



Meat Industry Association of New Zealand (Incorporated)

Submission to:

The Education and Workforce Select Committee

on:

Education and Training (Vocational Education and Training System) Amendment Bill

18 June 2025

1. Introduction

- 1) The Meat Industry Association (MIA) is a voluntary, membership-based organisation representing processors, marketers, and exporters of New Zealand red meat, rendered products, and hides and skins. MIA represents 99 percent of domestic red meat production and exports. With export revenues of \$9.86 billion (2024), the red meat industry is New Zealand's second largest goods exporter.
- 2) The meat processing sector is New Zealand's largest manufacturing sector that employs over 25,000 people in about 60 processing plants, located mainly in the regions. The sector is a significant employer in many of New Zealand's rural communities and contributes over \$4 billion in household income.
- 3) A list of members is attached (Appendix A). In drafting this submission MIA members were consulted. Individual members, however, may have also made their own submissions.

2. Executive summary

- I. MIA welcomes the opportunity to comment on the draft Bill.
- II. The majority of training in the meat processing industry is delivered at significant cost to employers and is assessed by colleagues 'on the job'. In most cases, this cannot be replicated in a classroom. For this reason, this submission focusses on the parts of the Bill relevant to Industry Skills Boards and work-based learning.
- III. MIA supports the provisions for the establishment and membership of Industry Skills Boards. Eight members, with two appointed by the Minister and six selected from industry nominations seems appropriate.
- IV. To ensure ISBs remain responsive to industry needs, MIA recommends that the Bill includes a requirement that agreement of the board's industry-nominated members is necessary before the appointment of ISB chief executives.
- V. MIA recommends that consideration of demographics be removed from the criteria for the appointment of ISB Board members.
- VI. MIA does not support the ISBs being required to undertake 'strategic workforce analysis and planning', which risks ISBs diverting scarce resources from core functions.
- VII. MIA recommends that Section 370 includes reference to *increasing industry productivity*, as an additional function of ISBs.
- VIII. MIA is opposed to mandatory levies on employers being introduced to fund ISBs and work-based learning. Educational standards setting is recognised as a core function of government and should be resourced accordingly.
- IX. To avoid the risk of cross-subsidisation, MIA recommends that Section 385A (2) be redrafted to require the support of any specific industry before a levy order covering it can be recommended.
- X. If levies are to be imposed, then the Bill should include a clear set of principles to govern how they are set and used to fund ISBs.
- XI. MIA recommends that Section 130 (1)(b) be amended to allow assets currently resident in Te Pukenga to be transferred to industry associations where desirable, rather than the sole option being transfer to tertiary education providers.
- XII. MIA recommends that the resource implications of the obligations placed on ISBs in the Bill be reviewed to ensure they are proportionate and feasible for ISBs to implement without compromising their core functions.

3. Overview

- 4) MIA welcomes the opportunity to comment on the draft Bill.
- 5) The meat industry is New Zealand's largest manufacturing sector that employs over 23,470 people across more than 60 meat processing and rendering plants, many of which are in rural and provincial areas. NZIER¹ and MPI forecast continued growth across our members' workforces out to 2032.
- 6) To meet this demand, meat processors will require employees with a range of skills including increasing focus on more highly skilled workers, especially managers and semi-autonomous workers who are savvy with digital technology, quality control and environmental practices.
- 7) However, training and assessment of competency for workers in medium-skilled roles forms the core of formal vocational training and development in the meat industry. This training is delivered at significant cost to employers and is assessed by colleagues 'on the job'. In most cases, this cannot be replicated in a classroom.
- 8) Enrolments in formal, meat processing training courses (level 3 and above) have been declining in recent years, with 1,550 recorded for 2023².
- 9) MIA hopes that reform of the vocational education and training system will make it more responsive to the needs of industry and drive increases in New Zealand's productivity.
- 10) MIA does not wish to appear before the Committee.

4. Commentary on the Bill

Proposals for reform of polytechnics

- 11) MIA neither supports nor opposes proposals for reform of polytechnics and has chosen to limit the majority of feedback to provisions related to Industry Skills Boards, work-based learning and levies.
- 12) This is because most of the training in our sector is delivered in the workplace, as described above. MIA notes that in the explanatory section of the Bill, the transition of work-based training to 'polytechnics, private training establishments and wananga' is envisaged, which is not consistent with our sector's reality and future requirements, where only private training establishments are likely to be relevant.

¹ NZIER. 2023. [Workforce in Red Meat and Wool: results from supplemental modelling](#). A report for Ministry for Primary Industries.

² The most recent full year where results are available, source www.workforceskills.nz

Subpart 6—Vocational education and training (Industry Skills Boards)

- 13) MIA supports the provisions for the establishment and membership of Industry Skills Boards. Eight members, with two appointed by the Minister and six selected from industry nominations seems appropriate.
- 14) However, MIA is concerned that, in practice, part-time governance boards may be overshadowed by full-time management, particularly if executive roles are filled by individuals with backgrounds primarily outside of the relevant industries. This risks undermining the Bill's intention of strengthening industry responsiveness. To mitigate this risk, **MIA recommends that the legislation requires that the chief executive of an ISB must be appointed with the agreement of the board's industry-nominated members.**

Matters to be considered when appointing members (to ISBs)

- 15) MIA considers the wording of Section 365(a) ambiguous and inappropriate:

Section 365: When appointing members, the Minister and the industry skills board must ensure that the board as a whole, as far as is reasonably practicable,

(a) reflects the makeup of the current and anticipated workforce of the specified industries; and.....

- 16) This appears to set a requirement for the appointment of Board members to include consideration of demographics rather than seeking a high performing board that is representative of the industries concerned.
- 17) Accordingly, **MIA recommends that Section 365(a) be redrafted to:**

(a) reflects the makeup of the relative sizes and scales of the specified industries; and.....

Functions of ISBs

- 18) **MIA does not support the ISBs being required to undertake 'strategic workforce analysis and planning' (Section 367 (1)(a)) and recommends this be removed from the Bill.**

There are two reasons for this.

First, MIA does not consider this to be a core function for ISBs and recommends that these should focus on the core activities of standard setting and moderation etc.

Second, this is likely to duplicate the functions of industry organisations or other government agencies.

Performance of industry skills board's functions and duties

- 19) MIA proposes changes to the language used in Section 370 to remove unnecessary text or to align with the core function of ISBs:

(Section 370) *When performing its functions and duties under sections 367 to 369, the 15 industry skills board must act in a manner that—*

(a): contributes towards the creation of a workforce that meets industry needs and is fit for work in ~~a sustainable, globally engaged, and adaptive~~ New Zealand; and

(b) seeks to contribute to an education system that helps to ensure fair and equitable ~~outcomes~~ [INSERT: 'opportunities'] for all, including people who have been under-served by the education system; and.....

(d) aims to support and respond to New Zealand's current and future work - force needs, taking into account the skills, knowledge, and qualifications that learners will need in future to achieve success ~~for themselves and their communities~~; and

20) MIA also recommends that Section 370 includes reference to *increasing industry productivity* as an additional function of ISBs.

Industry skills board levy

21) MIA is opposed to mandatory levies on employers being introduced to fund ISBs and work-based learning. Educational standards setting is recognised as a core function of government and should be resourced accordingly.

22) MIA notes that despite repeated references to 'levy group', this term is not defined in the Bill. This is a significant oversight.

23) Section 385A (2):

The Minister may not recommend the making of an Order in Council under this section unless the Minister is satisfied that—

(a) the industry skills board has undertaken adequate consultation with the levy group concerned; and

(b) the feedback from consultation with the levy group supports the view that imposing the levy is in the interests of all members of the levy group.

24) MIA is concerned that 'levy group' may refer to multiple different industries served by the ISB. If this were to be the case, then it does not appear that imposing a levy requires all industries captured within the levy group to agree with the levy proposal, so long as feedback from the consultation with the group supports the view that it is in their interests. This is not acceptable to the MIA.

25) MIA recommends that Section 385A (2) be redrafted to require the support of any specific industry before a levy order covering it can be recommended.

26) While MIA opposes mandatory levies for ISBs, it considers that, if levies are to be imposed, then the Bill should include a clear set of principles to govern how they are set and used to fund ISBs. These are common in other legislation, including the Animal Products Act 1999 and the Food Act 2012.

27) **MIA recommends adoption of the principles presented in *Setting and administering fees and levies for cost recovery: Good practice guide*³.**

These principles are: equity; efficiency; justifiability, and transparency.

28) MIA considers that the operation of these principles should result in any levies:

- I. only being charged to businesses that use ISB standards
- II. reflecting the actual costs of delivering the ISB standards used
- III. being proportional to use of the standards or services they fund

Transitional provisions relating to Te Pūkenga

29) MIA supports the intent of provisions that seek to ensure continuity of service for learners as work-based learning transitions from Te Pūkenga to the ISBs on a temporary basis.

30) Regarding Section 130:

Requirement to develop transition plan for programmes and micro-credentials,

(1) As soon as practicable after commencement, NZIST's council must, in consultation with NZQA, develop a transition plan for approval by TEC that provides for the transfer of—

(a) programmes and micro-credentials provided by NZIST to 1 or more tertiary education providers; and Schedule 1 Education and Training (Vocational Education and Training System) Amendment Bill 52

(b) any specified rights, assets, liabilities, or agreements of NZIST relating to those programmes and micro-credentials to 1 or more tertiary education providers.

31) MIA intends to engage Te Pūkenga and the Tertiary Education Commission about the fate of assets, including intellectual property, currently hosted within Primary ITO.

32) In particular, MIA and its members have invested substantial resources into developing learner guides, assessor guides and other materials. This intellectual property was paid for by the meat industry and a solution needs to be adopted which fully recognises this.

33) Noting that similar circumstances may exist for other industries and parts of Te Pūkenga, **MIA recommends that Section 130⁴ (1)(b) be amended to allow for such assets to be transferred to industry associations where desirable, rather than the sole option being transfer to tertiary education providers.**

34) MIA is motivated to prevent a situation occurring where any future entrants into the training market are placed at a disadvantage because the industry funded intellectual property of Te Pūkenga has been transferred to a few 'first-movers'. This may otherwise serve to limit future competition in the market, to the detriment of industries and learners.

³ Controller and Auditor General: <https://oag.parliament.nz/2021/fees-and-levies/docs/fees-and-levies.pdf>

⁴ And subsequently Section 133 that gives effect to the plan

Oversight of ISBs

- 35) MIA is concerned by the high compliance burden being imposed on ISBs.
- 36) MIA acknowledges the intent to improve accountability and transparency; however, we are concerned that the cumulative effect of the obligations proposed for ISBs may be overly onerous.
- 37) Meeting obligations such as setting and consulting on fees, funding NZQA's quality assurance activities, responding to compliance notices, meeting audit and reporting requirements from both NZQA and TEC, and maintaining detailed financial and service-performance records represent a significant operational burden.
- 38) MIA does not have the expertise to propose specific alternatives. Instead, MIA recommends that the resource implications of these obligations be reviewed to ensure they are proportionate and feasible for ISBs to implement within their likely funding allocations, without compromising their core functions.

MIA Contact

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Appendix 1

MIA members and affiliate members as at 17 February 2025

Members	
Advance Marketing Limited Exporter Membership	Waimarie Meats Partnership
AFFCO NZ Ltd - Membership Levy	Wallace Group LP
Alliance Group Limited	Wilbur Ellis NZ Ltd
Ample Group Limited	Wilmar Trading (Australia) Pty Ltd
ANZCO Foods Ltd	
Ashburton Meat Processors Limited	
Auckland Meat Processors	Affiliate Members
Bakels Edible Oils (NZ) Ltd	Abattoirs Association of NZ
Ballande NZ Ltd	AgResearch
Black Origin Meat Processors	Alfa Laval New Zealand Ltd
Blue Sky Meats (NZ) Limited	Americold NZ Ltd
Columbia Exports Ltd	Aon New Zealand Ltd
Crusader Meats	AsureQuality NZ Ltd
Davmet NZ Limited	AusPac Ingredients NZ Ltd
Fern Ridge Ltd	Beca Ltd
Firstlight Foods Limited	Centreport Wellington
Garra International Limited	CMA CGM Group Agencies (NZ) Ltd
GrainCorp Commodity Management	CoolTranz 2014 Ltd
Greenlea Premier Meats	G-Tech Separation - Bellmor Engineering
Harrier Exports Ltd	Global Life Sciences Solutions New Zealand
Intergrated Foods Consortium	Haarslev Industries New Zealand
Kintyre Meats Ltd	Hapag-Lloyd (New Zealand) Ltd
Lean Meats Oamaru	IBEX Industries Limited
Lowe Corporation Ltd	Intralox LLC
Mathias NZ Limited	Kemin Industries Ltd
Ovation NZ Ltd	Liquistore
Peak Commodities Limited	Maersk A/S
Prime Range Meats	MJI Universal Pte Ltd
Progressive Meats Limited	Oceanic Navigation Ltd
PVL Proteins Ltd	Port of Napier
SBT Marketing (2009) Ltd	Port of Otago Ltd
Silver Fern Farms Ltd	Pyramid Trucking Ltd
Standard Commodities NZ Limited	Rendertech
Taylor Preston Limited	SCL Products Limited
Te Kuiti Meat Processors Limited	Scott Technology Ltd
UBP Limited	Sealed Air - Cryovac
Value Proteins Ltd	Suncorp New Zealand Services Limited