

Cabinet Paper material Proactive release

Minister & portfolio	Hon Chris Hipkins, Minister of Education
Name of package	Establishment of Six Workforce Development Councils
Date considered	10 May 2021
Date of release	27 May 2021

These documents have been proactively released:

Cabinet Paper: Establishment of Six Workforce Development Councils

10 May 2021
Minister of Education

Cabinet Minute: CAB-21-MIN-0156

10 May 2021
Cabinet Office

Cabinet Minute: LEG-21-MIN-0053

6 May 2021
Cabinet Office

Some deletions have been made from the documents as the information withheld does not fall within scope of the Minister's portfolio responsibilities, and is not relevant to the proactive release of this material.

You can read the Official Information Act 1982 here:

<http://legislation.govt.nz/act/public/1982/0156/latest/DLM64785.html>

In Confidence

Office of the Minister of Education

Chair
Cabinet Legislation Committee

Orders in Council to establish six Workforce Development Councils

Proposal

1. This paper seeks the Committee's authorisation to submit Orders in Council to the Executive Council to establish the following six Workforce Development Councils (WDCs) denoting their broad coverage areas:
 - 1.1 Toi Mai Workforce Development Council (covering creative, cultural, recreation and technology industries)
 - 1.2 Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
 - 1.3 Community, Health, Education, and Social Services Workforce Development Council
 - 1.4 Waihanga Ara Rau Construction and Infrastructure Workforce Development Council
 - 1.5 Muka Tangata – People, Food and Fibre Workforce Development Council (covering primary industries), and
 - 1.6 Services Workforce Development Council.

Policy

2. In July 2019, Cabinet agreed to establish four to seven industry-governed WDCs with oversight of all vocational education [CAB-19-MIN-009]. On 29 March 2021, Cabinet authorised instructions for PCO to draft Orders in Council to establish six WDCs [SWC-21-MIN-0031]. The key proposals contained in each Order in Council are outlined below.

The name of each WDC

3. The names of each WDC contain a mix of English-only and English and Māori names. Following establishment, the intention is for all the WDCs to have both English and Māori names by using trading names.

Coverage areas

4. The industries and occupations each WDC will be responsible for are listed in each order. The industry groupings are unchanged from those described in the paper previously considered by Cabinet.

Governance arrangements

5. Moderate sized governing bodies for the WDCs (eight to twelve members) are proposed. Appointments are to be made by either a selection or appointment committee made up of industry representatives, the WDC or in some cases the Minister of Education. Similar provisions for industry engagement are included across all proposals.
6. Each WDC has unique governance arrangements, including some differences in requirements as to the minimum number of Māori members on council (as many as half of the members for some of the WDCs) and co-chair arrangements. This variation reflects the consideration of Māori and industry interests in the different industry contexts.
7. Cabinet Social Wellbeing Committee noted on 24 March that the policy establishing six WDCs would be subject to a Treaty analysis [SWC-21-MIN-0021]. This has now been completed and I am satisfied that all six Orders in Council comply with the principles of the Treaty of Waitangi.

Any additional functions

8. Three WDCs (Muka Tangata – People, Food and Fibre WDC, Waihanga Ara Rau Construction and Infrastructure WDC and Hanga-Aro-Rau Manufacturing, Engineering and Logistics WDC) have functions that are additional to those provided in section 366 of the Act. These functions relate to providing opportunities for people to reach their potential, addressing aspirations of priority learners, conducting research to support their functions, and promoting careers in their industries.

Process for establishing a WDC

9. Section 363 of the Education and Training Act 2020 provides that the Governor-General may, by Order in Council made on the recommendation of the Minister of Education, establish a WDC for one or more specified industries.

Timing and the 28-day rule

10. I propose that all six Orders in Council come into effect on 11 June 2021 following completion of the 28-day rule.

Compliance

11. The proposed Orders in Council comply with:
 - 11.1 the principles of the Treaty of Waitangi;
 - 11.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
 - 11.3 the principles and guidelines set out in the Privacy Act 1993;
 - 11.4 relevant international standards and obligations; and

11.5 the Legislative Design and Advisory Committee (LDAC) Guidelines on the Process and Content of Legislation (2018 edition).

Regulations Review Committee

12. There are no grounds for the Regulations Review Committee to draw the Orders in Council to the attention of the House under Standing Order 319.

Certification by Parliamentary Counsel

13. The draft Orders in Council have been certified by Parliamentary Counsel as being in order for submission to Cabinet and the Executive Council.

Impact analysis

14. The Regulatory Quality Team at the Treasury has determined that the following regulatory proposals in this paper are exempt from the requirement to provide a Regulatory Impact Statement (RIS) on the basis that they have no or minor impacts on businesses, individuals or not-for-profit entities:

14.1 detailed governance arrangements including meetings;

14.2 appointment of chairpersons;

14.3 individual and collective duties of Council; and

14.4 industry engagement.

15. The Ministry of Education's internal Regulatory Impact Assessment Panel has assessed the RIS as partially meeting the Quality Assurance criteria. The RIS reflects the extensive consultation that has shaped the specific governance arrangements proposed for each of the six WDCs and the industry driven approach used to identify and assess the possible options.

Publicity

16. I intend to put out a press release the same day that the six Orders in Council are notified in the *New Zealand Gazette*.

Proactive release

17. I plan to proactively release this Cabinet paper in line with provisions in the Official Information Act 1982.

Consultation

The Government caucus and other parties represented in Parliament

18. Consultation with the Labour and Green party caucuses will occur prior to the submission of the Orders in Council to the Executive Committee.

Relevant government departments and agencies

19. The following government departments and agencies have been consulted as appropriate on the Cabinet paper and six Orders in Council: the Treasury; the Public Services Commission; the New Zealand Qualifications Authority; the Tertiary Education Commission; the Ministry of Business Innovation and Employment; Te Arawhiti; and Te Puni Kokiri.
20. The Department of the Prime Minister and Cabinet has been informed.

Relevant private sector organisations and public consultation processes

21. Before issuing an Order in Council to establish a WDC, the Minister of Education is required under section 363 of the Education and Training Act to consult with the representatives of the specified industries proposed to be covered by the Orders in Council and take into account their views on the following:
 - 21.1 name and governance arrangements;
 - 21.2 the desirability of avoiding duplication of resources in the coverage of WDCs in relation to the specified industries; and
 - 21.3 the capability required by the proposed WDC to perform and exercise its functions, duties, and powers efficiently and effectively.
22. The Tertiary Education Commission on behalf of the Minister of Education undertook broad consultation on all proposals to be included in the Orders in Council and the Minister of Education has considered all feedback received. The consultation ran for approximately 7 weeks from 16 December 2020 until 5 February 2021. The total number of submissions received (across all six proposals) was 214, including 131 organisations and 83 individual submissions.
23. The areas of most interest across the six Orders in Council proposals were the names, council membership, coverage, and industry engagement. As a result of consultation, minor changes were made to the six proposals, to reflect the voices of industry and of those who commented during consultation.

Recommendations

24. The Minister of Education recommends that the Cabinet Legislation Committee:

1. **note** that the Education and Training Act 2020 provides that the Governor-General may, by Order in Council made on the recommendation of the Minister of Education, establish a workforce development council for 1 or more specified industries;

2. **authorise** the Minister of Education to submit to the Executive Council six Orders in Council establishing the following WDCs:

2.1 Toi Mai Workforce Development Council

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

2.3 Community, Health, Education, and Social Services Workforce Development Council

2.4 Waihanga Ara Rau Construction and Infrastructure Workforce Development Council

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

2.6 Services Workforce Development Council.

Authorised for lodgement

Hon Chris Hipkins

Minister of Education



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report of the Cabinet Legislation Committee: Period Ended 7 May 2021

On 10 May 2021, Cabinet made the following decisions on the work of the Cabinet Legislation Committee for the period ended 7 May 2021:

LEG-21-MIN-0053 **Establishment of Six Workforce Development Councils** CONFIRMED
Portfolio: Education

Out of scope

Michael Webster
Secretary of the Cabinet



Cabinet Legislation Committee

Minute of Decision

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Establishment of Six Workforce Development Councils

Portfolio **Education**

On 6 May 2021, the Cabinet Legislation Committee:

- 1 **noted** that in July 2019, Cabinet agreed to establish four to seven Workforce Development Councils as a key aspect of the Reform of Vocational Education and Training [CAB-19-MIN-0354];
- 2 **noted** that in March 2021, the Cabinet Social Wellbeing Committee:
 - 2.1 noted that six Workforce Development Councils would be established, covering:
 - 2.1.1 Construction and Infrastructure;
 - 2.1.2 Manufacturing, Engineering and Logistics;
 - 2.1.3 Primary Industries;
 - 2.1.4 Service Industries;
 - 2.1.5 Creative, Cultural, Recreation and Technology;
 - 2.1.6 Health, Community, Education and Social Services;
 - 2.2 noted that a Workforce Development Council must be established through an Order in Council which must include the name, the industries covered by the Workforce Development Council, governance arrangements, and any additional functions;
 - 2.3 approved the proposed names, coverage areas, governance arrangements, additional functions and minor arrangements of the six Workforce Development Councils; [SWC-21-MIN-0031]
- 3 **noted** that the orders in council referred to in paragraph 6 establish the:
 - 3.1 Toi Mai Workforce Development Council;
 - 3.2 Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council;
 - 3.3 Community, Health, Education, and Social Services Workforce Development Council;

- 3.4 Waihanga Ara Rau Construction and Infrastructure Workforce Development Council;
- 3.5 Muka Tangata – People, Food and Fibre Workforce Development Council;
- 3.6 Services Workforce Development Council;
- 4 **noted** that section 363 of the Education and Training Act 2020 requires that, before recommending the making of an Order in Council establishing a Workforce Development Council, the Minister of Education must consult with representatives of the industries to be covered by the Order and take into account their views on a number of matters;
- 5 **noted** the advice of the Minister of Education that this requirement has been met;
- 6 **authorised** the submission to the Executive Council of the:
- 6.1 Education (Toi Mai Workforce Development Council) Order 2021 [PCO 23359/18.0];
- 6.2 Education (Hanga-Aro-Rau Manufacturing, Engineering, and Logistics Workforce Development Council) Order 2021 [PCO 23341/18.0];
- 6.3 Education (Community, Health, Education, and Social Services Workforce Development Council) Order 2021 [PCO 23361/22.0];
- 6.4 Education (Waihanga Ara Rau Construction and Infrastructure Workforce Development Council) Order 2021 [PCO 23342/12.0];
- 6.5 Education (Muka Tangata—People, Food, and Fibre Workforce Development Council) Order 2021 [PCO 23358/11.0];
- 6.6 Education (Services Workforce Development Council) Order 2021 [PCO23360/13.0];
- 7 **noted** that the Orders come into force on 11 June 2021.

Rebecca Davies
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Andrew Little
Hon Kris Faafoi
Hon Michael Wood (Deputy Chair)
Hon Dr David Clark
Keiran McNulty, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG

Hard-copy distribution:

Minister of Education