

## Education Report: Draft Cabinet paper to establish six Workforce Development Councils

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	3 March 2021	<b>Priority:</b>	High
<b>Security Level:</b>	In confidence	<b>METIS No:</b>	1251846 B-21-00080
<b>Drafter:</b>	Emily Harding	<b>DDI:</b>	9(2)(a)
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<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	No

### Purpose of Report

The purpose of this report is to provide you with a draft Cabinet paper seeking Cabinet's agreement to the establishment of six Workforce Development Councils (WDCs) by Order in Council as required by the Education and Training Act (the Act). A Regulatory Impact Statement (RIS) is also attached for your information.

### Recommendations

The Ministry of Education and the Tertiary Education Commission recommend that you:

- a. **note** the attached draft Cabinet paper which seeks Cabinet's agreement to proposals to establish six WDCs;
- b. **note** that the Cabinet paper incorporates changes you have agreed to in the Education Report: Workforce Development Council Order in Council proposals summary of submissions [METIS 1250938 refers] and feedback from consultation with other departments;
- c. **provide feedback** on the attached draft Cabinet paper;
- d. **note** we will provide you with the final Cabinet paper for lodging on 11 March;
- e. **note** that a Regulatory Impact Statement is attached for your information; and

- f. **agree** to proactively release this education report in line with the provisions of the Official Information Act 1982.

Agree / Disagree



**Katrina Sutich**  
Group Manager Tertiary  
Te Ara Kaimanawa  
Ministry of Education

03/03/2021



**Deirdre Marshall**  
Acting Deputy Chief Executive  
Tertiary Education Commission

03/03/2021



**Hon Chris Hipkins**  
Minister of Education

13/3/2021

Proactively Released

## Background

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1. Public consultation on the WDC Order in Council (OIC) proposals finished on 5 February 2021. A summary of submissions education report [METIS 1250938 refers] was provided to you on 19 February 2021 seeking your agreement to a number of minor changes:
  - across all the OIC proposals; and
  - to each individual OIC proposal.
2. You have made decisions on these proposals and they have been incorporated as appropriate, into the draft Cabinet paper.

## Contents of the draft Cabinet paper and Regulatory Impact Statement

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3. The attached draft Cabinet paper seeks Cabinet's agreement to:
  - a. establish six WDCs through six OICs, which include name, scope of industry coverage, governance arrangements, and any additional functions as required by the Act.
  - b. issue drafting instructions to the Parliamentary Council Office to draft the Orders in Council to establish the six WDCs.
4. A Regulatory Impact Statement (RIS) is attached to this report. As agreed with Treasury, the Ministry's internal Regulatory Impact Assessment Panel have assessed the RIS and determined that it partially meets the Quality Assurance criteria. The Panel indicated that the RIS reflects the extensive consultation carried out, which the panel is satisfied with.
5. The Panel considered that the analysis of options and impacts across the six WDCs in a single RIS does present challenges for presentation of the analysis of the options and impacts. It further noted that the limited options considered for some elements of the proposed arrangements are partly explained by the choices available, and despite this, there is adequate detail and rationale for the options selected.

## Purpose of each WDC and Te Tiriti o Waitangi

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6. Each interim Establishment Board (iEB) has drafted a purpose statement for their WDC. As part of the summary of submissions, you have agreed to the Ministry's proposal to update the purpose statements to include a consistent reference to section 4 of the Education and Training Act 2020.

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9(2)(g)(i)

## Gender representation in the proposals

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9. Tertiary Education Institution provisions in section 278 of the Education and Training Act 2020 say that the council should reflect the fact that approximately half the population of New Zealand is female and half is male. Two of the IEBs have included something similar in their proposals as outlined in table 1 below:

*Table 1: Gender requirements across the OIC proposals*

<b>WDC</b>	<b>Provisions</b>
Construction and Infrastructure	Two members of the council must be female  Membership of the Council should, reflect the gender of the people within the specified industries and in New Zealand as a whole.
Cultural, Creative, Recreation and Technology	Gender balance
Manufacturing, Engineering and Infrastructure	Membership of the Council should, reflect the gender of the people within the specified industries and in New Zealand as a whole.

10. Requiring two members on council to be female or for the council to have gender balance may raise Human Rights Act concerns. Further work may be needed to establish the grounds for requiring women on the councils of the WDCs, where there is a known participation gap, as well as the number of women needed on each of the councils to reduce the participation gap.

## Establishing a cross WDC Māori advisory committee

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11. You have indicated you would consider establishing a cross WDC Māori advisory committee if there was strong support for it. Officials consider there are several ways to do this which may require changes to the primary legislation. We will provide you with options to establish a cross WDC Māori advisory committee over the coming weeks.

## Scheduled review and amendment of the WDC OICs

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12. As of 1 January 2023, all Transitional Industry Training Organisations (Transitional ITOs) will have transitioned their functions to Te Pūkenga and other providers, and to WDCs, and interactions with the Unified Funding System may come into play.
13. We recommend that you propose to review and potentially amend the six Orders in Council in 3 to 4 years' time following the WDCs initial establishment.
14. A scheduled review of the OIC would help to manage sector expectations and any requests for change that you may receive after initial WDC establishment. A review also provides you with the opportunity to make amendments to the Orders in Council to better support the execution of WDC functions.

## Next steps

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15. Once we receive your feedback on the draft Cabinet paper, and any feedback coming out of Ministerial consultation, we will provide you with a final Cabinet paper for lodgement.

## Annexes

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**Annex One:** Draft Cabinet paper: Establishment of six Workforce Development Councils

**Annex Two:** Regulatory Impact Statement: Establishment of Workforce Development Councils by six Orders in Council

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