

Proposed content for Order in Council to establish an industry skills board

Background

This summary outlines what the Minister for Vocational Education proposes to include in the Orders in Council that will establish new industry skills boards (ISBs) under section 362 of the Education and Training Act 2020, as amended by the Education and Training (Vocational Education and Training System) Amendment Act 2025.

An ISB will receive the training activities referred to in this summary from Te Pūkenga | NZIST's work-based learning divisions: BCITO, Careerforce, Competenz, Connexis, EarnLearn, HITO, MITO, Primary ITO, and ServiceIQ. The parts of the Order relating to training activities apply only while an ISB is managing those activities or transferring them to a provider.

This summary has been prepared to support the consultation required by section 362(3) of the Act. The actual content of each Order is subject to final legislative policy decisions by the Minister and consideration by Cabinet, and the Parliamentary Counsel Office's drafting requirements for Orders in Council.

Definitions

The following defined terms are used in this document for ease of reference:

- *Act* — means the Education and Training Act 2020
- *assets* — means the assets transferred from Te Pūkenga to the Board via a transition plan made under clause 131 in Schedule 1 of the Act
- *Board* — means the specific industry skills board that the Order establishes
- *specified industries* — means the industries covered by the Board and listed in the Schedule of the Order
- *tertiary education strategy* — means the tertiary education strategy issued under section 7 of the Act
- *training activities* — means the programmes, micro-credentials, assessments against standards, or other work-based learning activity transferred from Te Pūkenga to the Board in accordance with a transition plan made under clause 131 of Schedule 1 of the Act
- *transition period* — means the period ending on the earlier of (i) the date of transfer of training activities to another provider, or (ii) 31 December 2027.
- *vocational education provider* — means a provider of vocational education or training for 1 or more of the specified industries

Section 1 - Name and coverage of the Board

1. *Board established*

The Board is established as the [name] Industry Skills Board

2. *Coverage*

The coverage of the Board comprises the specified industries listed in Part 1 of the Schedule, and includes the level 4 industries specified in the *Australia and New Zealand Standard Industrial Classification 2006* (ANZSIC) set out in a table in the Schedule.

Section 2 - Planning and reporting

3. *Board must give effect to tertiary education strategy*

The Board must give effect to the tertiary education strategy (TES) in the performance of its functions.

4. *Statement of strategic direction*

The Board must issue a statement of strategic direction at least every three years.

The statement must set out the Board's priorities and activities for each 5-year period, and include as a minimum —

- the goals and objectives of the Board in performing its functions and duties;
- how the Board intends to give effect to the relevant parts of the TES;
- the performance measures the Board will use to assess its performance against the goals and objectives set out in the statement.

Before issuing a statement of strategic direction the Board —

- must engage with the specified industries to ensure that the goals and objectives set out in the statement align with the needs of employers and employees in the specified industries;
- must consult on the proposed statement with —
 - the Minister;
 - the Secretary of Education;
 - vocational education providers;
 - persons or bodies representing secondary schools;
 - any other persons or bodies the Board thinks fit.

The Board must publish a copy of the statement on an Internet site maintained by or on behalf of the Board.

5. *Annual report*

As soon as practicable after the end of each financial year the Board must provide the specified industries and the Minister with an annual report on its operations and activities in the performance of its functions during that financial year.

The annual report must include as a minimum —

- the annual financial statements of the Board;
- a statement of service performance outlining the progress the Board has made towards achieving the goals and objectives set out in its statement of strategic direction;
- information, together with supporting evidence, on whether the qualifications, micro-credentials, standards, programmes, or courses of study or training developed or endorsed by the Board are meeting the needs of employers, employees, and people seeking to be employed in the specified industries.

5. *Audit*

- The Board must forward to the Auditor-General —
 - within 3 months after the end of each financial year—
 - the annual financial statements of the Board; and
 - the statement of service performance of the Board; and
 - any other information that the Auditor-General has agreed, or is required, to audit; and
 - the annual report of the Board in a timely manner to enable the Auditor General to review that report before providing the audit report required under clause 9(2)(d).

Section 3 - Industry engagement and collaboration with other industry skills boards

6. *Specified industry advisory groups*

The Board is primarily accountable to the specified industries for the performance of its functions.

The Board must establish enough industry advisory groups to enable the specified industries to provide input that will assist the Board in the performance of its functions.

The role of the industry advisory groups is —

- to provide information and guidance to the Board on the needs of employers and the skill requirements of employees in the specified industries;
- to assist the Board in formulating its advice to TEC on investment in the vocational education and training needs for the specified industries;
- to assist the Board in undertaking strategic workforce planning for the specified industries;
- to enable the specified industries to provide feedback to the Board about the performance of its functions and duties, including —
 - whether the governance, management and operation of the Board is effective and responsive to the needs of the specified industries;
 - whether the qualifications, standards, and micro-credentials developed and maintained by the Board are meeting the needs of employers, employees, and people seeking to be employed in the specified industries.

The Board must —

- provide information and support to the industry advisory groups as necessary to ensure that they can perform their role;
- meet with the industry advisory groups as necessary to enable the advisory groups to perform their role.

7. *Engagement with specified industries*

The Board must develop and implement an engagement model that sets out how the specified industries can engage with the Board to advise and assist the Board in performing its functions.

The engagement model must —

- take into account the needs of particular industries and specialist areas within the coverage of the Board and the specified industries as a whole;
- set out the procedure by which the specified industries can raise issues or concerns about the Board's performance of its functions;

- describe the arrangements or opportunities for regular interaction between the specified industries and the Board, including at least 1 annual meeting with representatives of the specified industries; provide for regular reporting to the specified industries on any steps taken to implement their advice on any improvements or changes needed to the performance of the Board's functions.

8. Engagement with industry bodies

The Board must engage with industry associations and peak bodies for the specified industries —

- to understand their plans and strategies and how best to support them; and
- to identify opportunities for the Board to contribute to those plans and strategies.

9. Employer and employee advisory committees

The Board must establish an employer or employee advisory committee, as the case may require, if the membership of the Board does not provide for the collective representation of employers or employees in the specified industries.

The purpose of an employer or employee advisory committee is to provide an employer or employee perspective on the governance and operation of the Board in the performance of its functions.

The Board must consult with the bodies representing employers or employees in the specified industries on suitable candidates for appointment to an employer or employee advisory committee.

The Board must, as far as reasonably practicable, appoint sufficient employer or employee representatives as members of the committee who together can fairly represent the views of employers or employees in the specified industries.

10. Collaboration with other industry skills boards

The Board must —

- identify the specified industries where collaboration with other industry skills boards is necessary or desirable to ensure that the industry training needs of those industries are met;
- develop and implement appropriate engagement models with those other industry skill boards and the specified industries concerned to ensure that the industry training needs of those industries are met;
- co-ordinate its activities with those other industry skills boards in the performance of its functions.

Section 4 - Appointment of chief executive and employment of staff

11. *Appointment of chief executive and employment of staff*

The Board —

- must appoint a person who is not a member of the Board to be its chief executive;
- may employ other employees as required for the performance of the Board's functions responsible.

The chief executive —

- is responsible for the efficient and effective management of the Board;
- must give effect to the policies and directions of the Board in relation to the performance of its functions.

The chief executive may be referred to by any other title that the Board decides.

Section 5 – Temporary provision of training activities

12. *Provision of training activities during transition period*

The Board must continue to provide the training activities during the transition period.

However, the Board can decide to close a training activity to new trainee enrolments, or cease to provide a training activity if, after consulting TEC and the specified industries concerned, the Board is satisfied in reasonable grounds that —

- TEC has determined under clause 155 of Schedule 1 of the Act that new trainees may not be enrolled in the training activity; or
- the training activity no longer meets the needs of the employers or employees in the specified industry concerned; or
- there are no trainees currently enrolled, or likely to be enrolled, in the training activity during the remainder of the transition period; or
- the training activity constitutes a risk to the financial viability or solvency of the Board.

The Board may make changes to a training activity that are reasonably necessary —

- to comply with NZQA's quality assurance requirements; or
- to implement new, or amended, qualifications, standards, or micro-credentials for work-based training in the specified industries.

13. *Restriction on Board's use of assets for training activities*

During the transition period the Board —

- may only use the assets for providing the training activities;
- must not sell, gift, or otherwise dispose of the assets, except in accordance with a transition plan approved under clause 156 of Schedule 1 of the Act, or otherwise with the TEC's written consent;
- must maintain operational separation between the function for providing the training activities and the other functions of the Board;
- must maintain a separate register for the assets;
- must ensure that the assets are separately identifiable from the Board's other assets for operational and accounting purposes.