



Waihanga Ara Rau

Pūrongo ā-Tau | Annual Report 2025



WAIHANGA ARA RAU

Construction and
Infrastructure

Workforce Development Council

**Waihanga Ara Rau Annual Report 2025
Publisher**

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Co-Chairs’ report

Kia ora koutou

At its heart, Waihanga Ara Rau exists to give voice to industries and communities, ensuring that vocational education reflects the skills Aotearoa New Zealand needs to thrive. Our vision is a construction and infrastructure sector that enables everyone to reach their potential. That vision has shaped our work over the past four years and underpinned the decisions we have taken as a Council.

This year has been defined by navigating change in the vocational education and training (VET) system, while continuing to deliver value for our industries. The Government confirmed that Workforce Development Councils will be replaced by Industry Skills Boards from 1 January 2026. Our role as a Council has been to deliver on our vision and ensure a managed handover into the new system.

During 2024–25, Waihanga Ara Rau completed more than 200 qualification and standard reviews, ensuring training remains relevant to industry needs.

We formalised 14 iwi partnership agreements, strengthening Māori participation in vocational education, and over 80 per cent of stakeholders surveyed reported that our work is having a positive impact. Our people have continued to deliver these outcomes with professionalism, despite uncertainty about the organisation’s future.

Waihanga Ara Rau has given industry a strong voice in vocational education and demonstrated the value of connecting employers, iwi, learners and providers around a common purpose. While this entity is time-bound, the impact of its work will endure in the new structures that follow.

We wish to thank our council member colleagues, kaimahi, industry partners, and iwi for their commitment. Together, we have built a legacy of practical outcomes and stronger connections which we are proud of and that will serve the sector well into the future.



Elena Trout
Elena Trout
Co-Chair
Tiamana Tairua



John Chapman
John Chapman
Co-Chair
Tiamana Tairua

Chief Executive's report

Tēnā koutou

This year has brought considerable complexity for both our sector and organisation. Amid the changes announced to the VET system, I am proud of the work we have delivered during these uncertain times. I would like to personally thank our industry partners for their unwavering support.

Our focus has remained on strengthening connections between industry sectors, the VET system, and government. We have delivered value that extends beyond our core standard-setting functions by amplifying the industry's voice in VET investment decisions, ensuring a better alignment between skills development and workforce demand.

Waihanga Ara Rau has made significant progress, generating valuable research and insights such as workforce forecasting, and developing new qualifications to address long-term skills gaps.

Some key achievements over the past 12 months, include:

- **Strong Industry Engagement:** A total of 1,035 industry engagements were conducted across all Waihanga Ara Rau functions. We also successfully

delivered another national industry summit. Our annual industry survey results, yielded a Net Promotor Score of 24, indicating strong trust and confidence in Waihanga Ara Rau.

- **Workforce Development Plans:** The Māori Workforce Development Plan and Pacific Peoples Workforce Development Plan were completed and launched at the Thriving People, Thriving Industry Summit.
- **Workforce Research:** The launch of our Disability, Grass is Greener and Engineering Skills Shortage research gained national media attention, providing valuable workforce insights to our industries, whilst our industry perception research conducted by Kantar showed high levels of awareness and trust.
- **Iwi & Strategic Partnerships:** Established the Iwi Māori Strategic Reference Group, which includes representatives from 14 iwi across the motu.
- **Qualification Development:** Introduced 16 qualifications that include mandatory skill standards – a key milestone in improving industry influence

over curriculum and supporting consistency of provision across all providers. Successful pilot of school-specific graded skills standards, with 203 standards registered and 42 qualification reviews completed.

I sincerely thank all Waihanga Ara Rau kaimahi for their valued contributions to our mahi over the past four years, and for their continued commitment and professionalism through periods of uncertainty and change.

As we approach disestablishment, we are committed to ensuring a smooth transition to the Industry Skills Boards, with minimal disruption to our industry.

Nga mihi nui



P. Aldridge

Philip Aldridge
Chief Executive
Te Tumu o Waihanga Ara Rau



Acknowledging our Strategic Reference Groups

We extend our sincere gratitude to all current and previous members of our Strategic Reference Groups (SRGs) for their invaluable guidance and expertise. Their insights have been crucial in shaping our strategies, aligning them with the needs of industry, employers, and learners, and informing Government on future training needs.

Sharing their knowledge and perspectives, they've helped ensure our solutions reflect the realities of the sector, the aspirations of iwi and Pacific communities, and the goal of building a stronger, future-ready workforce.

Thank you to the following people who have contributed during this financial year.

Access Trades: Brendon Solomon, Gary McNamara, Justin Boehm, Kharen Hope, Marcus Bathan, Rodney Grant, Sarah Toase, Steve Tilling, Sue Roberts, Tina Wieczorek, Troy Lagor, Vadim Spice.

Civil Infrastructure: Alan Pollard, Danny Wyatt, Debbie Colquhoun, Fiona Malloch, Kaarin Gaukrodger, Kim Masina, Paul Berriman, Travis Timoko, Rebecca Fox.

Construction and Infrastructure Services: Alan Pollard, Bruce Walker, David Clifton, Donna Howell, Helen Davidson, Keryn Davis, Mark Abbot, Mike Curry,

Mike Evans, Pamela Bell, Paul Jeurissen, Rebecca Fox, Richard Templer.

Electrotechnology: Alexandra Vranjac-Wheeler, Bill Sole, Bruce Dalton, David Johnston, Gary Morrison, Jason Buckley, Lesley Southwick, Lindsay John, Lindy Martins, Mike Crawford, Myles Radford, Paul Parsons, Scott Gray.

Electricity Supply Industry (ESI): Andrea O'Brien, Greg McBain, John Batchelor, Megan Baker, Nicki Sutherland, Rachel Masters, Richard Ashby, Scott Gray, Sue Roberts, Tracey Kay.

Finishing Trades: Ali Wright, Brad Sandri, Brendon Manson, Caitlin Adams, Chris Withers, Jeff Henry, Paul Hallahan, Richard Arkinstall.

Gas Supply: Ben Smith, Bruce Monk, Greg McBain, Jeffrey Clarke, Paul Neumann, Ryan Phipps, Thomas Wiseman.

Iwi: Bianca Elkington – Ngāti Toa Rangatira, Brent Matuku – Ngāti Mutunga, Carol Berghan – Te Hiku – Tai Tokerau, Dawn Magner – Ngāti Maniapoto, Jane Cunningham – Ngāti Kahungunu, Lee Hunter – Taranaki Whānui ki te Ūpoko o te Ika, Paora Stanley – Ngai te Rangi – Tauranga Moana, Peata Williams – Maungaharuru Tangitū, Raewyn Mahara – Waikato, Reuben Araroa – Ngāti Awa, Sam Hartnett – Ngāti Pūkenga – Tauranga Moana,

Simon Mitchell – Ngāti Wai, Tania Riwai – Ngāti Maniapoto, Ngāti Rangatahi-Matakore, Te Uraura Nganeko – Ngāruahine – Taranaki.

Offsite Construction: Alastair Fleming, Allison Delaney, Brett Francis, Darren O’Riley, Nathan Busch, Rene Pienaar, Rob Pickup.

Onsite Construction: Ali Wright, Amos Kamo, Ben West, Charlotte Knowles, Danny Reilly, Graham Burke, Graham Moor, Jacob Troake, Jan Buckland, Jonathan Arnot, Luke Boustridge, Nate Alley, Nathan Te Miha, Nick Matthews, Phil Hokianga, Richard Hindle, Scott Rasmussen, Stacey Mendonça, Stu Smith.

Pacific Peoples: Afoa Tevita Malolo, Aiono Manu Fa'aea, Anna-Jane Edwards, Dr Sina Cotter Tait, Danny Kayes, George Makapatama, Henry Ma'alo, Iani Nemani, Lama Tone, Solomon Daniel, Stan Schwalgar, Tafā Iakopo, Zechariah Reuelu.

Plumbing Gasfitting & Drainlaying: Aleyna Hall, Colleen Upton, Conrad Herewini, Daniel Brooks, Greg Wallace, Jacob Smith, Kelly Walter, Kim Ulberg, Martin Kelly, Michelle McCarthy, Nik Tse, Peter Ryder, Verity Vendor,

Water Services: Belinda Cridge, Bruce Nesbitt, Dave Neru, Gareth Mappedoram, Gillian Blythe, Jennifer Leadley, Joshua McIndoe, Kelvin Hill, Nick Hewer-Hewitt, Nicky Willcox, Sue Roberts, Therese Ulrich, Tim Gibson.

At a glance 2024/25

Our mahi

Built meaningful relationships and enduring partnerships.

1,035

engagements with industry and the sector.

83%

of survey respondents were satisfied or very satisfied with their engagements with Waihanga Ara Rau.

14

enduring relationships established with Iwi and hapū.

96%

of survey respondents agree that Waihanga Ara Rau is trustworthy.

24

industry net promoter score achieved by Waihanga Ara Rau.

Amplified the voice of industry and communities in the vocational education sector.

We provided industry-informed investment advice to the Tertiary Education Commission for the 2025 training delivery year.



of industry and Māori sector stakeholders surveyed, agree their priorities are understood and effectively communicated by Waihanga Ara Rau.

Ensured that providers were consistently delivering to industry standards.



2024 Moderation Plan delivered.



Consent to Assess (CTA) applications received and endorsed..



pre-assessment moderations completed.



programme endorsement applications received and endorsed.

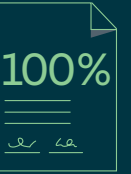
Aligned qualifications and standards to the skill industry values.



of qualifications up to date



of standards up to date



of micro-credentials up to date.

491

standards reviewed

43

qualifications reviewed

203

skill standards registered

13

new credentials registered

Generated insights for our industries.

Significant enhancements made to our Workforce Information Platform **WIP.org.nz** with updated data and improved workforce insights, informing TEC investment advice and qualification development.

Statement of Service Performance



Our key achievements since establishment

Since its establishment, Waihanga Ara Rau has been dedicated to achieving positive outcomes for people across the Construction and Infrastructure sectors.

Established in October 2021, the organisation has grown into a trusted advisor to its industries, as demonstrated by an **88%** trust and confidence score in our most recent industry survey. Key achievements since establishment have included:

- reviewing and updating over **1,800** industry qualifications.
- effectively ensuring quality provision across **300+** schools and **100** providers.
- conducting over **3,500** industry engagements, to ensure industry needs were well understood and their perspectives incorporated into qualifications development and funding recommendations.
- established Strategic Advisor Groups (SRGs) for our 11 sectors, as well as SRGs for Māori and Pacific Peoples. Our SRGs have been critical mechanisms for ensuring the industry voice is at the forefront of our work and how we've prioritised our resources.
- Workforce Development Plans (WDPs) created for our 11 sectors, including WDPs for Māori and Pacific Peoples.
- key research projects have been undertaken to understand the workforce challenges and opportunities for our sectors, and how we can begin to

address these, including the Disability, Grass is Greener and Engineering Skills Shortage research, which have gained national media attention, providing valuable workforce insights for our industries.

- continued development and enhancement of the Workforce Information Platform into a trusted resource for industry on workforce insights and forecasting for industry and cross-government agencies
- built a high performing and engaged team from the ground up, yielding a staff engagement score of **86%** in our 2025 engagement survey.



Performance for the 2024/25 year Leadership

Workforce development

The refreshed workforce.nz website now includes workforce development information in a PDF format, making it easier to access, download and transition. Publications are available for the 11 strategic sectors, as well as for Māori and Pacific Peoples. These documents were originally developed as web-based Workforce Development Plans (WDPs).

Analysis of the Workforce Development Plans revealed that People Leadership and Pastoral Care were two priority areas to research further. With support from our industry Strategic Reference Groups (SRGs), we commissioned targeted deep dives into both.

The People Leadership deep dive was undertaken in-house and explores the current state of people leadership within the sector, and the impacts of good people leadership on key challenges facing the sector. The Pastoral Care deep dive, delivered in partnership with ConCove, focuses on the challenges of pastoral care and needs-

based support in work-based learning and early career settings. Along with a synthesis of research, this deep dive will investigate both policy levers and industry-owned actions that can improve pastoral care and support. The outputs from these projects are scheduled for publication in the second quarter of the 2025/26 financial year.

We completed the 2025 Regional Insights Report, which builds on our 2022 regional deep dives for the 15 regions. The report provides a future-focused analysis of the project pipeline to 2027 while highlighting regional impacts from the fast-track projects. It also highlights the implications for regional workforce supply and demand, population shifts, and Iwi Māori impacts. This report can be found on the refreshed regional pages of the workforce.nz website.

Engineering Long-Term Skills Shortage

In collaboration with Engineering New Zealand and ACE NZ, we investigated the growing long-term engineering skills shortage in New Zealand. This investigation resulted in the creation and dissemination of an action plan that sets out the key challenges and what each organisation is doing to address them.

This research found that young people aren't pursuing engineering careers and that many school students

were not interested in/or weren't achieving in STEM (Science, Technology, English, Maths) subjects. There is limited STEM training for teachers and a lack of curriculum specificity. There is also limited confidence in teaching STEM subjects, particularly among primary and intermediate teachers.

Work is underway with Engineering New Zealand to address these challenges.

Grass is Greener research

We commissioned Allen & Clarke Policy and Regulatory Specialists Ltd to conduct research that investigated the attractiveness of Australia and New Zealand to workers in the Construction and Infrastructure Sector. This research combines quantitative analysis and interviews with returning workers from Australia to offer a detailed comparison of key factors influencing relocation decisions, including income levels, housing affordability, and living costs.

The key findings were that housing was more affordable in New Zealand than in Australian cities. Other key findings included the fact that workers preferred raising their families in New Zealand. Stage of life also played a critical role in decisions to move to Australia, with the country remaining most appealing to younger Kiwis early in their careers, especially those without



children or mortgages. Australia’s larger job market and opportunities for career progression, combined with overtime and penalty rates, continue to draw those seeking a “Tradie OE” experience.

With improving housing affordability and a better work-life balance, the report found that New Zealand offers strong incentives for those looking to settle down long-term.

The outcomes from this report were to present a balanced picture to New Zealand workers so that they could be better informed about working in Australia. This research also helped enable employers and industry stakeholders to take proactive measures to create more supportive and fulfilling work environments, improve employee retention and strengthen the construction and infrastructure sector.

Workforce Information Platform

The Workforce Information Platform (WIP) wip.org.nz, is a unique, data-rich tool. It brings together key insights across the construction and infrastructure sectors, presenting data on learners, businesses, and current and predicted workforce supply and demand at both national and regional levels. Waihanga Ara Rau uses this tool to provide valuable workforce insights to industry, to inform investment advice to the Tertiary

Education Commission (TEC), and to support the development of qualifications the sector needs. Several enhancements were made to WIP during the year, including:

• **Learner outcomes analysis**

This new analysis visualises the proportion of learners who undertake construction and infrastructure-related programmes who enter the relevant workforce within a given time. We developed a second new analysis to show the retention of completers of relevant qualifications in the related workforces. These new analyses enable a clearer understanding of how education and training pathways are supplying new talent into the workforce, which supports workforce forecasting and skills planning. They also support prior work on understanding retention, which remains a key challenge for the sector.

• **Small sector modelling**

A new scenario-based forecasting methodology was developed for the Electricity Supply (ESI) sector. This methodology provides proof-of-concept that will apply to other small sectors where project-based workforce modelling doesn’t work well, given data constraints. We will finalise the data visualisation

and include this in WIP in the second quarter of the 2025/26 financial year, along with an accompanying report for the sector with key occupational forecasts.

• **Quality improvements and training**

Significant improvements have been made to WIP during 2024/25, including improved modelling for more reliable outputs, additional breakdowns and improved visualisations. All data sources were updated, and 2023 Census data was integrated. Refinements were made to page layouts and graphics, and new workforce views were introduced. These enhancements significantly improved both the reliability and the usability of the platform. Additionally, internal staff have received training in all aspects of modelling, ensuring in-house capability to manage WIP going forward.



What does success look like?	Indicator(s) of success	What we achieved in 2024/25	What we achieved in 2023/24
Industry understands how to leverage Waihanga Ara Rau to achieve vocational education goals.	75% of industry representatives surveyed, reported increased confidence that Waihanga Ara Rau’s leadership is stronger and more impactful in the vocational education and training system.	Industry survey results show that 77% of sector respondents reported confidence that Waihanga Ara Rau leadership is stronger and more impactful in the vocational education and training system.	Industry survey results show that 56% of sector respondents reported confidence that Waihanga Ara Rau leadership is stronger and more impactful in the vocational education and training system. 37% reported neutrality or did not know.
	An Industry Net Promotor Score of 5 .	Industry survey results show a net promotor score of 24 ¹ .	Industry survey results show a net promotor score of 0. Nearly one third of industry survey respondents reported they are highly likely to recommend Waihanga Ara Rau to others in the construction and infrastructure sector.
Strong industry relationships and partnerships formed with NZQA, TEC, unions, and education providers.	Number of quality engagements across the sector.	A total of 1,035 sector engagements were undertaken. Results from our recent industry survey undertaken, showed that 96% of respondents agreed that Waihanga Ara Rau is trustworthy.	A total of 1,220 sector engagements were undertaken. Results from our annual provider and industry surveys undertaken, showed that 71% of respondents were satisfied or very satisfied with their interactions with Waihanga Ara Rau.
	70% of industry and Māori sectors stakeholders surveyed, agree their priorities are understood and effectively communicated by Waihanga Ara Rau.	Industry survey results show 96% of respondents agree or strongly agree with this statement.	N/A not measured.

¹ The Net Promoter Score (NPS) is an index ranging from -100 to 100 that measures the willingness of customers to recommend an organisation's services to others. It is used as a proxy for gauging the stakeholder's overall satisfaction with the organisation and its services. The method deems any NPS greater than 0 as “good,” since it means promoters of your organisation outnumber passives and detractors.

Note: Industry representatives surveyed included those who had engagements with Waihanga Ara Rau within the 12 months prior and any stakeholders who were involved in product development. The number of recipients was targeted down to 575 (down from ~ 1.6k once perimeters were applied).The survey is conducted using a 3 point rating: Strongly Agree, Agree and Disagree.

Sector engagement

Of the **1,035** sector engagements this year, **73%** were face-to-face (either in person or virtually). The breakdown is as follows:

53%	37%
were with industry members and associations.	were with providers.
5%	5%
were with Government agencies.	were with other people and entities.



Endorsing programmes and moderating assessments

In November 2024, New Zealand Qualifications Authority (NZQA) conducted a monitoring review of our Standard Setting Body functions. As part of this process, we submitted a self-assessment report to NZQA. Based on this report, NZQA confirmed that Waihanga Ara Rau is fulfilling its standard setting and national external moderation functions.

The 2024/25 Assurance Plans have focused on continuous improvement across the provider network through specific projects identified via our internal reflective practice. The key projects focused on:

- **Assessor Practice:** Continuously improving assessment practices through interactive webinars and sharing relevant resources.
- **Short Course Training:** This project is aligned to standards that are considered high use, high risk, and high credit value that are delivered and assessed in a short-course format. A set of guiding principles and guidelines for delivery and assessment have been implemented to get more consistency of training across the Construction and Infrastructure sectors.

- **Secondary School Skill Standards:** The development of school-specific graded skill standards for construction and allied trades sectors. The new skill standards have been piloted with a selected group of schools, PTEs and ITPs as part of the development process. These new standards will be available from January 2026. BCITO has developed the teaching and assessment resources.
- **Industry Focus:** Observation of delivery and assessment of Scaffolding and Plumbing, Gasfitting, and Drainlaying block courses across all providers and delivery sites to get an understanding of current practice.
- **Carpentry Assessment Evidence:** Working with Carpentry L4 work-based providers to establish consistency of evidence to ensure the level and standard of assessment outcomes are consistent. A guidance document was used to quantify and benchmark the evidence required.

All projects will be completed and handed over to the respective Industry Skills Boards at the end of 2025 to ensure that the improvements or the decisions made can be carried forward.

As of 30 June 2025, key achievements include:

- 90% of the 2025 Moderation Plan has been delivered. Due to 2025 being a year of transition, the plans have remained flexible and changed to reflect changes in capability and capacity within the team.
- 638 pre-assessment moderation samples have been evaluated and approved. This is a 37% increase on the total from the 2023/2024 period. 42% of samples were approved following a request for further information (RFI).
- 1,883 assessment samples were post-assessment moderated. This is a 36% increase on the total from the 2023/2024 period. 69% of assessor decisions were supported. This was a decrease on the previous year but reflects the targeted nature of the Short Course project where issues with the consistency of assessor decisions was well understood.
- 30 Consent to Assess (CTA) applications were received and evaluated.
- 54 programme endorsement applications were received and endorsed; 30 applications were for changes to current programmes. 41% of applications were reviewed within the Service Level Agreement (SLA) period.



A total of 25 micro-credential support applications were received, with 22 relating to new micro-credentials. Sixty-eight percent were approved within the SLA timeframe.

One new consent and moderation requirement (CMR) for Construction and Infrastructure was approved by NZQA. Once all standards are reviewed and moved to the new CMR, the remaining 12 CMRs will be expired.

Te Ruruhau (Assurance Committee) continues to approve internal assurance processes, endorse programme applications, review moderation appeals and approve investigations into the development of new educational products for industry.



What does success look like?	Indicator(s) of success	What we achieved in 2024/25	What we achieved in 2023/24
We engage with providers to raise the quality of training provision and improve system responsiveness.	95% of moderation plan delivered to schedule.	100% completion of the 2024 Moderation Plan delivered. As at 30 June 2025, 90% of the 2025 Moderation Plan has been delivered ² .	100% completion of the 2023 Moderation Plan. As at 30 June 2024, 83% of the 2024 Moderation Plan has been delivered.
Assurance practices are supporting national consistency and quality learning outcomes.	70% of industry survey respondents indicate that the national consistency and quality provision of training is improving.	80% of survey respondents agree or strongly agree with this statement.	N/A not measured.
	NZQA reports it is satisfied with the performance of our moderation function.	Achieved. NZQA is satisfied that Waihanga Ara Rau is undertaking its Moderation function at the level required. No recommendations for improvements were received.	NZQA reported it was satisfied that Waihanga Ara Rau: • is fulfilling its standard setting and national external moderation functions • has implemented policies and processes that work towards ensuring fair outcomes for all learners.

Note: The Moderation Plan delivery percentage measure has been revised to reflect the actual delivery as at June 2025. In the previous year, this was presented as forecast delivery by the end of December 2024 as Moderation Plans are delivered by calendar year to align with NZQA time frames. The change was made to ensure the information presented is factual based on actual service delivery at the balance date. The prior year comparatives have been updated to ensure comparability across the two financial years, in line with the principles of PBE FRS 28.

² Moderation Plans are delivered by calendar year.





Advisory and representation

We developed our TEC investment advice for the 2026 delivery year through a more comprehensive process than previous years, following valuable feedback. The process included:

- Analysing how much projected project activity has increased from 2023 (baseline year) to 2026 (relevant advice year) in each sector, and making sure training provision grows at a similar rate.
- Reviewing sector and economic reports to make sure our advice recommendations were supported by robust evidence that meets TEC’s requirements.
- Closely analysed learner data from 2023 and included new qualifications that are in development.
- Engaged in discussions with our SRGs to endorse our approach while also ensuring they had an opportunity to contribute their own narrative.

We submitted our formal advice to TEC at the start of November 2024, ahead of the deadline, only requiring one round of feedback with analysts.

The submission also included further out-of-cycle advice on 2025 funding provision for Plumbing, Gasfitting, and Drainlaying. As in the previous year, TEC received this advice before making funding allocation decisions for the 2025 delivery year. Our formal advice, along with tailored sector-specific versions, was later published on our corporate website.

During this period, we also began developing TEC investment advice for the 2027 delivery year. Although the process is similar to last year’s, starting several months earlier allowed us to engage with industry sooner and better incorporate their insights and feedback. The final submission to TEC is due on 1 November 2025.

We also provided the following advice during this period:

- to Statistics New Zealand on the National Occupation List.
- to the Ministry of Social Development and the Ministry of Business, Innovation and Employment on the workforce planning prototype project which was sent to Labour Market Ministers in late 2024.
- to Health New Zealand on workforce data and insights to support their workforce planning in preparation for the Northland Hospital build.



What does success look like?	Indicator(s) of success	What we achieved in 2024/25	What we achieved in 2023/24
Advice reflects the evidence base and needs of the sector as set out in our Workforce Development Plans and provides leadership in resolving skill and workforce issues. Our advice to the Tertiary Education Commission (TEC) can be used by it to make investments in vocational education that meet our sectors’ needs.	Advice is provided to the TEC to the required standard and timeframe. Advice includes evidence (as required) that it aligns with industry requirements.	Achieved. Advice provided to TEC. TEC was supportive of the detail and balance of our qualitative and quantitative evidence.	Industry-informed advice provided to TEC on the investment themes, mix of provision, career advice and VET policy has been delivered on time. The submission includes evidence of ‘industry need’. A specific component of the advice was the capping of Plumbing, Gasfitting and Drainlaying (PGD) Level 3 (pre-employment training) decisions, and how the TEC could consider giving effect to this advice. The outcome was the inclusion of a specific clause in all L3 PGD contracted providers’ funding agreements.





Developing and setting standards, capstone assessments, and qualifications

Our key objective was developing fit-for-future qualifications, standards, and micro-credentials that support flexible pathways and meet emerging needs.

Waihanga Ara Rau has committed to working with industry to develop skill standards and embed them into industry qualifications and micro-credentials for all education providers to use. The introduction of mandatory skills standards addresses industry concerns about consistency, quality and clarity and provides the opportunity to truly shape the curriculum for industry qualifications.

We also continued our work to improve the relevance and usability of standards by reducing duplication, removing out-dated content and integrating the assessment of key knowledge and theory with real world skills.

Our key achievements were:

- Developing and listing of new Core Construction skills standards that can be used across construction qualifications with focus on the critical technical and ‘soft’ skills valued across construction environments.
- Developing and listing of new Building, Construction and Allied Trades Skills (BCATS) skills standards designed for use in secondary schools. These skill standards include Achieved, Merit and Excellence grades, supporting parity of recognition for students and vocational pathways.
- Continued our work to implement the Temporary Traffic Management Credentials Framework, supporting the introduction of risk-based traffic management.
- Developing and listing new qualifications and micro-credentials for Joinery, Gas Infrastructure, Edge Protection, Temporary Traffic Management, and Mathematics for Engineering recognising skill gaps and providing more flexible learning pathways.
- Developing and listing new skill standards-based qualifications for Flooring, Roofing, Rigging, Industrial Measurement and Control, Painting and

Decorating and Building, Construction, and Allied Trade Skills.

- Established and progressed four legacy anchor projects to finish strong and set ISBs up for success.
- Access Systems Skills – Review and development of qualifications, skill standards and micro-credentials to remove barriers for Scaffolding and Rope Access training and create fit-for-purpose options for working at heights and mobile-elevating work platforms short courses.
- Building Pathways - Review and development of skill standards, qualifications and micro-credentials to create a fit-for-future qualification pathway for the Onsite Construction (Carpentry, Concrete) industry.
- Electrotechnology - Development of an Electrotechnology Skills Framework and a set of future development priorities to support future work by the Industry Skills Board.
- Water Services – Review and development of qualifications, skills standards and micro-credentials to improve the flexibility and relevance of the Drinking Water, Wastewater and Trade Waste training pathway.



What does success look like?	Indicator(s) of success	What we achieved in 2024/25	What we achieved in 2023/24
Fit-for-the-future qualifications and micro-credentials that support flexible pathways and meet emerging needs. Accessible, flexible and relevant learning pathways support sector retention and progression.	94% of qualifications and 80% of standards are up to date against the review schedule.	95% of our qualifications and 91% of our standards are up to date ³ .	92% of our qualifications up to date. 83% of standards up to date.
	280 skill standards registered.	203 skill standards registered. 65 further skill standards were with NZQA for approval.	N/A not measured.
	24 qualification reviews completed.	43 qualification reviews completed. 24 further qualifications were under review.	
	10 new credentials registered.	13 new credentials registered. 27 further micro-credentials or new qualifications were in active development by 30 June 2025.	
	70% of key industry and Māori sector stakeholders report they are confident graduates will have the relevant skills.	64% of industry survey respondents agree or strongly agree with this statement reflecting good progress towards the original June 2026 target of 70%.	42% of industry survey respondents reported that they have confidence that graduates will have the relevant skills. 33% were neutral or did not know.
	NZQA reports it is satisfied with the performance of our Qualifications and Standards function.	Achieved. NZQA is satisfied that Waihanga Ara Rau is undertaking its Standard Setting Functions at the level required. No recommendations for improvements were received.	NZQA reported it was satisfied that Waihanga Ara Rau: • is fulfilling its standard setting and national external moderation functions • has implemented policies and processes that work towards ensuring fair outcomes for all learners.

³ Qualifications and standards are delivered by calendar year.



Honouring Te Tiriti o Waitangi

Te Pane Taketake, Waihanga Ara Rau iwi Relationship Team, was established to provide advice and assistance to support iwi development plans, and work with crown agencies to advance iwi partnerships on major construction and infrastructure projects.

These projects included:

- Te Ahu a Turanga, Manawatū Gorge Project
- Transport Recovery East Coast (TREC)
- Whangarei Hospital Build
- Ngāti Maniapoto:
 - Forest to Whare Project
 - Renewable Energy Project
 - Wai to Kai Project.
- Establishing Ngāti Toa Rangatira Water Training Centre of Excellence.

In addition, Te Pane Taketake helped establish a vocational curriculum for the re-opening of St Stephens School, including the alignment of Pūhoro STEMM Academy programme to complement the senior class curriculum for 2026-27. The new programme involves alumni business owners

creating career awareness and opportunities for students.

An Iwi Strategic Reference Group was established with 16 iwi representatives.

The Group’s focus was to determine the key priorities for iwi in strengthening awareness and capability to support their development projects.

The five priorities are:

- **Collaboration and Innovation:** Collaborating across iwi to share initiatives, resources, networks, technologies and solutions.
- **Mātauranga Māori ā iwi / ā hapū:** Uplift Mātauranga Māori as a cornerstone of education in Aotearoa, while enabling iwi and hapū to create, protect, store, and share knowledge for future generations.
- **Sustainability:** Advocate for and embed sustainable practices that enhance the environmental, social, and economic prosperity of iwi.
- **Mana Motuhake:** Support iwi Māori in exercising self-determination to realise their future aspirations.
- **Māori Leadership and Governance:** Create clear pathways to strengthen iwi Māori leadership by removing barriers to leadership roles and supporting

iwi to grow capable governors who can navigate an ever-changing environment.



What does success look like?	Indicator(s) of success	What we achieved in 2024/25	What we achieved in 2023/24
Established enduring relationships and partnerships with iwi, Māori businesses, and other Māori stakeholders.	Enduring relationships established with eight iwi and hapū, focused on improving outcomes for Māori.	14 Iwi and hapū partnership agreements established. Iwi Strategic Reference Group established.	Nine Iwi and hapū partnership agreements established.
Initiatives implemented that reflect our collaborative models(s) with iwi and hapū industry, providers and Government.	Eight collaboration initiatives in place by 30 June 2025.	Eight in place: • Ngāti Kahungunu Training & Employment Stakeholder Group • Tairāwhiti Training & Employment Stakeholder Group • Ngāti Toa Rangatira Water Training Centre of Excellence • Ngāti Maniapoto Development Projects: - Forest to Whare - Renewable Energy - Wai to Kai. • Hutt Valley Training & Employment Steering Group. • Te Ahu a Turanga Project. • Toitū Tairāwhiti Housing Project. • Mills Albert Training Centre, MSD, Te Atiawa.	Four ongoing collaboration initiatives with iwi, industry, schools, training providers, ngā wānanga, and government agencies.

Governance and accountability

Governance structure and responsibilities

The Waihanga Ara Rau Council operates in accordance with requirements and obligations set out in the following:

- Waihanga Ara Rau Construction and Infrastructure Order in Council (the OiC).
- Education and Training Act 2020.
- TEC Funding Agreement and Conditions.
- TEC Chief Executive’s Letter of Expectations.
- The Council’s Code of Ethics and Code of Conduct policies.

As at 30 June 2025, the Council consisted of two co-chairs and six standing members. Two Council members' terms came to an end as at 30 June 2025. One Council member was granted an extension to 30 September 2025. In light of the organisation’s pending disestablishment, the Council will begin to reduce its membership further, from 30 September 2025.

Committees

The OiC empowers the Council to appoint committees to advise on any matters relating to performing or exercising its functions, duties, or powers.

The Audit, Finance and Risk (AFR) Committee assists the Council in fulfilling its responsibilities in relation to Waihanga Ara Rau external financial reporting, internal control environment, assurance and external audit functions, and risk management. It ensures effective performance reporting that honours Te Tiriti o Waitangi. The Committee consists of three members, including one chair. The committee met six times during the year.

The People, Culture and Safety (PCS) Committee oversees employee health, safety and wellbeing, advises the Council on remuneration matters, and ensures effective performance reporting that honours Te Tiriti o Waitangi. The Committee consists of five members, including one chair. One member departed the Council in June 2025. The Committee met four times during the year.

A Transition Committee was established during the year to oversee the internal organisational change process for Waihanga Ara Rau in response to the Government’s review of the VET system and the transition to Industry Skills Boards. The Committee consists of four members, including one chair. The Committee consisted of members from both the AFR and the PCS Committees. The Committee met four times during the year.

Council members’ appointments, attendance and remuneration as at 30 June 2025

Name of Councillor	Other roles	Start date of appointment	End date of appointment	Council fees 2024/25	Council meetings attended 2024/25
Bill Newson	Member of People, Culture and Safety Committee	June 2021		\$29,329	8/11
Chantelle Bailey	Member of People, Culture and Safety Committee	June 2021		\$29,329	11/11
Daniel Rewi Haines	Chair of People, Culture and Safety Committee	June 2021		\$29,512	10/11
Elena Trout	Ex officio of Audit, Finance and Risk Committee	June 2021		\$58,730	9/11
John Chapman	Ex officio of People, Culture and Safety Committee	June 2021		\$58,730	11/11
Kieren Mallon	Chair of Audit, Finance and Risk Committee	June 2021		\$32,012	9/11
Ngaruma (Ruma) Karaitiana	Member of Audit, Finance and Risk Committee	October 2023		\$26,829	10/11
Tracy (William) Davis	Member of People, Culture and Safety Committee	June 2021	30 June 2025	\$18,150	2/11

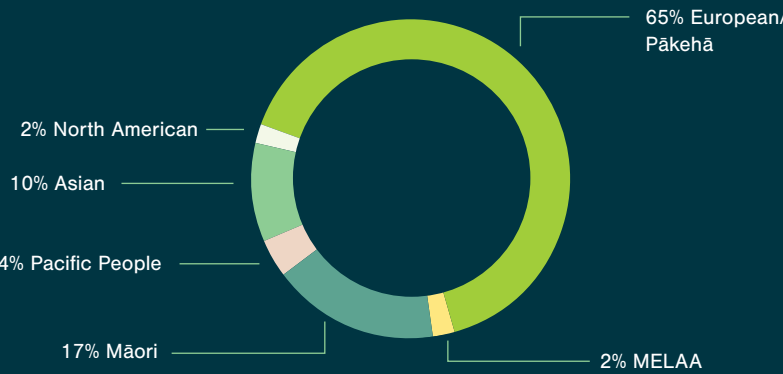
Our people

As at 30 June 2025, Waihanga Ara Rau has 48 employees.

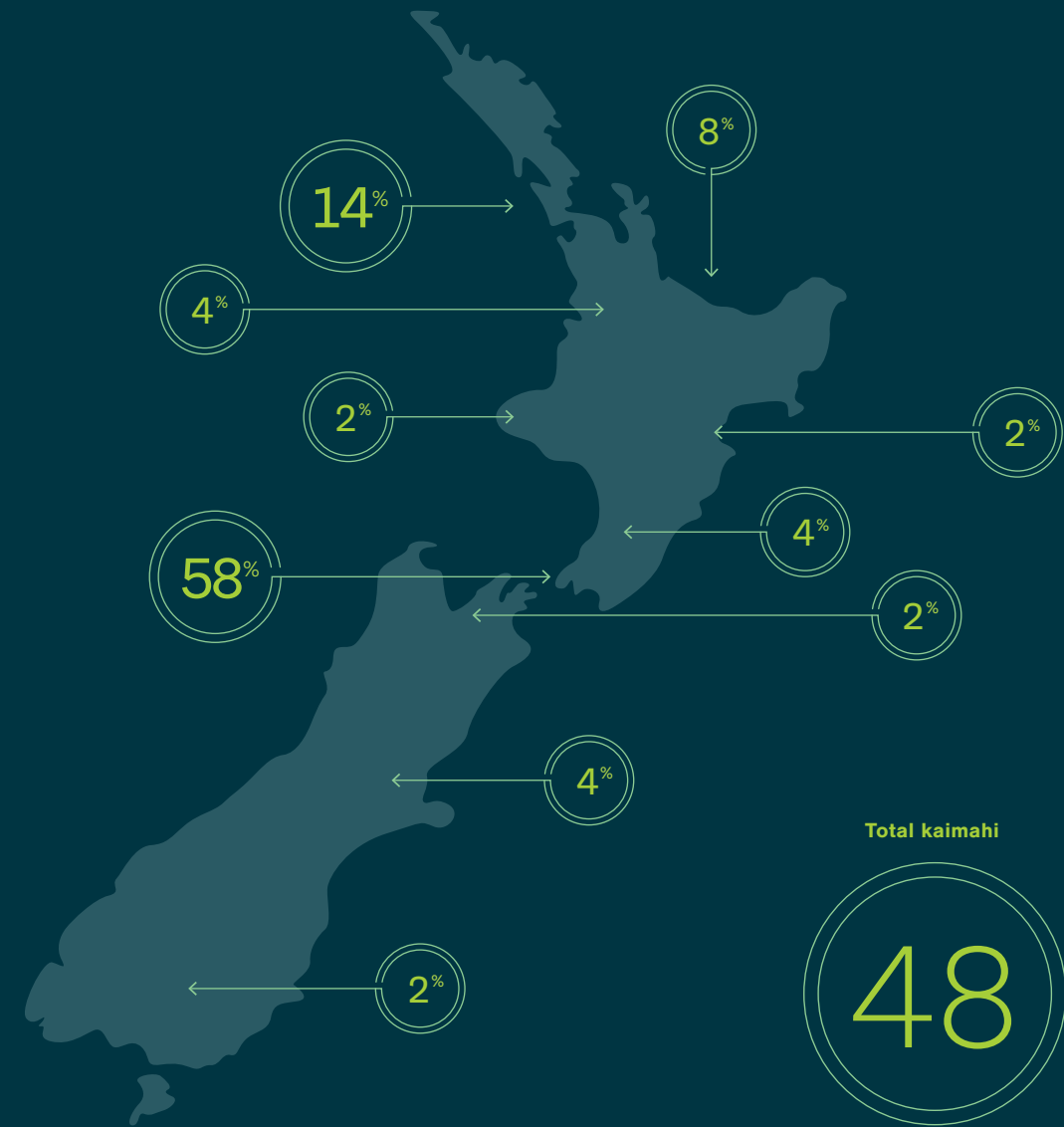
Gender



Ethnicity



Our people are located across the motu.



Financial Performance



Independent auditor’s report



To the readers of Waihangā Ara Rau - Construction and Infrastructure Workforce Development Council’s financial statements and statement of service performance for the year ended 30 June 2025

The Auditor-General is the auditor of Waihangā Ara Rau - Construction and Infrastructure Workforce Development Council (“Waihangā Ara Rau”). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements and statement of service performance of Waihangā Ara Rau on his behalf.

Opinion

We have audited:

- the financial statements of Waihangā Ara Rau on pages 31 to 55, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and

- the statement of service performance of Waihangā Ara Rau on pages 10 to 26.
- In our opinion:
- the financial statements of the Council on pages 31 to 55:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards issued by the New Zealand Accounting Standards Board; and
- the statement of service performance on pages 10 to 26:
 - presents fairly, in all material respects, appropriate and meaningful service performance information in accordance with Waihangā Ara Rau’s measurement bases or evaluation methods for the year ended 30 June 2025; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Tier 2 Public Sector PBE Accounting Standards RDR issued by the New Zealand Accounting Standards Board.

Our audit was completed on 30 October 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of Matter

The financial statements are prepared on a disestablishment basis.

Without modifying our opinion, we draw attention to note 1 on page 36 about the financial statements being prepared on a disestablishment basis. The Education and Training (Vocational Education and Training System) Amendment Bill was passed on 15 October 2025 and provides for the disestablishment of the Workforce Development Councils by 31 December 2026 or earlier by Order in Council. As a result, Waihangā Ara Rau is no longer considered a going concern.

We consider the disestablishment basis of preparation of the financial statements and the related disclosures to be appropriate to Waihangā Ara Rau’s circumstances.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards



and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the financial statements and the statement of service performance

The Council is responsible on behalf of Waihangā Ara Rau for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of Waihangā Ara Rau for preparing a statement of service performance that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible on behalf of Waihangā Ara Rau for

assessing Waihangā Ara Rau’s ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate Waihangā Ara Rau or to cease operations, or has no realistic alternative but to do so.

The Council’s responsibilities arise from the Order in Council made under section 363 of the Education and Training Act 2020 and the Charities Act 2005.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to Waihangā Ara Rau’s approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General’s Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Waihangā Ara Rau’s internal control.



- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate the appropriateness and meaningfulness of the reported performance information within Waihangā Ara Rau's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Waihangā Ara Rau's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Waihangā Ara Rau to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 01-09 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Council.



Geoff Potter
BDO Wellington Audit Limited
On behalf of the Auditor-General
Wellington, New Zealand



Statement of Responsibility

Waihangā Ara Rau is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance about the integrity and reliability of reporting. The Council is responsible for the preparation of the Statement of Performance, under the Public Finance Act 1989, and Financial Statements for Waihangā Ara Rau and for the judgements made within them.

In the Council's opinion:

The Statement of Performance fairly reflects the performance of Waihangā Ara Rau for 1 July 2024 to 30 June 2025.

The Financial Statements fairly reflect the financial position and operations of Waihangā Ara Rau for 1 July 2024 to 30 June 2025.

Signed by:



Elena Trout
Co-Chair
30 October 2025



John Chapman
Co-Chair
30 October 2025



Philip Aldridge
Chief Executive
30 October 2025

Explanations of major variances against budget are provided in Note 13.
The accompanying notes form part of these financial statements.

Statement of Comprehensive Revenue and Expense
Waihangā Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

All in \$000s	Note	Actual 2025	Budget 2025	Actual 2024
Revenue				
Government funding	2	12,260	12,260	12,260
Grants funding	2	228	-	241
Interest revenue	2	218	100	144
Total revenue		12,706	12,360	12,645
Expenditure				
People related expenses	3	11,077	9,077	8,926
Hāpaitia Limited - Shared Council services	3	1,345	1,645	1,473
Administration and other expenses	3	1,268	1,698	2,016
Depreciation	3	3	-	2
Total expenditure		13,693	12,420	12,417
Surplus/(Deficit)		(987)	(60)	228
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		(987)	(60)	228



Statement of Financial Position
Waihangara Ara Rau – Construction and Infrastructure
Workforce Development Council

As at 30 June 2025

All in \$000s	Note	Actual 2025	Budget 2025	Actual 2024
Assets				
Current assets				
Cash and cash equivalents	4	4,140	3,777	4,202
Trade and other receivables	5	872	794	924
Prepayments		27	78	18
Total current assets		5,039	4,649	5,144
Non-current assets				
Property, plant and equipment	7	2	18	5
Total non-current assets		2	18	5
Total assets		5,041	4,667	5,149
Liabilities				
Current liabilities				
Trade and other payables	8	382	355	646
Employee entitlements	9	1,807	429	464
Revenue received in advance	10	-	50	200
Total current liabilities		2,189	834	1,310
Total liabilities		2,189	834	1,310
Net assets		2,852	3,833	3,839
Equity				
Accumulated surplus	12	2,852	813	107
Operating reserve	12	-	1,800	3,000
Capital reserve	12	-	547	662
Special projects reserve	12	-	673	70
Total equity		2,852	3,833	3,839

Explanations of major variances against budget are provided in Note 13.
The accompanying notes form part of these financial statements.



Statement of Changes in Net Assets/Equity
Waihangara Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

2025		Accumulated revenue and expense	Operating reserve	Capital reserve	Special projects reserve	Total net assets/equity
All in \$000s	Note					
Balance at 1 July 2024	12	107	3,000	662	70	3,839
Total comprehensive revenue and expense for the year		(987)	-	-	-	(987)
Transfers between reserves						
Operating reserve		3,000	(3,000)	-	-	-
Capital reserve		662	-	(662)	-	-
Special projects reserve		70	-	-	(70)	-
Total transfers		3,732	(3,000)	(662)	(70)	-
Balance at 30 June 2025		2,852	-	-	-	2,852

2024		Accumulated revenue and expense	Operating reserve	Capital reserve	Special projects reserve	Total net assets/equity
All in \$000s	Note					
Balance at 1 July 2023	12	241	1,800	795	775	3,611
Total comprehensive revenue and expense for the year		228	-	-	-	228
Transfers between reserves						
Operating reserve		(1,200)	1,200	-	-	-
Capital reserve		133	-	(133)	-	-
Special projects reserve		705	-	-	(705)	-
Total transfers		(362)	1,200	(133)	(705)	-
Balance at 30 June 2024		107	3,000	662	70	3,839

The accompanying notes form part of these financial statements.



Statement of Cash Flows
Waihangā Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

All in \$000s	Note	Actual 2025	Budget 2025	Actual 2024 Restated
Operating activities				
Receipts from Government		12,060	12,260	12,318
Receipts of interest	18	163	100	25
Receipts of other revenue		228	-	211
Goods and services tax (net)		52	16	111
Payments to people		(9,673)	(8,698)	(8,020)
Payments to suppliers		(2,947)	(3,632)	(4,519)
Net cash flows from operating activities		(117)	46	126
Investing activities				
Sale/(Purchase) of Property, plant and equipment		-	-	12
Term deposit receipts	18	2,800	-	5,500
Term deposit payments	18	(2,800)	-	(2,500)
Receipts of interest on term deposits	18	55	-	156
Net cash flows from investing activities		55	-	3,168
Financing activities				
Advances repaid by Hāpaitia		-	-	31
Net cash flows from financing activities		-	-	31
Net (decrease)/increase in cash and cash equivalents		(62)	46	3,325
Cash and cash equivalents at beginning of the period		4,202	3,731	877
Cash and cash equivalents at end of the period		4,140	3,777	4,202

Explanations of major variances against budget are provided in Note 13.
The accompanying notes form part of these financial statements.



Note Index
Waihangā Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

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Notes to the Financial Statements
Waihangara Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

1. Statement of accounting policies

Reporting entity

Waihangara Ara Rau is domiciled in Aotearoa New Zealand and is a charitable organisation registered under the Charities Act 2005. The Council is a body corporate established in October 2021 through Orders in Council (OIC) and in accordance with section 363 of the Education and Training Act 2020. The role of Waihangara Ara Rau is to ensure the vocational education system meets industry needs and gives a stronger voice to Māori business and iwi development. Waihangara Ara Rau will give their industries and employers greater leadership and influence across vocational education. Success for Waihangara Ara Rau will mean employers - including Māori business owners - are confident that vocational education graduates are ready for work and that the future skills needs of their industry will be addressed by the vocational education system.

Basis of preparation

The financial statements have been prepared on a disestablishment basis.

Due to the matters outlined in the VET System redesign contained in Note 17 "Events after reporting date" the financial statements of Waihangara Ara Rau – Construction and Infrastructure have not been prepared on a going concern basis for the year ended 30 June 2025. The Education and Training (Vocational

Education and Training System) Amendment Bill was passed on 15 October 2025 and provides transitional legislation which is currently before Parliament and provides for the transfer of Council assets to Industry Skills Boards on the disestablishment of WDCs which will cease to operate on 31 December 2026 or earlier by Order in Council. The legislation provides that the assets, staff and legal obligations transfer to ISBs or NZQA according to approved transition plans.

The preparation of financial statements on a disestablishment basis has had little effect on the balances reported in the financial statements. Current assets are either cash or liquid assets with actual balances of receivables and payables verified post balance date. All assets are recognised at book value and will be transferred to ISBs as provided in legislation and recognised in the new entity at the same value. To reflect the liabilities of the WDC on disestablishment accruals have been made for redundancy payments that will be due when positions are terminated. Accordingly, there have been no realisation adjustments recorded in the Statement of comprehensive revenue and expense.

Reporting period

The reporting period for the current year is for the 12-month period 1 July 2024 to 30 June 2025 with the comparative year also reflecting 12 months of activities.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the Public Benefit Entity (PBE) Accounting Standards Reduced Disclosure Regime (RDR) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for public sector entities. For the purposes of complying with NZ GAAP, the Council is a public sector public benefit entity and is eligible to apply Tier 2 Public Sector PBE Standards RDR on the basis that it does not have public accountability and it is not defined as large. The Council members have elected to report in accordance with Tier 2 Public Sector PBE Accounting Standards RDR and in doing so have taken advantage of all applicable RDR disclosure concessions.

The Council has complied with its obligations under the Charities Act 2005.

These financial statements were authorised for issue by Waihangara Ara Rau Council on 31 October 2024.



Notes to the Financial Statements
Waihangara Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

1. Statement of accounting policies
(continued)

Presentation currency and rounding

The financial statements are presented in New Zealand dollars which is the functional currency of Waihangara Ara Rau, and all values are rounded to the nearest thousand dollars (\$000). There has been no change in the functional currency of the entity.

Budget figures

Budget figures provided in the annual financial reports will be derived from the financial budget approved by the Council at the beginning of the financial year. The budget figures were prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements made in applying accounting policies that have had significant effects on the amounts recognised in the financial statements include the following:

- recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement was based on the facts and circumstances that are evident for each grant contract

Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Waihangara Ara Rau is exempt from Income Tax as it is a registered Charity under the Charities Act 2005. Accordingly, no provision was made for Income Tax.



Notes to the Financial Statements
Waihangara Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

2. Revenue

Accounting Policy

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to Waihangara Ara Rau, and measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to revenue streams must also be met before revenue is recognised.

Revenue from Exchange Transactions

Interest

Interest revenue is recognised on an accrual basis, using the effective interest rate.

Revenue from Non-Exchange Transactions

Non-exchange transactions are those where we receive an inflow of resources (e.g., cash and other tangible or intangible items) but provide no (or nominal) direct consideration in return. With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- it is probable that the associated future economic benefit or service potential will flow to the entity, and
- fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- it is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- the amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to our non-exchange transaction revenue streams must also be met before revenue is recognised.

Government Funding

Funding under the Workforce Development Council Fund is the main source of operational funding for Waihangara Ara Rau from the Tertiary Education Commission (TEC). Waihangara Ara Rau considers this funding to be non-exchange revenue. In the 2024/2025 financial year TEC funding has been recognised as revenue only when used, as the TEC funding letter indicates that overpaid funds will be recognised as a liability to TEC, payable on demand and therefore is reflected as Income in Advance in the Balance Sheet.

In prior years the WDC has recognised the TEC funding as revenue when received. The TEC funding had stipulations, and they take the form of restrictions not conditions.

Grants

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (e.g., present obligation) rather than the immediate recognition of revenue.

Other grants received

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (e.g., present obligation) rather than the recognition of revenue. Stipulations that are ‘conditions’ specifically require the return of the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as a non-exchange revenue as and when the ‘conditions’ are satisfied. Stipulations that are ‘restrictions’ do not specifically require the return of the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.



Notes to the Financial Statements
Waihangara Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

2. Revenue (continued)

All in \$000s	Actual 2025	Actual 2024
Government funding classified as non-exchange transactions		
Government funding classified as non-exchange transactions	12,260	12,260
Project grant funding classified as non-exchange transactions	228	241
Total Government funding	12,488	12,501
Other revenue classified as exchange transactions		
Interest revenue	218	144
Total other revenue	218	144
Total revenue	12,706	12,645
Revenue classification		
Non-exchange revenue	12,488	12,501
Exchange revenue	218	144
Total revenue	12,706	12,645

Project grant funding classified as non-exchange transactions

Waihangara Ara Rau received several grants to fund projects as detailed in the table below, including a contribution towards the Industry Summit. Income for these projects is recognised as expenditure as incurred.

All in \$000s	Project grant funding 2025	Project grant funding 2024
Project Name		
Industry Equity Project	-	2
Construction and Infrastructure Workforce Development Summit – Thriving People, Thriving Industry	34	99
See yourself in the Electricity Supply Industry	-	140
Water Sector Pathways	194	-
Total Government funding	228	241

Notes to the Financial Statements
Waihanga Ara Rau – Construction and Infrastructure
Workforce Development Council

For the year ended 30 June 2025

3. Expenditure

The table below provides detail regarding key areas of expenditure shown in the Statement of Comprehensive Revenue and Expense.

All in \$000s	Actual 2025	Actual 2024
People related expenses		
Wages and salaries	8,409	8,048
Redundancies	1,894	-
Contractors	453	490
Councillors and board expenses	260	295
Other employee expenses	61	93
Total	11,077	8,926
Hāpaitia Shared Council Services⁽¹⁾	1,345	1,473
Depreciation and Amortisation		
Depreciation	3	2
Total	3	2
Administration and other expense		
Consultancy costs		
Consultancy costs	134	166
Audit expenses ⁽²⁾	47	38
Legal fees	41	76
Total	222	280
People and Culture costs		
Other staff costs	48	71
Recruitment costs	-	37
Total	48	108



All in \$000s	Actual 2025	Actual 2024
Information Technology costs		
IT licensing costs	42	6
Subscriptions and memberships	24	54
Total	66	60
Office and other costs		
General expenses	162	295
Travel and engagement costs	592	833
Communication and marketing	178	440
Total	932	1,568
Total administration and other expenses	1,268	2,016
Total expenditure	13,693	12,417

1. Hāpaitia Ltd provides the Workforce Development Councils with shared services including Finance, IT, People and Culture, and Office Management services.
2. Audit expenses paid or payable to BDO for the audit of financial statements.

Notes to the Financial Statements
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For the year ended 30 June 2025

4. Cash and cash equivalents

Accounting Policy

Cash and cash equivalents include cash on hand, cash in transit, in bank accounts and deposits with an original maturity of no more than three months. They are reported initially and subsequently at amount invested. If there are bank overdrafts these are shown in current liabilities in the Statement of financial position.

All in \$000s	Actual 2025	Actual 2024
Bank deposits	345	198
Call deposits	3,795	4,004
Total	4,140	4,202

There are no restrictions over any of the cash and cash equivalent balances held by Waihanga Ara Rau. A Call account was held with the Bank of New Zealand with a daily floating interest rate.

5. Trade receivables and other receivables

Accounting Policy

Advances

Advances have been made to Hāpaitia Limited for shared services to be provided. As provided in the Service Contract with Hāpaitia Limited the advance to Hāpaitia Limited, an associate, is non-interest bearing.

All in \$000s	Actual 2025	Actual 2024
Trade receivables		
Trade receivables from exchange transactions	-	-
Net trade receivables from exchange transactions	-	-
Receivables from non-exchange transactions		
GST receivable	78	130
Advances to Hāpaitia	794	794
Total receivables from non-exchange transactions	872	924
Total receivables	872	924





Notes to the Financial Statements
Waihangara Ara Rau – Construction and Infrastructure
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For the year ended 30 June 2025

6. Associates

Accounting Policy

Associates

An associate is an entity over which Waihangara Ara Rau has significant influence, but not control, over the financial and operating policies and that is neither a subsidiary nor an interest in a joint venture.

Investments in associates are accounted for in the financial statements using the equity method of accounting. Investments in associates are measured at cost, including directly attributable transaction costs, in our financial statements, and there is no quoted market value for determining the fair value of the investment in the Associate.

Waihangara Ara Rau holds significant influence over the following entity, which is accounted for using the equity method:

Name	Voting rights and Ownership interest
Hāpaitia Limited	16.67%

Hāpaitia Limited, shared services provider for the Workforce Development Councils, operates on a break-even basis and hence there are no accumulated revenues and expenses to be carried forward. Each Council was issued with one equal share, unpaid. Therefore no investment in associate balance is reported in the Council Statement of Financial Position.

Hāpaitia Limited has the same reporting date as Waihangara Ara Rau, being 30 June. The company is domiciled in New Zealand and is a Limited Liability company. There are no significant restrictions regarding the distribution of dividends or repayments of loans from Associates. There were no contingent liabilities in relation to the associate, Hāpaitia Limited, as at reporting date.

7. Property, plant and equipment

Accounting Policy

Property, plant, and equipment consists of three asset classes: computer equipment, office equipment and office fit out. All asset classes are measured at cost, less accumulated depreciation, and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Computer equipment SL 33.3%

Impairment

No assets have been impaired during the reporting period.



Notes to the Financial Statements
Waihangara Ara Rau – Construction and Infrastructure
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For the year ended 30 June 2025

7. Property, plant and equipment (continued)

2025 All in \$000s	Office equipment	Computer equipment	Capital work in progress	Total
Cost or valuation				
Balance at 1 July 2024	8	-	-	8
Additions	-	-	-	-
Reclassifications	-	-	-	-
Transfer to expenses	-	-	-	-
Balance at 30 June 2025	8	-	-	8
Accumulated amortisation and impairment				
Balance at 1 July 2024	(3)	-	-	(3)
Depreciation	(3)	-	-	(3)
Reclassifications	-	-	-	-
Balance at 30 June 2025	(6)	-	-	(6)
Net Book Value				
As at 1 July 2024	5	-	-	5
As at 30 June 2025	2	-	-	2

2024 All in \$000s	Office equipment	Computer equipment	Capital work in progress	Total
Cost or valuation				
Balance at 1 July 2023	-	5	15	20
Additions	3	-	-	3
Reclassifications	5	(5)	-	-
Transfer to expenses	-	-	(15)	(15)
Balance at 30 June 2024	8	-	-	8
Accumulated amortisation and impairment				
Balance at 1 July 2023	-	(1)	-	(1)
Depreciation	(2)	-	-	(2)
Reclassifications	(1)	1	-	-
Balance at 30 June 2024	(3)	-	-	(3)
Net Book Value				
As at 1 July 2023	-	4	15	19
As at 30 June 2024	5	-	-	5



Notes to the Financial Statements
Waihanga Ara Rau – Construction and Infrastructure
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8. Trade and other payables

Accounting Policy

Short-term payables are initially recognised at fair value plus directly attributable transaction costs and subsequently at amortised cost, using the effective interest method. Payables are non-interest bearing and are normally settled on the 20th day of the following month or earlier per due date.

All in \$000s	Actual 2025	Actual 2024
Trade payables	298	563
Accruals	55	74
Other payables	29	9
Total	382	646

9. Employee benefit liabilities

Accounting Policy

Redundancy Provision

Individual employment agreements for Waihanga Ara Rau kaimahi include a redundancy clause providing 3 month redundancy. In light of the VET reforms and instructions from TEC, Waihanga Ara Rau is planning for transition of operations to ISBs and for redundancy for all kaimahi at disestablishment. A provision for redundancy has been recognised based on kaimahi employed at 30 June 2025 and their salaries at this time.

All in \$000s	Actual 2025	Actual 2024
Current		
Redundancies	1,487	-
Other employee benefits	320	464
	1,807	464

10. Revenue received in advance

Accounting Policy

Project funding received has been recognised as income when expenditure directly related to project deliverables has been incurred. The remaining funding has been recognised as revenue in advance and is expected to be released to the Statement of Comprehensive Revenue and Expense as the various project deliverables are completed. Unspent project funding at the conclusion of the project, as provided in the grant funding agreement, will be returned to the funder.

All in \$000s	Actual 2025	Actual 2024
Revenue received in advance		
Government funding	-	200
Total	-	200
Total revenue received in advance	-	200



Notes to the Financial Statements
Waihanga Ara Rau – Construction and Infrastructure
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11. Financial instruments

Waihanga Ara Rau initially recognises financial instruments when it becomes a party to the contractual provisions of the instrument. Waihanga Ara Rau derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Waihanga Ara Rau is recognised as a separate asset or liability. Waihanga Ara Rau derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Financial assets and financial liabilities are also derecognised when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid. Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, Waihanga Ara Rau has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Waihanga Ara Rau classifies financial assets and financial liabilities as amortised cost. Financial instruments are initially measured at fair value plus directly attributable transactions costs. Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies provided in notes 5 and 8 and below.

i) Classification of financial instruments

The tables below show the carrying amount of Waihanga Ara Rau financial assets and financial liabilities at the reporting date.

2025		Note	Financial Assets	Financial Liabilities	Total
			Amortised cost	Amortised cost	
All in \$000s					
Cash and cash equivalent (assets)	4		4,140	-	4,140
Receivables	5		794	-	794
Payables	8		-	(382)	(382)
			4,934	(382)	4,552

2024		Note	Financial Assets	Financial Liabilities	Total
			Amortised cost	Amortised cost	
All in \$000s					
Cash and cash equivalent (assets)	4		4,202	-	4,202
Receivables	5		794	-	794
Payables	8		-	(646)	(646)
			4,996	(646)	4,350



Notes to the Financial Statements
Waihanga Ara Rau – Construction and Infrastructure
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For the year ended 30 June 2025

11. Financial instruments (continued)

ii) Fair value through surplus or deficit

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within PBE IPSAS 41 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in surplus

or deficit. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Waihanga Ara Rau financial assets measured at amortised cost comprise trade receivables from exchange transactions and other receivables

and cash and cash equivalents in the statement of financial position. Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

iii) Amortised cost financial liabilities

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. They are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Waihanga Ara Rau financial liabilities measured at amortised cost comprise trade and other payables and accruals in the Statement of Financial Position.



Notes to the Financial Statements
Waihanga Ara Rau – Construction and Infrastructure
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12. Equity

Accounting Policy

Our equity comprises accumulated revenue and expenses and reserves. Equity is represented by net assets. Waihanga Ara Rau manages its equity by prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that it achieves its objectives and purpose, while remaining a going concern. As provided in the Prudent Reserves policy movements in reserves, both inward and outward, must be approved by the Council. The prudent reserves policy provides guidelines for determining the appropriate level of capital, operating and other reserves for the Council to hold each year to maintain its financial health.

As Waihanga Ara Rau will cease to operate on 31 December 2026 or earlier by Order in Council, the Council has chosen to combine all reserves into Accumulated surplus.

All in \$000s	Actual 2025	Actual 2024
Equity		
Accumulated revenue and expenses	2,852	107
Reserves		
Operating reserve	-	3,000
Capital reserve	-	662
Special projects reserve	-	70
Total reserves	-	3,732
Total equity	2,852	3,839
All in \$000s	Actual 2025	Actual 2024
Accumulated revenue and expenses		
Balance at 1 July	107	241
Surplus/(deficit) for the year before other comprehensive revenue and expenditure	(987)	228
Allocation from/(to) Operating reserve	3,000	(800)
Allocation from/(to) Capital reserve	662	133
Allocation from/(to) Special projects reserve	70	305
Balance as at 30 June	2,852	107



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12. Equity (continued)

The Operating reserve was established by Council under the Prudent Reserves policy to receive an allocation of operating surplus for the financial year and funds from which could be applied with the approval of the Council for special initiatives or future operating deficits.

All in \$000s	Actual 2025	Actual 2024
Operating Reserve		
Balance at 1 July	3,000	1,800
Allocation from/(to) accumulated revenue and expense	(3,000)	800
Allocation from/(to) Special projects reserve	-	400
Balance as at 30 June	-	3,000

The Capital Reserve was established by Council under the Prudent Reserves policy to receive an allocation of any operating surplus for the financial year which could be applied for the purchase of Capital Assets in the future with the approval of the Council. The reserve would also be applied to cover the annual cost of leasing assets purchased by Hāpaitia Limited upon the establishment of the Workforce Development Councils.

All in \$000s	Actual 2025	Actual 2024
Capital Reserve		
Balance at 1 July	662	795
Allocation from/(to) accumulated revenue and expense	(662)	(133)
Balance as at 30 June	-	662



Notes to the Financial Statements
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12. Equity (continued)

The Special Projects Reserve is a reserve established by Council under the Prudent Reserves policy to receive an allocation of operating surplus for the financial year which could be applied to fund future special projects and initiatives with the approval of the Council.

All in \$000s	Actual 2025	Actual 2024
Special Projects Reserve		
Balance at 1 July	70	775
Allocation from/(to) operating reserve	-	(400)
Allocation from/(to) accumulated revenue and expense	(70)	(305)
Balance as at 30 June	-	70

Notes to the Financial Statements
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13. Major budget variations

Explanations for major statement of comprehensive revenue and expense budget variations from the 2025 Waihangara Ara Rau budget are detailed below:

All in \$000s	Actual 2025	Budget 2025	Variance
Revenue variances			
Government funding	12,260	12,260	-
Project grants funding	228	-	228
Interest revenue	218	100	118
Expenditure variances			
People related expenses	11,077	9,077	2,000
Shared services	1,345	1,645	(300)
Administration and other expenses	1,268	1,698	(430)
Depreciation expenses	3	-	3
Total comprehensive revenue and expense	(987)	(60)	(927)

Additional project funding was sourced during the year that was not budgeted for. Interest revenue was slightly higher than budget due to higher levels of term deposits than expected when preparing the budget. Employee expenses were higher than budget primarily due to redundancies paid and accrued. Shared services expenses were lower than expected due to lower costs incurred by Hāpaitia (shared services company) during the year. Administration and other expenses were lower than budgeted primarily due to savings in research and travel costs. Depreciation expenses were not budgeted.



Notes to the Financial Statements
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13. Major budget variations (continued)

Explanations for major statement of financial position budget variations from the 2025 Waihangara Ara Rau budget are detailed below in this table:

All in \$000s	Actual 2025	Budget 2025	Variance
Statement of financial position			
Current assets	5,039	4,649	390
Non-current assets	2	18	(16)
Current liabilities	2,189	834	1,355
Equity	2,852	3,833	(981)

Current assets were higher than budgeted due to higher than expected cash balances resulting from lower levels of expenditure than planned. Current liabilities were higher than budgeted primarily due the accrual of redundancy payments. Equity reserves were lower than budgeted due to the deficit at the end of the year.



Notes to the Financial Statements
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For the year ended 30 June 2025

13. Major budget variations (continued)

Explanations for major statement of cash flow budget variations from the 2025 Waihanga Ara Rau budget are detailed below:

All in \$000s	Actual 2025	Budget 2025	Variance
Statement of cash flows			
Cash flow from operating activities	(117)	46	(163)
Cash flow used in investing activities	55	-	55
Cash flows from financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	(62)	46	(108)
Cash and cash equivalents at beginning of the year	4,202	3,731	471
Total cash and cash equivalents at end of the year	4,140	3,777	363

Cashflows from operating activities were slightly lower than budget due to small variances in expenditure.



Notes to the Financial Statements
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14. Operating leases

Accounting Policy

Operating leases

All operating leases have been signed through Hāpaitia Limited and costs are charged back to the Workforce Development Councils. Waihanga Ara Rau has no other operating leases.

Waihanga Ara Rau has a commitment under the service contract with Hāpaitia Limited to meet its computer and office equipment lease and continuing operating cost commitments for the life of the assets and lease commitments made by Hāpaitia Limited (Note 15).

15. Commitments and contingencies

Accounting Policy

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into at reporting date.

Commitments

Waihanga Ara Rau is committed, as stipulated in the service contract with Hapaitia Limited, to fulfilling its responsibilities related to computer and office equipment leasing. This commitment extends to meeting both the ongoing operational costs and honouring the lease obligations for the duration of the assets and the lease commitments made by Hapaitia Limited throughout the contract period.

The annual operating lease value for the computer and office equipment is variable depending on the quantum of assets leased, with an approximate lease cost to 31 December 2025 of \$29,538 (\$2024: \$118,519). The lease commitment continues until either party terminates the contractual arrangement.

Hāpaitia Limited has ongoing contractual commitments including operating leases. Each Workforce Development Council is required under the terms of the service contract to meet these commitments for the life of any contracts executed during the period of the service contract. The value of this commitment for Waihanga Ara Rau, at the 30 June 2025, was \$78,117 (2024: \$141,147).



Contingent Liabilities

The TEC Funding letter for the 2024/2025 year provides that overpaid funding will be recognised as a liability to TEC. As the full funding received has been utilised during the financial year 2024/2025 there is no Income in Advance liability in the Statement of Financial Position at 30 June 2025. The Education and Training (Vocational Education and Training System) Amendment Bill was passed on 15 October 2025 and provides that all rights, assets and liabilities of a WDC will transfer to ISBs on or before 31 December 2026 or earlier by Order in Council. At the time of signing of these financial statements there has been no demand for payment and the actual value of any liability is not known.

Capital Commitments

There are no capital commitments at reporting date (2024: Nil).

Notes to the Financial Statements
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16. Related party transactions and key management personnel

Accounting Policy

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that are reasonable to expect that we would have adopted in dealing with the party at arm’s length in the same circumstances.

Further, transactions with government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with normal operating arrangements and undertaken on the normal terms and conditions for such transactions.

i) Key management personnel remuneration

Waihangā Ara Rau classifies its key management personnel into one of two classes:

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body

Members of the governing body are paid annual fees in accordance with the Cabinet Office Circular CO-(22) 2 Revised Fees Framework for members appointed to bodies in which the Crown has an interest, dated 6th October 2022. Senior executive officers are employed as employees of Waihangā Ara Rau on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in ‘people’ for Members of the governing body, and ‘full-time equivalents’ (FTEs) for Senior executive officers) in each class of key management personnel is presented here:

All in \$000s	Actual 2025	Actual 2024
Key management personnel related party transactions		
Council members		
Number of Council members ^{(1) (2)}	0.11	0.14
Remuneration	260	295
Senior executive officers		
Full-time equivalent members ⁽³⁾	7.92	8
Remuneration	1,794	1,794
Total full-time equivalent members	8.03	8.14
Total key management personnel remuneration	2,054	2,089

1. There were eight members of council throughout the period of 1 July 2024 to 30 June 2025. (2024: There were nine members of council throughout the period of 1 July 2023 to 30 June 2024. One commenced 01 September 2023).
2. Ngaruma (Ruma) Karaitana joined in September 2023 and has been included in the total remuneration paid to councillors.
3. There were eight members of the senior management team considered to be key management personnel. Seven of these members were employed throughout the period 1 July 2024 to 30 June 2025, with one resigning in May 2025. (2024: There are eight members of the senior management team considered to be key management personnel. These members were employed throughout the period 1 July 2023 to 30 June 2024 resulting in a full time equivalent figure of 8.)

Notes to the Financial Statements
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16. Related party transactions and key management personnel (continued)

ii) Other related parties

During the reporting period Waihangā Ara Rau transacted with the following related parties:

2025		Transaction Value (\$000's)	Transaction Value (\$000's)	Accounts Payable (000's)	Accounts Receivable (000's)	Advances made (000's)
Related Party	Goods/Services Provided	Paid	Received	As at June 30	As at June 30	As at June 30
Hapaitia Ltd	Shared Corporate Services including Finance, IT, People & Culture, and Office Management)	1,806	-	158	-	794
Hanga-Aro-Rau	Shared project and operational costs recharged	-	-	-	-	-
Muka Tangata	Shared project and operational costs recharged	108	-	-	-	-
Ringa Hora	Shared project and operational costs recharged	10	-	9	-	-
Toi Mai	Shared project and operational costs recharged	-	-	-	-	-
Toitū te Waiora	Shared project and operational costs recharged	-	-	-	-	-
Total		1,924	-	167	-	794

2024		Transaction Value (\$000's)	Transaction Value (\$000's)	Accounts Payable (000's)	Accounts Receivable (000's)	Advances made (000's)
Related Party	Goods/Services Provided	Paid	Received	As at June 30	As at June 30	As at June 30
Hapaitia Ltd	Shared Corporate Services including Finance, IT, People & Culture, and Office Management)	1,716	-	196	-	794
Hanga-Aro-Rau	Shared project and operational costs recharged	52	-	60	-	-
Muka Tangata	Shared project and operational costs recharged	19	11	6	-	-
Ringa Hora	Shared project and operational costs recharged	-	-	-	-	-
Toi Mai	Shared project and operational costs recharged	-	-	-	-	-
Toitū te Waiora	Shared project and operational costs recharged	-	-	-	-	-
Total		1,787	11	262	-	794

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17. Events after reporting date

Vocational Education and Training (VET)
system redesign

On 1 August 2024, The New Zealand Government announced a review of vocational education and training. The Education and Training (Vocational Education and Training System) Amendment Bill was passed on 15 October 2025 and provides that Industry Skills Boards will be created and the WDCs will be disestablished by 31 December 2026 or earlier by Order in Council.

Transition

Upon disestablishment, WDC councils cease to exist and all remaining rights, responsibilities, assets and liabilities will be passed to Industry Skills Boards (ISBs).

Such transfers will be made in accordance with transition plans to be developed by the WDCs and NZQA and approved by TEC.

Financial Impact to Waihangara Ara Rau –
Construction and Infrastructure

Other than cash and shares held in Hāpaitia Ltd (Shared services entity) it is expected that all assets will be distributed for nil consideration on 31 December 2026 or earlier by Order in Council. Any employees transitioned will be on the same terms and conditions of employment. The assets transferred will continue to be used for the benefit of the learners and industries represented by the Industry Skills Board.

18. Prior Period restatement

During the year, the entity identified an error relating to the presentation of short-term deposits, which impacts the prior period figures where the disclosed figures reflected net amounts and did not account for the grossed-up cash movements related to the investments in and maturities of term deposits.

Therefore, the 2024 comparative has been restated to reflect this correction. There is no impact on the Statement of Comprehensive Revenue and Expense or Statement of Financial Position, and the net impact on the Statement of Cash Flows is nil.

Impact on Statement of Cash Flows

	2024 Audited Accounts \$000	Movement \$000	2024 Restated Accounts \$000
All in \$000s			
Cash flows from operating activities			
Receipts of Interest	181	(156)	25
Cash flows from investing activities			
Term deposit receipts	3,000	2,500	5,500
Term deposit payments	-	(2,500)	(2,500)
Receipts of interest from term deposits	-	156	156

