

Wholesale change for vocational education

More than one in 10 businesses are engaged in industry training yet a survey of employers has 71% either experiencing or expecting skill shortages in their area. These figures were cited by Education Minister Chris Hipkins as evidence of the need for radical reform in the vocational education sector.

Key changes include:

- creating four to seven Workforce Development Councils by 2022 to replace and expand most of the roles of Industry Training Organisations (ITOs)
- pulling the 16 institutes of technology and polytechnics into a single national organisation (working title 'New Zealand Institute of Skills and Technology') to provide on-job and off-job learning, starting next April. The head office will not be in Auckland or Wellington. A charter, containing a number of bottom lines, will be set out in legislation to guarantee performance
- establishing new Regional Skills Leadership Groups to identify local skills needs, working across local education, immigration and welfare systems, and
- creating Centres of Vocational Excellence at regional campuses to drive innovation and expertise.

The transition to the new structure will be implemented over the next three to four years.

[Announcement](#)

RMA reform – just another review, or is this the one?

The draft terms of reference for the promised comprehensive review of the Resource Management Act (RMA) suggest it may live up to the hype.

An Expert Advisory Panel, led by retired Court of Appeal Judge Tony Randerson, will be tasked with bringing reform recommendations, with indicative drafting of key provisions, to the Government by the end of May next year.

[Chapman Tripp commentary](#)

Electricity authority dips toe back in the water

The Electricity Authority (EA) is proposing to move from a flat rate Transmission Pricing Methodology (TPM), which provided a subsidy from the South Island to the North Island, to a more user-pays system with a residual charge to make up any shortfall.

It is a nut that the EA has been trying to crack since its formation in 2010. It was forced back to the drawing board after a previous proposal, which would have introduced much sharper price shifts, ran into a firestorm of opposition, led by Winston Peters who was then the MP for Northland (which would have sustained one of the highest price increases).

The EA has maintained its essential logic that those who benefit from the grid, and investments made to improve the grid in the future, should also pay for it.

As a lot of recent investment, and planned investment, is located in the North Island, this results in Northerners paying more and Southerners paying less. An outcome that the EA says is efficient, fair and robust.

But the EA has pulled a couple of levers to soften the rebalancing, including introducing a cap on the percentage increase in total electricity bill to be faced by any consumer (3.5%) and focusing on a smaller pool of past investments that are being recovered on this "beneficiary pays" basis.

Submissions close on 1 October.

[Consultation papers](#)

Big policy effort needed for mass electrification

A large effort across a range of policy fronts will be needed to achieve meaningful emissions reduction in transport and industrial processing, according to the Interim Climate Change Committee.

It advocates changes to the RMA, more policies to support electric vehicle uptake, high hurdles to new coal fired generation, and acceptance by the Government that its 100% renewable energy target by 2035 is impractical.

[Chapman Tripp commentary](#)

“Historic consensus” a fragile beginning

The “historic consensus” on climate change which the Government is claiming with the farming sector boils down to an agreement that, come 2025, farmers will pay a farm level price for emissions.

But there is a lot of work to be done to make the farm scheme feasible, and there are competing proposals on what to do in the interim.

[Chapman Tripp commentary](#)

Dedicated water regulator

The Government will appoint a dedicated regulator to ensure satisfactory standards are maintained by suppliers of drinking water to the public. Regional councils will remain the primary regulators for wastewater and stormwater services but will be required to report annually on a set of national environmental performance measures. The moves are in response to the Havelock North campylobacter contamination in 2016.

[Announcement](#)

Climate change putting heat on directors

As public awareness grows around the need to reduce our reliance on carbon emitting activities, and as legislators and regulators sharpen their response to climate change, so is the heat building in the boardroom. We look at governance in the second instalment of our *Building resilience to climate change* series.

[Chapman Tripp commentary](#)