![Muka Tangata – People, Food and Fibre Workforce Development Council logo]

Muka Tangata–
People, Food, and Fibre
Workforce Development Council

Establishment Plan

Date: July 2021

![Muka Tangata – People, Food and Fibre Workforce Development Council logo]

Mihi

E puta mai ana a Puanga ki te tai rāwhiti he tohu o te whakaputanga o Matariki. He wā o te whakakōpuni te whānau ki te kāinga ki te kōrero, ki te tiritiri kai, ki te whakamahere tātou i te tau hou.

Anō nei te hirahira o te wā whakaputanga o te whare hou o Muka Tangata, ka whakatāwhiri ngā mema o te Kaunihera me noho tātou ki te whakawhanaungatanga me whakamahere ki te awatea o te kaupapa Ohu Mahi.

As Rigel (Puanga) shows its star in the eastern sky, and gives the sign that Pleiades (Matariki) is rising. A time of getting together with family to talk about the past year, to share food, and plan together for the new year.
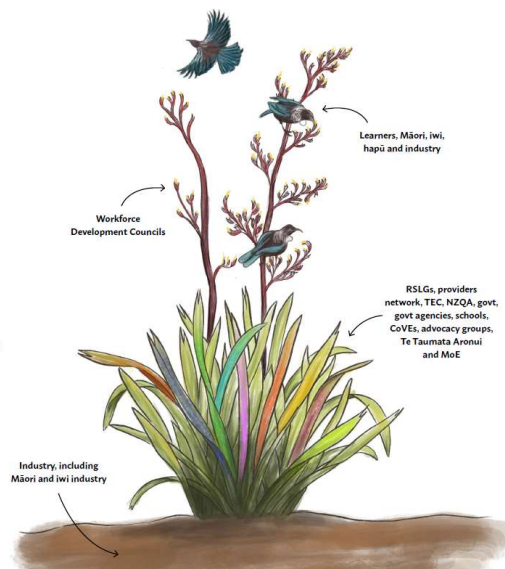
The significance of this new year is the emergence of the new houses of vocational education, a time to weave together the members of the Council as they take their seats, plan together and get to know each other.

MUKA TANGATA
People, Food and Fibre
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The red strand from the Ohumahi brand represents the colour of the whenua and the life-giving blood of Papatūānuku, earth mother. Our link to her as humans through Kurawaka weaves our human origins, our 'muka' strand to all living things. 'Kura' can describe both the dark ochre red colour as well as 'schools' of learning.

Workforce Development Councils
Engagement with VET system

The different entities are represented by different parts of the ecosystem. Soil represents industry as the foundation of the Workforce Development Councils (WDCs), harakeke flax represents the various entities that support the WDCs, the harakeke flowers represent WDCs and the learners, industry, Māori, iwi and hapū are the Tūī feeding on the blossom, who benefit from the work of the WDCs.

Learners, Māori, iwi, hapū and industry

Workforce Development Councils

RSLGs, providers network, TEC, NZQA, govt, govt agencies, schools, CoVEs, advocacy groups, Te Taumata Aronui and MoE

Industry, including Māori and iwi industry

Our name

Muka Tangata – a metaphor for people woven into the workings of the universe and our place in it. Through weaving the muka fibre of the harakeke (flax, phormium tenax), we gain a better understanding of this world. We bind together with fragile threads, strands, and fibre of the earth to protect, teach and nurture te rito (the flax shoot).

E Muka Tangata e	Human fibre (literal translation)
Awhi te rito o ngā harakeke	Nurture the baby shoot of the flax
Huihui ngā tangata	Gather together, people
Raranga mahi mana mai	Weave from/through our potential
Maranga mahi mana mai	Awaken from/through our potential
Karanga mahi mana mai	Calling our potential

Figure 1 Muka Tangata People Food and Fibre WDC - Chris Flatt, Cathy Webb, Dan Epiha-Netana, Turi Ngātai, Kevin Ihaka (obscured), Erin Simpson, Minister Chris Hipkins, Bernadette Kelly, Wini Geddes, Geoff Taylor, Paul Crick, (absent from photo) Warwick Tauwhare-George, Ilani Nemani.

MUKA TANGATA
People, Food and Fibre
Workforce Development Council

Foreword

The formation of Muka Tangata - People, Food, and Fibre Workforce Development Council marks a step change in vocational education that will bring industry leadership to the fore. As members of the Establishment Council, we are privileged to be the voice of industry in the education system.

Our industry comprises some 200,000 plus people in industries as diverse as dairy farming, apple growing and seafood processing. These people in our industries contribute to the wellbeing of themselves, their family, community and the economy of Aotearoa New Zealand on a daily basis. To continue doing this, and to stay at the forefront of producers worldwide, they need support to build the skills and capabilities to operate in a new future.

As a Council we acknowledge our role in creating an industrious, globally-engaged and sustainable Aotearoa New Zealand. Our contribution will be achieved through designing high quality vocational education and promoting opportunities for all people to reach their full potential, which in turn will realise the potential of the businesses they work in.

As a sector, food and fibre faces intense challenge like no other generation before. We need to build sustainable and competitive businesses that deliver produce to meet and exceed the ethical requirements of consumers. This will be no mean feat and will require upskilling at all levels of business, as well as recruitment of new talent to bring the skills required to thrive. This means Muku Tangata must concern itself with all parts of the formal and informal education system so that appropriate responses are available for our employees, our business owners, our advisors, and for our future workforce to find their way into our sector and grow the requisite skills to play their part in meeting these challenges and achieving excellence.

These challenges bring great responsibility to make sure our industry is heard. To deliver the outcomes we seek, Muku Tangata must work intimately with industry to understand their needs and faithfully represent those to providers, funders and other organisations in the wider learning system. In particular, Muku Tangata recognises a commitment to the articles of Te Tiriti o Waitangi that will ensure policies, procedures and provision enable equitable outcomes for all participants in our sector.

Muku Tangata is under no illusion that it is industry, instead we recognise the role we play in working with businesses and industry groups who have established strategies to help develop a skills response that will bring those aspirations to life. We see ourselves as see ourselves as accountable to industry for playing our role effectively. Muku Tangata cannot achieve these outcomes alone and will hold industry accountable as collaborators. We recognise the importance of each part of the learning system, including employers and industry groups, playing their part in achieving great outcomes.

We look forward to building a truly engaged WDC that works effectively with industry, Māori, learners, Government and other interested parties to deliver to the aspirations of our people and our businesses.

Tikanga

Muka Tangata Tikanga

- Te Tiriti o Waitangi
- Ti Kanga Whakahaere   Rules of engagement
- Mana Orite   Equity
- Ihi Whaikoha   Respect
- Whakapapa   Links, kinship (all types)
- Whai take   Organised
- Te Reo   Language and communications
- Kotahitanga   Consensus
- Mahi Tahi   Working together across councils

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Purpose of this document

In this document, we – the first Council of the Muka Tangata – People, Food, and Fibre Workforce Development Council (WDC) – set out how we aim to form and build our WDC into a fully operational entity that serves our industries and carries out its functions. This Establishment Plan is high-level, and includes a work plan on how we intend to run our operations.

The Establishment Plan was drafted by the interim Establishment Board (iEB) and the WDC Establishment Unit, and was finalised by us in the first weeks following our appointment. It considers the Letter from the TEC Chief Executive (Appendix D), and the conditions from the Funding Agreement (Appendix E) from the Tertiary Education Commission (TEC).

Once drafted, the Establishment Plan will be assessed and endorsed by the Tertiary Education Commission, and approved by the Minister of Education. Initial funding for our WDC will be allocated in accordance with the budget set out in this plan.

This plan covers the "Establishment Phase" of our WDC, defined by the TEC as the period from **1 July 2021** until **30 June 2022.**

<u>In-scope</u> of our Establishment Plan:

- Our vision and purpose
- Our priorities during our Establishment Phase
- Our approach to engagement
- Establishment activities and timeline
- High-level budget and assumptions during the Establishment Phase
- How our WDC will support our industries in the immediate term in light of COVID-19

<u>Out-of-scope</u> of the Establishment Plan:

- Activities beyond the Establishment Phase
- Detailed work plan for Establishment Phase
- Detailed budget and assumptions

<u>Note:</u> The funding delegation from the Minister of Education stipulates that our Establishment Plan must demonstrate broad industry support for the plan. The Tertiary Education Commissions (TEC) and the Ministry of Education (MoE) agreed that support from our interim Establishment Board and from us as a Council will suffice in this instance.

MUKA TANGATA
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Background

Purpose of the Reform of Vocational Education

In February 2019, the Minister of Education launched a consultation on three proposals to fundamentally reform vocational education in Aotearoa – the Reform of Vocational Education (RoVE):

- **Proposal 1: Redefined roles for industry bodies and education providers** - redefine the roles of education providers and ITOs, and extend the leadership role of industry and employers across all vocational education through new Workforce Development Councils (WDCs).
- **Proposal 2: Create a New Zealand Institute of Skills & Technology (Te Pūkenga) with a robust regional network of provision -** create an institution, with the working name of the New Zealand Institute of Skills & Technology (NZIST) and later, bringing together our 16 public ITPs as a single entity.
- **Proposal 3: A unified vocational education funding system** - create a unified vocational education funding system, removing barriers to collaboration and flexibility, ensuring a sustainable network of provision, and supporting the wider reform

Following the seven-week public consultation on these three proposals, the scope of the Reform of Vocational Education was announced, including seven key changes that aim at creating a unified vocational education system:

1. **Create Workforce Development Councils**: Around four to seven industry-governed bodies, to give industry greater leadership across vocational education.
2. **Establish Regional Skills Leadership Groups**: These would provide advice about the skills needs of their regions to the Tertiary Education Commission (TEC), workforce development councils, and local vocational education providers.
3. **Establish Te Taumata Aronui**: A group to help ensure that the Reform of Vocational Education reflects the Government's commitment to Māori Crown partnerships.
4. **Create a New Zealand Institute of Skills & Technology** *(subsequently named Te Pūkenga)*: A unified, sustainable, public network of regionally accessible vocational education, bringing together the existing 16 ITPs.
5. **Shift the role of supporting workplace learning from ITOs to providers**: The new Institute and other providers would support workplace-based, on-the-job training as well as delivering education and training in provider-based, off-the-job settings, to achieve seamless integration between the settings and to be well connected with the needs of industry.
6. **Establish Centres of Vocational Excellence**: CoVEs will bring together the Institute, other providers, workforce development councils, industry experts, and leading researchers to grow excellent vocational education provision and share high-quality curriculum and programme design across the system.
7. **Unify the vocational education funding system**: A unified funding system will apply to all provider-based and work-integrated education at certificate and diploma qualification levels 3 to

These changes were set out in the Education (Vocational Education and Training Reform) Amendment Act 2020, subsequently incorporated in the Education and Training Act 2020, which came into force on 1 August 2020. Consequently, the interim Establish Boards produced secondary legislation with Orders in Council (OIC) that established the 6 new Workforce Development Councils.

Role of WDCs in the Reform of Vocational Education

With the establishment of the six Workforce Development Councils, the Reform of Vocational Education, has reached one of its most significant milestones.

WDCs play a central role in the RoVE, giving industry greater control over all aspects of vocational education. WDCs will:

- have a forward, strategic view of the future skills needs of industries. They will translate industry skill needs now and in the future for the vocational education system.
- set standards, develop qualifications and help shape the curriculum of vocational education. They will moderate assessments against industry standards and, where appropriate, set and moderate capstone assessments at the end of a qualification.
- provide advice to the Tertiary Education Commission (TEC) on investment in vocational education, and determine the appropriate mix of skills and training for the industries they cover.
- endorse programmes that lead to qualifications, whether work-based (such as apprenticeships), on-campus or online. Unless a programme has the confidence of a WDC, which is essentially industry confidence, it won't be endorsed by the WDC nor funded by the TEC.
- provide employers with brokerage and advisory services to support and encourage the participation in apprenticeships and other on-the-job training which sit outside the WDC.

As our WDC is now established as legal entities, we – the first WDC Council – have a mandate to form and build our Workforce Development Council into a fully operational entity that is ready to execute its statutory functions and serve our industries.

Legislative Functions and Duties

The functions and duties of the WDCs are set out in primary legislation, the Education and Training Act 2020, and in secondary legislation, Muka Tangata People Food and Fibre Workforce Development Council (WDC) Order in Council (OIC) at Appendix B.

Core functions

Muka Tangata WDC's core functions are set out in the Education and Training Act 2020. The 'Purpose' descriptions in the table below are sourced from the 'Recommendations for WDC Function Delivery' document from the WDC Design Process.

Function	Purpose
Skills Leadership function	The purpose of the Skills Leadership function is for WDCs to lead and coordinate industry efforts to identify workforce needs, and support the vocational education and training system and employers to meet those needs. The following four activities are integral to a WDC's delivery of their Skills Leadership function: 1. Undertake research and analysis on current and future skills and workforce needs 2. Develop skills and workforce development plans 3. Advocate for skills and workforce needs to be met 4. Contribute to career services
Qualifications System Products function	WDCs are responsible for: - Develop, set, and maintain skill standards - Develop and maintain industry qualifications - Develop and maintain training schemes - Develop and maintain training packages - Develop, set and maintain capstone assessments
Endorse Programmes function	The purpose of the endorse programmes function is to provide industry with assurance that their needs will be met by programmes. This provides learners and employers with confidence. When carried out collaboratively with providers, the function supports consistent and coherent programme delivery in the system.
Moderation activities function	The purpose of the Moderation activities function is to ensure that learners have met the required standard when they are awarded a skill standard, qualification or another credential. WDC moderation activities confirm that assessment materials developed by providers are fit-for-purpose and that assessment decisions are fair, valid and consistent with the national standards. National external moderation systems are designed to provide assurance to industry and other interested parties that learners awarded a skill standard can do what the standard requires. Moderation is a shared responsibility with a provider who has consent to assess standards through the provider's internal moderation system. Moderation activities follow NZQA rules and principles, and are carried out to help assessors continuously improve their assessment system,

	including provider and work-based assessment practices. Moderation is not an audit activity. However, WDCs are proactive in managing any poor assessment practices that undermine the validity of learner credentials.
Brokerage and Advisory Services function	The purpose of the brokerage and advisory services function is for WDCs to connect, support, strengthen and work together with industries, Māori business, providers and learners. Brokerage services aim to help industries, Māori business, providers and learners meet their skill needs and to provide guidance. Advisory services aim to promote the importance of vocational education and training; to improve learner and worker experiences.
Advise the TEC function	The purpose of the 'Advise the TEC functions' is to enable WDCs to guide the Tertiary Education Commission's vocational education and training funding decisions. This ensures that those decisions meet the needs of a WDC's specified industries, and influence equity of outcomes and participation in the vocational education and training system for all learners. Through their advice to the TEC, WDCs give industries confidence that the feedback it is providing on whether its education and training needs are being met is having an impact on decision making.

Additional functions

The following additional functions are set out in our Order in Council:

Function
To promote opportunities for all people in the specified industries to reach their full potential and capabilities by supporting quality vocational educational outcomes; and
To address the needs and aspirations of priority learners in the specified industries, including Pacific learners and people with disabilities; and
To advocate for, and contribute to, policies that meet the needs of the specified industries, particularly as they relate to vocational education, career promotion and planning, and the funding of education and training; and
To provide advice to compulsory education, higher education, industry extension, and professional development providers on how the education and training system can be mobilised to build the capability required of the future workforce; and
To undertake commercial work on behalf of the specified industries if it is aligned to the functions of the Council and the statement of strategic direction.

Purpose and priorities

Purpose statement

The six WDCs will adopt the following Shared Purpose Statement:

The Combined Workforce Development Councils' Shared Purpose Statement 2021

What we want to achieve - Accessible, future-focused and timely vocational skills and knowledge endorsed by industry, that contribute to the creation of a sustainable, globally engaged, and adaptive Aotearoa.

What we will do – Develop new vocational skills and knowledge for industry by industry to contribute to an education system that provides opportunities for all people to reach their full potential.

In order for WDCs to have a forward looking, strategic view of the future skill needs of industry, we will need to work together, in collaboration with industry and providers, to set standards, develop qualifications, moderate and help shape the delivery of the vocational education eco-system whilst always being cognisant of the climate crisis, other global challenges, emerging technologies and global sustainability goals.

WDC Shared Values

Empowering te Tiriti o Waitangi	Actively collaborating	Valuing the future	Industry front and centre	Leading change & taking action
Together, the Councils acknowledge that through commitment to Te Tiriti o Waitangi our systems, policies and procedures will ensure equitable outcomes for all.	Together, the Councils work with learners, industry, tangata whenua, stakeholders and each other to deliver the workforce outcomes Aotearoa needs.	Together, the Councils acknowledge the changing nature of work, and the skills, knowledge and qualifications future learners need to achieve success for themselves and their communities.	Together, the Councils, with our industry voice will create a strong, unified vocational education system that contributes to creating a sustainable, globally engaged and adaptive Aotearoa.	Together, the Councils recognise that there must be opportunities for all people to reach their full potential and capabilities, including those who have been traditionally under-served by the education system.

Priorities

During the Establishment Phase, our WDC will prioritise the following activities:

- Coming together as Muka Tangata and setting tikanga and priorities (as above).
- Setting a culture and vision for Muka Tangata's role and contribution to the transformation of Vocational Education to an industry-led and learner-centric model, which gives effect to Te Tiriti o Waitangi.
- Building a WDC with a collective sense of purpose.
- Building mechanisms and ways of working to support collaboration across the WDCs.
- Establishing and strengthening relationships and trust within the diverse communities and industry networks covered by our WDC.
- Developing a valued relationship with the Food and Fibre Centre of Vocational Excellence (CoVE) to understand excellence in teaching and learning.
- Developing and harnessing relationships with interested parties across the entirety of the WDC education kaupapa.
- Prioritising key functions and ensuring they are effectively resourced.
- Developing new systems and ways of working, consistent across all WDCs.

While we currently believe these will be our WDC's priorities, we reserve the right to adjust these once we have appropriately engaged with our industries, Māori and other contributors and participants.

Approach to engagement

Who we will engage with:

We expect that our WDC will engage – to varying extent – with the following groups:

- Industry – including:
    - Employers (covering small, medium, large employers including in bespoke and emerging industries.)
    - Self-employed
    - Māori and iwi industry and business
    - Pacific industry and business
    - Industry associations and peak bodies
    - Heritage Māori Associations, for example:
        - NZ Māori Council
        - Federation of Māori Authorities
        - Māori Women's Welfare League
        - Māori Womens' Development Inc.
        - Tribal Rūnanga, Hapu and Iwi
    - Employees
    - Unions and employee associations
    - Registration bodies
    - Regulatory bodies
    - Non-Government Organisations (NGOs), not-for-profit organisations and the wider voluntary sector
    - Technical experts (e.g. manufacturers and suppliers)
    - Other
- Providers network – including:
    - Te Pūkenga
    - Wānanga
    - Private Training Establishments (PTEs)
    - Community and Iwi industry-based training and employment providers
    - Other providers (incl. Transitional ITOs)
- Other interested parties
    - Learners and accelerated priority learners)
    - Other Workforce Development Councils (WDCs)
    - Regional Skills Leadership Groups (RSLGs)
    - Centres of Vocational Excellence (CoVEs)
    - Tertiary Education Commission (TEC)
    - Te Taumata Aronui
    - New Zealand Qualifications Authority (NZQA)
    - Ministry of Education (MoE)
    - Government, Government Agencies, Regional Bodies, Schools
    - Advocacy Groups

Partnership and Engagement model
Approach to developing our engagement model

Our Order in Council sets out the minimum requirements for our (industry) engagement, but we are clear minimum standards will not suffice. We wish to make sure that our WDC builds strong, collaborative and lasting relationships with industry, Māori industry and business (MIB), wānanga, CoVE, RSLGs, TEC, NZQA and other groups where mutually beneficial outcomes can be achieved.

When developing our future state engagement model, we will:

- Aim to ensure continuity of all critical, current engagement activities, e.g. in-flight Qualifications & Standards Advisory Groups.
- Set up new groups or forums to ensure appropriate perspectives are heard and incorporated in our work
- Engage in a culturally appropriate manner
- Ensure we are clear with industry how they can engage and what to expect
- Work with other WDCs to ensure consistent approaches to engagement with common interests, participants, contributors and supporters.
-

As a first process step in developing our engagement model, we will:

- **Identify Interested Industry Groupings** – To develop a database of all organisations, businesses, groups, individuals, and groups that our WDC may wish to engage with.
- **Seek to Understand Interested Party Groupings** – To gain an understanding of each of the groups identified in the previous step. This is expected to include:
  - The industry and other interested party group(s) they are part of, e.g. 'Industry Associations', 'Employers', 'Providers', 'Government'
  - Their area of expertise
  - How they prefer to be engaged
  - Whether they previously engaged with Transitional ITOs, and through what engagement mechanisms
  - Existing relationships between industry groups.
  - Influence of groups
  - Interest level of groups
- Develop an engagement, communication and management strategy for each grouping

As a starting point for this exercise, we will leverage:

- The extensive experience and networks of WDC Council members, Senior Leadership Teams, and staff. Declaration of interest will be managed at Board level.
- Data (if available) from Transitional ITOs' Customer Relationship Management (CRM) systems.
- WDC interim Establishment Boards high-level industry group mapping carried out during the Order in Council development process.

Secondly, in parallel with this work, we will consider any current engagement mechanisms, groups and forums from Transitional ITOs, and decide which of these are relevant for our WDC and appropriate to continue. Continuance will be subject to review and confirmation of membership and Terms of Reference (if available).

Thirdly, we will collaborate with industry and other groups to **develop and implement our future state engagement model** that ensures that our WDC is engaging with the right groups and individuals, at the right time, and in the right manner. Our Order in Council sets out the minimum requirements for our (industry) engagement, but we wish to make sure that our WDC builds strong and lasting relationships with industry,

Māori industry and business, and industry, wānanga, CoVE, RSLGs, TEC, NZQA and other interested parties that are mutually beneficial.

When developing our future state engagement model, we will:

Collaborate with WDCs to ensure consistent approaches to engagement with common interests, participants, contributors and supporters.   Set up new groups or forums as required, and aim to ensure continuity of all critical, current engagement activities, e.g. in-flight Qualifications & Standards Advisory Groups.

Finally, we expect that there will be a **continuous improvement** component to the future state engagement model. As engagement mechanisms continue or get established, we will gather feedback from members and/or participants and will adjust how these groups and/or forums operate.

Note: In developing our engagement model, we will consider the (minimum) requirements set out in our Order in Council.

Timeline for developing our engagement model

Key milestones related to the development of our engagement model are:

Deliverable	Date / timing
Step 1 – Industry Group identification, analysis and segmentation	2 month following CE appointment
Step 2 – Understanding existing TITO engagement mechanisms	2 months following CE appointment
Step 3 – Developing and implement future state engagement model	- Initial draft of engagement model 3 months after CE appointment. - Final draft of engagement model by the end of March 2022
Step 4 – Continuous improvement	Ongoing

Establishment communications

The Establishment Unit will provide communications support to our WDC in the first months post-establishment, until our own dedicated communications resource is on board.

The EU will work with our WDC to support the development of an initial WDC Communications Plan for our Establishment Phase, which focuses on ensuring that our industries and other groups are aware of our establishment, what our functions are, how to contact us, etc. The Establishment Unit has allocated resources to assist with the initial creation and set-up of:

- An interim webpage for our WDC, hosted as a sub-page of the TEC website. This page is now live.
- A website for our WDC, hosted with our own domain name (to be confirmed) and with some basic functionality. This website will be live from 4 October 2021.

In the first weeks following our establishment, we will develop the initial WDC Communications Plan, and start the execution of the plan.

Subsequent Communications Plans will build on this initial plan, and will be developed by our dedicated communications staff.

Key milestones related to the initial WDC Communications Plan are:

Milestone	Estimated date / timing
Interim webpage – hosted on TEC website	Live from 7 July 2021
WDC website	Live from 4 October 2021
Initial WDC Communications Plan	• Initial draft by end December 2021 • Final draft by end of quarter 1 (March 2022)
Start execution of Initial WDC Communications Plan	From April 2022

Engagement with industry

Principles for industry engagement

Our WDC will be adopting the eight principles for industry engagement developed by the WDC Establishment Unit, based on insights from the design process and feedback received from iEBs:

1. Engage in accordance with Te Tiriti o Waitangi
2. Ensure all of industry has an opportunity to have their voices heard
3. Tailor approaches to how people and organisations want to engage
4. Make engagement more valuable for industry
5. Build on what is working well
6. Plan engagement around industry and other activity
7. Provide clear, concise and timely information
8. Capture feedback and build continuous improvement loops

Industry coverage

Our industry coverage is set out in our Order in Council. We understand from the WDC Project and the Establishment Unit that there remain some unresolved issues and questions regarding industry coverage. These issues and questions mostly relate to industries that used to be served by a single Transitional ITO, but are now split between two (or more) WDCs.

We will continue to work with our industries and with other WDCs to resolve these issues and questions, and to ensure that we serve our industries in the best possible manner.

Industry context

The people, food and fibre sector includes the dairy, red meat, wool, horticulture, seafood, arable, forestry, pork, apiculture and poultry industries along with those support industries that service these industries in a range of different ways.[1]

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[1] MPI submission to the Primary Production Select Committee Inquiry into the Future Workforce Needs of New Zealand's Food and Fibre Sector 11 May 2021

83% of trade
The food and fibre sector accounted for 82.7 percent of New Zealand's merchandise exports in the year ended March 2021. This ratio has increased steadily over the past decade, with primary industry export growth exceeding that of non-primary industries for the past nine years.

14% of employment
356,000 people are employed in New Zealand's food and fibre sector as of 2017[1], representing 14.1 percent of the total workforce. Primary production employment is distributed across the country, but processing and commercialisation activities are concentrated in Auckland and other major population centres.

11% of GDP
The food and fibre sector accounted for 11.3 percent of New Zealand's GDP in the year ended March 2019. This figure includes both the production of primary products, such as Dairy Cattle Farming and the subsequent processing and commercialisation industries such as Dairy Product Manufacturing.

The people, food and fibre industries are the backbone of New Zealand's economy and our way of life. They bring in billions of dollars every year and make up 1 in every 7 jobs.

Fig 1[2]

Figure 1: Employment in primary industries
June year average, job count

Fig 2[3]

Figure 2: Employment in primary industries by activity
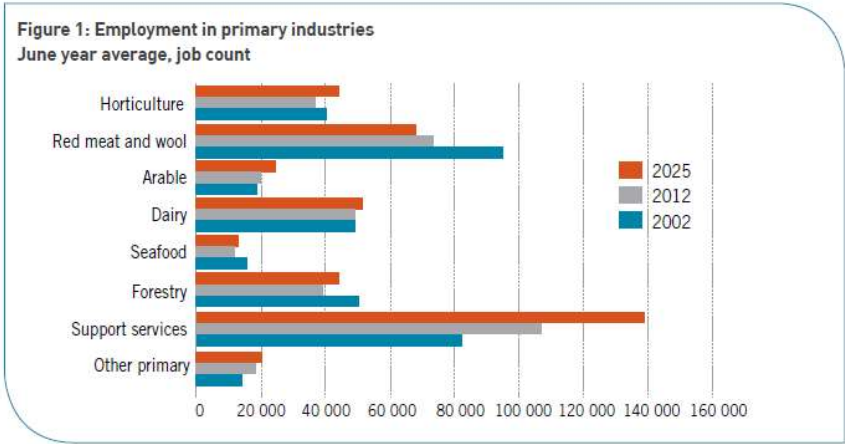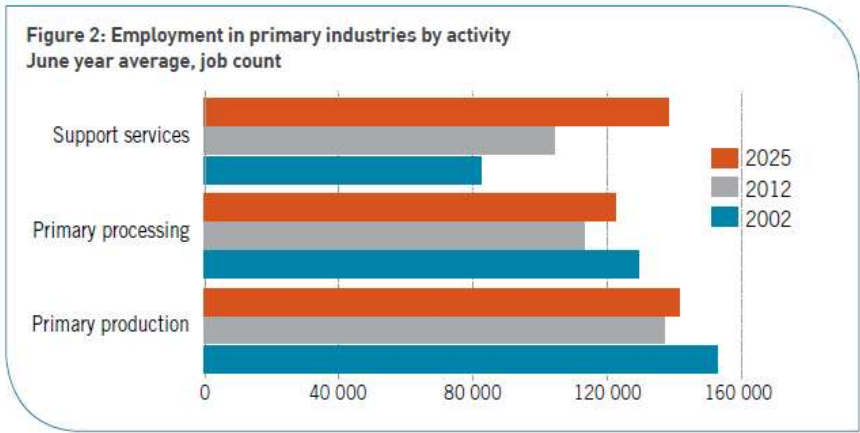June year average, job count

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[2] Future Capability Needs for the Primary Industries in New Zealand, Ministry of Primary Industries (2014)

[3] Sic

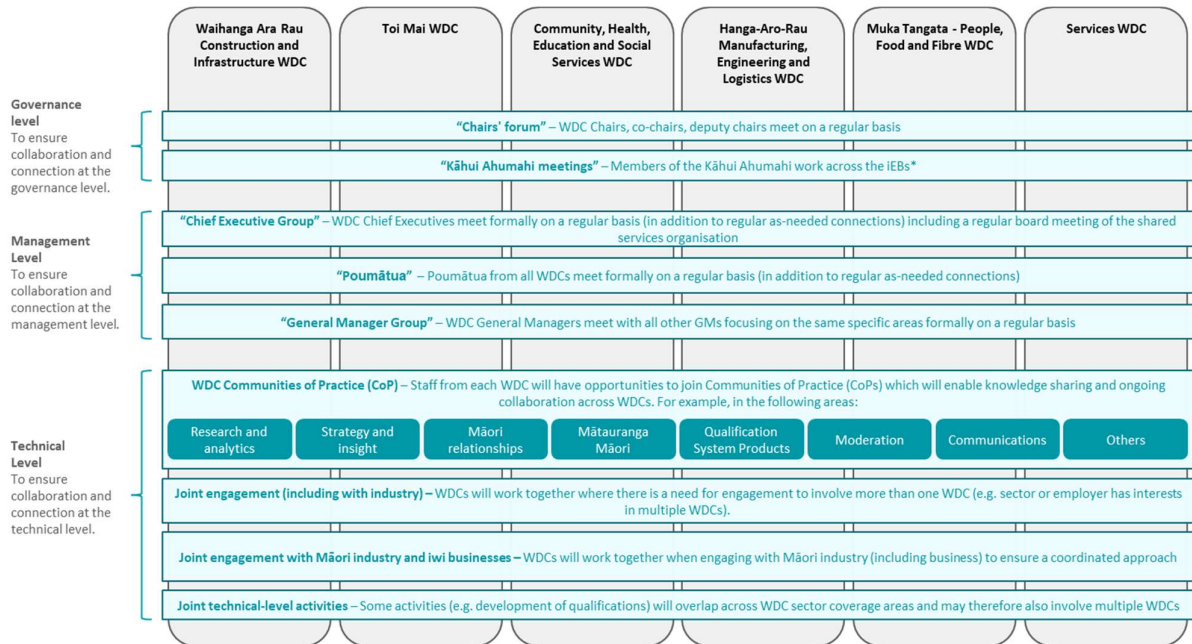# Engagement with Māori in business and iwi industry

- Our WDC will co-ordinate Māori engagement with a cross-WDC and cross-vocational education approach
- Enabled by collaboration of roles across our WDC's with Te Kāhui Ahumahi , Poumatua/ and Māori engagement leads. It will be important that staff are onboarded as soon aas possible to to shape the relationships.
- We will work together with the six WDCs to ensure we collaborate with each other and other entities in the Māori and iwi industry engagement hui (forums).
- We will confide in the cultural competence and capability within Muka Tangata, our Poumatua/Manukura to inform these relationships.

Engagement and collaboration with other Workforce Development Councils

The Education and Training Act 2020 and the six WDCs' Orders in Council set out the requirement for WDCs to collaborate. Each WDC Order in Council states that the WDC must:

- identify the specified industries where close collaboration with another workforce development council is required to ensure that the industry training needs of those industries are met; and
- establish appropriate engagement models with those other workforce development councils and specified industries to ensure that the industry training needs of those industries are met; and
- co-ordinate its activities with other workforce development councils in the performance of its functions.

Our WDC will engage and collaborate with other WDCs where relevant and appropriate. The visual below sets out potential collaboration mechanisms, which we will further explore and refine with the other WDCs in our first months of operating.

	Waihanga Ara Rau Construction and Infrastructure WDC	Toi Mai WDC	Community, Health, Education and Social Services WDC	Hanga-Aro-Rau Manufacturing, Engineering and Logistics WDC	Muka Tangata - People, Food and Fibre WDC	Services WDC
Governance level To ensure collaboration and connection at the governance level.	"Chairs' forum" – WDC Chairs, co-chairs, deputy chairs meet on a regular basis					
	"Kāhui Ahumahi meetings" – Members of the Kāhui Ahumahi work across the iEBs*					
Management Level To ensure collaboration and connection at the management level.	"Chief Executive Group" – WDC Chief Executives meet formally on a regular basis (in addition to regular as-needed connections) including a regular board meeting of the shared services organisation					
	"Poumātua" – Poumātua from all WDCs meet formally on a regular basis (in addition to regular as-needed connections)					
	"General Manager Group" – WDC General Managers meet with all other GMs focusing on the same specific areas formally on a regular basis					
Technical Level To ensure collaboration and connection at the technical level.	WDC Communities of Practice (CoP) – Staff from each WDC will have opportunities to join Communities of Practice (CoPs) which will enable knowledge sharing and ongoing collaboration across WDCs. For example, in the following areas: Research and analytics / Strategy and insight / Māori relationships / Mātauranga Māori / Qualification System Products / Moderation / Communications / Others					
	Joint engagement (including with industry) – WDCs will work together where there is a need for engagement to involve more than one WDC (e.g. sector or employer has interests in multiple WDCs).					
	Joint engagement with Māori industry and iwi businesses – WDCs will work together when engaging with Māori industry (including business) to ensure a coordinated approach					
	Joint technical-level activities – Some activities (e.g. development of qualifications) will overlap across WDC sector coverage areas and may therefore also involve multiple WDCs					

*The frequency of meetings is to be determined by the Kāhui Ahumahi in the interim. Work to formalise the Kāhui will be undertaken by the Ministry of Education. Mechanisms to collaborate in relation to Pacific and disabled people need to be further discussed by the incoming WDC Boards.

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## Engagement with the Tertiary Education Commission (TEC)

Our engagement with the TEC will primarily occur through the TEC Partnership Managers. Depending on the kaupapa, this engagement could involve any of our staff, i.e. from the Council or the Chief Executive through to Relationship Managers or Moderation Specialists.

The exact mechanics (e.g. frequency, manner, etc.) from our engagement with the TEC will be developed with them, as our WDC gets up and running and we develop our wider engagement model.

Engagement with parties across the wider Vocational Education and Training system

The Establishment Unit has handed over a 'WDC System Connections and High-Level Design Thinking' document, which outlines the high-level connections WDCs may have with various parties across the Vocational Education and Training system. We will consider this document as a starting point for our system engagement, as we build strong and lasting relationships with parties across the VET system.

The interaction model below summarises the possible inputs WDCs may require from various parties within the VET system as well as the outputs that they may provide. Further work is required by the incoming WDC's to explore priority connection areas and how these might be operationalised.
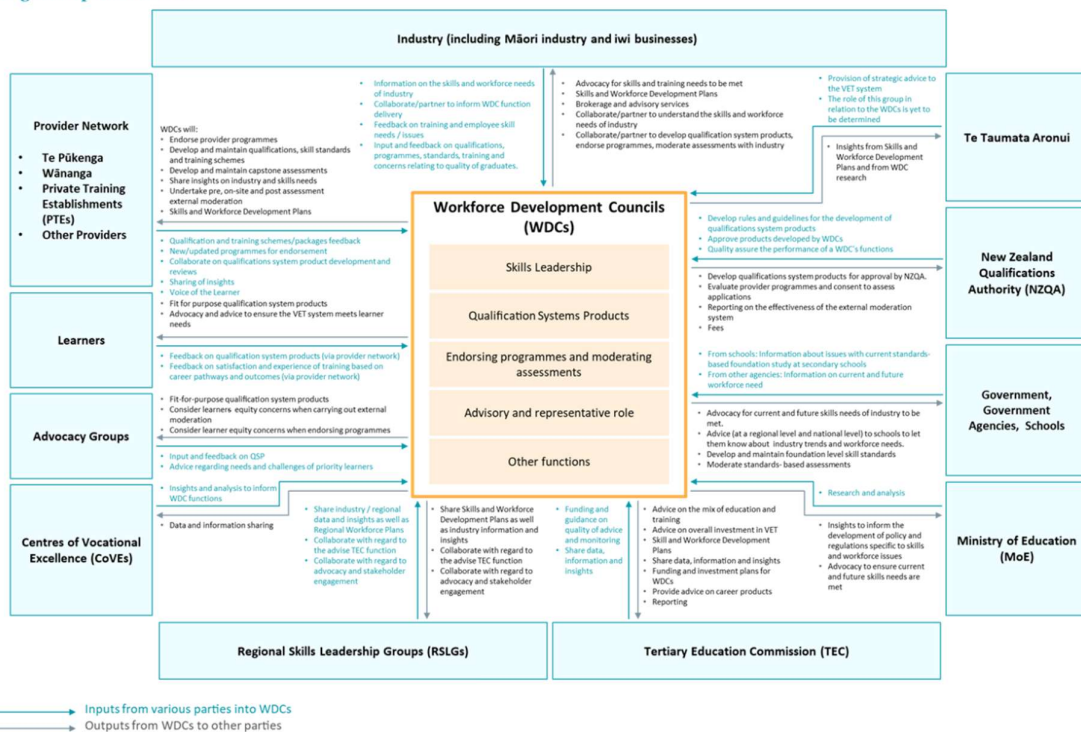
It is important to note that we will aim to have consistency with other WDCs when we develop our engagement approach with parties across the VET system, and what we will engage – where appropriate –in a joint-up manner (refer to 'Engagement and collaboration with other Workforce Development Councils' section) with these parties. This will not only ensure that WDCs engage at the same time and in the same manner, but also aims to obtain consistent outcomes for our WDCs and our industries.

Establishment activities and timeline

This section sets out key activities, milestones and deliverables and their timing during the Establishment Phase.

WDC deliverables to TEC

The TEC has communicated to us (through the Letter from the TEC Chief Executive and through the Funding Agreement) the following key deliverables or milestones. We are committed to delivering these in a timely manner.

Deliverable / Milestone	Estimated date / timing
Engagement Model	• Initial draft of engagement model by 3 months after CE appointment. • Final draft of engagement model by end of March 2022
Establishment Phase Progress Report	• Interim report: By 17 December 2021 • Final report: By 29 April 2022
Operational Plan for 2022/23 funding	By 31 March 2022
Advice to TEC *	• April 2022 for 'Overall investment advice' • June 2022 for 'Mix of training advice'

Note: While our WDC is committed to the timely delivery of these deliverables, we expect that the first round of 'advice to TEC' and of the Skills and Workforce Development Plan will be a pilot, which requires further improvement in subsequent years based on feedback from the TEC, industry and other groups.

Order in Council delivery requirements

Our Order in Council sets out the following requirements that could be considered "deliverables":

Deliverable	Estimated date / timing
Statement of strategic direction *Order in Council states that "The Council must, at least once every 3 years, issue a statement setting out its strategic direction for the next 5 years."*	By end of June 2022
Annual report *Order in Council states that "As soon as practicable after the end of each financial year, the Council must provide the specified industries and the Minister with an annual report on the operations and activities of the Council in the performance of its functions during that financial year."*	By end of September 2022 (note that this is not a delivery in this financial year, but work will commence in this financial year)

WDC functions

Our WDC's core and additional functions are listed in the 'Background' section of this establishment plan under 'Legislative Functions and Duties'.

From the Letter from the TEC Chief Executive, we understand that the TEC and NZQA acknowledge that WDCs are new organisations, and that there will be a ramp-up period in our first year of operating (Establishment Phase). During this phase, we will need to find our feet, work with industry to figure out our combined priorities and build up our organisations.

Skills Leadership function

We believe that our Skills Leadership function is critical to the success of our WDC and of our industries. Our WDC will ramp up its Skills Leadership capabilities throughout the Establishment Phase, with an aim to:

- Provide advice to the TEC at the appropriate time (see 'Advise the TEC' function)
- Publish our first Skills and Workforce Development Plan by July 2022
- Start to advocate for our industries' skill and workforce needs
- Start to provide input to improve the career services offered by the TEC and other organisations

Qualifications System Products function

For the development and review of Qualification System Products, we envision that early on in the Establishment Phase we will plan our strategy / approach to develop and maintain these products, and we will consider:

- Priority areas for our industries
- Overdue standards / qualifications

We understand that the TEC and NZQA acknowledge that our WDC may not be able to complete all reviews scheduled during the Establishment Phase. However, we will engage with our industries to understand where they wish to set their priorities, and develop our work plan accordingly.

Deliverable	Date / timing
Qualifications System Products work plan	By end of March 2022

Endorse Programmes function

The 'Endorse Programmes' function is a new function for WDCs (i.e. not previously a function of Transitional ITOs). It will be carried out by Qualifications System Products staff, and involves evaluating new and substantively changed vocational education and training programmes developed by providers to ensure that they meet industry needs, prior to them being submitted to NZQA for approval.

As endorsing programmes is a new function (although TITOs have a limited role in reviewing programmes in their role as the qualification developer), and industry has highlighted the importance of this function for them, we believe that our WDC needs to get this right from the start. We understand that the Establishment Unit will support our WDC by carrying out detailed design for this function, including developing guidance material and other collateral such as templates. This work will involve representatives from our WDC, and NZQA, TEC, MoE and providers.

Detailed design for the 'Endorse Programmes' function will include developing and getting agreement of:

- The end to end endorsement process
- The endorsement criteria (like to be at a principles level)

- Service level agreements for WDCs
- Processes and channels, e.g. for providers to submit programmes for endorsement
- Technology enablers
- Communications collateral, including supporting templates

MoE is currently working with the RoVE programme, NZQA, and TEC to define the scope of endorsement function via a gazette notice (which is required for NZQA to set rules requiring programmes to be endorsed prior to being approved. Section 366 (2) of the Education and Training Act sets out that:

> *For the purposes of subsection (1)(g), the Minister may, by notice in the Gazette, specify criteria relating to when a workforce development council must endorse a programme before it may be approved by NZQA under section 439.*

A Gazette notice is required for programme endorsement to be mandatory for providers. The Gazette notice is expected to be published in time for it to take effect from 4 October 2021.

Moderation Activities function

Similarly to the 'Qualifications System Products' function, we understand that the TEC and NZQA acknowledge that our WDC may not be able to undertake all moderation activities scheduled during the Establishment Phase. However, we will engage with our industries to understand where they wish to set their priorities, and develop our work plan accordingly.

Brokerage and Advisory Services function

We believe that, before we can carry out our Brokerage and Advisory Services function, we need to build relationships and trust with our industries, which should not be rushed and may take the majority of the Establishment Phase.

This function is closely related to the development and implementation of our engagement model (see 'Engagement model' section).

Advise the TEC function

This function is closely related to our 'Skills Leadership function'. From the Letter from the TEC Chief Executive, we understand that the TEC expects our WDC to provide:

- 'Overall investment advice' by April 2022
- 'Mix of training advice' by June 2022

However, we expect that the first round of advice will be a pilot, which requires further improvement in subsequent years based on feedback from the TEC, industry and other groups.

Additional functions

During our Establishment Phase, our WDC will focus mainly on ramping up our core statutory functions, as set out in the Education and Training Act 2020.

While we believe that our 'Additional functions', as set out in our Order in Council, are important to us and our industries, they will not be a focus during our Establishment Phase. However, where possible we will consider how we can start incorporating and executing our additional functions where they relate to our core functions.

Other Transitional ITO activities

Our WDC acknowledges that the Transitional ITOs perform a variety of 'other activities' for the benefit of their respective industries. For example:

- Careers functions and activities intended to encourage new learners into employment, and

- Sponsorship and other financial support for industry events, awards and promotion of training opportunities.

We understand that these activities, including the associated funding, e.g. through industry contributions (as is currently the case), will transition to Te Pūkenga in the first place. Once the WDCs are operational and ready to engage, we will explore with Te Pūkenga whether WDCs could pick up some or any of these 'other activities' where they align with our functions set out in the Education and Training Act and in our Orders in Council. This engagement with Te Pūkenga will also involve the TEC and Ministry of Education, and will focus on which activities WDCs could undertake, and which activities will remain with Te Pūkenga. For activities that could be carried out by WDCs, we will explore when WDCs could be ready to take them on and how these activities could remain to be funded. This could produce a Memorandum of Understanding between our WDC (or all WDCs) and Te Pūkenga.

Governance
WDC Council

Key milestones related to our Council are:

Milestone	Date / timing
WDC Council appointed	Mid-June 2021
Handover from iEB to WDC Council	Completed
WDC Council induction event	7-8 July 2021
First meeting of WDC Council	9 July 2021
Appointment of Chair and Deputy Chair	At first meeting of WDC Council on 9 July 2021
Development and agreement on our Council's Terms of Reference and Code of Conduct	By end of October 2021

We will work with other WDCs to set up cross-WDC governance groups, e.g. Te Kāhui Ahumahi, Chairs Forum, Pacific Fono.

People

Key milestones related to our people are:

Milestone	Date / timing
Chief Executive shortlist considered by the WDC Council	At first meeting of WDC Council 6 August.
Chief Executive appointment	End August
Chief Executive start date	ASAP after their appointment, but realistically (subject to potential notice period) this may be by October

Staff recruitment – Closed recruitment process for TITO staff	Late July until late August (30 August at the latest)
Staff recruitment – Open recruitment process	• From when closed recruitment process closes (they cannot run at the same time) • Staff recruitment will be on-going for the first year

The WDC Establishment Unit will provide support and will be closely involved in the coordination of the recruitment of the Chief Executive and staff.

Organisational structure

The Establishment Unit, with input from our iEB and from Transitional ITOs that transition into our WDC, have developed the organisational structure for our WDC. This organisational structure is being used for the consultation with staff from Transitional ITOs:
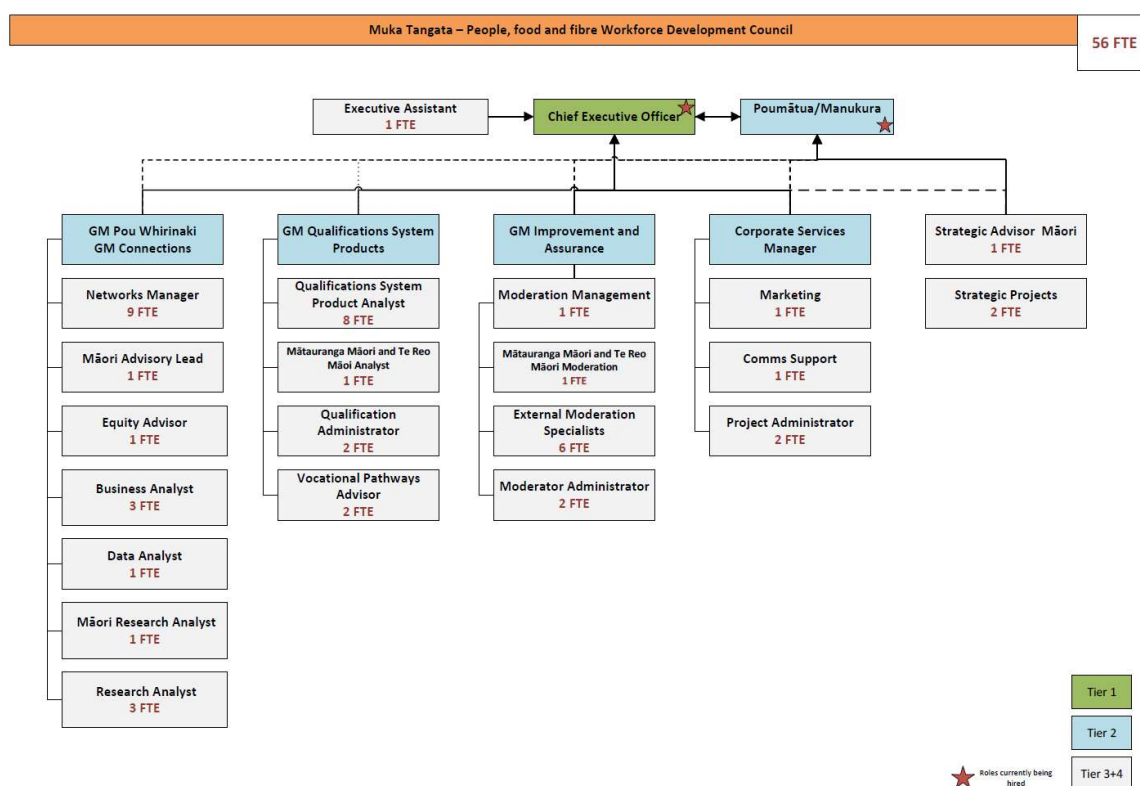
Phasing of staff

Upon deciding when to recruit our staff, we need to be realistic from a people perspective (our WDC's ability to cope with change), a recruitment perspective (the labour market's ability to supply the appropriate skilled people), and a budget perspective (how much budget is available in Year 1).

When constructing the budget for all six WDCs, the Establishment Unit made the following assumptions:

• Chief Executive, Executive Assistant and Poumātua on board from September 2021
• All General Managers (incl. Manager Corporate Services) on board from October 2021
• All other staff:
  o 30% on board from October 2021

- 50% on board from January 2022
- 80% on board from April 2022
- 100% on board from July 2022 (relevant for Year 2 – budget FY2022/23)

While we accept that assumptions needed to be made for budget purposes, we note that the phasing of staff is highly dependent on a variety of factors, including the number of staff from Transitional ITOs that will transition to our WDC as part of the closed recruitment process, and the priorities that we have set for ourselves and that our industries want us to set for Year 1.

As we start operating our WDC and engaging with industry, many of the unknowns will become clearer. As a result, our WDC may set different priorities, which may impact on staff recruitment and phasing (e.g. recruit a larger percentage of a particular role earlier while deferring the recruitment of another group of staff, or e.g. prioritise the recruitment of staff over face-to-face engagement and save on travel costs).

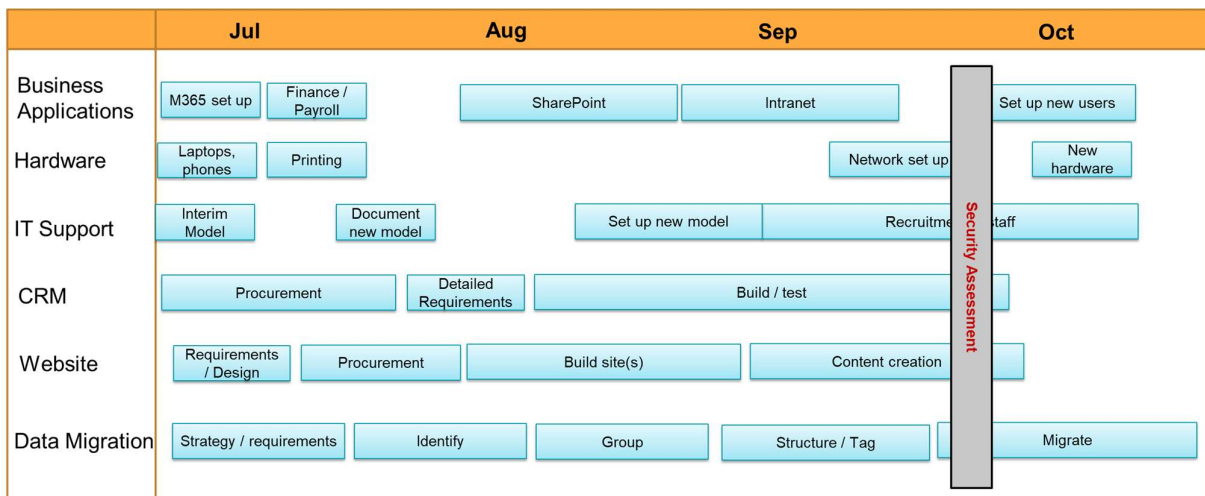# Staff from Transitional ITOs who transition to WDCs

When transitioning staff from Transitional ITOs (or from NZQA) to WDCs, the Education and Training Act 2020 states that employees must be brought over on no less favourable employment conditions than they currently hold with their employer. This includes matching salary, and terms and conditions such as annual and sick leave entitlement *. At this point in time, the total cost of this process is an unknown, and the EU had to make some assumptions regarding the number of staff that will transition and their employment conditions for budget purposes. As the closed TITO recruitment process progresses, some of these unknowns should become clearer.

* We have assumed that current leave balances will be paid out by a staff member's respective Transitional ITO. If the staff member wishes to retain their leave balance when transitioning, then we expect that the Transitional ITO will transfer the appropriate funding to our WDC.

Information and Communications Technology (ICT)

The Establishment Unit, with support from the six interim Establishment Boards, completed the development of our WDC ICT Roadmap and started its implementation. They will continue to provide technology implementation support to our WDC in the months post-establishment.

The ICT implementation roadmap (common for all WDCs) looks as follows:

	Jul	Aug	Sep	Oct
Business Applications	M365 set up / Finance / Payroll	SharePoint / Intranet		Set up new users
Hardware	Laptops, phones / Printing		Network set up	New hardware
IT Support	Interim Model / Document new model	Set up new model	Recruitment staff	
CRM	Procurement / Detailed Requirements	Build / test		
Website	Requirements / Design / Procurement	Build site(s)	Content creation	
Data Migration	Strategy / requirements / Identify	Group	Structure / Tag	Migrate

(Security Assessment spans September–October)

The implementation roadmap is based on the following user needs and expectations, developed by the Establishment Unit and the interim Establishment Boards:

Key business and ICT outcomes	Date / timing
Business users • We can recruit staff and contractors • We can pay our staff and suppliers • We can procure services and products • Board members can collaborate with one another • We can meet virtually with one another and collaborate remotely **ICT users** • We have managed laptops and mobile phones with WiFi and mobile data services • We have email and standard Microsoft Office applications • We are able to collaborate with our colleagues and externally with other partners / stakeholders • We have video conferencing capabilities • We have a full secure mobile working experience, we can work anywhere anytime • We can store and find documents • We can print documents • We are supported via a Service Desk when things go wrong	By 7 July 2021
Business users • We can continue our core programme endorsement, qualifications and standards, skills leadership and external moderation activities • We can manage and track our interactions and relationships with external entities across all WDCs • We can manage organisational risk and compliance • We can build a diverse and inclusive working culture, and recognise and reward performance • We can share documents safely and securely with external entities • We have access to all the information required to continue our core business activities **ICT users** • We logon once and have access to all our business tools and resources (we don't logon to separate services) • We can easily print and scan documents with the most conveniently located multi-function printer (follow me printing) • We have video conferencing capabilities with external entities, virtually and in our meeting rooms • We have confidence that the security and privacy of information under our custody is protected and preserved • The impact of change is minimised with robust service and change management capabilities	By 4 October 2021

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• Our business interactions are tracked and reported on via a Customer Relationship Management system. These interactions will be available across all WDC's • An Intranet is available for communication, information and collaboration • Websites are available to enable us to communication to the public	
<u>Business users</u> • We can manage risk assessment and assess moderation performance • We can front-foot skills and workforce planning and proactively advocate with providers and industry • We have greater visibility of industry trends and insights through enhanced research and analytics capabilities • We see continuous improvement in the delivery and functionality of corporate and core business services • We can effectively deliver projects and programmes of work in response to internal and external drivers • We can manage our marketing and promotions, and public relations and communications • We can provide brokerage and advisory management services <u>ICT users</u> • We can request and receive new ICT services through a self-service portal • We have easy and timely access to internal information and insights through internal portals (integrated intranet) • We have easy and timely access to information provided by external entities (business-to-business integration)	1 July 2022

Locations and properties

A joint decision was made by the six WDCs to (initially) share offices in Te Whanganui-a-Tara, Wellington and Tāmaki Makaurau, Auckland. This decision was based on the following principles:

- **Transitioning of existing staff** – The primary consideration in the short term is on prioritising locations based on where staff are transitioning from existing TITOs to ensure that people are not disadvantaged once WDCs are established.
- **Provide flexibility in the near term** – A secondary consideration focuses on not committing WDCs to locations for an extended period of time to enable future optionality as individual WDCs' business as usual activity becomes solidified. This includes contractual arrangements and sunk cost considerations such as costs of fitout.
- **Enables collaboration** – WDCs are expected to share locations, which must support effective collaboration both internally between WDCs and externally with industry.
- **Regional presence opportunities** – The current choices need to leave individual WDCs with optionality to adopt a specific regional focus as they become fully functional.

The following offices will be (sub-) leased by the six WDCs:

Office	Location	Term
Te Whanganui-a-Tara Wellington office	49 Tory Street, Te Aro, Wellington	29 August 2025
Tāmaki Makaurau Auckland office	Level 4, 277 Broadway, Newmarket, Auckland (within Westfield Mall)	1 March 2024

Our WDC will explore the need for regional offices with our industries and other groups. This decision will take into account a cost-benefit analysis of having a regional presence (e.g. benefits of having face-to-face interactions, potential reduced travel expenses compared to the expense of a regional office).

Support industry in light of COVID-19

Our WDC is committed to support our industries in their recovery from the impacts of Covid-19.

New Zealand's people, food and fibre sector performed well through the initial part of the COVID-19 pandemic and continues to be pivotal to the country's economic recovery.[4]

In the current environment of low unemployment, a tight labour market and access to migrant labour that many primary industry sectors rely on severely restricted due to the border essentially remaining closed, there are significant labour shortfalls across the industry. The work of the Muka Tangata, including advocating for good policy across the education eco-system, ensuring standards and qualifications meet industry needs and playing a role in career promotion will be extremely important to ensure long-term workforce demands are met.

Hāpaitia (Shared Services Centre)
Establishment of Hāpaitia

A joint decision was made by the six WDCs to establish a separate entity to provide core support services for the WDCs. Te Kāhui Ahumahi developed the name Hāpaitia for this Shared Services Centre, which will be used for both its legal and trading name.

Hāpaitia will be set up as a separate limited liability company, and will be equally owned by each of the WDCs. The Chief Executives of the six WDCs will act as directors of this entity and provide governance and oversight of the entity.

A General Manager will be appointed to lead Hāpaitia, and will be responsible for driving the establishment and development of the function.

Services provided by Hāpaitia

The core services provided by the Shared Services Centre are:

- Finance (including transactional and business partnering)
- People (including business partnering)
- ICT (including ICT contract management and helpdesk)
- Business Services (facilities, government services, etc.)

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[4] MPI submission to the Primary Production Select Committee Inquiry into the Future Workforce Needs of New Zealand's Food and Fibre Sector 11 May 2021

- Te Kāhui Ahumahi and Māori capability support

In addition to the core services, it is expected that the Shared Services Centre could expand its scope in the future by providing additional services to WDCs. Potential future additional services / roles provided by the Shared Services Centre are:

- Māori Advisory (currently within each of the WDCs)
- Te Reo Māori translation services
- Kāhui secretariat support
- Learning and Development
- Health and Safety
- Procurement/fleet – contract management, fleet management, facilitation of specific external support (such as legal)
- Digital/media support
- Events
- Data/Analytics (currently within each of the WDCs)
- Assurance, Compliance and Risk

Hāpaitia organisational structure

The organisational structure for Hāpaitia is as follows:
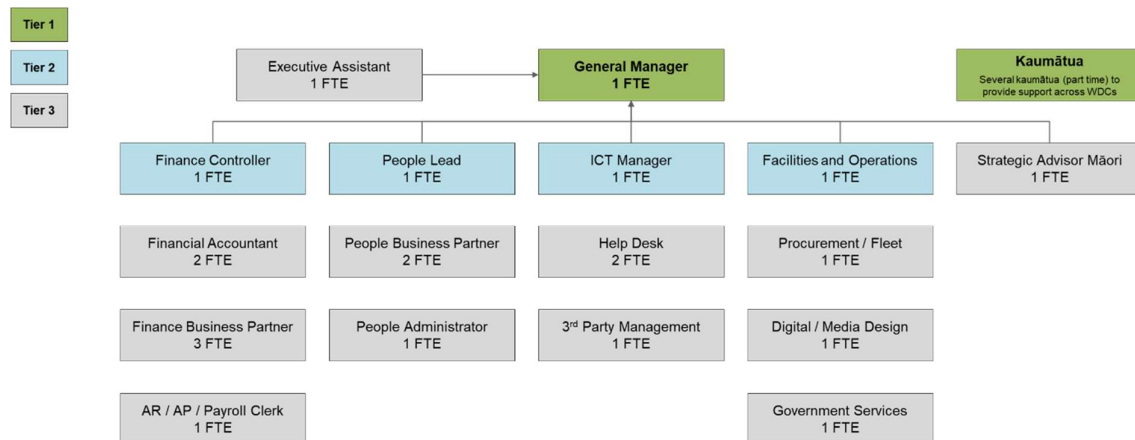
Phasing of Hāpaitia staff

Similar to the recruitment of WDC staff, the recruitment of staff into the Hāpaitia will be phased. This phasing has been developed by the Establishment Unit to match to the needs for Hāpaitia services by the WDCs.

When constructing the budget for the Hāpaitia, the Establishment Unit made the following phasing assumptions:
- 9 staff including the General Manager, Financial Controller, ICT Manager in September 2021
- A further 8 staff including payroll and HR support in October 2021
- All 22 staff recruited by April 2022

Memorandum of Understanding (MoU) between WDCs to fund the Hāpaitia

TBC

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Support to the WDCs by the Establishment Unit (EU)

The Establishment Unit will continue to provide support to our WDC (and other WDCs) in a number of areas during the first months post-establishment. The main support areas will be:

- HR and Recruitment
- Technology implementation
- Operating model support (detailed functional design, refining processes, assistance with finalising establishment plans, preparing training and staff induction)
- Establishing Hāpaitia (Shared Services Centre)
- Finalising tax status, property, legal, corporate structure, policies
- Advisory and Secretariat support
- Communications (see also 'Establishment communications' section above)

Establishment Unit support will scale down throughout the first half of the Establishment Phase, and it is anticipated that support to the WDCs will end by 31 December 2021.

Budget

Our budget has been developed by the Establishment Unit, and is based on decisions made by our interim Establishment Board (with regard to e.g. organisational structure, ICT infrastructure, WDC locations, etc.) and with input from the TITO Reference Group (for assumptions related to e.g. travel, fees for SMEs, engagement, etc.). This budget is highly assumption-based, and we expect that in the first year our WDC will carry out one or more re-forecasting exercises, as more of the unknowns will become clearer / certain.

"Specifically, it should be noted that:

- While the overall budget number is set, expenditure may move between the expense categories and between Opex and Capex
- Capital expenditure may change as a result of the current procurement activities

The following table summarises the budget including the provisional allocation between cost categories."

Year 1 Summary for Establishment Plans	
Muka Tangata - People, Food and Fibre WDC	
People	$3,078,220
Governance	$535,000
Travel & Transport	$304,640
Subject Matter Experts	$65,912
Printing, postage & stationery	$33,966
Engagement, Meetings & events	$446,352
Shared Services Centre	$684,817
WDC Collaboration	$11,250
IT OPEX	$280,944
Other	$196,250
Contingency	$100,000
Operating Cost Total	**$5,737,352**
Capex	$2,021,258
Overall Funding	**$7,758,609**

Appendices

Appendix A: Risk Register

The table below sets out some of the key risks identified for the Establishment Phase

No.	Title	Description (IF)	Impact (THEN) & Consequence (RESULTING IN)	Likelihood (H / M / L)	Impact (H / M / L)	Risk rating (H / M / L)	Controls / Mitigations
R-1	WDC Foundations	IF WDCs are not established in a way which puts the right foundation in place	THEN transformation will be compromised and WDCs will struggle to be up and running in the expected time frame.	Medium	High	**High**	• The Establishment Unit will support the establishment of the WDCs until October 2021. • The iEBs and the iEB Steering Group are consulted on a regular basis, and make decisions on behalf of the incoming WDC Councils.
R-2	Industry confidence in WDCs	IF Industry loses confidence in WDCs	THEN industry may choose not to engage with WDCs, resulting in a drop in industry participation in formal vocational education.	Medium	High	**High**	• The development of an (industry) engagement model is a priority for the WDCs • WDC Council members have been appointed for their close ties to industry • WDC Council members will start meeting with their industries early on in the Establishment Phase, and this engagement with the Council and with WDC staff will continue throughout the existence of the WDCs
	Staff continuity between TITO/NZQA and WDCs	IF TITO and NZQA staff choose to not transfer to WDCs	THEN this would negatively impact the WDCs' ability to deliver on some of its technical functions.	High	High	**High**	• Clear and regular communications to staff through TITOs & NZQA • Paint a compelling picture of what a WDC will be like for staff and the opportunities WDCs present • Gain the trust of TITO and NZQA leaders, so they can reflect that trust to their staff • Minimise location disruption for staff

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	Risk	IF	THEN				Mitigation
	WDCs funding	IF WDCs can't perform their functions within the current funding appropriated	THEN WDCs are likely to reduce their services and/or quality of services	High	High	**High**	• The budget for the Establishment Phase for each WDC has been developed centrally by the EU, which means that all budget assumptions made are consistent across the six WDCs. • The Establishment Unit is looking for ways to save on property and ICT expenses. • WDCs have agreed to set up a Shared Services Centre (Hāpaitia) for a number of common services. • WDCs will continue to explore ways to collaborate and save costs in doing so.
	Chief Executive recruitment	IF Chief Executives are not identified and recruited in a timely manner	THEN WDCs' ability to start carrying out operational manners and building up the organisation could be delayed, OR the WDC Council may need to take a more operational role until the CE has been recruited.	Medium	Medium	**Medium**	• The Establishment Unit is supporting the WDCs with the recruitment of their Chief Executives • Councils could explore interim solutions in anticipation of the start date of their Chief Executive
	ICT implementation	IF there are delays in the ICT implementation	THEN this will have an impact on the WDCs' ability to carry out their (technical) functions	Medium	Medium	**Medium**	• The Establishment Unit is supporting the WDCs with the implementation of the technology solutions • A technology implementation partner is supporting the technology implementation

Appendix B: WDC Legislative Functions and Duties

Education and Training Act 2020

366 Functions of workforce development councils

(1) The functions of a workforce development council, in relation to the specified industries covered by it, are—

Leadership

(a) to provide skills and workforce leadership for the specified industries, including by identifying their current and future needs and advocating for those needs to be met through its work with the industries and with schools, providers, regional bodies, and the Government:

Developing and setting standards, capstone assessments, and qualifications

(b) to develop, set, and maintain skill standards:

(c) to develop and maintain industry qualifications for listing on the Qualifications Framework and to maintain qualifications for which it has become the qualifications developer:

(d) to develop and maintain training schemes:

(e) to develop and maintain training packages:

(f) to develop, set, and maintain capstone assessments based on the needs of the specified industries:

Endorsing programmes and moderating assessments

(g) to decide whether to endorse programmes developed by providers:

(h) to carry out moderation activities in relation to any standards and capstone assessments it sets:

Advisory and representative role

(i) to provide employers with brokerage and advisory services approved by TEC:

(j) to advise TEC, as provided for in section 411,—

   i. about its overall investment in vocational education and training:

   ii. about the mix of vocational education and training needed for the 1 or more specified industries covered by the workforce development council in the manner required by TEC:

(k) to represent the interests of the specified industries:

Other functions

(l) to perform any other functions conferred on it by the Minister in relation to the specified industries.

(2) For the purposes of subsection (1)(g), the Minister may, by notice in the Gazette, specify criteria relating to when a workforce development council must endorse a programme before it may be approved by NZQA under section 439.

(3) The Minister must not confer any additional function on a workforce development council under subsection (1)(l) without first consulting the workforce development council.

367 Workforce development council's functions in relation to wānanga

(1) Subject to subsection (2),—

    (a) a workforce development council may endorse a programme developed by a wānanga only if requested by the wānanga:

    (b) a capstone assessment developed by a workforce development council applies to a wānanga only if requested by the wānanga.

(2) If a programme includes a component of work-based training, a workforce development council may perform its functions under section 366 in relation to the programme.

369 Duties of workforce development councils

(1) A workforce development council must comply with any prescribed quality assurance requirements set by NZQA relating to the performance of its functions.

(2) In performing its functions, a workforce development council—

    (a) must take into account the needs of employers and employees in the 1 or more specified industries covered by the workforce development council but, in doing so, must also consider national and regional interests:

    (b) must have regard to the needs of Māori and other population groups identified in the tertiary education strategy issued under section 7:

    (c) must, to the extent that is necessary or desirable in the circumstances, work collaboratively with—

        i. providers in relation to the functions set out in section 366(1)(b) and (c) and, in the case of wānanga, while respecting their special character under section 268(2)(d)(ii)(B):

        ii. other workforce development councils, particularly on matters of common interest:

        iii. NZQA, in relation to qualifications development, programme endorsement, or developing, setting, or maintaining skill standards:

        iv. any relevant regulatory body that performs or exercises any functions, duties, or powers under an enactment in relation to entry to an occupation in any of the specified industries covered by the workforce development council:

    (d) must, when performing its functions under section 366(1)(i) to (k), take all reasonable steps to avoid any adverse impact on its relationship with a provider or providers.

Order in Council

7 Performance of Council's functions and duties

(1) When performing its functions under section 366 of the Act and its additional functions under clause 8, the Council must act in a manner that—

    (a) facilitates and channels the industry voice:

    (b) contributes to the creation of a sustainable, globally engaged, and adaptive New Zealand:

    (c) seeks to contribute to an education system that provides opportunities for all people in the specified industries to reach their full potential and capabilities, including those who have been traditionally underserved by the education system:

    (d) contributes to an education system that honours Te Tiriti o Waitangi and supports Māori–Crown relations:

    (e) seeks to contribute to an education system that helps ensure fair and equitable outcomes for all:

    (f) aims to support the responses to New Zealand's current and future workforce needs, taking into account—

        i. the transition to a low-emissions and climate-resilient New Zealand; and

        ii. new global challenges; and

        iii. emerging technologies; and

       iv.   global sustainability goals; and

       v.   the changing nature of work; and

       vi.   the skills, knowledge, and qualifications learners will need in future, to achieve success for themselves and their communities:

   (g)   contributes to a well-functioning labour market system in which the specified industries can access the skills they require to meet their current and future needs.

(2) When performing its functions under section 366 of the Act, the Council must—

   (a)   provide strategic direction and leadership in relation to the specified industries across the education and training system as a whole in collaboration with—

       i.   learners; and

       ii.   the specified industries (including, without limitation, employers, employees, self-employed people, volunteers, industry associations, and trade unions); and

       iii.   tangata whenua; and

       iv.   other stakeholders as determined by the Council; and

       v.   other workforce development councils; and

   (b)   (b) give effect to—

       i.   the relevant parts of the tertiary education strategy; and

       ii.   Ka Hikitia–Ka Hāpaitia or subsequent Māori education strategies that relate to vocational education and training; and

   (c)   act in a manner that is consistent with goals and objectives of the vocational education system as a whole; and

   (d)   work collaboratively with providers, including work-based trainers and employers, to ensure that qualifications, standards, and learning packages enable successful outcomes for all learners.

(3) When performing its duty under section 369(2)(b) of the Act to have regard to the needs of Māori and other population groups identified in the tertiary education strategy, the Council must consult the persons or bodies it considers on reasonable grounds represent the interests of Māori and those population groups.

(4) The Council may appoint committees to advise it on any matters relating to the performance or exercise of its functions, duties, or powers.

8 Additional functions

The additional functions of the Council are—

   (a)   to promote opportunities for all people in the specified industries to reach their full potential and capabilities by supporting quality vocational educational outcomes; and

   (b)   to address the needs and aspirations of priority learners in the specified industries, including Pacific learners and people with disabilities; and

   (c)   to advocate for, and contribute to, policies that meet the needs of the specified industries, particularly as they relate to vocational education, career promotion and planning, and the funding of education and training; and

   (d)   to provide advice to compulsory education, higher education, industry extension, and professional development providers on how the education and training system can be mobilised to build the capability required of the future workforce; and

   (e)   to undertake commercial work on behalf of the specified industries if it is aligned to the functions of the Council and the statement of strategic direction.

21 Collective duties

The Council must—

   (a)   act in a manner consistent with its functions, duties, and powers; and

(b) perform or exercise its functions, duties, and powers efficiently and effectively and in a manner consistent with the spirit of service to the public and the specified industries; and

(c) ensure that it operates in a financially responsible manner and, for that purpose, that it prudently manages its assets and liabilities; and

(d) ensure as far as possible that the decisions of the Council are made openly and transparently and, in particular, that any specified industries, persons or bodies affected by matters before the Council are given an opportunity to contribute to the decisions made by the Council in relation to those matters.

Appendix C: Key, high-level budget assumptions

In developing the budget for each of the WDCs, the following high-level assumptions were made:

1. Funding from the TEC will be the sole funding that WDCs will receive in the first year:
   - WDCs will not charge for any of their functions set out in the Education and Training Act 2020
   - <u>Note:</u> Charging for any additional functions or for activities that are within the scope or consistent with the functions of a WDC (but that a WDC would normally not do) will need to be assessed on a case-by-case basis by legal professionals.
2. The 'people costs' within the budget have been based on the organisational structures developed by the Establishment Unit, with input from our iEB and from Transitional ITOs that transition into our WDC.
3. Staff recruitment will be phased:
   - Chief Executive, Executive Assistant and Poumatua on board from September 2021
   - All General Managers (incl. Managers Corporate Services) on board from October 2021
   - All other staff:
     - 30% on board from October 2021
     - 50% on board from January 2022
     - 80% on board from April 2022
     - 100% on board from July 2022 (relevant for Year 2 – budget FY2022/23)
   - Hāpaitia staff will be phased in a 'bespoke manner' to match to the needs for Hāpaitia services by the WDCs.
4. WDCs will use a mix of in-person and virtual / remote engagement.
5. Travel (for in-person engagement) is expected to take place through a mix of air travel (flights), fleet cars, staff's private vehicles (mileage reimbursement), taxis / Ubers, and rental vehicles.
6. The main categories of WDC staff traveling are:
   - QSP staff
   - Moderation staff
   - Relationship Managers
   - Chief Executive, Poumātua and Senior Management
7. WDCs will co-locate in shared offices in Te Whanganui-a-Tara, Wellington and Tāmaki Makaurau, Auckland. Each WDC has some budget available for satellite offices elsewhere.
8. WDCs will pay a fee and will reimburse travel costs for industry Subject Matter Experts' involvement in the development / review of standards.
9. IT CAPEX are based on a benchmark of approximately 12% of funding available from year 2 ($65m)

<u>Note:</u> Detailed assumptions sit behind these high-level assumption