



PSO752

3 June 2025

Alan Bollard
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Tēnā koe Alan,

Delegation to fund Workforce Development Councils

I am writing to advise you of my delegation to the Tertiary Education Commission (TEC) to extend funding for Workforce Development Councils (WDCs) through to 31 December 2025.

I intend for WDCs to be disestablished by the end of 2025, assuming the Education and Training (Vocational Education and Training System) Amendment Bill (the Bill) is passed later this year. The existing WDCs will continue to perform their statutory functions and fulfil their duties until such time as their Orders in Council are revoked. At this point new organisations will be established and will give effect to their statutory functions and duties through new Orders in Council.

As Minister for Vocational Education, I extend the delegation of authority to the TEC to fund WDCs as required to perform their statutory functions and fulfil their duties as set out in the Education and Training Act 2020 (the Act) and in their respective Orders in Council.

From 30 June 2025 I delegate to the TEC the authority to administer and pay funding for WDCs for up to a further six months, until 31 December 2025 or until all Orders in Council for WDCs have been revoked, whichever occurs first. The TEC can utilise funding of up to \$15m from the Workforce Development Councils' appropriation within Vote Tertiary Education to fund WDCs during this time.

During this period I expect WDCs to make use of their available reserves before drawing down on new funding. This additional funding is available to supplement reserves where it is necessary for a WDC to perform their functions and duties. In allocating funding to WDCs the TEC must take into account the availability of reserves, as well as the scale of the industries covered by each WDC and other factors that the TEC considers relevant for a WDC to perform its functions and duties.

I also require that the TEC include in the agreements under which it funds WDCs a requirement that each WDC be required to repay any of the funding provided to it that is unexpended and uncommitted during the transition period for the WDC, with a view to having any uncommitted funding fully repaid by the time the WDC is disestablished.

I hereby delegate to the TEC under section 409(1)(j) of the Act authority to pay funding:

- to WDCs established under section 363 of the Education and Training Act 2020;
- for the activities agreed to by the TEC in WDCs' operational plans under the Act and/or transition plans should the Bill pass; and
- using funding up to the amount appropriated to *Non-Departmental Output Expenses: Workforce Development Councils* within Vote Tertiary Education.

I expect the TEC to:

- give effect to Te Tiriti o Waitangi and its principles as required by section 4(d) of the Act in the exercise of this delegation; and
- report to me on the performance of WDCs on a no-surprises basis for any issues that may arise.

The TEC may exercise any of its administrative functions as required to give effect to this delegation.

A future delegation will facilitate the funding of standards-setting and related functions from 1 January 2026 onwards.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'P. Simmonds', with a stylized flourish at the end.

Hon Penny Simmonds
Minister for Vocational Education