2023-24 Operational Plan, the priorities of which were informed by:

Letter of Expectation from our Council 2023 (page 24)

Our Statement of Strategic Direction 2023-28 (page 27)

- A clearer understanding of our operating environment and our stakeholders enabling us to put in place strategies, frameworks and operational plans
- The valuable insights gained from a full year of engaging with industry, providers and other stakeholders in the vocational education eco-system
- Clarity around what our stakeholders expect from a strong and connected vocational education system, including a system that is developing diverse workforce pipelines, a system that understands local, regional and national workforce development needs, and a system that represents value for money

Further research to understand the workforce development needs and labour priorities of our sectors, and a drive to establish Workforce Development Plans (page 46) that clearly showcases the avenues into, and potential pathways, through the industries we represent.

Our Operational Plan 2023-24 evolved following the Aotearoa New Zealand general election and subsequent uncertainty placed on the longevity of the vocational education system structures. At a functional level, we were able to deliver on all objectives set. At a strategic level, we did reprioritise some research to focus on industry-first primary research into understanding the barriers and perceptions of employing disabled people. This resulted in us not completing additional primary research into older workers and women in industry (recognising the breadth of available research and literature already in existence).



Hanga-Aro-Rau continues to deliver its functions with a clear focus on impartially and independently representing industry voice, amongst a time of uncertainty in vocational education in Aotearoa New Zealand. Consequently, we recognise the need to continue collaborating with stakeholders across the ecosystem and driving to increase the skills of our workforce in Aotearoa, New Zealand.

Our core functions (pag 28) enable us to achieve our outcomes through:

- Forecasting current and future workforce development needs
- Understanding the current and future workforce development needs of Māori and Pacific peoples
- Reviewing and developing qualifications and standards based on industry need
- Endorsing programmes and moderating assessments to ensure industry needs are central and vocational education ecosystem quality is upheld
- Conducting research that will greatly inform the development of the workforces in the sectors we represent, as well as other sectors
- Providing advice to guide investment in vocational education.

Why is this important?

- A better-connected, industry-focused vocational education system that develops the current and future workforce
- A strong pipeline of people coming into our sectors and staying in our sectors
- Confidence that the training is providing for the current and future workforce to enable our industries to thrive.



Kowtow Fashion – Te Whanganui ā tara/Wellington

Skills leadership



Hanga-Aro-Rau is leading and coordinating industry efforts to identify workforce needs and support the vocational education system and employers to meet those needs. We are supporting this work through research, analysis, advocacy, workforce plan development, and contributing to career services by connecting with schools supporting the need for pathways into vocational education.

Hanga-Aro-Rau ensures that information on industry, workforce, research and vocational pathways is clear and accessible to learners and employers. Many well-researched and supported documents, findings and profiles are published on our website, as well as on LinkedIn and other social media platforms.

Our Workforce Development Plans (page 46) provide a framework for the industry to plan its workforce development priorities over the next five to 10 years. The WDPs identify current and future workforce trends, needs, barriers and opportunities aimed at supporting a sustainable workforce that has the capabilities and skills required to meet current and future challenges. The WDPs are informed by industry voice through our national Industry Advisory Groups (NIAGs), engagement, research, and insights. WDPs will be reviewed and updated on a regular basis to reflect changing industry needs and economic environment.

INDICATOR OF SUCCESS	WHAT WE ACHIEVED 2023-24	WHAT WE ACHIEVED 2022-23
Research and insights published and used to drive sector and industry transformation. Sector Workforce Development Plans published annually. Provide clarity on education to employment ecosystem.	<p>Research:</p> <ul style="list-style-type: none">Defining equity at Hanga-Aro-Rau <p>Disability Literature Review (page 44)</p> <p>Data and Insights work request outputs are mainly available in the following documents:</p> <ul style="list-style-type: none">Workforce Development PlansEvidence to support new product proposals. <p>Six Workforce Development Plans were published by 30 June 2024. Two more were published in July 2024, and we are expecting the final, ninth WDP to be published by October 2024.</p> <p>40 per cent of industry agree that their career and education pathways are visible and clear.</p> <p>Additional data gathered: 54 per cent of industry agree that their career and education pathways are still developing.</p>	<p>A complete suite of 38 workforce development sector profiles that summarise the employment, demographic and learning trends for all sectors</p>

Additionally, we are committed to cross-Ohu Ahumahi collaboration (page 34) to collectively transform vocational education for the industries we serve; in particular, we have collaborated with other WDCs on some key projects in the 2023-24 financial year:

Disabled People, Tāngata Whaikaha Māori and Tagata Sa’olimalo Research Project with Waihangā Ara Rau (page 44)

Shared Data Platform across all WDCs (page 45)

Members of teams across Hanga-Aro-Rau tasked with engagement travel throughout the motu to build strong mutual bonds with key stakeholders in the vocational education eco-system, allowing us to serve as a conduit between multiple parts of this environment. These collaborations are implemented in support of gathering, developing and providing insights that seek to identify and validate the current and future workforce development needs of our sectors.



This helps to inform:

- The development of Workforce Development Plans (page 46)
- Lumana’l o Tangata o Moana Pacific Action Plan (page 48)
- Māori Workforce Development (page 52)
- The development of new credentials (page 60)
- Quality assurance (page 62)
- Investment advice to the TEC (page 65).

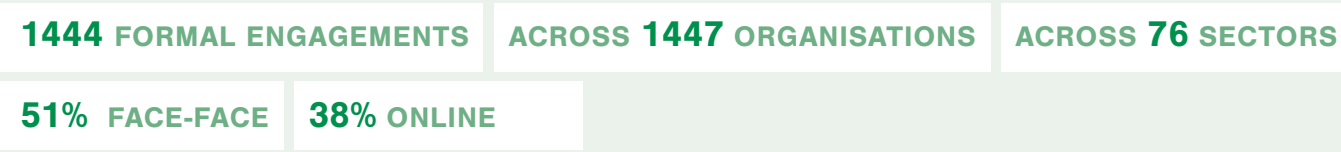
We are working with stakeholders across the vocational education ecosystem through collaborations including Rotorua Forrest Haulage, Trade Essentials, Fluid Power. and many more (page 43) to support industry to have stronger leadership and learners to have a stronger voice in the vocational education and training system.

INDICATOR OF SUCCESS	TARGET 2023-24	WHAT WE ACHIEVED 2023-24	WHAT WE ACHIEVED 2022-23
Number of engagements with Industry Number of engagements with Māori Number of engagements with Regional Skills Leadership Groups (RSLGs) Number of engagements with Providers Number of engagements with community groups (including Pacific Networks and tāngata whaikaha networks) Number of engagements with vocational pathways (including Government networks and influencers)	1500 formal engagements with Industry (including Associations, Industry Stakeholder Group, National Industry Advisory Group, Employers, Unions) 230 engagements with Māori employers, iwi and hapū 50 engagements with RSLGs 80 engagements with Providers 24 engagements with community groups 12 engagements with Government networks and influencers	Formal engagement with 1506 Industry stakeholders carried out by our Industry Relationship and Industry Standards teams 287 formal engagements carried out by our Māori Workforce Development team 28 engagements with RSLGs, the majority of which took place in the first six months of the financial year. Regional engagements were limited thereafter based on Government expectations 534 engagements with Providers were carried out by our Quality Assurance and Industry Relationship teams. 19 engagements with community groups were carried out. Our Industry Relationship team had 102 engagements with Government networks and influencers	Formally engaged with at least 1833 stakeholders including Māori industry, iwi, hapū, employers, learners, unions, associations. Engagements have informed the development and validation of our Statement of Strategic Direction (page 28), research, new vocational education products development, and the compiling of detailed investment advice to TEC. A total of 1551 engagements across 67 sectors. (This excludes engagement for qualification review and development.) 282 engagements with Māori industry and other related stakeholders to identify the current and future strengths, weaknesses, opportunities and threats for our sectors The insights guided us on industries where we can target our focus to improve outcomes for Māori and informed our research, investment advice, qualification and standards development, and strategic and operational directions 43 engagements with RSLGs When we were engaging on the investment advice, there were more ‘combined’ RSLG hui, rather than individual RSLG hui that were a feature of 2022 80 provider visits completed NA – new indicator established 2023-24 NA – new indicator established 2023-24

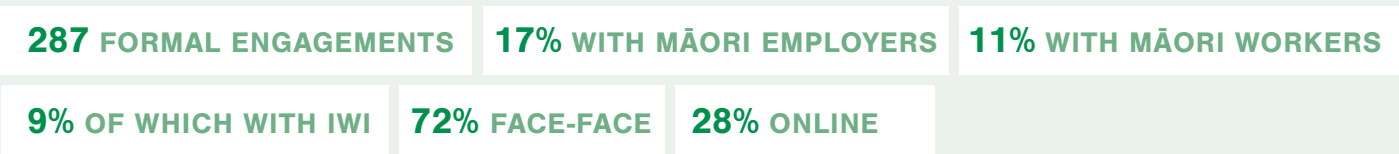
Engagement statistics



INDUSTRY ENGAGEMENT



MĀORI ENGAGEMENT



PROVIDER ENGAGEMENT



Endorsing programmes

During 2023-24 we have continued to develop a strong partnership with NZQA in the programme endorsement process. Together, we have conducted a comprehensive review of programme changes, identifying simple modifications that are now recategorised as Type 1 and no longer require submission through the endorsement process. This collaborative effort has created efficiencies by significantly reducing overall programme approval times for providers.

In 2023-24, Hanga-Aro-Rau endorsed 86 programmes

INDICATOR OF SUCCESS	WHAT WE ACHIEVED 2023-24	WHAT WE ACHIEVED 2022-23
100 per cent of programme endorsement applications received are processed within the specified SLR timeframes (20 days)	100 per cent completed in 20 working days	100 per cent of programme endorsement applications received (65) were processed within SLR timeframes (20 days)

PROVIDER ENGAGEMENT



Moderating assessment



We drive to continuously improve the approach to moderation and quality assurance processes with a focus on how transformation through quality assurance activities can be efficiently realised. This is achieved by creating close and direct relationships with providers, resource development, and moderation teams, and ensuring the resolution of any areas of improvement before submission. This is strengthening assessment design and training delivery, with the intention of improving learner outcomes. The methodology for calling post-moderation selection means all providers and schools assessed in the previous calendar year will be called for post-moderation at least once annually. Depending on the volume of assessments a provider undertakes or the outcome of quality assurance activities, a provider may be called more frequently.

The selection of units is based on:

- Outcomes of previous moderation activity
- Newly developed or reviewed unit standards assessed
- Health and safety risks attached to the assessment
- All units with a significant health and safety risk will be called for moderation regardless of other provider assessment activity
- Assessment of new programmes or recently granted consent to assess applications.

INDICATOR OF SUCCESS	WHAT WE ACHIEVED 2023-24	WHAT WE ACHIEVED 2022-23
100 per cent of moderation plan/activities delivered	100 per cent of moderation plan/activities delivered, including:	100 per cent of moderation plan/activities delivered
30 per cent of provider base called for post-moderation each quarter	566 pre-assessment moderations	61 per cent of provider based called in the first half of 2022-23
National External Moderation (NEM) Performance Criteria aligned with NZQA	777 post-assessment moderations	41 per cent of our provider base called for post-moderation in the second half of 2022-23
	31 consents to assess	NEM report submitted with NZQA still reviewing the report at 30 June 2023. We expect formal feedback to be provided in the first quarter of 2023-24
	100 per cent of our assessing providers in 2022 were called for post-moderation in 2023, and 100 per cent of our assessing providers in 2023 are being called/ scheduled to be called in the 2024 calendar year.	
	NEM report was submitted to NZQA early August 2024. We expect to receive formal feedback by the end of the first quarter of 2024-25.	

Developing and setting standards, capstone assessments, and qualifications



Our qualification and standards reviews are informed through collaboration with industry stakeholders, Māori, and other stakeholders including providers.

In acknowledgement of the importance of mātauranga Māori, the Te Aronga Māori Framework has been developed. Our Qualification Systems Developers works with our Whanake Māori (Māori Workforce Development) team to ensure ample lead-in time is given to source the appropriate Māori representation on advisory groups that inform product review and development. The framework comprises four stages that provide support and guidance to Qualification Standard Developers on how to include and consider Te Ao Māori principles in their review and development work.

INDICATOR OF SUCCESS	TARGET 2023-24	WHAT WE ACHIEVED 2023-24	WHAT WE ACHIEVED 2022-23
Reviewed qualifications and unit standards are approved by NZQA	55 qualifications and 980 unit-standards reviewed	47 qualifications and 277 unit-standards reviewed, approved and listed on the NZQF	41 qualifications and 493 unit-standards approved and listed on the NZQF
New qualifications, standards, micro-credentials developed to meet industry need	New opportunities for vocational solutions identified through industry, RoVE ecosystem and Te Tiriti Partner engagement	19 new skills-standards and 17 new micro-credentials developed with NZQA approval	8 new qualification suites identified through industry engagement
			22 new unit standards, skills standards or micro-credentials as determined through stakeholder engagement

Brokerage and advice role

Each year, Hanga-Aro-Rau provides detailed investment advice to TEC based on thousands of hours of deep kōrero and collaboration with those who collaborate with us on our journey to transform vocational education in Aotearoa New Zealand. We are committed to continuous improvement of this process and are constantly reviewing our approach through a range of means, including (but not limited to): sourcing the most accurate data available; a targeted industry engagement schedule; and educating employers, associations and providers on how they can help contribute to providing accurate, meaningful and effective advice.

Detail on how this advice is supported and what was included in the Advice to TEC 2025 can be found on (page 65).

INDICATOR OF SUCCESS	WHAT WE ACHIEVED 2023-24	WHAT WE ACHIEVED 2022-23
Advice to TEC by 3 November 2023	Hanga-Aro-Rau delivered Investment Advice – 2025 to TEC on 3 November 2023.	Hanga-Aro-Rau delivered theme-level advice in December 2022.
Advice evidence industry need	Hanga-Aro-Rau Investment Advice – 2025 to TEC was developed through examining historical and forecast employment data supplied via economic consultancy service Infometrics.	Hanga-Aro-Rau delivered our inaugural Investment Advice - 2024 to TEC around the level of investment and mix of provision in April 2023.
	Where variations above or below five per cent 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.	NA – new measure

Impact



All Workforce Development Councils are mandated by the Tertiary Education Commission through their respective funding agreements to focus on the contribution made by the WDC to its respective industries and the overall vocational education sector and should be based on feedback and advice from Industry.

In our role as a WDC, Hanga-Aro-Rau works closely with our industries to understand their needs and collect their feedback. As part of collecting this feedback we are expected to report on the below impact measures annually.

REFORM OF VOCATIONAL EDUCATION (ROVE) BENEFIT	KEY PERFORMANCE INDICATORS	MEASURES	WHAT WE ACHIEVED 2023-24	WHAT WE ACHIEVED 2022-23
Industry and regions have stronger leadership and learners have a stronger voice in the Vocational Education and Training system	Industry leadership is stronger and more impactful	Confidence of industry that WDC leadership is stronger and more impactful	69 per cent of key industry and Māori sector stakeholders who agree that their priorities are understood and effectively communicated by WDCs	We piloted a measurement framework with a range of stakeholders to explore how we could determine industry confidence that the skills leadership of Hanga-Aro-Rau is stronger and more impactful. While the pilot was not representative of the many sectors and stakeholders we represent, we were able to identify the following:
All learners and employers have their training needs met through more relevant and flexible provision	Graduates consistently have relevant skills	Confidence of employers that graduates will have the relevant skills	57 per cent of key industry and Māori sector stakeholders that are confident that graduates will have the relevant skills	• Stakeholders recognised that we were still a new organisation, so many responses were 'not sure'
All learners and employers have visibility and clarity of education pathways	Career and education pathways are visible and clear	Confidence of industry that their career and education pathways are visible and clear	48 per cent of key industry and Māori sector stakeholders that are confident that graduates have the relevant skills	• Stakeholders were most confident that Hanga-Aro-Rau is performing well to lead the vocational education system and its transformation.
			40 per cent of industry agree that their career and education pathways are visible and clear	A new set of confidence indicators have been introduced by the Tertiary Education Commission in 2023-24 and will replace this measure.
			Additional data gathered: 54 per cent of industry agree that their career and education pathways are still developing	N/A – New measure introduced in 2023-24
				N/A – New measure introduced in 2023-24

* We had 607 (General and Pacific) participants, with 48 respondents resulting in a response rate of eight per cent; and 196 Māori participants, with 41 respondents resulting in a response rate of 21 per cent.

89 respondents out of 803 =11 per cent overall response rate.

TE TAHA PŪTEA FINANCIAL PERFORMANCE

Independent auditor's report

To the readers of Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council's Financial statements and statement of service performance for the year ended 30 June 2024

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

Opinion

We have audited:

- the financial statements of the Council on pages 80 to 103, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Council on pages 66 to 75.

In our opinion:

- the financial statements of the Council on pages 80 to 103:
 - o present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards issued by the New Zealand Accounting Standards Board; and

- the statement of service performance on pages 66 to 75:
 - o presents fairly, in all material respects, the Council's service performance achievements for the year ended 30 June 2024; and
 - o complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards issued by the New Zealand Accounting Standards Board.

Our audit was completed on 29 October 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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

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

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

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

The Council's responsibilities arise from the from the Order in Council made under section 363 of the Education and Training Act 2020 and the Charities Act 2005.

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate the appropriateness of the reported performance information within the Council's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Emphasis of Matter

Uncertainty over the future of Hanga-Aro-Rau – Manufacturing, Engineering and Logistics Development Council

Without modifying our opinion, we draw attention to note 1 on page 85, which outlines uncertainties over the future of Hanga-Aro-Rau – Manufacturing, Engineering and Logistics Development Council due to the government's ongoing review of vocational education and training. The financial statements have been prepared on a going concern basis of accounting (see note 1), because a final decision has not yet been made by the Government at the date of the audit report.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 65 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

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

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

Independence

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

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



Geoff Potter
BDO Wellington Audit Limited
On behalf of the Auditor-General
Wellington, New Zealand
29 October 2024



BDO Wellington Audit Limited



BDO Wellington Audit Limited

Statement of Responsibility



Hanga-Aro-Rau is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance about the integrity and reliability of reporting. The Council is responsible for the preparation of the Statements of Performance, under the Public Finance Act 1989, and Financial Statements for Hanga-Aro-Rau and for the judgements made within them.

In the Council’s opinion:

The Statement of Performance fairly reflects the performance of Hanga-Aro-Rau for 1 July 2023 to 30 June 2024.

The Financial Statements fairly reflect the financial position and operations of Hanga-Aro-Rau for 1 July 2023 to 30 June 2024.

Signed by:

Dr Troy Coyle
Co-Chair
29 October 2024

Renata Hakiwai
Co-chair
29 October 2024

Phil Alexander-Crawford
Chief Executive
29 October 2024

Samantha McNaughton
Deputy Chief Executive
29 October 2024

Statement of Comprehensive Revenue and Expense
Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
Workforce Development Council

For the year ended 30 June 2024

All in \$000s	Note	Actual 2024	Budget 2024	Actual 2023
Revenue				
Government funding	2	13,114	13,114	13,114
Grants funding	2	-	-	447
Interest revenue	2	263	298	102
Total revenue		13,377	13,412	13,663
Expenditure				
People related expenses	3	8,538	8,923	7,336
Hāpaitia Limited – Shared Council services ⁽¹⁾	3	1,473	1,561	1,604
Administration and other expenses	3	1,652	3,057	2,396
Total expenditure		11,663	13,541	11,336
Surplus/(Deficit)		1,714	(129)	2,327
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		1,714	(129)	2,327

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



Statement of Financial Position
Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
Workforce Development Council

For the year ended 30 June 2024

All in \$000s	Note	Actual 2024	Budget 2024	Actual 2023
Assets				
Current assets				
Cash and cash equivalents	4	8,402	2,135	4,629
Short term investments	5	-	4,499	2,000
Trades and other receivables	6	946	894	993
Prepayments		32	-	61
Total current assets		9,380	7,528	7,683
Total assets		9,380	7,528	7,683
Liabilities				
Current liabilities				
Trade and other payables	8	472	1,733	564
Employee entitlements	9	452	68	377
Total current liabilities		924	1,801	941
Total liabilities		924	1,801	941
Net assets		8,456	5,727	6,742
Equity				
Accumulated surplus	11	1,462	1,599	217
Operating reserve	11	3,600	3,000	3,000
Capital reserve	11	665	658	796
Special projects reserve	11	2,600	400	2,600
Te Kāhui Ahumahi reserve	11	129	70	129
Total equity attributable		8,456	5,727	6,742

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

Statement of Changes in Net Assets/Equity
Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
Workforce Development Council

For the year ended 30 June 2024



2024							
All in \$000s	Note	Accumulated surplus	Operating reserve	Capital reserve	Special projects reserve	Te Kāhui Ahumahi reserve	Total net assets/equity
Balance at 1 July 2023	11	217	3,000	796	2,600	129	6,742
Total comprehensive revenue and expense for the year		1,714	-	-	-	-	1,714
Transfers between reserves		-	-	-	-	-	-
Operating reserve		(600)	600	-	-	-	-
Capital reserve		131	-	(131)	-	-	-
Special projects reserve		-	-	-	-	-	-
Te Kāhui Ahumahi reserve		-	-	-	-	-	-
Total transfers		(469)	600	(131)	-	-	-
Balance at 30 June 2024		1,462	3,600	665	2,600	129	8,456

2023							
All in \$000s	Note	Accumulated surplus	Operating reserve	Capital reserve	Special projects reserve	Te Kāhui Ahumahi reserve	Total net assets/equity
Balance at 1 July 2022	11	45	3,000	900	400	70	4,415
Total comprehensive revenue and expense for the year		2,327	-	-	-	-	2,327
Transfers between reserves		-	-	-	-	-	-
Operating reserve		-	-	-	-	-	-
Capital reserve		104	-	(104)	-	-	-
Special projects reserve		(2,200)	-	-	2,200	-	-
Te Kāhui Ahumahi reserve		(59)	-	-	-	59	-
Total transfers		(2,155)	-	(104)	2,200	59	-
Balance at 30 June 2023		217	3,000	796	2,600	129	6,742

The accompanying notes form part of these financial statements.

Statement of Cash flows
Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
Workforce Development Council

For the year ended 30 June 2024



All in \$000s	Note	Actual 2024	Budget 2024	Actual 2023
Operating activities				
Receipts from Government		13,114	13,114	13,144
Receipts of interest		301	298	102
Receipts of other revenue		-	-	5
Goods and services tax (net)		38	754	(74)
Payments to people		(7,749)	(8,533)	(7,199)
Payments to suppliers		(3,962)	(4,995)	(4,243)
Net cash flows from operating activities		1,742	638	1,735
Investing activities				
Purchase of term deposits		-	-	(2,000)
Sale of term deposits		2,000	-	-
Net cash flows from investing activities		2,000	-	(2,000)
Financing activities				
Advances to Hāpaitia		-	-	(372)
Advances repaid by Hāpaitia		31	-	-
Net cash flows from financing activities		31	-	(372)
Net (decrease)/increase in cash and cash equivalents		3,773	638	(637)
Cash and cash equivalents at beginning of the period		4,629	5,995	5,266
Cash and cash equivalents at end of the period		8,402	6,633	4,629

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

Note Index

Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
Workforce Development Council

For the year ended 30 June 2024



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Notes to the Financial Statements

Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
Workforce Development Council

For the year ended 30 June 2024



1. Statement of accounting policies

Reporting entity

Hanga-Aro-Rau is domiciled in Aotearoa New Zealand and is a charitable organisation registered under the Charities Act 2005. The Council is a body corporate established in October 2021 through Orders in Council (OIC) and in accordance with section 363 of the Education and Training Act 2020. The role of Hanga-Aro-Rau is to ensure the vocational education system meets industry needs and gives a stronger voice to Māori business and iwi development. Hanga-Aro-Rau will give their industries and employers greater leadership and influence across vocational education. Success for Hanga-Aro-Rau will mean employers - including Māori business owners - are confident that vocational education graduates are ready for work and that the future skills needs of their industry will be addressed by the vocational education system.

Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. This means accounts have been produced on the assumption that we will continue to operate for the foreseeable future (a period of greater than 12 months after the reporting date). Preparing the accounts on a going concern basis will be subject to an annual assessment and declaration as part of the audit of the Annual Report and Financial Statements.

Management has identified the following material uncertainties that may cast significant doubt on the entity’s ability to continue as a going concern:

1. *Changes in law or regulation or government policy expected to adversely affect the entity.*
The government has sought feedback from the public through consultation on proposed reforms to replace the current vocational education and training system. The consultation period closed 12 September 2024. The proposed reforms do not include an option to retain the current system and so depending on the outcome of the consultation process the Hanga-Aro-Rau Workforce Development Council may ultimately be disestablished. Should the reform lead to the disestablishment of the Hanga-Aro-Rau Workforce Development Council then Hanga-Aro-Rau may be unable to realise its assets and discharge its liabilities in the normal course of business or at the values expressed in these financial statements
2. *No indication of funding beyond 30 June 2025.*
At the time of executing these financial statements the entity has only secured government funding until 30 June 2025. Given that government funding is the sole revenue source for the entity’s operations, failure to secure further funding will result in Hanga-Aro-Rau WDC being unable to continue operations. Should funding not be secured beyond 30 June 2025 Hanga-Aro-Rau Workforce Development Council may be unable to realise its assets and discharge its liabilities in the normal course of business or at the values expressed in these financial statements.

Significant assumption applied in determining the appropriateness of the going concern assumption:

If, as an outcome of the consultation, the government decides to disestablish the workforce development councils, new legislation would need to be drafted and approved by Parliament. At the time of signing the financial statements there is no indication on what the final decisions will be or if and when the government will act on its proposals or the consultation outcome, therefore it was concluded that the going concern assumption is appropriate until that time.

Notes to the Financial Statements
Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
Workforce Development Council

For the year ended 30 June 2024



1. Statement of accounting policies
(continued)

Reporting period

The reporting period for the current year is for the 12-month period 1 July 2023 to 30 June 2024 with the comparative year also reflecting 12 months of activities.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity (PBE) Accounting Standards Reduced Disclosure Regime (RDR) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for public sector entities. For the purposes of complying with NZ GAAP, the Council is a public sector public benefit entity and is eligible to apply Tier 2 Public Sector PBE Standards RDR on the basis that it does not have public accountability and it is not defined as large. The Council members have elected to report in accordance with Tier 2 Public Sector PBE Accounting Standards RDR and in doing so have taken advantage of all applicable RDR disclosure concessions.

The Council has complied with its obligations under the Charities Act 2005.

These financial statements were authorised for issue by Hanga-Aro-Rau Council on 29 October 2024.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars which is the functional currency of Hanga-Aro-Rau, and all values are rounded to the nearest thousand dollars (\$000). There has been no change in the functional currency of the controlling entity or any significant foreign operations during the year.

Budget figures

Budget figures provided in the annual financial reports will be derived from the financial budget approved by the Council at the beginning of the financial year. The budget figures were prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Use of judgements and estimates

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

Judgements made in applying accounting policies that have had significant effects on the amounts recognised in the financial statements include the following:

- has exercised judgement when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract
- judgement was also required when distinguishing between the research and development phase of projects and whether software costs meet the recognition criteria for capitalisation.

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Goods and services tax (GST)

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

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

Income Tax

Hanga-Aro-Rau is exempt from Income Tax as it is a registered Charity under the Charities Act 2005. Accordingly, no provision will be made for Income Tax.

2. Revenue

Accounting Policy

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to Hanga-Aro-Rau, and measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to revenue streams must also be met before revenue is recognised.

Revenue from Exchange Transactions

Interest and dividends

Interest revenue is recognised on an accrual basis, using the effective interest rate. Dividends are recognised when the right to receive payment has been established.

Revenue from Non-Exchange Transactions

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

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

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

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

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

The following specific recognition criteria in relation to our non-exchange transaction revenue streams must also be met before revenue is recognised.

Government Funding

Funding under the Workforce Development Council Fund is the main source of operational funding for Hanga-Aro-Rau from the Tertiary Education Commission (TEC). Hanga-Aro-Rau considers this funding to be non-exchange revenue and recognises the TEC funding as revenue when received. The TEC funding has stipulations, and they take the form of restrictions not conditions.

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2. Revenue (continued)

Grants

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (e.g., present obligation) rather than the immediate recognition of revenue.

Other grants received

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (e.g., present obligation) rather than the recognition of revenue. Stipulations that are ‘conditions’ specifically require the return of the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as a non-exchange revenue as and when the ‘conditions’ are satisfied. Stipulations that are ‘restrictions’ do not specifically require the return of the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

All in \$000s	Actual 2024	Actual 2023
Government funding classified as non-exchange transactions		
Government funding classified as non-exchange transactions	13,114	13,114
Project grant funding classified as non-exchange transactions	-	447
Total Government funding	13,114	13,561
Other revenue classified as exchange transactions		
Interest revenue	263	102
Total other revenue	263	102
Total revenue	13,377	13,663
Revenue classification		
Non-exchange revenue	13,114	13,561
Exchange revenue	263	102
Total revenue	13,377	13,663

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3. Expenditure

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

All in \$000s	Actual 2024	Actual 2023
People related expenses		
Wages and salaries	7,797	6,753
Contractors	372	176
Councillors and board expenses	301	348
Other employee expenses	68	59
Total	8,538	7,336
Hāpaitia Shared Council Services⁽¹⁾	1,473	1,604
Administrative and other expenses		
Consultancy costs		
Consultancy costs	102	309
Audit expenses ⁽²⁾	38	50
Legal fees	12	3
Total	152	362
People and Culture costs		
Other staff costs	57	228
Recruitment costs	51	26
Total	108	254

All in \$000s	Actual 2024	Actual 2023
Information Technology costs		
Subscriptions and memberships	127	94
Total	127	94
Office and other costs		
General expenses	234	296
Travel and engagement costs	774	652
Communication and marketing	257	305
Project costs	-	433
Total	1,265	1,686
Total administration and other expenses	1,652	2,396
Total expenditure	11,663	11,336

1. Hāpaitia Ltd provides the Workforce Development Councils with shared services including Finance, IT, People and Culture, and Office Management services.
2. Audit expenses paid or payable to BDO for the audit of financial statements.

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4. Cash and cash equivalents

Accounting Policy

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

All in \$000s	Actual 2024	Actual 2023
Petty cash	-	-
Bank deposits	107	4,113
Call deposits	8,295	516
Total	8,402	4,629

There are no restrictions over any of the cash and cash equivalent balances held by Hanga-Aro-Rau. A Call account was held in both 2023 and 2024 with the Bank of New Zealand with variable interest rates.

5. Short-term investments

Accounting Policy

Deposits with an original maturity of more than three months and less than one year are recognised as short-term investments.

All in \$000s	Actual 2024	Actual 2023
Term deposits	-	2,000
Total	-	2,000

There were no term deposits held at 30 June 2024. (2023: At 30 June 2023 there was a term deposit with ASB with a maturity date of 8 September 2023 with an interest rate of 5.65% per annum).

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6. Trade receivables and other receivables

Accounting Policy

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

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

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

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

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

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

There are no recoverables from non-exchange transactions at reporting date.

ADVANCES

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

All in \$000s	Actual 2024	Actual 2023
Trade receivables		
Trade receivables from exchange transactions	60	38
Net trade receivables from exchange transactions	60	38
Receivables from non-exchange transactions		
GST receivable	92	130
Advances to Hāpaitia	794	825
Total receivables from non-exchange transactions	886	955
Total receivables	946	993

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7. Associates

Accounting Policy

Associates

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

Investments in associates are accounted for in the financial statements using the equity method of accounting. Investments in associates are measured at cost, including directly attributable transaction costs, in our financial statements, and there is no quoted market value for determining the fair value of the investment in the Associate.

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

Name	Voting rights and Ownership interest
Hāpaitia	16.67%

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

Hāpaitia has the same reporting date as Hanga-Aro-Rau, being 30 June. The company is domiciled in Aotearoa New Zealand and is a Limited Liability company. There are no significant restrictions regarding the distribution of dividends or repayments of loans from Associates. There were no contingent liabilities in relation to the associate, Hāpaitia, as at reporting date.

Management determined that Hanga-Aro-Rau had significant influence over Hāpaitia even though it held less than 20% of the voting rights because it has one representative on the board of directors of Hāpaitia and has the same voting rights as the other five shareholders in Hāpaitia, all of whom are Workforce Development Councils.

8. Trade and other payables

Accounting Policy

Short-term payables are initially recognised at fair value plus directly attributable transaction costs and subsequently at amortised cost, using the effective interest method. Payables are non-interest bearing and are normally settled on the 20th day of following month or earlier per due date.

All in \$000s	Actual 2024	Actual 2023
Trade payables	385	442
Accruals	74	114
Other payables	13	8
Total	472	564

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9. Employee benefit liabilities

Accounting Policy

Short-term employee benefits

Short-term employee benefit liabilities are recognised when there is a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided. These include salaries and wages accrued up to reporting date, annual leave earned but not yet taken at reporting date.

Long-term employee benefits

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

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

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

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans such as KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset (prepayment) to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

All in \$000s	Actual 2024	Actual 2023
Current		
Short-term employee benefits	452	377
Current portion of long-term employee benefits	-	-
	452	377

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10. Financial instruments

Hanga-Aro-Rau initially recognises financial instruments when Hanga-Aro-Rau becomes a party to the contractual provisions of the instrument. Hanga-Aro-Rau derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Hanga-Aro-Rau is recognised as a separate asset or liability. Hanga-Aro-Rau derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Financial assets and financial liabilities are also derecognised when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid. Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, Hanga-Aro-Rau has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Hanga-Aro-Rau classifies financial assets and financial liabilities as amortised cost. Financial instruments are initially measured at fair value plus directly attributable transactions costs. Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies provided in notes 5 and 8 and below.

i) Classification of financial instruments

The tables below show the carrying amount of our financial assets and financial liabilities at the reporting date

2024		Financial Assets	Financial Liabilities	
All in \$000s	Note	Amortised cost	Amortised cost	Total
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	4	8,402	-	8,402
Receivables	6	854	-	854
Payables	8	-	(472)	(472)
		9,256	(472)	8,784

2023		Financial Assets	Financial Liabilities	
All in \$000s	Note	Amortised cost	Amortised cost	Total
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	4	4,629	-	4,629
Short term investments	5	2,000	-	2,000
Receivables	6	863	-	863
Payables	8	-	(564)	(564)
		7,492	(564)	6,928

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10. Financial instruments (continued)

ii) Fair value through surplus or deficit

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

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

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

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

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

iii) Amortised cost financial liabilities

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. They are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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

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11. Equity

Accounting Policy

Our equity comprises accumulated revenue, expenses and reserves. Equity is represented by net assets. Hanga-Aro-Rau manages its equity by prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that it achieves its objectives and purpose, while remaining a going concern. As provided in the Prudent Reserves policy movements in reserves, both inward and outward, must be approved by the Council. The prudent reserves policy provides guidelines for determining the appropriate level of capital, operating and other reserves for the Council to hold each year to maintain its financial health.

All in \$000s	Actual 2024	Actual 2023
Equity		
Accumulated revenue and expenses	1,462	217
Reserves		
Operating reserve	3,600	3,000
Capital reserve	665	796
Special projects reserve	2,600	2,600
Te Kāhui Ahumahi reserve	129	129
Total reserves	6,994	6,525
Total equity	8,456	6,742

All in \$000s	Actual 2024	Actual 2023
Accumulated revenue and expenses		
Balance at 1 July	217	45
Surplus/(deficit) for the year before other comprehensive revenue and expenditure	1,714	2,327
Allocation from/(to) operating reserve	(600)	1,714
Allocation from/(to) capital reserve	131	104
Allocation from/(to) special projects reserve	-	(2,200)
Allocation from/(to) Te Kahui Ahumahi reserve	-	(59)
Balance as at 30 June	1,462	217

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11. Equity (continued)

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

All in \$000s	Actual 2024	Actual 2023
Operating Reserve		
Balance at 1 July	3,000	3,000
Allocation from/(to) accumulated revenue and expense	600	-
Balance as at 30 June	3,600	3,000

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

All in \$000s	Actual 2024	Actual 2023
Capital Reserve		
Balance at 1 July	796	900
Allocation from/(to) accumulated revenue and expense	(131)	(104)
Balance as at 30 June	665	796

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

All in \$000s	Actual 2024	Actual 2023
Special Projects Reserve		
Balance at 1 July	2,600	400
Allocation from/(to) accumulated revenue and expense	-	2,200
Balance as at 30 June	2,600	2,600

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

All in \$000s	Actual 2024	Actual 2023
Te Kāhui Ahumahi reserve		
Balance at 1 July	129	70
Allocation from/(to) accumulated revenue and expense	-	59
Balance as at 30 June	129	129

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12. Major budget variations

Explanations for major statement of comprehensive revenue and expense budget variations from the 2024 Hanga-Aro-Rau budget are detailed below:

All in \$000s	Actual 2024	Budget 2024	Variance
Revenue variances			
Government funding	13,114	13,114	-
Project grants funding	-	-	-
Interest revenue	263	298	(35)
Expenditure variances			
People related expenses	8,538	8,923	(385)
Shared services	1,473	1,561	(88)
Administration and other expenses	1,652	3,057	(1,405)
Depreciation and amortisation	-	-	-
Total comprehensive revenue and expense	1,714	(129)	1,843

Interest revenue was slightly less than budget due to lower levels of term deposits than expected when preparing the budget. Employee expenses were lower than budgeted due to unfilled vacancies during the year. Shared services expenses were lower than expected due to lower costs incurred by Hāpaitia Ltd (shared services company) during the year. Administration and other expenses were lower than budgeted primarily due to savings in consultancy, research and travel costs.

Explanations for major statement of financial position budget variations from the 2024 Hanga-Aro-Rau budget are detailed below:

All in \$000s	Actual 2024	Budget 2024	Variance
Statement of financial position			
Current assets	9,380	7,528	1,852
Current liabilities	924	1,801	(877)
Equity	8,456	5,727	2,729

Current assets were higher than budgeted due to higher than expected cash balances resulting from lower levels of expenditure than planned. Current liabilities were lower than budgeted due to lower levels of trade and GST payable. Equity reserves were higher than budgeted due to the higher level of surplus at the end of the year and reduced expenditure from the special projects reserve.

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12. Major budget variations (continued)

Explanations for major statement of cash flow budget variations from the 2024 Hanga-Aro-Rau budget are detailed below:

All in \$000s	Actual 2024	Budget 2024	Variance
Statement of cash flows			
Cash flow from operating activities	1,742	638	1,104
Cash flow used in investing activities	2,000	-	2,000
Cash flows from financing activities	31	-	31
Net increase/(decrease) in cash and cash equivalents	3,773	638	3,135
Cash and cash equivalents at beginning of the year	4,629	5,995	(1,366)
Total cash and cash equivalents at end of the year	8,402	6,633	1,769

Cashflows from operating activities were higher than budgeted due to lower payments to people and suppliers resulting from lower than planned levels of expenditure. Investments in Term Deposits and a partial repayment of the advance to Hāpaitia were not budgeted.

13. Operating leases

Accounting Policy

Operating leases

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

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. We have entered leasing arrangements with our associate Hāpaitia Limited for computer and office equipment as part of the Service contract between both parties (Note 15).

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

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

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14. Commitments and contingencies

Accounting Policy

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

Commitments

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

The annual operating lease value for the computer and office equipment is variable depending on the quantum of assets leased, with an approximate annual lease cost of \$118,519 (2023: \$111,200). The lease commitment continues until either party terminate the contractual arrangement.

Hāpaitia has ongoing contractual commitments including operating leases. Each WDC is required under the terms of the service contract to meet these commitments for the life of any contracts executed during the period of the service contract. The value of this commitment for Hanga-Aro-Rau, at the 30 June 2024, was \$141,147 (2023: \$226,607).

Contingent Liabilities

The funding from the TEC sourced from the WDC Fund (“Fund”) has been assessed as being without conditions and recognised as revenue when received.

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

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

Capital Commitments

There are no capital commitments at reporting date (2023: Nil).

15. Related party transactions and key management personnel

Accounting Policy

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

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

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

i) Key management personnel remuneration

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

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body
- Members of the governing body are paid annual fees in accordance with the Cabinet Office Circular CO-(22) 2 Revised Fees Framework for members appointed to bodies in which the Crown has an interest, dated 6th October 2022. Senior executive officers are employed as employees of Hanga-Aro-Rau on normal employment terms.

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

All in \$000s	Actual 2024	Actual 2023
Key management personnel related party transactions		
Council members		
Number of Council members ^{(1) (2)}	0.24	0.24
Remuneration	315	328
Senior executive officers		
Full-time equivalent members ⁽³⁾	5	6.8
Remuneration	1,267	1,488
Total full-time equivalent members	5.24	7.04
Total key management personnel remuneration	1,582	1,816

There were ten members of council who served throughout the reporting period. In addition there was one other member who served six months (2023: There were nine members of council who served throughout the reporting period. In addition there was one other member who served nine months.)Teresa Poli joined council in December 2023 and has been included in the total remuneration paid to councillors.

3. There were six members of the senior management team considered to be key management personnel for the full reporting period with one other member commencing in October 2023. (2023: There were six members of the senior management team considered to be key management personnel for the full reporting period with one other member resigning in April 2023.)

Notes to the Financial Statements
Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
Workforce Development Council

For the year ended 30 June 2024



15. Related party transactions and key management personnel (continued)

ii) Other related parties

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

2024		Transaction Value (\$000's)	Transaction Value (\$000's)	Accounts Payable (000's)	Accounts Receivable (000's)	Advances made (000's)
Related Party	Goods/Services Provided	Paid	Received	As at June 30	As at June 30	As at June 30
Hapaitia Ltd	Shared Corporate Services including Finance, IT, People & Culture, and Office Management)	1,700	-	195	-	794
Muka Tangata	Shared project and operational costs recharged	19	-	6	-	-
Ringa Hora	Shared project and operational costs recharged	-	1	-	-	-
Toi Mai	Shared project and operational costs recharged	-	-	-	-	-
Toitū te Waiora	Shared project and operational costs recharged	-	-	-	-	-
Waihanga Ara Rau	Shared project and operational costs recharged	-	52	-	60	-
Retail Meat NZ Inc ⁽¹⁾	Memberships & ConferenceRegistration	1	-	-	-	-
Jonathan Tautari ⁽²⁾	Advisory Services/Consultancy	8	-	1	-	-
Total		1,728	53	202	60	794

1. Related party due to senior management team member governance relationship
2. Related party due to senior management team member familial relationship.

2023		Transaction Value (\$000's)	Transaction Value (\$000's)	Accounts Payable (000's)	Accounts Receivable (000's)	Advances made (000's)
Related Party	Goods/Services Provided	Paid	Received	As at June 30	As at June 30	As at June 30
Hapaitia Ltd	Shared Corporate Services including Finance, IT, People & Culture, and Office Management)	3,216	9	225	-	825
Muka Tangata	Shared project and operationalcosts recharged	13	22	-	3	-
Ringa Hora	Shared project and operationalcosts recharged	-	2	-	-	-
Toi Mai	Shared project and operational costs recharged	-	1	-	-	-
Toitū te Waiora	Shared project and operational costs recharged	28	1	-	-	-
Waihanga Ara Rau	Shared project and operational costs recharged	20	2	-	-	-
Retail Meat NZ Inc	Subscriptions & Memberships, Conference Registration	1	-	-	-	-
Jonathan Tautari	Advisory Services/Consultancy	7	-	-	-	-
Total		3,285	37	225	3	825

Notes to the Financial Statements
Hanga-Aro-Rau – Manufacturing, Engineering and Logistics
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For the year ended 30 June 2024



16. Events after reporting date

On 1 August 2024, the New Zealand Government announced a review of vocational education and training, which may affect the future operations of the Workforce Development Councils (WDCs) and their shared services entity, Hāpaitia Ltd. As of the date of this report, the potential impact of this review remains uncertain and cannot be quantified. The Government is expected to make a final decision on this matter by late November 2024. (2023: Nil).



PŪRONGO Ā-TAU ANNUAL REPORT 2023-24

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