

PŪRONGO Ā-TAU ANNUAL REPORT 2024/25

1 JULY 2024 TO 30 JUNE 2025

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 2024/25 Annual Report was endorsed by the Hanga-Aro-Rau Council on 29th October 2025.

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.

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

As the Workforce Development Council (WDC) for Aotearoa New Zealand's manufacturing, engineering, and logistics sectors, Hanga-Aro-Rau has played a pivotal role in driving economic growth and workforce development across the country since 2021. We represent over 82,000 businesses and more than 630,000 employees across 75 sectors, making us the largest WDC in Aotearoa New Zealand.

Over the past three and a half years we have built strong, collaborative partnerships with industry leaders, iwi/hapū, businesses, employers, Māori and Pacific workforces, disabled community and advocacy groups, and stakeholders within the vocational education system. These connections have been instrumental in identifying the key challenges and opportunities that our stakeholders face. By working together, we have been able to address these needs effectively, contributing to the growth of a skilled workforce that is critical to the ongoing success and productivity of Aotearoa New Zealand's economy.

Over the last year, we have focused our industry connections to drive impactful projects that will work to address their chronic skills and labour shortages in our sectors; we have shone the spotlight on how unlocking the potential of disabled people will not only improve lives, but the economy overall; we have recognised the critical value of the Māori economy and the burgeoning Pacific workforce and how, by making changes and improvements now, we are creating enduring and skilled workforces for the future. We have clarified career and education pathways, created new qualifications that reflect industry current and future skill needs, supported training providers to strengthen outcomes for learners through quality training and assessment, and provided guidance to support the government to ensure they are investing in vocational education aligned with industry needs.

In recognising that this is a dynamic and changing time in vocational education and training, Hanga-Aro-Rau has continued to deliver against our legislative functions and the objectives outlined in our 2024-2026 Operational Plan and our obligations in our Order in Council (OiC). Our continued focus is on fostering industry-driven solutions that enhance workforce capability, support sustainable economic growth, and ensure a smooth transition to the new system so that Aotearoa New Zealand's manufacturing, engineering, and logistics sectors remain competitive on a global scale.

We have completed all of this during a time of considerable change and uncertainty in the vocational education and training system.

Over the last financial year, we have:

- Engaged and supported our industries to engage in public and targeted consultation led by the Minister for Vocational Education to best determine the future for standard setting and work-based learning.
- + Been guided by our funder the Tertiary Education Commission - to operate from our reserves from July 2025 and ensure our resources are prioritised to core standard-setting activities.
- + Evolved our business operations and organisational structure to best align with the guidance from TEC, to remain solvent and deliver against our legislated obligations.
- + Commenced planning for disestablishment in December 2025 and, more generally, the transition of our functions to the new system, with more detailed activity expected during July to December 2025.



One of the biggest priorities for our industries, and the employers and workers within them, is to address the chronic skills and labour shortages now and into the future. By doing so, they will thrive with strong and productive workforces, possessing the skills and capability to adapt to the changing nature of work. Robust and productive industries will ensure a solid and prosperous economy, enhancing the well-being of all New Zealanders.

Key areas of focus for our industries are:

Strong workforce pipeline to ensure stability, enable growth, and address the chronic skills and labour shortages—this includes building and maintaining a diverse workforce, tapping the talent of previously under-served groups, and ensuring strong and sustainable career pathways.

A strong and connected vocational education system that anticipates and responds to the changing needs of our demography, workplaces, and industries, as well as one that flexibly prioritises on-the-job training designed around industry capability and capacity.

Ensure the vocational education system understands the local (including rural versus metro) and regional nuances to best meet the specific employer and workforce requirements, while ensuring a nationally consistent approach to training and qualification outcomes. This ensures local needs are met while enabling the portability and transferability of skills and knowledge as industries evolve.

A vocational education system that represents value for money in delivering to industry needs, while ensuring provision directly links to the needs of employers and their evolving workforces.

Māori comprise a higher proportion of the manufacturing and engineering workforce compared to other industries, and our sectors are the second-largest employers of Pacific peoples. Māori and Pacific peoples are more likely to be employed in low-skilled occupations that could be most at risk of disruption as our sectors evolve with Industry 4.0. These groups are also younger and growing at faster rates than other groups. Therefore, we – and our industries – place a priority focus on Māori and Pacific peoples in the industries we serve, to create strong pipelines into our industries and provide fulfilling and sustainable careers that will grow our economy (including the strengthening and critically important Māori economy).

Our purpose is to provide industry with a strong voice in making Aotearoa New Zealand's workforce fit for today and the future, as well as honouring Te Tiriti o Waitangi and strengthening Māori–Crown relations by giving greater voice to Māori and iwi businesses.

We know that vocational education has a direct impact on strengthening economic outcomes for all of Aotearoa New Zealand. We recognise the fundamental role we play in ensuring industry has a strong and direct influence on vocational education to ensure it builds highly skilled and thriving workforces.



He Tirohanga Whānui Hanga-Aro-Rau at a glance

WHO WE ARE

We are the Workforce Development Council for manufacturing, engineering and logistics.

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/hapū Māori, and community groups to:

- + Understand the current and future workforce development needs through engagement, research, and
- + 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 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 with a focus on supporting Māori workforce development and strengthening the Māori economy.

WE DEVELOPED:

204

new products, including 13 qualifications 23 micro-credentials 68 unit standards 100 skills standards

WE HAVE REVIEWED:

984

products, including67 qualifications773 unit standards120 skills standards23 micro-credential supportletters issued by providers

WE COMPLETED:

1246

moderation activities, including 455 pre moderation 739 post moderation 29 consent to assess applications 23 programme endorsements.

WE HELD:

33

National Industry Advisory Group NIAG meetings were held between 1 July 2024 and 30 June 2025. These hui covered all nine of our NIAGs and one NIAG Co-chair hui.

5 ISG hui were held in FY24/25

3 events to support our Lumana'i o Tangata Moana Pacific Peoples Workforce Development Action Plan

5 Māori workforce development projects.

WE ENGAGED WITH:

2592

engagements

Through these engagements, we amplified the voices of Māori and Pacific peoples within the vocational education system, enhanced opportunities, supported the development of fit-for-purpose qualifications and standards, and actively assisted providers in strengthening their internal quality assurance systems.



Ngā Whakatutukitanga Whakapūmau Hanga-Aro-Rau 2024/25 milestones



July 2024

Published our Workforce Development Plans Good Employer Matrix presented to Minister Lee

August 2024

Public consultation on VET Redesign opened Industry activation campaign to support engagement in the VET redesign consultation began

Te Waharoa Launch in Tāmaki Makaurau

September 2024

Good Employer Matrix Regional Roadshow
Public consultation on VET Redesign closed
Launched the Lumana'i Tangata Moana Hanga-Aro-Rau
Pacific Peoples Workforce Development Action Plan at
Parliament, Wellington

October 2024

Completed our third annual audit and published our 2023/24 Annual Report

Lumana'i o Tangata Moana - Regional Launch and Talanoa, Hawkes Bay

November 2024

Launched our Let's Level Up: Unlock the power of inclusivity and discover the potential of the disabled workforce

2026 Investment Advice to TEC

Enabling the Tāmaki Makaurau Pacific Workforce Talanoa Event - Hosted at Tāmaki College, East Auckland

Hosted the Inspiring Futures event with the Whanake Māori Team

December 2024

Disestablishment of WDCs by December 2025 and the Industry Standard Board model announced by the Minister of Vocational Education

January 2025

Industry Activation Campaign continued to support the feedback from industry into the design of the new system

Targeted consultation on Work-based Learning Models

February 2025

TEC guidance for WDCs to focus on core standard-setting activity

Good Employer Matrix action plan developed

March 2025

Internal organisational change began

Launched the Earn as you Learn pilot program in collaboration with Waikato's leading manufacturers, Advancing Manufacturing Aotearoa, Wintec - Waikato Institute of Technology, and Waikato Engineering Careers Association

Mātauranga Māori guidelines developed for Strategy, Insights, Advice, Research and Data.

April 2025

ISB Coverage consultation

May 2025

Published Building New Zealand Rail Skills for the Future in collaboration with Australasian Railway Association (ARA)

First of our Māori Industry profiles published

Published three white papers into opportunities of the Māori Workforce, Pacific Workforce and disabled peoples

Cause Collective project graduation.

June 2025

Completed Older People's research

Funding for WDC ended on 30 June

Finished the Good Employer guide for engaging with Schools

Launch the Mahere Whanake Māori 2025-2027

2026 TEC Advice Published

Farewelled two Council members

Internal organisational change finalised

Māturanga Māori guidelines developed for quality assurance and qualifications



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 Aotearoa 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

Air and Space Transport

Commercial Road Transport

Customs and Freight Support Services

Digital Infrastructure

Driving Skills

Forklift

Maritime and Marina Operations

Postal and Courier Services

Rail Transport

Resource Recovery and Efficiency

Road Passenger Services

Stevedoring and Ports

Supply Chain

Warehousing and Storage

Water Freight and Passenger Transport



Tā Ngā Heamana Pūrongo Co-chairs' Report

Tēnā koutou katoa,

It is our privilege to present the 2024-25 Hanga-Aro-Rau Annual Report. This report captures the mahi undertaken during a year marked by significant uncertainty across the vocational education sector. Despite the evolving reform landscape, Hanga-Aro-Rau has remained focused on delivering strong industry engagement, supporting underserved communities, and creating a foundation that will endure beyond structural change.

This year, we have taken deliberate steps to minimise disruption to the industries we serve. We have continued to focus on their current and future skill needs, ensuring our support remains relevant and responsive. Our commitment to addressing these needs was further reflected in the release of key research and workforce development plans highlighting the importance and opportunity of Māori, Pacific Peoples, and disabled people to ensure the future productivity and a strong economy for all.

Understanding the lasting value of the industry insights we have gathered over the last three years, alongside our stakeholders we developed three white papers to inform and support the incoming Industry Skills Bodies (ISBs). These resources, alongside our sector-specific Workforce Development Plans, provide a clear and strategic picture of industry priorities and pathways forward, ensuring a strong starting point for those continuing this mahi.

Throughout this challenging period, the dedication and professionalism of our kaimahi has been exceptional. Their ability to provide stable, high-quality operational supporteven amid uncertainty and personal change-has made a real difference. We are proud of the integrity, empathy, and resilience with which they have served our stakeholders.

As we look ahead, we remain committed to supporting our industries, honouring the voices of Māori and Pacific Peoples, and contributing to a vocational education system that is future-focused, equitable, and enduring. We leave a legacy we can stand behind, with confidence that the work done this year will shape stronger outcomes for years

We are deeply saddened that this will be the last full year of operations for Hanga-Aro-Rau. We hope that all that we have built will guide and inform the future direction of ISBs and that the focus on industry voice in vocational education will be extended through them.

Ngā manaakitanga,





Dr Troy Coyle Co-chair

Troy resigned from Hanga-Aro-Rau Council on 17 June 2025. The Council and Management would like to acknowledge her considerable contribution over her tenure.





Renata Hakiwai Co-chair



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

As Hanga-Aro-Rau enters its final phase as a Workforce Development Council, we reflect on a year marked by change, challenge, and unwavering commitment to our kaupapa.

Amidst the uncertainty of the vocational education system (VET) redesign and the transition to Industry Skills Boards (ISBs), we have remained focused and future-facing continuing to deliver on our core functions while supporting a system in transformation.

Throughout this period of consultation and reform, our dedicated kaimahi have demonstrated remarkable resilience and integrity. Despite the turbulence, their continued empathy and professionalism have ensured we maintain momentum where it matters most - improving outcomes for Industry, businesses, and the wider Aotearoa New Zealand economy.

One of the year's proudest moments was the launch of the Lumana'i Tangata Moana Hanga-Aro-Rau Pacific Peoples Workforce Development Action Plan at Parliament. This milestone reinforces our commitment to better outcomes for Pacific Peoples, ensuring their current and future contributions are fully realised within our industries.

Our strategic collaborations have amplified the voice of industry and underserved communities. The Let's Level Up research, undertaken in partnership with Waihanga Ara Rau and All is for All, was an industry-first exploration into the untapped potential of Aotearoa New Zealand's disabled workforce. This report has the power to shift mindsets and unlock a \$1.45 billion economic opportunity - a testament to the strength of inclusive workforce development.

We partnered with the Australasian Railway Association to produce Building New Zealand Rail Skills for the Future, which underlined the urgent need for coordinated, long-term workforce strategies in rail. It is one example of how our collaboration with industry continues to shape future-ready skills pipelines.

We have continued to advocate for the crucial importance of a strengthened Māori workforce and Māori Economy to the future of our workforces and our economy with impactful collaborative projects in the engineering sector and the launch of the Mahere Whanake Māori 2025-2027 / Māori Workforce Plan.

We've also continued to honour our responsibility to uphold industry voice. By doubling down on our engagement strategy, we supported widespread sector participation in the consultation on the VET system redesign, the Work-Based Learning Model, and the coverage of future ISBs, ensuring decisions made now are grounded in lived experience and informed by those who will be impacted most.

This year, we also produced three white papers designed to inform the system redesign, each focused on unlocking the workforce potential of Māori, Pacific Peoples, and disabled people. These papers present actionable insights that reflect the intersectionality of Aotearoa New Zealand's workforce and outline how vocational education must evolve to be truly responsive, inclusive, and equitable.

As we prepare for the disestablishment of Hanga-Aro-Rau by 31 December 2025, our focus remains steady: to honour the trust of industry and our stakeholders, to uphold our statutory responsibilities with integrity, and to ensure a smooth transition to the next stage of vocational education governance. While the Education and Training (Vocational Education and Training System) Amendment Bill is yet to pass, we remain committed to supporting both industry and our kaimahi through this period of transformation.

We are deeply proud of what has been achieved - not just this year, but over the life of Hanga-Aro-Rau. With immense gratitude, we acknowledge our hardworking kaimahi and the many stakeholders whose guidance and partnership have shaped our journey. Together, we've built the foundation for a vocational education system that better reflects the needs and aspirations of all New Zealanders.

Mauri ora.







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 highly experienced leader of supporting organisations in times of establishment and change with a passion for the positive difference vocational education can make to people and their whanau.

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 hapu, 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 (Northland). 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 Te Tai Tokerau. Other roles include Director at NorthTec - Te Pūkenga, Regional Director and Regional Academic Manager at Te Wananga o Aotearoa.

Left Hanga-Aro-Rau May 2025.



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.



YVONNE O'CALLAGHAN, GENERAL MANAGER, QUALITY ASSURANCE

Yvonne O'Callaghan is a seasoned leader in vocational education with deep expertise in quality assurance, staff development, and system improvement. At Hanga-Aro-Rau, she leads initiatives that strengthen assessment and moderation practices, support providers, and uphold academic integrity. Known for her collaborative, empathetic approach, Yvonne brings experience across both industry and education. She is passionate about system reform that delivers lasting benefits for learners, educators, and employers, and believes sustainable change comes through consistency, shared purpose, and a focus on quality.



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 lwi Māori Partnership Board, and a number of Ahu Whenua Trusts.



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 for future generations.



Kaimahi | Our people

We are proud to employ 46 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 specific roles and functions.

Our organisation is structured around the essential functions specified in our Order in Council. The majority of our workforce (and therefore budget) is focused on front-line delivery that directly supports and engages with industry, community, business, and education stakeholders.

During this year, and based on guidance from our funder, the Tertiary Education Commission, to operate from our Reserves for the remainder of the year, we took the difficult decision to implement a range of cost-containment and organisational change initiatives. This included a recruitment freeze and overall organisational down-size.

Our operating model supports most of our workforce to be remote, reflecting our regional approach. Kaimahi are supported with office facilities in Tāmaki Makaurau Auckland and Te Whanganui-a-Tara Wellington, with leases ending in November and August 2025, respectively. As part of our operating model this approach has enabled us to:

- + Improve the recruitment pool and offer more flexible options for kaimahi
- Keep local and regional connections, including with providers and other parts of our wider vocational sector
- + Understand regional differences while maintaining national consistency
- + Maintain high outputs
- + Develop models to measure outputs and support kaimahi well-being.

The health, safety, and well-being of our kaimahi are paramount. All kaimahi have completed health and safety training, and we have a proactive Health, Safety, and Wellbeing Committee that will continue to support Hanga-Aro-Rau as best as possible during this time.



Honouring te Tiriti o Waitangi

We are committed to honouring Te Tiriti o Waitangi. For us that means ensuring our kaupapa and ways of working authentically embed te Ao Māori, tikanga Māori, mātauranga Māori and te reo Māori. We also reflect this through our mahi and external engagements, championing the need for a strengthened Māori economy through focused workforce development, including career and educational progression.

Māori, being a younger population, will continue to comprise larger proportions of our workforces in the years to come, so preparing employers now is essential to ensure continuity, industry growth, and a stronger Māori economy. On this basis, a core vision for Hanga-Aro-Rau is to enable more Māori with higher skills in higher-paid jobs, and improved employment opportunities. This remains our focus over this period, especially in supporting our core standard-setting functions and investment advice.

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.

Up until June 2025, our Council was co-chaired by Dr Troy Coyle and Renata Hakiwai (Ngāti Kahungunu, Rongomaiwahine, Tūwharetoa, Waikato-Tainui). 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 selfevaluation 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 management provides regular tracking against the plan at each Council meeting. The work plan links to our Statement of Strategic Direction as well as the needs of our stakeholders, as evidenced through our engagement and research activity. Our Statement of Strategic Direction and Operational Plans are anchored to our Order in Council and key governmental strategies, including the Tertiary Education Strategy, Ka Hikitia and the Action Plan for Pacific Education 2020-2030. 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.

As we are commencing an organisational wind-up and downsizing our overall operation, our governing Council is also reducing in size. As guided by our Industry Stakeholder Group, our Council is not reappointing members whose terms expire in 2025, unless by exception to ensure the Council has the necessary skill capability to govern and wind-up Hanga-Aro-Rau in December 2025. From July, our governing Council will comprise five members, with a contracted independent Chair for the Finance, Audit and Risk Committee and a re-appointed Governance Associate.







RENATA HAKIWAI CO-CHAIR

Renata Hakiwai 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 which 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 founding Chair of the interim Establishment Board, before establishing a Te Tiriti honouring Co-Chair role, 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.

Resigned 17 June 2025.



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.



NICK LEGGETT

Nick Leggett is the Chief Executive of Infrastructure New Zealand. He has previously held a number of executivelevel 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, 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 is a member of the NZ/ EU Free Trade Agreement Domestic Advisory Group to the Minister for Trade and Investment, Ms Mackintosh 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 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 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.

Resigned 20 June 2025.

GARY SUE

Gary Sue (Ngāti Ruanui, Ngāti Maru, Te Ātiawa, Ngāruahine) has a longestablished career across the construction and infrastructure sectors and has extensive experience within vocational education in Aotearoa. 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 Wellington region, utilising his experience and knowledge of Te Ao Māori to establish genuine partnerships with iwi, hapū and rōpū 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. 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 wahine, 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 2023.

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	6 out of 7	\$49,252.55
Dr Troy Coyle	Co-chair	21 June 2021	17 June 2025	0	6 out of 7	\$58,730.00
Gary Sue	Council Member	21 September 2022	25 September 2026	4 out of 4	6 out of 7	\$26,829.00
Jerome Mika	Council Member, Finance, Audit and Risk Committee Member	21 June 2021	20 June 2025	1 out of 3	3 out of 7	\$30,372.39
Nick Leggett	Council Member Finance, Audit and Risk Committee Member	21 June 2021	31 December 202	4 out of 7	6 out of 7	\$29,329.00
Rachel Mackintosh	Council Member Finance, Audit and Risk Committee Member	21 June 2021	31 December 2025	6 out of 7	5 out of 7	\$29,329.00
Stuart Lawrence	Council Member	21 June 2021	31 December 2025	0	4 out of 7	\$29,329.00
Teresa Poli	Council Member	14 December 2023	30 June 2025	3 out of 4	6 out of 7	\$26,829.00

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.

Ngā Pou | Strategic pillars



Te Tiriti o Waitangi Honour Te Tiriti o Waitangi

Honours Te Tiriti and supports Māori-Crown relationships. Our Te Tiriti partners inform how vocational education is improved by Māori for Māori.



Ahumahi

Strong industry voice

Engineering, manufacturing and logistics industries voices and those of Māori employers influence improved vocational education outcomes.



Equitable outcomes

Hanga-Aro-Rau embeds equitable outcomes in all its functions and ways of working to support improvement in equitable outcomes for all.



Hardwire sustainability

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.



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.

Outcomes

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

1. Te Tiriti partners enable us to strengthen the Māori economy and workforce development

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.

Tertiary Education Strategy (TES) Objectives 1, 2, 3

2. Improve the influence of industry voice in the strategic direction of workforce development for the manufacturing, engineering and logistics industries. This will lift productivity, enabling

TES Objective 4

a strong economy.

3. Enhance the ability of industries and employers to respond to New Zealand's current and future workforce needs 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.

TES Objectives 2, 3, 4

Our core functions

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

Honouring Te Tiriti o Waitangi

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.

Qualifications system products: To develop and maintain industry

qualifications, capstone assessments and skill standards that meet industry needs.

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.

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.

Honours Te Tiriti and supports Māori-Crown relationships. Our Te Tiriti partners inform how vocational education is improved by Māori for Māori.

Engineering, manufacturing and logistics industries voices and those of Māori employers influence improved vocational education outcomes.

Underpinned by our Values

Collaboration

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.

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.

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.

TES Objectives 2, 3, 4

5. Improved regional workforce development outcomes through intricately understanding local, regional and national workforce development needs, while ensuring nationally consistent outcomes.

TES Obiectives 4

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.

Brokerage and advisory services: 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.

Advise the Tertiary Education Commission (TEC): To enable WDCs to guide and influence TEC's vocational education funding decisions.

Equitable outcomes for all

Hanga-Aro-Rau embeds equitable outcomes in all its functions and ways of working to support improvement in equitable outcomes for all.

Hardwire sustainability

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.

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.

Honouring Te Tiriti o Waitangi

At Hanga-Aro-Rau, we are committed to upholding Te Tiriti o Waitangi through action that directly supports Māori aspirations and strengthens the Māori economy-an essential driver of a thriving Aotearoa New Zealand economy.

In 2024/25, our focus remained firmly on advancing Māori workforce development and creating a vocational education system that delivers long-term, sustainable outcomes. Through deep partnerships with iwi, Māori industry leaders, and employers, we worked to realise:

He pūkenga tāngata, he pikinga taumata hei oranga mahi -

More Māori with higher skills, in higher paid jobs, and improved employment opportunities.

This year, we strengthened Māori leadership across the skills and workforce development ecosystem. As at 30 June 2025, five of our Council members are Māori, including one Co-Chair, Our Executive Leadership Team includes three Māori leaders, one of whom is our Chief Executive. In our nine National Industry Advisory Groups (NIAGs), 30 Māori representatives serve, with nine as Co-Chairs-ensuring Māori perspectives guide sector-wide decision-making.

Māori representation was also embedded in qualification development and review. Māori stakeholders directly contributed to several reviews in key industries-ensuring qualifications reflect Māori values, needs, and aspirations.

We supported the development of Māori-led strategies to grow skills and capability within Māori businesses and industry sectors. Our work included targeted engagement with Māori employers and workforce leaders to co-design initiatives that address the projected 157,000 job vacancies over the next five years. With a young and growing Māori population, preparing this future workforce is not only a demographic imperative-it is an economic opportunity.

By prioritising Māori workforce development, we are enabling the growth of Māori enterprise and whānau prosperity-laying the foundation for a stronger, more inclusive New Zealand economy.

TE RŌPŪ KAITAKAWAENGA (MĀORI **ENGAGEMENT LEADS ACROSS WDCS)**

Te Rōpū Kaitakawaenga reflects Ohu Ahumahi / All WDC's commitment to Te Tiriti o Waitangi by leading coordinated iwi engagement and ensuring Māori voices are central to vocational education transformation. Established to reduce iwi engagement fatigue, the ropū enabled rapid mobilisation for the VET redesign consultation hui with TEC. Hanga-Aro-Rau contributed to the development of Te Tūmatakahuki, an iwi and hapū engagement strategy, and supported the Mātauranga Māori Operational Engagement Guidelines. Together, these frameworks ensure culturally grounded, effective engagement that strengthens Māori-Crown partnerships and supports meaningful collaboration across the vocational education sector.

MĀTAURANGA MĀORI GUIDELINES

A set of Mātauranga Māori guidelines was developed to support kaimahi across all Workforce Development Councils (WDCs) in embedding te ao Māori and mātauranga Māori into their mahi. Created by Te Kāhui Mātauranga Māori, a collective of Māori subject matter experts, the guidelines include practical examples across areas such as engagement, strategy, data and insights, and quality assurance. This work, endorsed by Te Kāhui Ahumahi and supported by Te Herenga Kura, aims to promote consistency and cultural integrity across WDCs, enabling kaimahi to reflect Māori values in their practice with support from internal Māori leaders. Āhuru Mōwai sessions were established to support kaimahi cultural capability and inform discussions about mātauranga Māori within the Whatu Tohu team.



MAHERE WHANAKE MĀORI: ENABLING MĀORI WORKFORCE POTENTIAL

Our Mahere Whanake Māori 2025-2027 sets out clear, practical actions to strengthen Māori workforce development and deliver meaningful change. Developed by our Whanake Māori team, the Mahere focuses on removing barriers, promoting equitable access to education and training, and supporting Māori participation in the labour market.

This strategy reflects our commitment to unlocking the potential of Aotearoa New Zealand's growing and youthful Māori population. It promotes pathways into sustainable, high-value employment and calls on industries to better understand and respond to the aspirations of Māori communities. In doing so, it supports both the Māori economy and the broader national economy, helping fill critical skills gaps and build a more inclusive, productive workforce.

The Mahere is informed by data, insights, and extensive engagement with iwi, hapū, whānau, and industry stakeholders. It outlines opportunities to grow Māori enterprise, lift regional productivity, and support Māori-led solutions across key sectors.

Key initiatives include strategic partnerships with iwi and Māori employers, targeted sector engagement, and actions to support diversity and inclusion in workplaces. By building Māori capability and leadership across industries, we are contributing to long-term prosperity for all New Zealanders.

This mahi is underpinned by the whakataukī:

"Mā tāu rourou, mā tāku rourou, ka ora ai te iwi"

From your food basket and from my food basket, the people will be sustained.

This reflects our belief that collaboration is essential. Real transformation happens when Māori knowledge, leadership, and aspirations are recognised and elevated within our workforce development system.







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, provider and learner success. The Values Working Group (VWG) worked with kaimahi across the organisation to develop values that reflect our responsibilities and the work we do; and 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 strategic Pou. It was imperative 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 as an organisation, we can see how following these values directly link to our industry, provider, and learner success.









COLLABORATION

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, decisionmaking 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

Under our unique legislative requirement outlined in our Order in Council, we maintain an Industry Stakeholder Group (ISG) as a key part of our governance framework. This group, established in June 2022, ensures strong representation of industry voice, including those of the workforce, consistent with section 7d of our Order in Council.

The ISG plays a vital role in guiding our strategic direction. Its responsibilities include providing feedback on organisational performance, endorsing key documents such as our Statement of Strategic Direction, Operational Plan, and Investment Advice to the Tertiary Education Commission (TEC), and offering advice from an industry perspective. The group also evaluates the performance of our governing Council and supports the recruitment and appointment of future Council members.

Chaired independently by Ngāhiwi Tomoana, the ISG continues to champion the importance of a vocational education system that reflects and responds to the needs of industry. Over the past year, hui have focused on monitoring organisational performance, reviewing TEC investment advice, and supporting the consultation and changes that have rolled out for the Workforce Development Councils by the new coalition Government and the disestablishment of Te Pūkenga.

With three governing Council member terms expiring in June 2025, the ISG sought to explore the most effective way to maintain continuity in 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 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.

INDUSTRY STAKEHOLDER GROUP MEMBERS

Ngahiwi Tomoana (Chair)

Allan Jack Ovation NZ

Peter Busfield

New Zealand Marine Industry Association

Amanda Wood

Business Central

Peter Cordtz

The Cause Collective

Bryn Thompson

Metalcraft Engineering (resigned 29 October 2024)

Peter Jones

Manurewa High School

Catherine Lye

Advanced Manufacturing Aotearoa

Richard Templer

Engineering New Zealand

Ida-Jean Murray

North Drill

Rick Lunn

Smart Trade Solutions

Lee Marshall

Motor Trade Association

Ruth Cobb

PrintNZ

Mary Jensen

Waikato
Engineering Careers
Association (WECA) and
Smart Waikato Trust

Scott Fisher

OffsiteNZ

Melissa Bennett

Red Stag Timber

Scott Lawson

Fire Protection Association of New Zealand (FPANZ)

Nick Sheppard

Employers and Manufacturers Association

Sean Rooney

Allied Petroleum

Pererika Makiha

Coastguard NZ

Wayne Butson

Rail and Maritime Transport Union





Ko te amorangi ki mua Ko te hāpai ō ki muri

With spiritual vision, Achievement will follow

Over the past year, I have been proud to witness the strength, creativity, and determination of our industries, even in the face of economic uncertainty and ongoing change. The Industry Stakeholder Group, alongside the leadership team at Hanga-Aro-Rau, has continued to lead with courage, offering the Government a clear, united voice shaped by deep experience and rooted in regional and sector realities.

We know the future of vocational education must be built with the people who live and breathe it every day. Our industries have not stood still. They've adapted, innovated, and stayed committed to training our own—to lifting rangatahi, Māori, Pacific peoples, women, and disabled workers into skilled, meaningful employment. This will not only benefit the individual but also help us address crucial risks to our sectors, including chronic skills shortages and an ageing workforce.

We've been fearless in our thinking, advocating for a vocational education system that is flexible, future-ready, and inclusive. As we move toward system transformation, our role is to remain agile, to guide wisely, and to lead with integrity.

I am continually inspired by the passion of our business leaders, apprentices, kaimahi, and educators—especially those who, despite changing headwinds, refuse to let our country fail. We must continue to invest in our people, embrace change, and prepare our workforce not just for jobs today, but for the opportunities of tomorrow.

He kai kei aku ringa Success is within our own hands

Ngā manaakitanga,

Ngāhiwi Tomoana Chair

Industry Stakeholder Group



National Industry Advisory Groups

Ensuring industry voice is central in all that we do, in 2023 we established nine National Industry Advisory Groups (NIAGs). The 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 under-served 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, 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 and Marine and Maritime transport, 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, waste transport, 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

In addition to setting our industry-specific priorities and holding us accountable for delivering against them, the NIAGs are central to reviewing and updating 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.

Over the last financial year, the NIAGs have met 33 times to:

Provide strategic and sector-specific advice to inform qualification development, workforce development plans, consistency arrangements, TEC Investment Advice, and funding recommendations—ensuring alignment with current and future industry skill needs

Actively support our industry engagement and performance by contributing to VET Redesign submissions, promoting industry training, advocating for Māori and Pacific workforce inclusion, and sharing critical information with stakeholders.

Pacific Fono

The Pacific Fono comprises Workforce Development Council members of Pacific heritage and is a collective voice that provides strategic leadership across WDCs. Their purpose is to ensure that the WDC ecosystem delivers on its obligations to support Pacific learners and āiga/families. They do this by:

- + Providing knowledge, insights, advice and support to strengthen WDCs' shared understanding of the issues specific to Pacific learners.
- + Engaging with Pacific industry and business and Pacific communities in the Vocational Education system.
- + Conveying consistent messages about Pacific needs, and gaps, in the WDCs and Vocational Education system.
- + Ensuring alignment of approaches to Pacific related work programmes across WDCs, and
- + Celebrating Pacific success.

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.

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 have met throughout the year to identify strategically aligned priorities and plan for delivery in the next financial year. 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 through to the WDCs disestablishment and will advocate for the continuation of this Kaupapa in the new system.

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

MEMBERS

Co-Chair- Tofilau Talalelei Taufale (Toitu Te Waiora)

Co-Chair Hinurewa Te Hau (Ringa Hora)

Po'e Jerome Mika (Hanga-Aro-Rau) (former Co-chair)

Hinerangi Edwards ONZM (Board Chair- Ringa Hora)

Lealamanu'a Aiga Caroline Mareko MNZM (Toitu Te Waiora)

Pita Alatini (Toi Mai)

Chantelle Bailey (Waihanga Ara Rau)

Iani Nemani (Muka Tangata)

Antonia Lili'i (Muka Tangata)

Our Pacific Workforce team provided a comprehensive presentation at the Pacific Transformational Leads COP Day in February 2025, sharing our work to date and key focus areas and priorities for the remainder of the year. As well as met fortnightly as a community of practice of Pacific Transformational Leads, with insights shared with the Fono at their monthly meetings.

MEMBERS

Kāhui Ahumahi Chair: Turi Ngatai MNZM, Ngāi te Rangi, Ngāti Ranginui

Co-Chair: John Chapman, Ngāti Tuwharetoa, Te Whakatōhea, Te Whānau Apanui

Hinerangi Edwards, Taranaki, Ngāruahine, Taranaki, Ngāti Ruanui, Te Arawa

Renata Hakiwai, Ngāti Kahungunu, Rongomaiwahine, Tūwharetoa, Waikato Tainui

Erin Simpson, Taranaki, Te Atiawa, Ngāti Tawhirikura Hapū

Chantelle Bailey, Te Rarawa, Ngāpuhi, Ngāti Hāmoa (Lotofaga and Le'auva'a)

Daniel Haines, Te Rarawa

Loren Heaphy Te Atiawa

Stuart Lawrence, ko Uenuku te iwi

Maria Ngawati, Ngāpuhi, Ngāti Hine, Ngāti Porou

Hinurewa te Hau Whakatōhea, Ngāti Hine, Ngāti Kahungunu, Maniapoto, Tūwharetoa, Ngāti Raukawa

Cheyenne Wilson, Ngāi Tūhoe, Ngāti Awa

Gary Sue, Ngāti Ruanui, Ngāti Maru, Te Ātiawa, Ngāruahine

Fonteyn Moses-Te Kani, Ngāti Porou, Ngāti Maniapoto, Ngāi Tahu, Tūhoe

Ruma Karaitiana, Rangitāne o Manawatū

Dr Vanessa Caldwell, Kai Tahu, Kati Mãmoe, Waitaha

Dan Te Whenua Walker (Tangahoe, Ngati Ruanui, Nga Ruahinerangi, Ngati Kahungunu ki Wairoa, Te Atiawa, Maniapoto, Tuhourangi and Pakeha)

Karl Wixon, Ngãi Tahu, Kāti Māmoe, Waitaha, Moriori, Ngãti Toa Rangatira

Steven Renata, Ngāpu

2024/25

An evolving vocational education landscape

The 2024/25 Financial Year has been a year of change and uncertainty as we navigated the progression of the Government's planned changes to the vocational education system. We remained agile and responsive to the evolving social and political environment and the broader VET system.

CHANGE PROCESS TIMELINE



The Honourable Penny Simmonds, Minister for Vocational Education announced the start of Government consultation on the proposal to make changes to the vocational education and training (VET) system

December 2024

The Government confirms that Industry Skills Boards will be established to independently set skills standards and replace Workforce Development Councils. WDCs will be diestablished by 31 December 2025.

January 2025

Work-based learning (WBL) reforms

- targeted consultation

April 2025

Consultation on the number and coverage of Industry Skills Boards opens

Decision on WBL announced and

Nominations for Establishment Advisory Groups for Industry Skills Boards are called.

May 2025

Education and Training (Vocational Education and Training System) Amendment Bill introduced

June 2025

Hanga-Aro-Rau receives no opertational funding due to strong reserves, but does receive specific funding for industry prioritised initiatives.

ENABLING STRONG INDUSTRY VOICE

Hanga-Aro-Rau activated a whole-of-organisation approach to support the VET redesign consultation, ensuring industry voices were heard by decision-makers shaping the new vocational education system. Our focus was to ensure that industry had a strong voice to ensure the system was redesigned with their needs in mind, and to ensure that it remains fit for purpose for industry, learners and the wider economy.

Industry Managers re-engaged stakeholders at key milestones, promoting attendance at regional hui and supporting submissions. NIAGs and ISG helped amplify the message across their networks, while internal kaimahi gathered insights to inform our formal submission.

Key Communications included:

Regular Te Hā Industry Stakeholder News to

7000+ contacts

Tailored copy for

90+ industry groups to share

Media campaigns reached

1.7 million people across Stuff, NZME, Meta, and LinkedIn

A unique landing page with

1,881 unique views and 253 submissions

(out of a total 1000 submission) for the first round of consultation.

This coordinated effort strengthened sector engagement and will continue through 2025 as we support the transition to the new system.

SUPPORT FOR A SMOOTH TRANSITION

We have a commitment and responsibility to Industry and our Stakeholders to continue delivering our core functions and our focus remained on:

- + Business continuity through delivering against our Operational Plan,
- + Advocating for industry and
- + Supporting a smooth transition to the new system.





Hinga Mahi Our functional mahi

Hanga-Aro-Rau is strategically structured to fulfil its legislative responsibilities, as defined in our Order in Council. Each role within the organisation plays a pivotal part in delivering our core functions, ensuring effective and efficient operations. Our independence from direct training provision and delivery allows us to focus on key areas of qualification standard setting, qualification development, and quality assurance.

In this way, Hanga-Aro-Rau ensures that industry has a strong voice in shaping vocational education. informing investment, and ultimately delivering high-quality educational outcomes.

SKILLS LEADERSHIP

At Hanga-Aro-Rau, skills leadership is a core activity embedded across our organisation and all functions. Through our dedicated engagement and research teams, we provide targeted skills leadership to the sectors we serve. Our engagement teams consist of specialised personnel who work directly with industries, stakeholder groups, and the broader vocational education ecosystem to ensure that Industry voice is at the forefront of shaping both current and future workforce development in Aotearoa New Zealand.

Our approach:

Industry Relationship Team:

Our dedicated Industry Relationship team works closely with workplaces, industry associations, peak bodies, schools, and career development organisations. This team's role is to understand and respond to specific workplace development needs, ensuring that industry insights and requirements are incorporated into the broader vocational education framework.

Whanake Māori Team

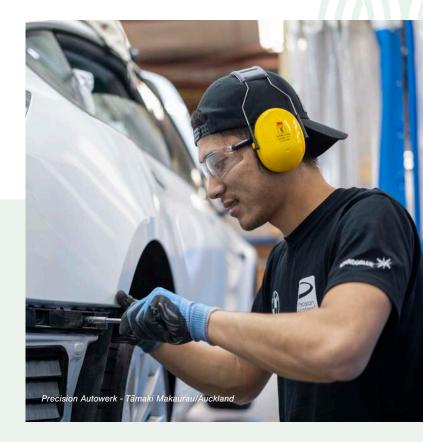
Our Whanake Māori team is focused on working directly with Māori businesses, iwi/hapū, and workplaces that employ more than 20% Māori staff. This team provides specialised advice and guidance to help these organisations meet the workforce development needs of their Māori employees, with the goal of improving productivity, as well as attraction and retention of skilled Māori workers.

Pacific Workforce Development Team:

Similarly, our Pacific Workforce Development team works directly with Pacific businesses and workplaces with Pacific kaimahi to offer targeted advice on meeting the specific workforce development needs of Pacific employees. This team's focus is on improving productivity, enhancing workforce engagement, and addressing challenges around the attraction and retention of Pacific talent.

Provider Engagement Team:

Our Provider Engagement team plays a crucial role in working with education providers, including Private Training Establishments (PTEs), Wānanga, and schools. Their work ensures that industry needs are being met in the delivery of training, whether workplace-based or off-job, ensuring the curriculum and training methods align with current workforce demands.



Collaboration with the Tertiary Education Commission (TEC):

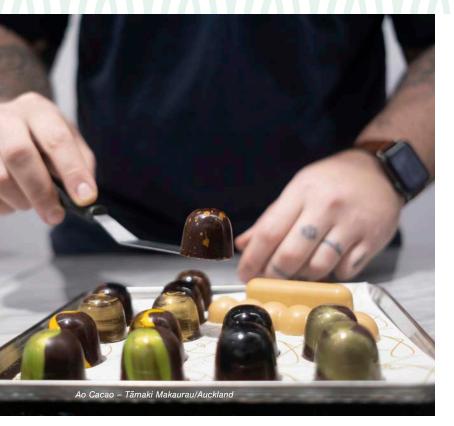
We maintain a strong, collaborative relationship with the Tertiary Education Commission to provide advice related to funding provisions, monitor Workforce Development Council (WDC) performance, and address any issues that may arise. This partnership ensures a more cohesive and responsive vocational education system that can adapt to the evolving needs of industries and the workforce.

Collaboration with NZQA:

We also maintain a well-established relationship with New Zealand Qualifications Authority (NZQA) to ensure timely and effective responses to industry workforce needs, enabling us to help shape a qualifications framework that is agile, relevant, and aligned with the broader goals of workforce development in New Zealand.

Through these dedicated teams and partnerships, Hanga-Aro-Rau plays a leading role in driving skills development and ensuring that the New Zealand workforce is equipped with the right capabilities to meet the challenges and opportunities of the future.

Regional focus





As a national organisation with deep roots in the regions, we are proud to have kaimahi based across Aotearoa, actively contributing to their local communities. This regional presence gives us valuable, on-the-ground insights into the unique needs and opportunities within each area, helping us tailor our workforce development efforts accordingly.

Our regional engagement is built on strong partnerships with iwi and hapū to create meaningful employment and training pathways for rangatahi Māori, and with local employers to inform our research and qualification development, including areas such as disability inclusion.

We continue to grow a strong national and regional industry presence, offering support to stakeholders through workforce planning and local funding advice. Our networks with Economic Development Agencies, Chambers of Commerce, and other regional bodies remain essential in aligning local priorities with national goals.

With the introduction of the Regional Infrastructure Fund, there is an even greater need for our plans to complement and support regional investments. By strengthening these partnerships and maintaining active regional engagement, we are contributing to greater national consistency in skills development and delivery-ultimately supporting a stronger, more resilient New Zealand economy.



Earn as You Learn

Strengthening Waikato's Manufacturing Capability

In February 2025, twenty-one Waikato students began the Earn as You Learn NZ Certificate in Manufacturing (Level 3) pilot — 30-week initiative blending classroom learning with paid, hands-on experience across leading manufacturing companies in Waikato.

Twenty-one students enrolled in the pilot, spending two days each week at WINTEC's Rotokauri Campus and three days in paid industry placements. Over the course of the programme, students rotated through three different manufacturing businesses, gaining diverse, real-world experience and building skills in problem-solving, teamwork, and workplace health and safety.

The initiative was co-designed by Hanga-Aro-Rau, regional manufacturers, Advancing Manufacturing Aotearoa, WINTEC, Competenz, and the Waikato Engineering Careers Association (WECA), with the support of 11 committed companies including APL Manufacturing, Stainless Design, NZAero, and Gallagher Group.

Hanga-Aro-Rau played a central role as the bridge between industry and education — advocating for employer needs, guiding qualification design, and ensuring the programme met both learner and workforce demands. Collaboration with NZQA enabled programme endorsement and approval to be achieved in parallel, ensuring delivery began without delay.

Industry leaders are backing the initiative. Howard Fountaine of APL Manufacturing said, "We want to show young people that manufacturing offers diverse career opportunities beyond factory labour." Employers noted they saw participants develop problem-solving and teamwork skills, strengthening the sector long-term.

Following the success of the Waikato pilot, Hanga-Aro-Rau will capture lessons learned to create a framework for scaling the programme. Models are set to be developed in Whangārei, Tauranga, Waikato, Wellington, and Christchurch, building regional manufacturing capability and ensuring the sector remains competitive, innovative, and future-ready.



Kaupapa Rangahau Research & Industry Insights

INSIGHTS TEAM

Our Insights Team plays a critical role in aligning regional priorities with national objectives by providing data-driven analysis on workforce trends and local employment needs. We work closely with Economic Development Agencies, Chambers of Commerce, and regional networks to ensure investments-such as the Regional Infrastructure Fund-align with current and future skills development requirements.

In 2024/25, we produced detailed insights reports covering workforce demographics, training enrolments and completions, key occupations, and employment forecasts. Where relevant, we also addressed provider capacity, TEC advice, unit standards, and international qualification comparisons.

Reports were developed for over 20 industries, including Automotive Engineering, Railways, Locksmithing, RHVAC, Wood Processing, Fire Protection, Meat Processing, CNC Machining, Resource Recovery, Dairy Processing, and Signmaking.

Additionally, insights drawn from 83 Māori businesses helped identify key workforce challenges and inform our Mahere Whanake Māori action plan, which delivered five projects, three events, and multiple case studies.

These insights are essential to our engagement with industry and providers, ensuring qualifications and standards meet the evolving needs of employers, learners, and regions.

REALISING THE POTENTIAL OF DISABLED WORKERS IN KEY INDUSTRIES: CONSTRUCTION | INFRASTRUCTURE | MANUFACTURING | ENGINEERING | LOGISTICS

In 2024/25, Hanga-Aro-Rau, in partnership with Waihanga Ara Rau, commissioned groundbreaking research into the employment experiences of disabled workers across our sectors. Delivered by All is for All, Let's Level Up: Unlock the power of inclusivity and discover the potential of the disabled workforce highlights the untapped potential of Aotearoa New Zealand's disabled workforce and provides clear, practical steps for employers to build more inclusive workplaces.

This industry-first research surveyed over 300 employers and disabled workers nationwide, providing vital insights into recruitment practices, workplace culture, and barriers to employment. The findings revealed that 63% of employers had never discussed disability inclusion in the workplace or were unsure if they had. Only 23% of managers reported using disability-inclusive recruitment practices.



















Let's level up:

Unlock the power of inclusivity and discover the potential of the disabled workforce **Full Report**





Let's Level Up is designed to support industries in closing skill gaps, enhancing productivity, and fostering diverse teams. It includes:

- + A full research report, including methodology and detailed insights
- + A summary of key takeaways for stakeholders
- + An Industry Takeout targeted at employers

To increase accessibility, additional formats-Easy Read, Braille, and Text-to-Voice were also published.

The research and resources were launched in November 2024 with a national media campaign, generating 15 media stories and an estimated reach of 10 million. Coverage included RNZ online, as well as CheckPoint on air, NZ Herald, NZ Management Magazine, two pieces with NewsTalkZB, one with One News, and multiple regional and online pieces. (Full report available on request). A followup hui was held in Tāmaki Makaurau with project leads, the disability expert panel, and both WDCs to explore the research findings and inform action planning.

The project was developed in collaboration with the Donald Beasley Institute and University of Otago's Associate Professor Brigit Mirfin-Veitch. It was shaped and guided by a dedicated Disability Expert Panel and shared with the Ohu Ahumahi Disability, Equity and Inclusion Ropu.

This research marks a turning point in how we approach disability inclusion in the workforce, challenging industries to do better by identifying where systems fall short and what support is needed to empower disabled workers to thrive.



Voices from the Sector:

"It's vital to have industry-specific research into disabled people's employment. This report shows the role employers can play and what systems we need to break down barriers."

- Paula Tesoriero, Chief Executive, Whaikaha Ministry of Disabled People

"This research is powerful because it was led by disabled people. It helps us understand the systemic barriers to full workforce participation."

- Prudence Walker, Disability Rights Commissioner, Human Rights Commission

"These reports help shape the future of work and address inequities for disabled people, including tāngata whaikaha Māori."

- Tracey McIntosh, Professor of Indigenous Studies, University of Auckland & Chief Science Advisor, MSD

"The diversity of disabled people's needs can't be predetermined by policy alone. This report shows how we can better support and resource the disability workforce."

- Rt. Hon Sir Bill English, KNZM

"Manufacturing often seeks uniformity -but people are not uniform. This research shows how we can reshape our training systems to better include all workers, including disabled people."

- Emily Miller-Sharma, General Manager, RUBY



Let's level up: Unlock the power of inclusivity and discover the potential of the disabled workforce

Key findings





Phil Alexander-Crawford, Heather Geddes, Samantha McNaughton, Tessa Waters, Erica Cummings, Grant Cleland, Sarah Benikowsky, Tamara Grant, Grace Stratton, Carina Meares





Older Peoples

In 2024/25, Hanga-Aro-Rau began exploring how to support employers in addressing the challenges and opportunities of an ageing workforce-a key issue across the manufacturing, engineering, and logistics sectors. Our Insights team produced a scoping report identifying current tools, resource gaps, and persistent myths. We also met with the Office for Seniors and MBIE to discuss alignment with the Mature Worker Toolkit, which offers practical guidance on recruitment, retention, flexibility, and wellbeing. This work lays the foundation for developing tailored resources to help industry better support older workers and build more ageinclusive, future-ready workplaces.

Building New Zealand Rail Skills for the Future

The Building New Zealand Rail Skills for the Future report, prepared by PWC for the Australasian Railway Association (ARA) and Hanga-Aro-Rau, outlines challenges and opportunities in rail workforce development. It identifies the urgent need for targeted training pathways, career visibility, and cross-sector collaboration to prepare for technological advancements and infrastructure projects, such as Auckland Light Rail. Through surveys, interviews, and research, the report highlights skills shortages, education gaps, and barriers to talent retention. It concludes with recommendations in workforce sustainability, attraction, retention, and regulatory reform to address these challenges and ensure long-term sector growth.



Investment Advice to TEC

Each year, Hanga-Aro-Rau provides comprehensive investment advice to TEC, collaborating with stakeholders to advance vocational education in Aotearoa. Our process is data-driven and continually refined to ensure robustness. For the 2026 provider funding year, advice delivered in November 2024, used historical and forecast employment data from Infometrics and the Shared Data Platform, supplemented with qualitative insights from ongoing industry engagement. We analysed occupational variations over 5% and linked them to relevant qualifications.

Our advice is shaped by research, industry input, and standards-setting activities, such as qualification development. Stakeholder feedback, including from iwi, Māori, and Pacific employers, is triangulated with official statistics to identify key themes for improving the vocational education system. This inclusive approach ensures that our recommendations align with industry needs and support the government's goal of building a skilled, adaptable workforce across New Zealand.

Understanding our Stakeholders

THROUGHOUT 2024-25, HANGA-ARO-RAU CONDUCTED

stakeholder engagements

with 2207 across industry, employers, regions, and communities. Of these...



via phone or informal communication.

These insights critically shaped our qualification development, research priorities, workforce planning, regional initiatives, and broader strategic directions.

OUR INDUSTRY RELATIONSHIP TEAM CONDUCTED

These opportunities enabled us to validate industry voices within the vocational education system, particularly in light of sweeping system reforms.

NOTABLY, WE FACILITATED

(both in-person and virtual), NIAG hui bringing together...

from across sectors to contribute to the VET consultation, workforce strategies, and product validation.

Stakeholder feedback helped shape:

- + The Workforce Development Plans, aligning regional needs with national priorities
- + NIAG structures and strategic industry focus areas
- + The initiation of 41 qualification or micro-credential development projects across Automotive, Marine, Engineering, Food & Beverage, and more
- + Our Lumana'i o Tagata Moana Pacific Peoples **Workforce Development Action Plan**
- + Our Mahere Whanake Māori 2025-27 framework

Overall, insights from these engagements fueled 80 active projects, including new training products, tools, and resources developed in collaboration with industry.

Our engagement model ensures that industry contributes meaningfully to:

- + setting workforce priorities
- + validating qualification content
- + guiding project development
- + informing investment advice

By keeping our stakeholders informed, energised, and deeply involved, we ensure that our vocational education and training initiatives reflect genuine demand, drive workforce productivity, and support equitable access for diverse communities. Our work in 2024/25 demonstrates the power of structured, two-way engagement in building a responsive and future-ready vocational system.





Whanake Māori | Māori Workforce Development

Our Whanake Māori Team plays a central role in engaging with key stakeholders and driving impactful actions for Māori workforces, employers, and the broader Māori economy. Our close relationships with our Māori stakeholders and the valuable insights they offer are regarded as a taonga (treasure) that continues to grow, supporting the broader goal of Māori economic advancement and empowerment.

Between 1 July 2024 and 30 June 2025, the team conducted

355 engagements across various sectors that directly impact Māori workforce development.

These engagements included interactions with

Māori employers

non-Māori employers

government agencies

Strategic relationships are essential in empowering and enhancing opportunities for Māori industry, supporting efforts to sustainably improve outcomes for Māori. Hanga-Aro-Rau regularly consults, informs, and advises the following strategic partners on behalf of the Māori industry:

- + Advanced Manufacturing Aotearoa (AMA)
- + Auckland Council, The Southern Initiative, Uptempo
- + Employers Manufacturing Association (EMA)
- + Māori members on National Industry Advisory Groups
- + Māori and Pacific Trades Training (regional and national consortia)
- + Ministry of Social Development (regional)
- + Ngāti Maniapoto Marae Pact Trust
- + Ngāti Whātua ki Ōrākei
- + Pan-Sector Group for Forest and Wood Nga Pou a Tane
- + Te Puni Kōkiri (regional)
- + Te Whatukura Ltd
- + The Cause Collective
- + Tōnui Consultants
- + Waikato-Tainui
- + Waitomo

A key industry stakeholder event was held under the White Paper focus, bringing together Māori industry representatives to discuss workforce development and critical kaupapa for the redesign of the new VET system. These engagements form the foundation of our work in Māori Workforce Development, ensuring that the needs and perspectives of Māori are integrated into sector-wide strategies.



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** ıs 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.



MĀORI IN MANUFACTURING, ENGINEERING AND LOGISTICS BY SECTOR

							Ĵ.		
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.

Our Whanake Māori tīma delivered five impactful projects this financial year:

GOOD EMPLOYER MATRIX (GEM):

In 2024/25, the Whanake Māori team partnered with Uptempo to deliver GEM (Good Employer Matrix) workshops across seven regions, engaging 45 stakeholders-including iwi, Pacific providers, employers, training organisations, and government agencies. GEM supports employers to strengthen Māori and Pacific workforce development through inclusive practices, skills development, and leadership progression. The tool was co-presented to employers and Minister Melissa Lee, and later endorsed by Hon Carmel Sepuloni, who highlighted its alignment with workforce development priorities for Māori and Pacific communities.

Following the roadshows, two businesses have committed to piloting GEM in 2025. Hanga-Aro-Rau is now supporting them through initial assessments and the development of shared implementation objectives. A proposed 'Navigators' group will guide integration and track progress.



TE WAHAROA IN TĀMAKI MAKAURAU

Launched in August 2024, Te Waharoa Tāmaki Makaurau is a collaborative programme led by Waikato-Tainui, MSD, Te Whatukura Ltd, and Hanga-Aro-Rau to support iwi into sustainable employment in the automotive collision repair sector. From 63 expressions of interest, eight participants completed a NZQA Level 2 qualification and began paid work experience in week four. A four-day noho in Waikato reinforced cultural identity and holistic learning. Hanga-Aro-Rau connected 26 industry partners, ensuring strong sector alignment. The inaugural cohort graduated in December 2024-marking a milestone in iwi-led workforce development and culturally grounded vocational training.



MĀORI INDUSTRY PROFILES:

In 2024/25, we created and published Māori industry profiles to showcase the journeys of Māori professionals across manufacturing, engineering, logistics, and related sectors. These profiles, including Koru Customs & International Freight and Kiwi Kai, were shared on our website and LinkedIn to highlight Māori excellence and inspire future generations. The stories reflect the skills, challenges, and achievements of Māori in our industries, promoting visibility, workforce diversity, and career development. They also offer valuable insights to support workforce planning and industry growth. Additional profiles will be released throughout 2025 as part of our ongoing Whanake Māori kaupapa.

PARTNERSHIP WITH THE CAUSE COLLECTIVE (RANGATAHI EMPLOYMENT PATHWAYS):

In late 2024, Hanga-Aro-Rau partnered with The Cause Collective to deliver site tours for 81 Māori and Pacific rangatahi as part of the Get Ready Work Ready programme. Replacing traditional speed-meets, these tours introduced youth to real workplaces like TR Group, D&H Steel, and Neptune Pacific, showcasing careers in logistics, engineering, warehousing, and more. The hands-on experience sparked interest and boosted career confidence. Post-tour surveys showed a shift in aspirations. In 2025, we began co-developing industry profiles and published three articles and employer stories online-strengthening engagement and aligning youth potential with sector workforce needs.

INSPIRING THE FUTURES (CHRISTCHURCH)

In partnership with MSD's Connected Service, Hanga-Aro-Rau delivered Inspiring the Future in Christchurch, connecting rangatahi with industry role models from sectors such as boat building, freight, warehousing, and manufacturing. For the first time, participating employers offered follow-up site tours, giving rangatahi and providers direct insights into real workplaces. Our strong industry relationships enabled meaningful engagement, helping young people explore career pathways grounded in current workforce needs. This initiative deepens connections between education and industry and supports informed decision-making for rangatahi. Two case studies were produced, including reflections from Christchurch Girls' High School and MSD's Shailan Prasad.





Krystal Davis

Reni Wereta-Gargiulo

Steve Tomlinson

The Opportunities of our Pacific Workforce

From 1 July to 31 December, 2024, the Pacific Workforce Development Team lead 31 engagements across industry partners, government agencies, economic development agencies, local government, schools, and Pacific community leaders and stakeholders. During this period, the team were led by the Priority Goals from Lumana'i o Tangata Moana to focus on;

- + Advice for the Pacific workforce (Priority Goal 1)
- + Enhancing the Hanga-Aro-Rau Pacific profile (Priority Goal 2)
- + Facilitating regional Pacific Talanoa (Priority Goal 2)
- + Developing education and career pathways guides (Priority Goal 3), and
- + Promoting careers in manufacturing, engineering, and logistics (Priority Goal 4).

They delivered three significant events aligned with these goals;

GOVERNMENT HOUSE LAUNCH OF LUMANA'I O TANGATA MOANA

The official launch of Lumana'i o Tangata Moana Hanga-Aro-Rau Pacific Peoples Workforce Development Action Plan was held at Parliament House on Tuesday 24 September. We were sponsored by MP Rima Nakhle, the National Party Member for Takanini, and supported by her colleagues and opposition Members across Parliament. We also had a strong presence from our industry, Pacific communities and those within vocational education settings. MP Nakhle emphasised the significance of our collective responsibility as Aotearoa, New Zealand to support Pacific Peoples into our industries by iterating the importance of investing in our youthful Pacific population and that our plan's Priority Goals are concepts that underpin the necessary actions, we need to take to ensure we are leading our Pacific workforce into meaningful career opportunities. Through a targeted media campaign, we confirmed 17 pieces of coverage which reached an estimated audience of 17.4million. Including a features on 1News, NZ Herald, Interview with CE Phil Alexander-Crawford on Mike Hosking's NewsTalkZB, RNZ both an article and on a air, and many other. We have also conducted interviews and photoshoots for two Pacific Industry case studies that have been published in July and August 2024 to support the roll out of the plan.











Ross Fothergill, Manaini Cama, Mele Siakumi Kautoke, Alisha Tsai, Matthew Vandy, Tessa Waters, Fred Luatua, Maree Thomas







HAWKES BAY

The Hawkes' Bay Talanoa event, co-hosted with Muka Tangata WDC and developed by invitation of MP Catherine Wedd, who attended our launch at Parliament, brought together Pacific community representatives, and employers to discuss the experiences of Pacific workers in the region. Hawke's Bay, with its 10.2% year-over-year growth in Pacific employment, was selected as a prime location for this korero for its strong Pacific workforce. Over the past decade, Pacific employment in the region has grown at an annual rate of 9.9%, surpassing the national average. Ngahiwi Tomoana, Chair of our Industry Stakeholder Group and long-time Ngāti Kahungunu Board member, emphasized the power of connected Pacific leaders in driving industry change and supporting cross-sector collaboration aligned with the regional workforce plan.

OAMARU PACIFIC WORKFORCE PILOT

In 2024/25, Hanga-Aro-Rau progressed the Oamaru Pacific Workforce Pilot, part of the Lumana'i o Tagata Moana Action Plan. We established an advisory group with industry, community, and system leaders, and confirmed our education and industry delivery partners. Key engagement milestones included online workshops and hui with local stakeholders including OPICG and Waitaki District Council. This workstream focused on identifying barriers for Pacific learners, including access to qualifications, career progression, and inclusive workplaces. By year-end, we laid the foundations for a co-designed, community-led pilot that will deliver tailored micro-credentials and workforce pathways for Pacific learners in the Oamaru region.

ENABLING TĀMAKI MAKAURAU PACIFIC WORKFORCE REGIONAL TALANOA

The Enabling Tāmaki Makaurau Pacific Workforce Regional Talanoa was hosted by Hanga-Aro-Rau and Tāmaki College. The November event highlighted the potential of the Pacific workforce and advanced the goals of Lumana'i o Tangata Moana action plan: Lead, Partner, Strengthen, and Value. Focused on maximizing education, career opportunities, and boosting business productivity for Pacific peoples, the event aimed to address skills gaps, particularly in the manufacturing, engineering, and logistics sectors. With over 70 attendees, the event brought together young learners, educators, industry experts, and potential employers to discuss career pathways and practical strategies for attracting and retaining Pacific staff. Discussions also emphasized the importance of understanding cultural backgrounds and supporting literacy and numeracy for career progression. The event generated momentum, leading to new connections and inspiring a student to realign their courses to better meet career aspirations. The ongoing impact of this Talanoa suggests a growing movement toward strengthening Pacific workforce participation and enhancing future opportunities in Aotearoa New Zealand. We reported on the event on our website and captured the following interviews at the event which helped to amplify the importance of the Pacific Workforce: Morris Misilisi, Aging Workforce, Caleb Va'a, Dion Orbell, Paul White and our own Philip Alexander Crawford interviewing stakeholders.











Tāmaki College & Buckley Systems

Opening Doors to Manufacturing Careers

Hanga-Aro-Rau's 'Enabling Tāmaki Makaurau Pacific Workforce Talanoa' at Tāmaki College in late 2024 sparked an exciting partnership between the school and leading manufacturer Buckley Systems. The event brought Pacific students face-to-face with manufacturing employers, showcasing career pathways and inspiring new connections.

One of those connections quickly became the **Tāmaki Gateway Programme** — a 10-week initiative offering handson manufacturing experience to local students. Participants spend time at Buckley Systems learning technical skills such as welding, gaining workplace health and safety knowledge, and building confidence in a real-world environment.

For student Maino, welding was the highlight. "I love working with the tools," he shared, adding that the programme boosted his confidence and opened his eyes to career possibilities in the sector.

Tāmaki College Gateway Coordinator, Daniel Alexander, described working with Buckley Systems as "outstanding", praising their commitment to creating a welcoming, supportive environment and offering diverse learning opportunities. Buckley Systems' Learning and Development Business Partner, Lewis Peart, echoed the sentiment, highlighting the privilege of introducing students to the industry and "igniting curiosity and confidence in the next generation of innovators."

Following the pilot's success, the partnership is now ongoing, with hopes it will lead to apprenticeships and long-term careers for students. This initiative demonstrates the power of strong industry-education partnerships to build regional capability — connecting young people with meaningful opportunities and supporting the future of New Zealand's manufacturing workforce.

Ngā Ara Ringarehe Vocational pathways

In 2024/25, the Vocational Pathways Team at Hanga-Aro-Rau delivered significant outcomes in connecting industry with education. Over the year, the team completed 129 engagements with schools, NGOs, government agencies, and vocational education organisations. These activities were guided by our Vocational Pathways Strategy, which focuses on equipping employers to engage with the education system and promoting inclusive, industry-informed career pathways for learners.

We maintained strong partnerships with the Career Development Association of NZ and the Association of Careers and Transition Educators (CATE), ensuring the industry voice remains active in career development networks. The team also supported the development of Tahatū by facilitating industry input into occupational content, including sourcing talent for videos and coordinating content reviews.

We were proud to support Youth Employability Aotearoa's Good Youth Employer Project, contributing to working groups focused on Māori, Pacific Peoples, neurodiverse and disabled youth. This initiative aims to create a freely available resource for employers to better understand and engage young employees, foster inclusive workplace cultures, and strengthen youth employment outcomes. The project is set to launch in mid-2025.

As part of our work-integrated learning focus, we submitted an abstract to the April 2025 Work Integrated Learning (WIL) Conference to present the WE3 model, which staircases students from industry exposure to work placements. At the CATE Conference in Dunedin, our team presented a wellreceived workshop on connecting akonga with industry.

Another key highlight was our collaboration with Customs Brokers & Freight Forwarders Federation of NZ (CBAFF) to deliver a career-focused 'bus tour' around Auckland Airport for career advisors and MSD Work Brokers. As a direct outcome, Kerry Logistics advertised a junior vacancy, demonstrating the real-world impact of our work in bridging school-to-work transitions.

Our Pathways team continued to collaborate closely with TEC on the Inspiring the Future programme, connecting primary and intermediate students with industry role models to expand their understanding of future career opportunities. In 2024/25, we sourced role models, supported regional student participation, and facilitated follow-up site visits and work-shadowing. TEC invited us to present the programme's achievements to the Inspiring the Future third-party group, leading to new collaboration opportunities. As a result, MSD Connected in Canterbury expressed interest in partnering on an event in March 2025, while our team also worked with Connected in Whangarei on MSD's Job Explore event.

VOCATIONAL PATHWAYS STRATEGY "TWO-THREAD" APPROACH

EQUIP EMPLOYERS

Knowledge of hot to engage with the educational ecosystem

Advice on good practice to create fruitful partnerships

Build employer capability in diversity, equity, and inclusion practices in the workforce



EMPOWER LEARNER AND KEY **INFLUENCERS**

Provide relevant agencies and associations with industry-informed career pathways information



GOOD PRACTICE GUIDE FOR EMPLOYERS TO **ENGAGE WITH SCHOOLS AND YOUNG PEOPLE**

The Pathways team partnered with industry stakeholders to develop the Good Practice Guide for Employers, a resource to help employers engage with schools and support young people into work. Backed by research, the guide highlights effective strategies for connecting with students early, fostering 'career-ready' youth. It includes real-world examples and insights gathered through consultation, showcasing practices that support students' transitions into work or further training, while helping employers build future talent pipelines. The guide, due for release in mid-2025, reflects our commitment to bridging education and industry and equipping employers to engage meaningfully with the next generation.

Whatu Tohu Industry standards

The Qualifications and standard-setting team at Hanga-Aro-Rau plays a vital role in ensuring qualifications, microcredentials, and unit standards remain relevant, fit-forpurpose, and responsive to the evolving needs of industry. All standards are developed in collaboration with stakeholders and approved on the New Zealand Qualifications and Credentials Framework (NZQCF).

In 2024/25, we developed and launched a 10-stage project framework to improve transparency across our qualifications and standards-setting process. This framework helps industry and education providers better understand how standards are developed or reviewed. We also launched an internal project-tracking tool to give real-time visibility across the organisation.

We delivered 575 engagements this year with industry, training providers, NZQA, TEC and other Workforce Development Councils (WDCs). These engagements helped build shared understanding across the system and supported the timely, high-quality delivery of standards.

To improve collaboration and reduce duplication, we worked closely with NZQA and the other five WDCs, through a Transferrable Skills Forum (which also involved members of the Māori Qualifcations Service (MQS) to streamline processes and shorten development and approval timelines. Through Whatu Tohu management, we participated in an interagency working group with NZQA, TEC, and the Ministry of Education to address issues affecting speed to market for qualifications and skills standards.

We created guidance for providers on how to request extensions to the Last Date of Assessment (LDoA) for expiring unit standards, helping support continuity of training. We also supported seven providers to develop 24 new microcredentials tailored to meet specific industry training needs.

Our team completed 82 interim rulings on unit standards - temporary decisions made to address issues that allow assessment to continue until a full review is undertaken.

In direct response to sector needs, we worked with:

- + The manufacturing sector to develop standards in sustainability (waste reduction) and productivity (Total Productive Manufacturing).
- + The commercial road sector to create new standards in data analysis, communication, health and safety, and trainer capability.
- + Engineering employers to design standards aligned with automation and technologyenabled processes, reflecting an industry shift away from manual labour toward efficiencyfocused production.

Through ongoing collaboration with Māori and Pacific stakeholders, we ensured that the design of qualifications and standards supports more inclusive and culturally relevant pathways for learners.

Alongside our Insights team, we also refined how we deliver labour market and qualification-related data to industry, ensuring it is more user-friendly and actionable.

The growing interest from industries in qualification design this year highlights a maturing understanding of how skills development pathways directly contribute to workforce sustainability and productivity. The Industry Standards team remains committed to ensuring that qualifications and standards remain a reliable foundation for growing skills, careers, and industries across Aotearoa.

QUALIFICATION AND STANDARDS ACHIEVEMENTS (1 JULY 2024 - 30 JUNE 2025)

TOTAL STANDARDS APPROVED

1061

UNIT STANDARDS

841

SKILL STANDARDS

220

THESE STANDARDS RELATED TO THE FOLLOWING INDUSTRIES (OBJECTIVE 4.3):

Commercial Road transport; Automotive Parts and Accessories; Collision Repair; Apparel and Fashion Technology; Industrial Textile Fabrication; Extractives; Robotics (Engineering/ Manufacturing); Glass Processing; Fibreboard and Paper Packaging; Competitive Systems and Practices; Irrigation; Print; Energy and Chemical Plant Operations; Passenger Ropeways; Meat Processing; Resource Recovery; Outdoor Power Equipment; Ports; Butchery; Bakery; Marine Vessel Project Management.

TOTAL QUALIFICATIONS APPROVED

103

QUALIFICATIONS

80

MICRO-CREDENTIALS

23

THESE QUALIFICATIONS RELATED TO THE FOLLOWING INDUSTRIES (OBJECTIVE 4.3):

Fire Protection Systems, Automotive Parts and Accessories; Commercial Road Transport; Extractives; Automotive Engineering and Technology; Butchery; Meat Processing; Fibreboard and Paper Packaging; Energy and Chemical Plant Operations; Print; Automotive Reglazing; Outdoor Power Equipment; Marine Vessel Project Management; Apparel and Fashion Technology; Ports; Competitive Systems and Processes; Locksmithing; Resource Recovery; Irrigation; Yacht Rig Structures.

THESE MICRO-CREDENTIALS RELATED TO THE FOLLOWING INDUSTRIES (OBJECTIVE 4.3):

Commercial Road Transport; CNC Machining; Locomotive Refinishing; Extractives; Competitive Systems and Processes; **Energy Chemical Plant Operations**



Quality assurance

Our Improvement and Operations Team plays a critical role in upholding the integrity of the vocational education and training system across the sectors we serve. Our work centres on all quality assurance activities, including moderation, programme endorsement, and monitoring, and is underpinned by our Quality Assurance Approach designed to ensure our activities remain consistent, evidence-informed, and aligned with provider, industry, and regulatory expectations.

Moderation

During 2024-25, we continued to build strong relationships with providers and schools, with a clear emphasis on partnership and practical support. This has included guidance on assessment methodologies, co-development of assessment materials, and assistance with contextualising assessments to support learner success better. The response from the sector has been positive, with providers increasingly reaching out for support, demonstrating the credibility we've established through our direct, bespoke engagement model.

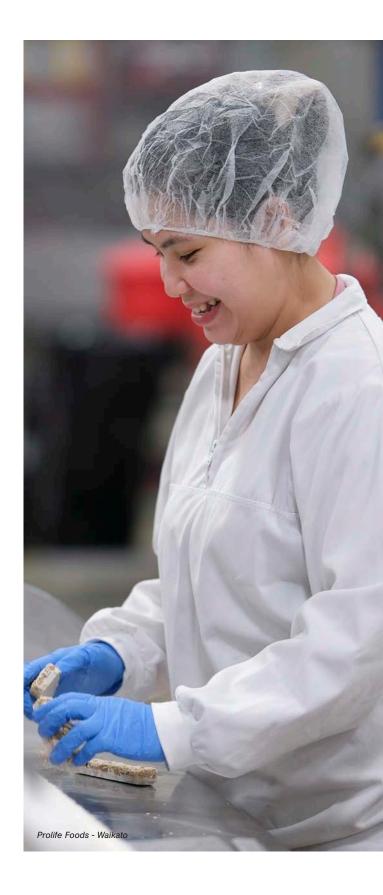
Between 1 July 2024 and 30 June 2025, we carried out a comprehensive programme of moderation and assessment assurance activities. This included post-assessment moderation, where we requested samples from 261 providers across 805 unit standards, ultimately reviewing 739 post moderation standards for 2,116 assessment samples. Of these, 87% met the national standard, with Te Pūkenga subsidiaries performing particularly well with 91% of samples meeting the national standard. Where assessments did not meet expectations, our Quality Assurance Specialists worked closely with providers to implement improvements that directly enhance learner outcomes.

In addition to post-moderation, the team completed pre-assessment moderation for 455 standards across 45 providers and supported 29 Consent to Assess applications covering 315 unit standards. We also issued 37 interim rulings, all of which were published and communicated directly to providers to support consistent assessment practice.

We also initiated a high-risk standards project to better understand how our assurance model should respond. This project is helping to shape future moderation strategies by ensuring targeted oversight in areas of greatest risk.

Another key milestone this year was the simplification of our inherited 21 Consent and Moderation Requirements (CMRs) into a single, core document with sector-specific appendices. This change followed extensive consultation and will result in a more accessible and fit-for-purpose quality assurance framework.

The NZQA National External Monitoring report (July 2023 -June 2024) validated our strategic direction in moderation. It offered no recommendations for improvement and recognised our effective provider engagement and innovative practice. The report did, however, suggest we could explore sector-level rather than provider-level moderation, an approach we will continue to explore in 2025.





Whakamana hōtaka Programme endorsement

Programme endorsement remained another key focus throughout 2024-25. During this period, we endorsed 14 new programmes (nine in engineering and five in manufacturing) and processed nine Type-2 change endorsements (all in engineering). Our endorsement model remains intentionally pragmatic. Where providers do not meet all criteria, we apply conditions with clearly defined 90-day follow-up visits to monitor and support progress. This approach enables providers to continue delivering education while working toward full alignment with quality standards.

To strengthen the overall endorsement process, we introduced a new reporting system that provides greater visibility of provider engagement across the programme lifecycle. This has improved our ability to track progress, identify gaps, and collaborate effectively with providers on programme design and implementation.

In addition, we embedded quality assurance into the skill standard development process to ensure the standard supports high-quality assessment from the outset. This concurrent development model supports long-term sustainability and ensures that newly listed standards are robust and ready for implementation.

Looking ahead, we will continue refining our endorsement approach to remain responsive to provider needs and system requirements.



INDICATOR OF SUCCESS

100%

OF PROGRAMME ENDORSEMENT APPLICATIONS RECEIVED ARE PROCESSED WITHIN THE SPECIFIED SLR

TIMEFRAME (20 DAYS)

WHAT WE ACHIEVED 2024/25

100%

OF PROGRAMME ENDORSEMENT APPLICATIONS RECEIVED ARE PROCESSED WITHIN THE SPECIFIED SLR

TIMEFRAME (20 DAYS)

WHAT WE ACHIEVED 2023/24

100%

OF PROGRAMME ENDORSEMENT APPLICATIONS RECEIVED ARE PROCESSED WITHIN THE SPECIFIED SLR

TIMEFRAME (20 DAYS)

WHAT WE ACHIEVED 2022/23

100%

OF PROGRAMME ENDORSEMENT APPLICATIONS RECEIVED ARE PROCESSED WITHIN THE SPECIFIED SLR

TIMEFRAME (20 DAYS)

PROGRAMME ENDORSEMENT APPLICATIONS COMPLETED FOR 23 PROGRAMMES

NEW PROGRAMMES

9 TYPE 2 CHANGES (AMENDMENTS TO CURRENT PROGRAMMES)



Tūtakinga whareako Provider engagement

Our role is 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. Our provider engagement strategy operates at both a regional and national level.

A key focus this year has been maintaining and strengthening our engagement with providers across the motu. Our approach goes beyond moderation; we aim to understand the environments in which providers operate and actively support the development of their internal quality assurance systems.

Over the course of the year, we conducted 204 visits to 143 providers, including 78 secondary schools. These visits have ensured we maintain a strong national presence and provide real-time, practical support. In particular, we've focused on assisting providers in the development of assessment

resources, acknowledging the significant shift from unit standards to skill standards. By working with providers early, before assessments reach moderation, we've helped ensure both successful outcomes and a better understanding of the assessment context.

In 2025, when the changes requested by TEC as part of the VET changes were implemented, we significantly reduced our in-person visits. However, the strong relationships built over the past three years enabled us to continue supporting providers effectively in an online environment. This adaptability reinforced the trust providers place in our team and the value of our approach.

Our role as a connector between providers and NZQA has also strengthened. In many instances, we have been able to represent provider and industry perspectives to NZQA, giving greater context to decisions and their potential impacts.













Hanga-Aro-Rau Performance Storyboard (2024–2025)



Supporting the annual reporting of performance outcomes across Aotearoa New Zealand's manufacturing, engineering, and logistics sectors.w

STRATEGIC AND LEGISLATIVE FOUNDATIONS FOR PERFORMANCE MEASURES

Our 2024-2025 performance measures were guided by a comprehensive suite of governance and strategy documents, which ensured alignment with our legislative mandate and sector priorities:

- + Education and Training Act 2020
- + Hanga-Aro-Rau Order in Council (2021)
- + Te Mahere Moana Statement of Strategic Direction 2023-2028
- + Letter of Expectation 2024-2025
- + Hanga-Aro-Rau Operational Plan 2024-2026
- + Industry Workforce Development Plans, Māori Workforce Development Strategy and Pacific Peoples Workforce Strategy
- + Tertiary Education Commission (TEC) Funding Agreement and Investment Guidance
- + Key Performance Indicators (KPIs) developed annually with TEC
- + Annual Action Plans endorsed by our Council and Industry Stakeholder Group



OPERATING ENVIRONMENT IN 2024-2025

Macroeconomic and Sectoral Influences

- + Ongoing labour shortages and capability gaps persisted across manufacturing, engineering, and logistics sectors, requiring intensified domestic workforce development.
- + Post-COVID economic pressures and cost constraints particularly affected SMEs, a key target for support and engagement
- + Industry transformation demanded a sharper focus on digital and transferable skills in education offerings
- + Environmental sustainability and equitable workforce participation became more pressing amid national and global climate and social equity concerns
- + A matured operational model and increased kaimahi (staff) capability
- + Ongoing cross-sector collaboration with fellow Workforce Development Councils (WDCs) and industry partners
- + Enhanced governance from our diverse and skilled Council and Industry Stakeholder Group

Vocational Education System reform

- + Public consultation on the future vocational education and training system in Aotearoa New Zealand (August -September 2024)
- + Confirmation that Workforce Development Councils will be disestablished and replaced with Industry Skills Boards (December 2024)
- + Targeted consultation on work-based learning models (January - February 2025)
- + Confirmation from TEC that WDCs will be disestablished on 31 December 2025 and will need to use reserves to operate from 1 July 2025 (February 2025)
- + Consultation on the number and coverage of Industry Skills Boards (March - April 2025)
- + Consultation on the draft Vocational Education and Training Bill (May - June 2025).

The above presents important context for our operating environment over the last twelve months. At times, Hanga-Aro-Rau has had to adapt to respond to the changing environment, as well as prepare for disestablishment and transition to the new system. Over this period, our focus has remained consistent:

- + Ensuring business continuity
- + Advocating for industry
- + Supporting a smooth transition to the new system.

STRATEGIC PLANNING THAT INFORMED PERFORMANCE MEASURES

Performance measures were selected to reflect statutory obligations and strategic priorities. Results are nationally aggregated and where relevant, use rolling averages and combined datasets. Measures are grouped by functional outputs and have been expressed in the format (percentage, count, rate) that best represents the performance measure reported on. Prospective targets have been omitted as Hanga-Aro-Rau will be disestablished on 31 December 2025.

Our performance measures for 2024-2025 were shaped by the following:

- 1. Strategic Direction (Te Mahere Moana)
 - + Four strategic pou (pillars):
 - Te Tiriti o Waitangi: Honouring partnerships and Māori leadership
 - Ahumahi: Strengthening industry voice
 - Ka Tika: Embedding equitable outcomes
 - Te Taiao: Hardwiring sustainability

These pou framed the development of initiatives, metrics, and indicators to assess our performance impact.

- 2. Operational Objectives (2024-2026 Plan)
 - + Performance targets were defined under seven priorities, including:
 - Strengthening industry leadership
 - Building workforce pipelines
 - Elevating Māori and Pacific peoples' participation
 - Embedding equitable and inclusive practices
 - Improving programme quality and relevance
 - Supporting SMEs and regional delivery
 - Advancing national workforce planning
- 3. Legislative Functions
 - + Performance measures tracked our delivery across core statutory functions:
 - Providing skills leadership
 - Setting standards and qualifications
 - Endorsing training programmes
 - Offering advice to TEC
 - Moderating industry training outcomes

LOOKING AHEAD

With Hanga-Aro-Rau set to operate until 31 December 2025, we will:

- + Continue to focus on workforce resilience and sustainability
- + Deepen integration of Te Tiriti o Waitangi into all functions
- + Advance data-informed practices
- + Monitor and evaluate the impact of equity-focused initiatives
- + Ensure a strong handover to the new system, enabling the things most important to industry and their workforces to continue.



PERFORMANCE STORYLINES (2024-2025)

Outcome Area 1: Industry Skills Leadership

- + Extensive engagement with over 2,000 stakeholders guided workforce development advice and TEC investment recommendations.
- + Released evidence-based Workforce Development Plans identifying regional skills gaps and critical workforce needs, particularly in logistics and advanced manufacturing.

Outcome Area 2: Qualification System Leadership

- + 2024-2025 saw improvements in programme endorsement turnaround times and the introduction of more modular qualifications that reflect industry needs.
- + Increased co-design with Māori and Pacific stakeholders to embed cultural relevance into training products.

Outcome Area 3: Equity and Inclusion

- + New benchmarks for participation and progression of Māori, Pacific Peoples, women, and tāngata whaikaha (disabled people) were introduced.
- + Built stronger Māori-lwi partnerships and activated parts of the Māori Workforce Development Strategy.
- + Published a series of white papers on unlocking the potential of Māori, Pacific Peoples, and tāngata whaikaha (disabled people).

Outcome Area 4: SME Engagement and Regional Support

+ Expansion of regionally based kaimahi supported direct employer engagement, especially with SMEs.

Outcome Area 5: Internal Capability and Governance

+ Self-evaluation and continuous improvement frameworks enhanced organisational maturity and risk management.

Performance Evaluation and Continuous Learning

- + In line with our self-evaluative approach and strategic frameworks, Hanga-Aro-Rau continues to:
- + Use performance insights to refine strategy
- + Apply an adaptive logic model to guide outcome measurement
- + Benchmark outcomes against inter-WDC collaboration initiatives.

Skills leadership



Hanga-Aro-Rau leads and coordinates industry efforts to identify workforce needs and support the vocational education system and employers to meet those needs. We support this work through research, analysis, advocacy, workforce plan development and contribution to career services by supporting pathways into vocational education.

Hanga-Aro-Rau ensures that information on industry, workforce, research and vocational pathways are 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 (WDPs) 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

Research and insights published and used to drive sector and industry transformation.

Sector Workforce Development Plans are refreshed annually.

Industry satisfied that their career and education pathways are clear and visible.

WHAT WE ACHIEVED 2024/25

Disability research Data and Insights to inform core functions and Workforce Development Plans.

Pacific Peoples insights – Talanoa, Lumana'l o Tangata Moana

Māori insights including Whanake Māori events and profiles.

All Sector Workforce
Development Plans have been reviewed and endorsed by National Industry Advisory
Groups. These documents are being readied to be published on the Hanga-Aro-Rau website.

No longer a formal indicator, however through our engagement activity and in implementing our vocational pathways strategy an increasing number of our industry and employer stakeholders have engaged in pathways events (e.g. Inspiring the Future).

WHAT WE ACHIEVED 2023/24

Research:

- Defining equity at Hanga-Aro-Rau.
- · Disability Literature Review.
- Data and Insights work request outputs are mainly available in the following documents:
- Workforce Development Plans.
- Evidence to support new product proposals.

6 Workforce Development Plans were published by 30 June 2024. Two more were published by mid-July 2024 and we are expecting the final nineth WDP to be published by October 2024.

40% of industry agree that their career and education pathways are visible and clear.

Additional data gathered: 54% of industry agree that their career and education pathways are still developing.

WHAT WE ACHIEVED 2022/23

New indicator 2023/24

A complete suite of 38 workforce development sector profiles that summarise the employment, demographic and learning trends for all sectors.

New indicator 2023/24

During this period, Hanga-Aro-Rau's engagement had a strong focus on advocating for Industry to engage and respond to the public consultation on the VET System redesign.

Additionally, we are committed to cross-Ohu Ahumahi collaboration to collectively transform vocational education for the industries we serve; in particular, we have collaborated with other WDCs on some key projects in the 2024/25 financial year:

- + Development of Mātauranga Māori Operational Guidelines (page 27)
- + 'Let's level up' research (page 41)

Members of teams across Hanga-Aro-Rau tasked with engagement continued 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. It helps to inform:



- + The development and maintenance of workforce development plans (page 45),
- + Lumana'l o Tangata o Moana Pacific Action plan (page 51),
- + Māori Workforce Development (page 48),
- + The development of new credentials (page 56),
- + Quality Assurance (page 58),
- + Investment advice to the TEC (page 44).

Additionally, we created qualification pathway one-pagers for nine sectors, which have been invaluable for industry, especially employers, learners and the existing workforce, to navigate the various educational pathways.

INDICATOR OF SUCCESS

Number of engagements with Industry

Number of engagements with Māori

Number of engagements with Regional groups. economic development agencies, and related organisations

Number of engagements with Providers

Number of engagements with Community groups (including Pacific Networks, tāngata whaikaha networks)

Number of engagements with Vocational pathways (including government networks and influencers)

TARGET 2024/25

1500 formal engagements with Industry (including Associations, Industry Stakeholder Group, National Industry Advisory Group, Employers, Unions, other groups identified in our Order in Council).

At least:

- · Three iwi businesses
- · 40 Māori employers
- 50 Māori kaimahi
- 150 new contacts.

50 engagements with Regional groups.

80 engagements with Providers.

24 engagements with Community groups.

12 engagements with Government networks and influencers.

WHAT WE **ACHIEVED** 2024/25

1396 formal engagement with Industry stakeholders carried out.

355 formal engagements with Māori carried out, including:

- 46 with Māori emplovers
- 50 with Māori kaimahi
- · 162 new contacts.

16 formal engagements with Regional groups carried out.

Note: Not recorded here are the regional connections via our NIAGs.

309 formal engagements with Providers carried out.

16 formal engagement with Community groups carried out.

115 formal engagements with Vocational pathways carried out.

WHAT WE **ACHIEVED** 2023/24

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

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.

WHAT WE ACHIEVED 2022/23

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.

43 engagements with RSI Gs

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.

New indicator 2023/24

Engagement statistics



INDUSTRY ENGAGEMENT

1073

engagements

across

organisations

across

sectors

23%

face-to-face

36%

virtual

41%

email/phone call

MĀORI WORKFORCE DEVELOPMENT ENGAGEMENT

355

engagements

with Māori employers

workers

of which with jwi

63%

face-face

online

QUALITY ASSURANCE ENGAGEMENT

provider visits conducted

providers visited

providers visited were secondary schools (55%)

providers visited . were PTEs (29%)

providers visited were Te Pūkenga entities (10%)

Endorsing programmes

Programme endorsements are valuable for understanding how Hanga-Aro-Rau qualifications translate into the actual delivery

context. We achieve this by reviewing the programme against six key considerations with a focus on our providers showing how they are:

- + meeting the learning outcomes
- + incorporating assessment methodology that will ensure best practice assessment
- + consulting with the industry to understand what skills are required now and for the future
- + demonstrating the inclusion of all learners in their programme, focusing on the traditionally underserved
- + consulting with iwi, hapū, and Māori businesses and learners to ensure Te Tiriti O Waitangi is being honoured.

In 2024/25 Hanga-Aro-Rau endorsed 21 programmes.



INDICATOR OF SUCCESS WHAT WE ACHIEVED 2024/25 WHAT WE ACHIEVED 2023/24 WHAT WE ACHIEVED 2022/23

All programmes endorsed within 20 working days

Comply with NZQA Self-Assessment criteria

100% completed in 20 working days.

Achieved.

100% completed in 20 working days.

New indicator 2024/25

100% of programme endorsement applications received (65) were processed within SLR timeframes (20 days).

New indicator 2024/25

INDUSTRY ENGAGEMENT

programme endorsement applications completed

type 2 changes (i.e. amendments to current programmes)

new programmes

Moderating assessment

Hanga-Aro-Rau takes a consultative approach to pre-assessment moderation, including understanding the context in which the assessment will occur. A key focus of our moderation activity will be to ensure that the assessment design does not present barriers to learners' success. Support and guidance will be given to providers when developing assessment material to ensure a successful outcome is reached.

Post-assessment moderation focusses on continuous improvement of assessment practices.

The selection of unit-standards called for moderation is based on the following:

- + The outcomes of previous moderation
- + Newly developed or reviewed unit standards
- + Health & Safety risks attached to the assessment of a unit
- + Assessment of new programmes

- + Assessment or recently granted consent to assess
- + Unit standards identified as high failure rates
- + Unit standards identified by industry as of concern
- + Assessments undertaken from recently pre-moderated material

We continue to see more and more providers meeting the national standard the first time. This has been a growing trend since our inception (see graph below). 85% of post-assessment moderation projects in 2024/25 returned a result of "At National Standard". Where a project does not meet the national standard, we work closely with the provider to support practical improvements. For those that do not meet the national standard, we work closely with the provider/school to support practical improvements.



INDICATOR **OF SUCCESS**

Moderation plans/activities delivered in response to applications received

30% of provider base called for post-moderation each quarter

National External Moderation (NEM) Performance Criteria aligned with NZQA

Comply with NZQA Self-Assessment criteria

WHAT WE ACHIEVED 2024/25

Moderation plans/activities delivered in response to applications received, including:

414 pre-assessment moderations

739 post-assessment moderations

29 applications for consent to assess

100% of our assessing providers in 2023 were called for postmoderation in 2024, and 100% of our assessing providers in 2024 have been/are being called in the 2025 calendar year.

Measure replaced in 2024/25 with 'Comply with NZQA Self-Assessment criteria'.

Achieved.

WHAT WE ACHIEVED 2022/23

Moderation plans/activities delivered in response to applications received, including:

566 pre-assessment moderations

777 post-assessment moderations

31 consents to assess

100% of our assessing providers in 2022 were called for postmoderation in 2023, and 100% 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 to be provided by t he end of the first quarter of

New indicator 2024/25

WHAT WE **ACHIEVED 2022/23**

Moderation plans/activities delivered in response to applications received

61% of provider based called in the first half of 2022/23.

41% of our provider base called for post-moderation in the second half of 2022/23.

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.

New indicator 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.

In 2024/25, we developed a 10-stage project framework to improve transparency and understanding of the standard-setting process. We also released an online project tracking platform to track progress and improve clarity.

INDICATOR OF SUCCESS

55 qualifications reviewed 980 standards reviewed

WHAT WE **ACHIEVED 2024/25**

103 total: 80 Qualifications & 23 Micro-credentials.

1061 total: 220 Skill Standards & 841 Unit Standards.

WHAT WE ACHIEVED 2023/24

47 qualifications have been reviewed, approved and listed on the NZQF.

277 unit-standards have been reviewed, approved and listed on the NZQF.

19 new skills-standards and 17 new micro-credentials developed with NZQA approval.

WHAT WE **ACHIEVED 2022/23**

41 qualifications and 493 unitstandards have been approved and listed on the NZQF.

8 new qualification suites have been 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 korero and collaboration with those who collaborate with us on our journey to transform vocational education in Aotearoa. We have continued to improve this process and have reviewed 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 2026 can be found on (page 44).

INDICATOR OF SUCCESS

Advice submitted to TEC on time and to specification to inform annual investment planning

Advice evidence industry need

WHAT WE **ACHIEVED 2024/25**

Hanga-Aro-Rau delivered Investment Advice - 2026 to TEC on time.

Hanga-Aro-Rau's advice to TEC 2026 was developed in partnership with our Industry stakeholders and National Industry Advisory Groups to reflect current and anticipated industry need.

WHAT WE **ACHIEVED 2023/24**

Hanga-Aro-Rau delivered Investment Advice - 2025 to TEC on 3 November 2023.

Hanga-Aro-Rau's advice to TEC 2025 was developed through examining historical and forecast employment data supplied via economic consultancy service Infometrics.

Where variations above or below 5% to the employment data were identified, the WDC examined the affected occupations in those sectors. Those identified occupations were then linked, where applicable, to qualifications relating to the skillsets of those occupations.

WHAT WE **ACHIEVED 2022/23**

Hanga-Aro-Rau delivered themelevel advice in December 2022.

Hanga-Aro-Rau delivered our inaugural Investment Advice -2024 to TEC around the level of investment and mix of provision in April 2023.

New indicator for 2023/24

Impact



All Workforce Development Councils (WDCs) are mandated by the Tertiary Education Commission (TEC) 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 Hanga-Aro-Rau's role as a WDC, we work 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

KEY PERFORMANCE (ROVE) BENEFIT INDICATORS

WHAT WE **ACHIEVED** 2024/25*

WHAT WE **ACHIEVED** 2023/24**

WHAT WE **ACHIEVED** 2022/23

A stronger voice for learners, industry, employers and regions, including iwi development.

Relevant vocational education meeting the skill needs of learners, industry, employers, regions, Māori iwi and hapu.

Relevant vocational education meeting the skill needs of learners, industry, employers, regions, Māori iwi and hapu. Percentage of key industry and Māori sector stakeholders who agree that their priorities are understood and effectively communicated by WDCs.

% of key industry and Māori sector stakeholders that are confident that graduates will have the relevant skills.

% of key industry and Māori sector stakeholders that are confident that graduates have the relevant skills.

To assess the levels of confidence of the main industry bodies and Māori sector stakeholders that their priorities are understood by the WDCs, and that the WDCs are effectively communicating these priorities to the sector.

MEASURES

Evidence that the main industry bodies and Māori sector stakeholders are confident that the system changes will result in graduates having the relevant skills.

Evidence the main industry bodies and Māori sector stakeholders agree courses and qualifications have equipped learners with skills relevant to employers.

66% of key industry and Māori sector stakeholders who agree that their priorities are understood and effectively communicated by WDCs.

53% of key industry and Māori sector stakeholders that are confident that graduates will have the relevant skills.

34% of key industry and Māori sector stakeholders that are confident that graduates have the relevant skills.

69% of key industry and Māori sector stakeholders who agree that their priorities are understood and effectively communicated by WDCs.

57% of key industry and Māori sector stakeholders that are confident that graduates will have the relevant skills.

48% of key industry and Māori sector stakeholders that are confident that graduates have the relevant skills.

40% of industry agree that their career and education pathways are visible and clear.

Additional data gathered 54% of industry agree that their career and education pathways are still developing.

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:

Stakeholders recognised that we were still a new organisation, so many responses were 'not sure'.

Stakeholders were most confident that Hanga-Aro-Rau is performing well to lead the vocational education system and its transformation.

A new set of confidence indicators have been introduced by the Tertiary Education Commission in 2023/24 and will replace this measure.

New indicator for 2023/24

New indicator for 2023/24

^{*} The 2025 survey was sent to 790 stakeholders, including employers, industry associations, Māori and Pacific employers, iwi providers, Pacific community stakeholders, and providers involved in qualification review. A total of 124 responses were received, resulting in a response rate of 16%, an increase on the 11% response rate of the 2024 survey.

^{**} We had 607 (General and Pacific) participants, with 48 respondents resulting in a response rate of 8%; and to 196 Māori participants, with 41 respondents resulting in a response rate of 21%. 89 respondents out of 803=11% overall response rate.





BDO Wellington Audit Limited

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 2025.

The Auditor-General is the auditor of Hanga-Aro-Rau - Manufacturing, Engineering and Logistics Workforce Development Council ("Hanga-Aro-Rau"). 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 Hanga-Aro-Rau on his behalf.

Opinion

We have audited:

- the financial statements of Hanga-Aro-Rau on pages 79 to 105, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in net assets/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 Hanga-Aro-Rau on pages 65 to 73.

In our opinion:

- the financial statements of Hanga-Aro-Rau:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - · comply with generally accepted accounting practice in New Zealand in accordance with Tier 2 Public Sector PBE Accounting Standards RDR issued by the New Zealand Accounting Standards Board; and

the statement of service performance of Hanga-Aro-Rau:

- presents fairly, in all material respects, appropriate and meaningful service performance information in accordance with Hanga-Aro-Rau's measurement bases or evaluation methods for the year ended 30 June 2025; and
- complies with generally accepted accounting practice in New Zealand in accordance with Tier 2 Public Sector PBE Accounting Standards RDR issued by the New Zealand Accounting Standards Board.

Our audit was completed on 29 October 2025. 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.

Emphasis of Matter - The financial statements are prepared on a disestablishment basis

Without modifying our opinion, we draw attention to Note 1 on page 84 about the financial statements being prepared on a disestablishment basis. The Education and Training (Vocational Education and Training System) Amendment Bill was passed on 15 October 2025 which provides for the disestablishment of the Workforce Development Councils by 31 December 2026 or earlier by Order in Council. As a result, Hanga-Aro-Rau is no longer considered a going concern.

We consider the disestablishment basis of preparation of the financial statements and the related disclosures to be appropriate to Hanga-Aro-Rau's circumstances.

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 Hanga-Aro-Rau 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 Hanga-Aro-Rau 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, the Council is responsible on behalf of Hanga-Aro-Rau for assessing Hanga-Aro-Rau'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 Hanga-Aro-Rau or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the Order in Council made under section 363 of the Education and Training Act 2020 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 Hanga-Aro-Rau'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 Hanga-Aro-Rau'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 and meaningfulness of the reported performance information within Hanga-Aro-Rau'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 Hanga-Aro-Rau'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 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 Hanga-Aro-Rau to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.



Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 62 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 Hanga-Aro-Rau 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in Hanga-Aro-Rau.

Geoff Potter

BDO Wellington Audit Limited On behalf of the Auditor-General Wellington, New Zealand 29 October 2025

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 Statement 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 2024 to 30 June 2025.

The Financial Statements fairly reflect the financial position and operations of Hanga-Aro-Rau for 1 July 2024 to 30 June 2025.

Signed by:

Renata Hakiwai Chair

29 October 2025

Phil Alexander-Crawford

Chief Executive 29 October 2025

Samantha McNaughton **Deputy Chief Executive** 29 October 2025

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

All in \$000s	Note	Actual 2025	Budget 2025	Actual 2024
Revenue				
Government funding	2	13,114	13,114	13,114
Interest revenue	2	450	182	263
Total revenue		13,564	13,296	13,377
Expenditure				
People related expenses	3	11,241	10,211	8,538
Hāpaitia Limited - Shared Council services	3	1,345	1,645	1,473
Administration and other expenses	3	1,223	1,750	1,652
Total expenditure		13,809	13,606	11,663
Surplus/(Deficit)		(245)	(310)	1,714
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		(245)	(310)	1,714

Statement of Financial Position



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

As at 30 June 2025

All in \$000s	Note	Actual 2025	Budget 2025	Actual 2024
Assets				
Current assets				
Cash and cash equivalents	4	9,863	6,770	8,402
Trade and other receivables	5	855	794	946
Prepayments		14	117	32
Total current assets		10,732	7,681	9,380
Total assets		10,732	7,681	9,380
Liabilities				
Current liabilities				
Trade and other payables	7	246	347	472
Employee entitlements	8	2,275	457	452
Total current liabilities		2,521	804	924
Total liabilities		2,521	804	924
Net assets		8,211	6,877	8,456
Equity				
Accumulated surplus	10	8,211	1,127	1,462
Operating reserve	10	-	3,000	3,600
Capital reserve	10	-	491	665
Special projects reserve	10	-	2,130	2,600
Te Kāhui Ahumahi reserve	10	-	129	129
Total equity		8,211	6,877	8,456

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



2025 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 2024	10	1,462	3,600	665	2,600	129	8,456
Total comprehensive revenue and expense for the year		(245)	-	-	-	-	(245)
Transfers between reserves		-	-	-	-	-	-
Operating reserve		3,600	(3,600)	-	-	-	-
Capital reserve		665	-	(665)	-	-	-
Special projects reserve		2,600	-	-	(2,600)	-	-
Te Kāhui Ahumahi reserve		129	-	-	-	(129)	-
Total transfers		6,994	(3,600)	(665)	(2,600)	(129)	-
Balance at 30 June 2025		8,211	-	-	-	-	8,211
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	10	217	3,000	796	2,600	129	6,742

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	10	217	3,000	796	2,600	129	6,742
Total comprehensive revenue		4.744					4.744
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

Statement of Cash Flows



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

All in those	None	A - L L 0005	Durden d 0005	Actual 2024
All in \$000s	Note	Actual 2025	Budget 2025	Restated
Operating activities				
Receipts from Government		13,114	13,114	13,114
Receipts of interest	16	276	-	116
Receipts of other revenue		60	-	-
Goods and services tax (net)		(61)	9	38
Payments to people		(8,568)	(9,399)	(7,749)
Payments to suppliers		(3,535)	(4,092)	(3,962)
Net cash flows from operating activities		1,286	(368)	1,557
Investing activities				
Receipts from sale of PPE		_	(117)	-
Term deposit receipts	16	10,000	-	10,500
Term deposit payments	16	(10,000)	-	(8,500)
Receipts of interest on term deposits	16	174	-	185
Net cash flows from investing activities		174	(117)	2,185
Financing activities				
Advances repaid by Hāpaitia		-	-	31
Receipts from interest		-	183	-
Net cash flows from financing activities		-	183	31
Net (decrease)/increase in cash and cash equivalents		1,460	(302)	3,773
Cash and cash equivalents at beginning of the period		8,403	7,073	4,629
Cash and cash equivalents at end of the period		9,863	6,771	8,402

Notes Index



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

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For the year ended 30 June 2025

1. Statement of accounting policies

Reporting entity

Hanga-Aro-Rau is domiciled in Aotearoa 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 disestablishment basis.

Due to the matters outlined in the "VET System redesign contained in Note 15 "Events after reporting date" the financial statements of Hanga-Aro-Rau - Manufacturing, Engineering and Logistics have not been prepared on a going concern basis for the year ended 30 June 2025. The Education and Training (Vocational Education and Training System) Amendment Bill provides transitional legislation which is now passed into law and provides for the transfer of Council assets to Industry Skills Boards on the disestablishment of WDCs which will cease to operate on 31 December 2026 or earlier by Order in Council. The legislation provides that the assets, staff and legal obligations transfer to ISBs or NZQA according to approved transition plans.

The preparation of financial statements on a disestablishment basis has had little effect on the balances reported in the financial statements. Current assets are either cash or liquid assets with actual balances of receivables and payables verified post balance date. All assets are recognised at book value and will be transferred to ISBs as provided in legislation and will be recognised in the new entity at the same value. To reflect the liabilities of the WDC on disestablishment accruals have been made for redundancy and retention payments that will be due when positions are terminated. Accordingly, there have been no realisation adjustments recorded in the Statement of comprehensive revenue and expense.

Reporting period

The reporting period for the current year is for the 12-month period 1 July 2024 to 30 June 2025 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 the 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 2025.

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 entity.

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 Board in preparing these financial statements.



For the year ended 30 June 2025

1. Statement of accounting policies (continued)

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:

· recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement was based on the facts and circumstances that are evident for each grant contract.

Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and pavables, 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 was been made for Income Tax.



For the year ended 30 June 2025

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

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

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 provide 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. In the 2024/2025 financial year TEC funding has been recognised as revenue only when used, as the TEC funding letter indicates that overpaid funds will be recognised as a liability to TEC, payable on demand and therefore is reflected as Income in Advance in the Balance Sheet.

In prior years the WDC has recognised the TEC funding as revenue when received. The TEC funding had stipulations, and they take the form of restrictions not conditions.



For the year ended 30 June 2025

2. Revenue (continued)

All in \$000s	Actual 2025	Actual 2024
Government funding classified as non-exchange transactions		
Government funding classified as non-exchange transactions	13,114	13,114
Total Government funding	13,114	13,114
Other revenue classified as exchange transactions		
Interest revenue	450	263
Total other revenue	450	263
Total revenue	13,564	13,377
Revenue classification		
Non-exchange revenue	13,114	13,114
Exchange revenue	450	263
Total revenue	13,564	13,377



For the year ended 30 June 2025



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 2025	Actual 2024
People related expenses		
Wages and salaries	8,040	7,797
Redundancies and retentions	2,318	-
Contractors	528	372
Councillors and board expenses	267	301
Other employee expenses	88	68
Total	11,241	8,538
Hāpaitia Shared Council Services ⁽¹⁾	1,345	1,473
Administrative and other expenses		
Consultancy costs		
Consultancy costs	81	102
Audit expenses ⁽²⁾	47	38
Legal fees	19	12
Total	147	152
People and Culture costs		
Other staff costs	52	57
Recruitment costs	-	51
Total	52	108

All in \$000s	Actual 2025	Actual 2024
Information Technology costs		
IT licensing costs	22	-
Subscriptions and memberships	78	127
Total	100	127
Office and other costs		
General expenses	152	234
Travel and engagement costs	630	774
Communication and marketing	142	257
Total	924	1,265
Total administration and other expenses	1,223	1,652
Total expenditure	13.809	11,663

^{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.



For the year ended 30 June 2025

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 2025	Actual 2024
Bank deposits	345	107
Call deposits	9,518	8,295
Total	9,863	8,402

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 2024 and 2025 with the Bank of New Zealand with variable interest rates.



For the year ended 30 June 2025

5. 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 debtor 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 indicates 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 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 Limited for shared services to be provided. As provided in the Service Contract with Hāpaitia Limited the advance to Hāpaitia Limited, an associate, is non-interest bearing.

Trade receivables Trade receivables from exchange transactions	Actual 2025	Actual 2024 60
Net trade receivables from exchange transactions	-	60
Receivables from non-exchange transactions		
GST receivable	61	92
Advances to Hāpaitia	794	794
Total receivables from non-exchange transactions	855	886
Total receivables	855	946



For the year ended 30 June 2025

6. Associates

Accounting Policy

Associates

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

Investments in associates are accounted for in the financial statements using the equity method of accounting. Investments in associates are measured at cost, including directly attributable transaction costs, in 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 significant influence 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 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.





For the year ended 30 June 2025

7. Trade and other payables

Accounting Policy

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

All in \$000s	Actual 2025	Actual 2024
Trade payables	192	385
Accruals	52	74
Other payables	2	13
Total	246	472

8. Employee benefit liabilities

Accounting Policy

Redundancy Provision

Individual employment agreements for Hanga-Aro-Rau kaimahi include a redundancy clause providing 12 -24 weeks redundancy. In light of the VET reforms and instructions from TEC, Hanga-Aro-Rau is planning for transition of operations to ISBs and for redundancy for all kaimahi upon disestablishment. A provision for redundancy has been recognised based on kaimahi employed at 30 June 2025 and their salaries at this time.

Retention payments

Hanga-Aro-Rau has entered agreements with key personnel to provide a retention payment if they continue in their employment through to 31 December 2025. A provision for retention payments has been recognised as there is less than 6 months until the agreements and the requirement to pay would crystalise and likelihood of payment is quantifiable and fairly certain.

All in \$000s	Actual 2025	Actual 2024
Current Retention and Redundancy	1,936	_
Other short term employee benefits	339	452
	2,275	452



For the year ended 30 June 2025

9. Financial instruments

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

Hanga-Aro-Rau classifies financial assets and financial liabilities as amortised cost. Financial instruments are initially measured at fair value plus directly attributable transactions costs. Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies provided in notes 5 and 7 and below.

i) Classification of financial instruments

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

2025		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	9,863	-	9,863
Receivables	5	794	-	794
Payables	7	-	(246)	(246)
		10,657	(246)	10,411

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	5	854	-	854
Payables	7	-	(472)	(472)
		9,256	(472)	8,784



For the year ended 30 June 2025

9. 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, and 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.



For the year ended 30 June 2025

10. 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.

As Hanga-Aro-Rau will cease to operate on 31 December 2026 or earlier by Order in Council, the Council has chosen to combine all reserves into Accumulated surplus.

All in \$000s	Actual 2025	Actual 2024
Equity		
Accumulated revenue and expenses	8,211	1,462
Page 1997		
Reserves		0.000
Operating reserve	-	3,600
Capital reserve	-	665
Special projects reserve	-	2,600
Te Kāhui Ahumahi reserve	-	129
Total reserves	-	6,994
Total equity	8,211	8,456
All in \$000s	Actual 2025	Actual 2024
Accumulated revenue and expenses		
Balance at 1 July	1,462	217
Surplus/(deficit) for the year before other comprehensive revenue and expenditure	(245)	1,714
Allocation from/(to) operating reserve	3,600	(600)
Allocation from/(to) capital reserve	665	131
Allocation from/(to) Te Kāhui Ahumahi reserve	129	-
Allocation from/(to) Special projects reserve	2,600	-
Balance as at 30 June	8,211	1,462



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

For the year ended 30 June 2025

10. 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 2025	Actual 2024
Operating Reserve		
Balance at 1 July	3,600	3,000
Allocation from/(to) accumulated revenue and expense	(3,600)	600
Balance as at 30 June	-	3,600

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 2025	Actual 2024
Capital Reserve		
Balance at 1 July	665	796
Allocation from/(to) accumulated revenue and expense	(665)	(131)
Balance as at 30 June	-	665

Workforce Development Council

Notes to the Financial Statements Hanga-Aro-Rau - Manufacturing, Engineering and Logistics



For the year ended 30 June 2025

10. Equity (continued)

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 2025	Actual 2024
Special Projects Reserve		
Balance at 1 July	2,600	2,600
Allocation from/(to) accumulated revenue and expense	(2,600)	-
Balance as at 30 June	-	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 2025	Actual 2024
Te Kāhui Ahumahi reserve		
Balance at 1 July	129	129
Allocation from/(to) accumulated revenue and expense	(129)	-
Balance as at 30 June	_	129



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

For the year ended 30 June 2025

11. Major budget variations

Explanations for major statement of comprehensive revenue and expense budget variations from the 2025 Hanga-Aro-Rau budget are detailed below:

All in \$000s	Actual 2025	Budget 2025	Variance
Revenue variances			
Government funding	13,114	13,114	-
Interest revenue	450	182	268
Expenditure variances			
People related expenses	11,241	10,211	1,030
Shared services	1,345	1,645	(300)
Administration and other expenses	1,223	1,750	(527)
Depreciation and amortisation	-	-	-
Total comprehensive revenue and expense	(245)	(310)	65

Interest revenue was higher than budget due to higher levels of term deposits than expected when preparing the budget. Employee expenses were higher than budgeted due to the accrual of redundancy and retention payment offset by savings from unfilled vacancies during the year. Shared services expenses were lower than expected due to lower costs incurred by Hāpaitia (shared services company) during the year. Administration and other expenses were lower than budgeted primarily due to savings in research and travel costs.



For the year ended 30 June 2025

11. Major budget variations (continued)

Explanations for major statement of financial position budget variations from the 2025 Hanga-Aro-Rau budget are detailed below:

All in \$000s	Actual 2025	Budget 2025	Variance
Statement of financial position			
Current assets	10,732	7,681	3,051
Current liabilities	2,521	804	1,717
Equity	8,211	6,877	1,334

Current assets were higher than budgeted due to higher than expected cash balances resulting from lower levels of expenditure than planned. Current liabilities were higher than budgeted largely due to the accrual for redundancies and retention payments which were not budgeted. Equity reserves were higher than budgeted due to the deferral of reserves funded projects and the lower level of deficit at the end of the year.



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

For the year ended 30 June 2025

11. Major budget variations (continued)

Explanations for major statement of cash flow budget variations from the 2025 Hanga-Aro-Rau budget are detailed below:

All in \$000s	Actual 2025	Budget 2025	Variance
Statement of cash flows			
Cash flow from operating activities	1,286	(368)	1,654
Cash flow used in investing activities	174	(117)	291
Cash flows from financing activities	-	183	(183)
Net (decrease)/increase in cash and cash equivalents	1,460	(302)	1,762
Cash and cash equivalents at beginning of the year	8,403	7,073	1,330
Total cash and cash equivalents at end of the year	9,863	6,771	3,092

Cashflows from operating activities were higher than budgeted due to lower payments to people and suppliers resulting from lower than planned levels of expenditure.



For the year ended 30 June 2025

12. Operating leases

Accounting Policy

Operating leases

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

Hanga-Aro-Rau has a commitment under the service contract with Hapaitia 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 (Note 13).

13. 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 Hapaitia 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 lease cost to 31 December 2025 of \$29,538 (\$2024: \$118,519). The lease commitment continues until either party terminates 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 2025, was \$78,117 (2024: \$141,147).

Contingent Liabilities

The TEC Funding letter for the 2024/2025 year provides that overpaid funding will be recognised as a liability to TEC. As the full funding received has been utilised during the financial year 2024/2025 there is no Income in Advance liability in the Statement of Financial Position at 30 June 2025. The Education and Training (Vocational Education and Training System) Amendment Bill provides that all rights, assets and liabilities of a WDC will transfer to ISBs on or before 31 December 2026 or earlier by Order in Council. At the time of signing of these financial statements there has been no demand for payment and the actual value of any liability is not known.

Capital Commitments

There are no capital commitments at reporting date (2024: Nil).





For the year ended 30 June 2025

14. 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 2025	Actual 2024
Key management personnel related party transactions		
Council members		
Number of Council members ^{(1) (2)}	0.16	0.24
Remuneration	290	315
Senior executive officers		
Full-time equivalent members ⁽³⁾	6.92	5
Remuneration	1,792	1,267
Total full-time equivalent members	7.08	5.24
Total key management personnel remuneration	2,082	1,582

^{1.} There were eight members of council who served throughout the reporting period. (2024:There were ten members of council who served throughout the reporting period. In addition there was one other member who served six months.)

^{2.} Teresa Poli joined council in December 2023 and has been included in the total renumeration paid to councillors.

^{3.} There were seven members of the senior management team considered to be key management personnel for the full reporting period, with one member leaving in May (2024: 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.)



For the year ended 30 June 2025

14. 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:

2025		Transaction Value	Transaction Value	Accounts Payable	Accounts Receivable	Advances made
Related Party	Goods/Services Provided	(\$000's)	(\$000's)	(000's)	(000's)	(000's)
		Paid	Received	As at June 30	As at June 30	As at June 30
	Shared Corporate Services including Finance, IT, People &					
Hapaitia Ltd	Culture, and Office Management)	1,865	-	173	-	794
Muka Tangata	Shared project and operational costs recharged	100	-	-	-	-
Ringa Hora	Shared project and operational costs recharged	3	-	-	-	-
Toi Mai	Shared project and operational costs recharged	-	-	-	-	-
Toitū te Waiora	Shared project and operational costs recharged	-	-	-	-	-
Waihanga Ara Rau	Shared project and operationalcosts recharged	-	-	-	-	-
Jonathan Tautari(1)	Advisory Services/Consultancy		-	1	-	-
Grant Cleland	Creative Solutions	32	-	-	-	-
Fire Protection Association NZ		2	-	-	-	-
Topham Guerin		125	-	-	-	-
Total		2,127	-	174	-	794

^{1.} Related party due to senior management team member familial relationship.





For the year ended 30 June 2025

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

2024		Transaction Value	Transaction Value	Accounts Payable	Accounts Receivable	Advances made
Related Party	Goods/Services Provided	(\$000's)	(\$000's)	(000's)	(000's)	(000's)
		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 operationalcosts recharged	19	-	6	-	-
Ringa Hora	Shared project and operationalcosts 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⁾	Subscriptions & Memberships, Conference Registration	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



For the year ended 30 June 2025

15. Events after reporting date

Vocational Education and Training (VET) system redesign

On 1 August 2024, The New Zealand Government announced a review of vocational education and training. The Education and Training (Vocational Education and Training System) Amendment Bill was passed on 15th October 2025 and provides that Industry Skills Boards will be created and the WDCs will be disestablished by 31 December 2026 or earlier by Order in Council.

Transition

Upon disestablishment, WDC councils cease to exist and all remaining rights, responsibilities, assets and liabilities will be passed to Industry Skills Boards (ISBs).

Such transfers will be made in accordance with transition plans to be developed by the WDCs and NZQA and approved by TEC.

Financial Impact to Hanga-Aro-Rau -Manufacturing, Engineering and Logistics

Other than cash and shares held in Hapaitia Ltd (Shared services entity) it is expected that all assets will be distributed for nil consideration on 31 December 2026 or earlier by Order in Council. Any employees transitioned will be on the same terms and conditions of employment. The assets transferred will continue to be used for the benefit of the learners and industries represented by the Industry Skills Board.

16. Prior Period restatement

During the year, the entity identified an error relating to the presentation of short-term deposits, which impacts the prior period figures where the disclosed figures reflected net amounts and did not account for the grossed-up cash movements related to the investments in and maturities of term deposits.

Therefore, the 2024 comparative has been restated to reflect this correction. There is no impact on the Statement of Comprehensive Revenue and Expense or Statement of Financial Position, and the net impact on the Statement of Cash Flows is nil.

Impact on Statement of Cash Flows

	2024 Audited Accounts	Movement	2024 Restated Accounts
All in \$000s	\$000	\$000	\$000
Cash flows from operating activities			
Receipts of interest	301	(185)	116
Cash flows from investing activities			
Term deposit receipts	2,000	8,500	10,500
Term deposit payments	-	(8,500)	(8,500)
Receipts of interest from term deposits	-	185	185



PŪRONGO Ā-TAU
ANNUAL REPORT 2024-25
He reo ahumahi, he oranga mahi
He oranga ōhanga, he whenua taurikura
Industry voice for employment productivity
Economic well-being for a prosperous country

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