

Hon Jan Tinetti

Minister of Education
Minister for Women
Minister for Child Poverty Reduction



Jenn Bestwick
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

JT3856

Dear Jenn,

Delegation to fund Workforce Development Councils

I am writing to advise you of my decision to extend the current delegation under which the TEC funds Workforce Development Councils (WDCs) through to 30 June 2024.

WDCs were established as a foundational component of the Reform of Vocational Education to provide greater industry leadership across all aspects of the vocational education and training system.

On 3 June 2020 the former Minister of Education (Rt. Hon Chris Hipkins) delegated authority to the Tertiary Education Commission (TEC) to fund WDCs to perform their statutory functions and fulfil their duties as outlined in the Education and Training Act 2020 and in their respective Orders in Council. The delegation remains in effect until 30 June 2023.

From 30 June 2023 I extend the delegation to the TEC to administer and pay funding for WDCs for a further 12 months until 30 June 2024. The TEC can utilise funding of up to \$65m from the Workforce Development Councils appropriation within Vote Tertiary Education to fund WDCs.

This extension of the delegation will allow WDCs more time to deliver on their core functions and to operate at full-scale. Ahead of mid-2024, I expect to be advised by the Ministry of Education about future funding arrangements for WDCs.

Until 30 June 2024, WDCs will therefore continue to be funded by the TEC on an annual basis, with the funding agreements requiring performance measures and specified deliverables, i.e., six-monthly progress reports, an annual operational plan, and advice to the TEC.

The TEC must ensure funding takes into account the anticipated level of fixed costs for WDCs. The TEC must also take into account, when negotiating WDCs' operational plans, the scale of the industries covered by each WDC, and other factors that the TEC considers relevant to their funding decision, such as requiring WDCs to participate in cost-benchmarking exercises.

I hereby delegate to the TEC under section 409(1)(j) of the Education and Training Act 2020 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; and
- using funding up to the amounts appropriated to 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 sections 4(d) and 9 of the Education and Training Act 2020 in the exercise of this delegation;
- formally report to me on the performance of WDCs six monthly and any issues that may arise;
- publish information on the work of WDCs regularly, including a public list that itemises each WDC that is funded and the amount of funding they have received. I expect WDCs' plans to be published by WDCs;
- work to ensure that WDCs are collaborating with each other and demonstrating how they are maximising efficiency and effectiveness for the use of Government funding.

This delegation applies from 30 June 2023 until 30 June 2024.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jan Tinetti', written in a cursive style.

Hon Jan Tinetti
Minister of Education