



Report: Pre-consultation engagement for Industry Skills Board Orders in Council

To:	Hon Penny Simmonds, Minister for Vocational Education		
Cc:	Hon Erica Stanford, Minister of Education Hon Dr Shane Reti – Minister for Universities		
Date:	4/09/2025	Deadline:	8/09/2025
Security Level:	In-Confidence	Priority:	High
From:	Rachel Dillon VET Programme Manager	Phone:	9(2)(a) [REDACTED]
Drafter:	Nyk Huntington	METIS No:	1352908

Why are we sending this to you?

- You are receiving a copy of the engagement plan and outline document to be used for pre-consultation engagement on the content of Industry Skills Board (ISB) Orders in Council, as this engagement is about to begin.

What action do we need, by when?

- Please return the signed paper by 8 September 2025.

Key facts, issues and questions

- 9(2)(g)(i) [REDACTED]
[REDACTED]
[REDACTED]
- This engagement will be conducted online with ISB stakeholders from 9 September to 23 September.

Alignment with Government priorities

1. This report supports the redesign of the vocational education and training (VET) system, which is one of your priorities for the Vocational Education portfolio.

Background

2. Following passage of the Education and Training (Vocational Education and Training System) Amendment Bill (the Bill), the Orders in Council establishing each Industry Skills Board (ISB) will need to be consulted on.
3. As there is limited time between the passage of the Bill and the intended establishment of ISBs on 1 January 2026, we are intending to hold a relatively short formal consultation period very soon after the passage of the Bill; this is currently scheduled for 21 to 29 October [METIS 1352459 refers]. A longer consultation period would significantly increase the risk of not being able to issue Orders in time for ISBs to be stood up.
4. 9(2)(g)(i), we and the Tertiary Education Commission are conducting early pre-consultation engagement with stakeholders on elements of the Orders. While this cannot 'count' for the consultation required under the Bill, it demonstrates that stakeholders – especially industry stakeholders – have had opportunities to engage with, express views on, and influence the content of the Orders. Annex 1 outlines the plan for this engagement.

We will engage with stakeholders on four key aspects of the Orders in Council

5. You have approved the proposed content of Orders in Council [METIS 1352459 refers]. We do not consider that technical elements of the Orders – for example, requiring an ISB to produce an annual report – require engagement with industry. Stakeholders will have an opportunity to comment on these clauses during the formal consultation if they wish.
6. There are four areas proposed for the Orders where we consider that the interests and potential views of stakeholders are significant 9(2)(g)(i). These are:
 - 6.1. The requirement to produce a Statement of Strategic Direction; specifically who the ISB should be required to consult with when developing one.
 - 6.2. The requirement that ISBs use work-based learning assets and income specifically for work-based learning, rather than mixing assets and cross-subsidising activity.
 - 6.3. The inclusion of specific obligations for ISBs to collaborate with each other in respect of industries that straddle multiple coverage areas.
 - 6.4. The proposed requirements for industry engagement.
7. The Tertiary Education Commission has already been seeking feedback from stakeholders to finalise the detailed sector-level coverage of each ISB. Information on changes will be provided as part of this engagement process, and included in the final Orders in Council.

Engagement will consist of a two-week online process

8. The engagement is scheduled to run from 9 September to 23 September. It will be hosted on a section of the TEC's 'landing page' for the reforms, and the TEC has developed a list of relevant stakeholders for each ISB who will be alerted by email to the engagement.
9. We do not intend to hold webinars or information sessions for this engagement. Instead, a short document that explains the Orders and outlines the four areas we are engaging on will be available for download. This is attached as Annex 2. Feedback will be gathered through an online form hosted by the TEC.

Risks

10. 9(2)(g)(i) [Redacted]
11. 9(2)(g)(i) [Redacted]
12. Some stakeholders may be dissatisfied that engagement is only on select elements of the Order. This will be addressed through emphasising that other aspects are mainly technical, and that the full Orders will be consulted on in late October.

Next Steps

13. The Table below sets out the steps required and the current timeline we are working to for the Orders in Council. Once engagement closes, we will analyse the results and provide you with advice and recommendations for any changes to Order elements on 3 October.

Activity / Task	Due date
Advice to Minister [Complete]	28 August
Minister feedback and decisions [Complete]	1 September
Consultation material and stakeholder engagement plan to Minister [This paper]	4 September
Minister feedback	9 September
Preliminary consultation	9 – 23 September
Analysis and recommendation on Orders to Minister	3 October
Minister feedback and decisions	7 October
Drafting instructions issued to PCO	7 October
Draft Cabinet paper and Orders to Minister for approval	16 October
Minister feedback and approval to undertake formal consultation	21 October
Short sector consultation following Royal Assent of Bill	21 – 29 October
Advice to Minister confirming details of Orders and Cabinet paper	30 October
Minister feedback and approval to go for agency and Ministerial consultation	31 October
Agency and Ministerial consultation following Royal Assent of Bill	3 – 7 November
Incorporate any feedback into Orders and Cabinet paper and further draft to Minister	11 November
Finalise Cabinet paper and lodge for EXP Committee	13 November

Annexes

The following are annexed to this paper:

- Annex 1: Pre-consultation Engagement Plan
- Annex 2: *Outline of proposals for stakeholder engagement*

Recommended Actions

The Ministry of Education recommends you:

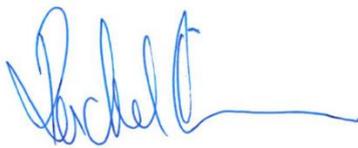
- a. **note** the annexed plan and outline document to be used for pre-consultation engagement on the content of Industry Skills Board Orders in Council

Noted

Proactive Release:

- b. **agree** that the Ministry of Education release this paper once the secondary legislation instruments have been issued and published with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.

Agree / Disagree



Rachel Dillon
VET Programme Manager
Te Pou Kaupapahere

04/09/2025

Hon Penny Simmonds
Minister for Vocational Education

___/___/___

Annex 2: Pre-consultation Engagement Plan

Vocational Education and Training (VET) Redesign

Stakeholder Engagement Plan for Pre-Consultation Engagement on Orders in Council to Establish ISBs

September 2025

Purpose of this plan

The purpose of this plan is to support the preliminary engagement to seek industry feedback on some proposed content to be included in the draft Orders in Council.

The Ministry of Education (MoE) will only be able to consult on the draft Orders in Council once the Amendment Bill has passed in mid-October 2025. There will be formal consultation in late October on full drafts of each Order in Council.

MoE and TEC agree that it may be best to have a preliminary round of stakeholder engagement now to ensure that specific aspects of the content expressed in each Order in Council are broadly supported by industry. This is to support the timeframe for the ISBs to be stood up by 1 January 2026. The preliminary engagement means that there may only be minor adjustments needed to the Orders in late October/early November.

Preliminary consultation objectives

1. To enable the Minister for Vocational Education and education agencies to receive timely advice about feedback from industries, by enabling optimum engagement, before, during and after the preliminary consultation period.
2. Providing correct and timely information to stakeholders, as well as the context to help mitigate any perception of multiple consultation on this, leading to stakeholder fatigue.

Preliminary consultation process

The preliminary engagement process will be via a short context document and an MS Forms survey, which TEC manage and will host on the TEC website.

The industry stakeholders with whom TEC have been engaging on the ISB development will all be emailed and invited to participate.

TEC will also contact the ISB Establishment Advisory Group (EAG) members, and Workforce Development Councils, and ask them to send information and the survey link via their channels and to their industry contacts.

Consultation time frame

It is intended that the preliminary consultation will run from 9 to 23 September 2025.

Key messages

The Government's objectives for change in the tertiary education sector are:

- return decision making to regions
- enable greater industry input into work-based learning
- financial viability of the VET sector

In December 2024, the Government agreed to introduce legislation that would:

- disestablish Te Pūkenga
- enable the establishment of regional institutes of technology and polytechnics (ITPs) as either stand-alone or federated entities
- establish industry skills boards to take over the functions of workforce development councils.

ISB content that will be included in the Orders in Council for each ISB

- Each ISB will be established through the government’s passing of an Order in Council for each. The Orders in Council provide for the administrative arrangements and arrangement of each ISB. They also show, as a schedule, the industry coverage of each ISB.
- The preliminary consultation being hosted in September will seek industry feedback on specific content that may be included in each Order in Council. They are about these topics:
 - managing the assets and income for up to two work-based learning (WBL) business divisions which will have been temporarily transferred to the ISB
 - developing a five-year strategic direction for the ISB, which would outline the industry stakeholders that need to be consulted on relevant matters
 - consulting those industry representatives on relevant matters, and
 - collaborating with other ISBs as necessary on areas of mutual interest.

The coverage of Industry Skills Boards

- In April/May 2025, TEC consulted with industry on the proposal for how many ISBs there should be and the broad coverage of each proposed ISB.
- In August 2025, TEC engaged with industry representatives to seek their feedback on how to develop the proposed detailed coverage of the ISBs. The feedback received has been incorporated into the new list that will be shared as part of the preliminary consultation.
- This new list of ISB coverage will be drafted into the Orders in Council by Parliamentary Counsel Office.
- The Ministry will conduct formal consultation on the full drafts of the Orders in Council from 21 – 29 October 2025 after the Amendment Bill has passed. This will include detailed schedules showing the sector descriptions and the matching ANZSIC codes. These may be refined as part of the October consultation process.
- ISBs will be statutory standard-setting bodies, with majority industry governance. They will be responsible for developing qualifications, endorsing programmes and moderating assessments over key industry sectors. They will also have a workforce analysis function for their sectors, and provide investment advice to the TEC.
- Each ISB will become the industry standards-setter for a specific set of industries. The Ministry of Education and TEC are taking advice from industry representatives to determine which industries are covered by each ISB. The industry coverage will be detailed in the Orders in Council to establish each ISB.

Next steps

- Between 24 September and 3 October 2025, the Ministry of Education (MoE) will analyse the feedback received.
- On 3 October 2025, revised proposals for ISB content will be attached to the advice for Minister Simmonds on the Orders in Council.
- Following consultation with Minister Simmonds, the proposed ISB content will be drafted into the Orders in Council by Parliamentary Counsel Office.
- Between 21 - 29 October 2025, the draft Orders in Council will be consulted on publicly. Following this, the proposed content of the Orders and the Schedules showing industry coverage may be refined again.
- Between 3 – 7 November 2025, MoE will consult agencies, and Minister Simmonds will consult Ministerial colleagues, on the draft Orders in Council.
- On 13 November 2025, MoE expects to lodge the paper seeking Cabinet approval for the Orders in Council at the Cabinet EXP Committee meeting on 18 November 2025.

Preliminary engagement activities

Timing	Activity	Audience	Key topics or information	Communication channel	Actioned by
Friday, 5 September 2025	Inform EAG Chairs of the upcoming preliminary engagement on content for ISB Orders in Council and recent changes to ISB coverage	EAG Chairs	<ul style="list-style-type: none"> Rationale for engagement Proposed content for ISB Orders Also inform them of the changes to proposed ISB coverage since August engagement with industry- for information only 	In person meeting	TEC Establishment Unit lead (Sam Egan)
Tuesday, 9 September (by close of day) (Consultation period runs to 23 September close of day)	Preliminary consultation opens - Industry stakeholders contacted by email	External stakeholders	<p>Website content:</p> <ul style="list-style-type: none"> Recall that we started engaging with industry in April/May 2025 Explain this is an opportunity to provide industry feedback on proposed content for the ISB Order (not ISB coverage) Link to short context paper for proposed ISB Orders content (from MoE) Feedback form Show changes to proposed ISB coverage since August 2025 engagement with industry Link to PDF showing proposed ISB coverage – for information only 	<p>TEC website update Linked documents (PDFs)</p> <p>Email to industry distribution list (over 500 names, including Business New Zealand)</p> <p>Emails to WDCs and Te Pūkenga</p>	<p>Ministerial Work Programme (MWP) team</p> <p>TEC content team</p> <p>Comms team support, as needed (Bronwyn Bannister)</p>
23 September at close of day	Thank you post/ website update and expected timeline for next stage of consultation from 21 October	External stakeholders	<ul style="list-style-type: none"> Thank you note Timing and next steps 	TEC website	MWP

Annex 2: Outline of proposals for stakeholder engagement

Proposed Content of Orders in Council

Once the legislation setting up the new vocational system is passed, each Industry Skills Board (ISB) will need to be established through an Order in Council (Order). In this document we are providing some background information to help inform you and support your participation in the pre-consultation engagement we're conducting on what will go in these Orders.

What will be in each Order in Council?

Most of the things necessary for setting up an ISB are going to be in primary legislation: the Education and Training Act 2020. This is different from Workforce Development Councils (WDCs), where lots of things weren't set out in the Act and needed to be included in an Order in Council. For example, how members of an ISB are appointed will now be in the Act rather than in an Order.

Because of this difference in approach, the ISB Orders can be much shorter than those for the WDCs. But there are still some things that have to be in them, including the name of the ISB, the industries it covers, and any additional functions they might have beyond those set out in the Act. An Order can also explicitly include:

- Specifications for engaging with industries.
- Requirements for how an ISB uses its assets.
- Conditions on how an ISB does its work.
- Clarification of governance elements.

An Order can't change anything in the main Act, such as the number of Board members. While it can give an ISB additional functions, and some could be added in the future, none are being added to these first 'establishment' Orders.

What is being discussed now?

A lot of each Order's content will be technical. For example, it will state the date on which the ISB is established, ensure that a Chief Executive is employed, and require the ISB to produce an annual report. We aren't discussing those parts at this point, although you will have the opportunity to provide feedback on them when we consult on the full Orders later in the year.

But there are some important areas where we want to engage with you on what might be included in each Order. This will inform the actual Orders that are prepared once legislation passes.

We are seeking your views on proposed content in four areas, so that we can prepare Orders that reflect the viewpoints of each ISB's stakeholders. These areas are:

Statement of Strategic Direction

The WDCs are each required to each produce, at least every three years, a Statement setting out their intended strategic direction for the next five years. This has to include:

- How the Council intends to perform its functions;
- How it will give effect to the Tertiary Education Strategy; and
- The measures used to assess performance against the Statement.

We are proposing to retain this Statement of Strategic Direction for ISBs. We also propose to retain the requirements that an ISB must engage with its industries when developing this Statement, and must consult both the Minister for Vocational Education and vocational education providers (like Polytechnics, private training establishments, and Wānanga).

Managing Work-based Learning

As ISBs will manage apprenticeships and traineeships for some time, we think that there need to be some guardrails in each Order to prevent ISBs from mixing their temporary training management and their core standards-setting functions. But we also don't want these to be excessive on top of the standard Tertiary Education Commission and New Zealand Qualifications Authority processes that an ISB will need to follow.

We are proposing that the Orders specify that while an ISB is managing work-based learning, it can only use its work-based learning assets and income to support work-based learning; it can't mix them with the assets and income linked to standards-setting. This includes the income it gets for running those programmes, to prevent cross-subsidisation and ISBs becoming reliant on training income.

Obligations to Collaborate

The main Act will require ISBs to collaborate with each other, as well as with providers, NZQA, and occupational regulators (like the Plumbers, Gasfitters, and Drainlayers Board). Given feedback received during the Select Committee process, we think that it would be good to include some more explicit requirements around collaborating with each other to meet the needs of industries that cross over coverage areas.

Industry Engagement

We see it as very important for the Orders to set some requirements for how an ISB engages with its industries. We have looked over the different requirements that WDCs had and the feedback we received during earlier consultation, and are proposing to:

- require an ISB to establish sufficient national industry advisory groups for its industries to provide input into the performance of the ISB's functions and duties;
- clearly specify that these groups have a role in holding the ISB accountable for its performance for industry;
- require the ISB to engage with industry associations and peak bodies, to understand their plans and strategies, and to identify opportunities for the ISB to contribute to those plans and strategies; and
- require the ISB to develop a mechanism for regularly engaging with, and reporting to, its industries beyond setting up its advisory groups.

What happens next?

Once we have finished this engagement, the Ministry of Education will use your feedback and work with other agencies to develop the specific Orders for each ISB.

Each Order has to be formally consulted on before it can be issued by the Governor-General. We expect legislation to be passed in October, after which we will finish drafting each Order and consult with you on them. This means that in late October you will have the opportunity to comment on the specific language and requirements used in the Order that sets up each ISB, including the technical elements mentioned earlier.