



## COVERSHEET

<b>Minister</b>	Hon Louise Upston	<b>Portfolio</b>	Social Development and Employment
<b>Title of Cabinet paper</b>	Regional Skills Leadership Groups: Agreement to Disestablish	<b>Date to be published</b>	4 March 2024

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
January 2024	Regional Skills Leadership Groups: Agreement to Disestablish	Office of the Minister for Social Development and Employment
17 January 2024	Regional Skills Leadership Groups: Agreement to Disestablish CBC-24-MIN-0003 Minute	Cabinet Office

### Information redacted

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of confidential advice to Government.

In Confidence

Office of the Minister for Social Development and Employment

Chair, Cabinet Business Committee

## **Regional Skills Leadership Groups: Agreement to Disestablish**

### **Proposal**

- 1 This paper seeks agreement to disestablish Regional Skills Leadership Groups (RSLGs), including all existing capability and functions.

### **Relation to government priorities**

- 2 The Government's coalition agreements (including the National Party's Tax Plan and other referenced documents) commit to:
  - 2.1 ending funding for the Regional Skills Leadership Groups (RSLGs);
  - 2.2 investigating an "Essential Worker" workforce planning mechanism to plan for skill or labour shortages in the long-term.

### **Background**

- 3 On 29 July 2019, the Cabinet Social Wellbeing Committee agreed to establish RSLGs. The groups were established to facilitate dialogue about regional labour market needs, and to develop Regional Workforce Plans that highlight labour supply and demand trends for the region and identify where change is needed [SWC-19-MIN-0087]. RSLGs also had a specific function in the vocational education system advising the Tertiary Education Commission (TEC) on regional needs, investment decisions and provider offerings.
- 4 There are 15 RSLGs, each of which has 12 to 15 members. The groups are supported by staff within the Ministry of Business, Innovation and Employment (MBIE), with 43 roles related to the RSLGs.
- 5 The Government's coalition agreements commit to disestablishing the RSLGs. Confidential advice to Government

### **Work is needed now to fully disestablish RSLGs this financial year**

- 6 This paper seeks agreement to disestablish RSLGs, including all existing capability and functions, as per the Government's coalition agreements. MBIE advises that to fulfil its employment obligations it is likely to require 2-3 months for a formal change management process, with a further 2 months' of funding likely required to meet redundancy and annual leave obligations. A decision is needed now if we are to realise savings from 2024/25.

- 7 Following Cabinet confirmation of the decision to disestablish RSLGs, I will write to the RSLG co-chairs informing that their terms have ended, and the Secretary of Business, Innovation and Employment will write to the other members confirming the same. Once RSLG members are informed that their terms have ended, MBIE will work with them on the timely wind down of their functions.
- 8 MBIE will initiate a formal change management process to disestablish the RSLG capability within MBIE, including:
  - 8.1 moving to disestablish the roles within MBIE related to the RSLGs, undertaking contractual obligations to employees, including options for redeployment or redundancy;
  - 8.2 exiting property arrangements for regionally based RSLG offices, where this is required.
- 9 Disestablishing the RSLGs will mean that their capability related to workforce planning will not be retained. I have been advised that MBIE has enough capability through other related functions to progress our coalition agreement commitment to investigate an “Essential Worker” workforce planning mechanism to plan for skill or labour shortages in the long-term.
- 10 Disestablishing the RSLGs will mean that for TEC to continue to receive advice to inform its investment guidance to the tertiary sector, an alternative mechanism would need to be found.

**Cost-of-living Implications**

- 11 None.

**Financial Implications**

- 12 Confidential advice to Government [Redacted]
- 13 Confidential advice to Government [Redacted]
- 14 Confidential advice to Government [Redacted]

**Legislative Implications**

- 15 This paper has no direct legislative implications.

**Impact Analysis**

- 16 This paper does not require a Regulatory Impact Assessment as it has no direct legislative implications.

### Population Implications

- 17 There are no significant direct population implications. Population implications will be considered as part of the investigation of an “Essential Worker” workforce planning mechanism.

### Human Rights

- 18 This paper is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### Departmental Consultation

- 19 The Ministry of Education, Ministry of Social Development, Tertiary Education Commission and Treasury were consulted. DPMC was informed.

### Communications

- 20 The Minister for Social Development and Employment will inform RSLG co-Chairs that their terms have ended. MBIE will inform the other RSLG members.

### Proactive Release

- 21 This paper, along with the Cabinet minutes and any relevant supporting documentation, is proposed to be proactively released on MBIE’s website within 30 working days of the final decision being made by Cabinet, providing that RSLG members and affected staff have been notified of these decisions before the release. The release of the information is subject to redactions consistent with the *Official Information Act 1982*.

### Recommendations

The Minister for Social Development and Employment recommends that the Committee:

- 1 Confidential advice to Government [Redacted]
- 2 **agree** to disestablish Regional Skills Leadership Groups (RSLGs), including all existing capability and functions.
- 3 Confidential advice to Government [Redacted]
- 4 Confidential advice to Government [Redacted]

Authorised for lodgement

Hon Louise Upston

Minister for Social Development and Employment