

COVER SHEET – PGF SKILLS & EMPLOYMENT (TE ARA MAHI)

3.6 Te Koru Education and Employment Initiative Te Ara Mahi (TAM) Application		For Approval	
Tier:	1 - Regional	Sector:	Skills
Background & context:		Recommendation(s):	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> First Choice Employment Services Ltd and <small>Commercial Information</small> <p>Location:</p> <ul style="list-style-type: none"> Hawke's Bay <p>Proposal:</p> <ul style="list-style-type: none"> Te Koru Education and Employment Initiative – A drug and alcohol assessment, education, employment placement and support programme. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: c. \$ <small>Commercial Information</small> (includes c. \$ <small>Commercial Information</small> contribution in kind from industry partner) Te Ara Mahi Funding: \$1,100,000 grant funding (\$ <small>Commercial Information</small>) <p>Background:</p> <ul style="list-style-type: none"> First Choice Employment Services (First Choice) is proposing to deliver a programme combining drug and alcohol assessment, counselling and education, with work preparation and employment placement. The programme also provides two years of pastoral care for participants and their employers. The initial intervention programme will involve 230 participants over a two year period. Participants will include rangatahi not currently in employment, education or training but will also be open to participants who are currently in education or training and to people who are employed and in need of drug related support in order to retain employment. 		<p>We recommend that the SRO(s)</p> <p>a) Recommend to Regional Economic Development Ministers the approval of \$1,100,000 from the Te Ara Mahi portion of the Provincial Growth Fund to First Choice Employment Services Ltd to fund Te Koru Education and Employment Initiative</p> <p>b) Note the initial programme will involve <small>Commercial Information</small> participants over a two year period</p> <p>c) Note it is anticipated that <small>Commercial Information</small> participants will have been placed in employment by the end of year two and that any participants not in work will have made significant progress towards sustained employment</p> <p>d) Note that the outcomes sought by the programme include: decreasing barriers to employment acquisition and retention, particularly drug test failure rates; improving levels of employability and employer confidence in local recruitment; increasing the employment of local people in sustainable roles with long term career opportunities</p> <p>e) Note the programme has been developed in partnership with <small>Commercial Information</small>, which has committed to providing permanent, sustainable employment for <small>Commercial Information</small>, increasing year on year, and which is contributing at least \$ <small>Commercial Information</small> in kind to the cost of the project</p>	

- By the end of year one, it is anticipated that [redacted] participants will have been placed in employment, increasing to [redacted] by the end of year two. All [redacted] participants will have made progress towards enabling sustained employment.
- The programme has been developed in collaboration with local employers and its most significant point of difference from other services in the Hawke’s Bay is its partnership with [redacted] **Commercial Information**
- As a strategic partner in the programme, [redacted] has committed to offering sustainable employment to 30-50 participants per year, with employee numbers increasing year on year. These positions will be permanent rather than seasonal and span all aspects of the business.
- [redacted] is contributing at least \$ [redacted] in kind to the programme, including staff (trainers, kaiawhina, cultural advisor, additional pastoral care providers), purchase of a vehicle with associated transport costs, enrolment in level 2-4 horticulture qualifications for participants, establishment of a training facility, wages for participants, and administration costs.
- First Choice has strong working relationships with local industry groups and employers, developed during its provision of training and education programmes for a wide range of employers and its contract work with MSD. While the programme will help to address regional labour shortages for the horticulture sector, the focus of employment placements for all participants (not only those employed by [redacted]) is work with employers who offer career opportunities rather than short term jobs.
- The programme has a proven methodology based on the ‘end in mind’ probability of gaining or retaining employment as motivation for choices related to drug and alcohol use, rather than traditional approaches based on criminality or health. This approach could also complement existing employment recruitment and training initiatives offered by other providers.

PROPOSED TO BE PUBLICLY RELEASED

PGF Skills & Employment criteria that this proposal supports:

Te Ara Mahi Criteria	Assessment Commentary	Met (Y /N/Partial)
Link with fund and government outcomes – delivers benefit to communities		

<p>Acts as a catalyst for improving productivity potential in the region (s)</p>	<ul style="list-style-type: none"> • The project will improve productivity in Hawke’s Bay by increasing the number of skilled and motivated local people who are able to fill vacant local positions and by placing them directly into roles with local employers. • Partner employers are committed to developing long term career opportunities for local people, beyond addressing immediate labour shortages. 	<p>Y</p>
<p>Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans</p>	<ul style="list-style-type: none"> • The proposal aligns directly with one of the goals of the Matariki Initiative, contained within the Hawke’s Bay Regional Economic Development Plan: improve Pathways to and through Employment. The Matariki Initiative 2016 sets out goals and actions for economic development agreed by local government, Māori, industry, interest groups and relevant government agencies. • The proposal complements the goals of He Kai Kei Aku Ringa, the Crown-Māori Economic Growth Partnership. 	<p>Y</p>
<p>Demonstrates potential to meet the current or future labour market skill needs of the region, including those resulting from PGF Tier 2 and 3 investments</p>	<ul style="list-style-type: none"> • In the short term, the programme will help to meet the immediate labour shortage needs of Hawke’s Bay’s horticulture industry. • The programme will also increase the number of potential employees able to pass commercial drug testing required in other local industries. • As a strategic partner in the programme, <small>Commercial Information</small> [REDACTED] <small>Comme</small> [REDACTED] is committed to developing more permanent, year-round employment opportunities with potential for career progression, in recognition that the short-term seasonal nature of horticulture work can make employment in the industry less attractive to potential workers. The programme helps to make employment in the horticulture sector more attractive in future, as well as meeting immediate labour needs. 	<p>Y</p>
<p>Reduces the rates of people not in employment, education and training, with an emphasis on Māori</p>	<ul style="list-style-type: none"> • Participants will include rangatahi NEET as well as local people who are vulnerable to losing their current employment without drug education and support. • The initial proposal was for He Poutama Rangatahi funding but was referred to Te Ara Mahi due to the size of application (over \$1 million) and because it does not focus exclusively on rangatahi NEET aged 15-24. 	<p>Y</p>

	<ul style="list-style-type: none"> • The provider specifically nominates female sole-parents as a focus, due to their influence on generational change as ‘first teachers’ of their children. • First Choice and ^{Commercial Information} have both pledged to: <ul style="list-style-type: none"> – place a greater emphasis on recruitment of Māori and Pacific Peoples participants – promote strategies to facilitate Māori and Pacific Peoples career advancement, including into supervisory or leadership positions – mentor Māori and Pacific Peoples participants who are interested in self-employment within the ^{Commercial Information} collective. • ^{Commercial Information} will appoint a dedicated Kaiawhina to support participants in the programme and existing Māori and Pacifica employees • First Choice and ^{Commercial Information} are committed to working more closely with the local iwi, Ngāti Kahungunu, and career focused entities such as Te Taiwhenua O Heretaunga to develop an integrated approach to change perceptions of the industry and increase local employment outcomes. 	
<p>Increases local employment and earning potential, by supporting local people into local jobs, with an emphasis on sustainable employment outcomes</p>	<ul style="list-style-type: none"> • The focus of the programme is on supporting local people to gain and retain local employment. Employment as an ‘end in mind’ is central to the drug and alcohol assessment, education and support component on the programme. The programme also includes development of employment skills, including driver licensing, and placements with local employers. • The programme also includes pre-emptive, holistic and case-managed pastoral care for two years for both participants and their employers. • The programme’s strategic partner, ^{Commercial Information}, will employ ^{Commercial Information} per annum in permanent, sustainable, flexible roles across the business – rather than seasonal field work roles. • The programme also prioritises working with other local employers that are committed to providing career opportunities and employee support and development rather than short term jobs • The provider anticipates that ^{Commerc} participants will have been placed in employment by the end of year two and that any participants not in work will have made significant progress towards sustained employment. 	<p>Y</p>

Additionality – adds value by building on what is already there		
Addresses a gap in current service provision e.g. does not cover activities that are already funded for (unless funding is to up-scale or re-start, existing projects)	<ul style="list-style-type: none"> • Current service provision in Hawke’s Bay does not include any programmes based on similar strategic partnerships with a major employer. • The drug and alcohol component of the programme, particularly its employment orientation, also fills a gap in the region. 	Y
Demonstrates why third party funding, including other government agencies, cannot be used to address the current gap in service provision	<ul style="list-style-type: none"> • The programme’s combination of drug and alcohol assessment, education and support, with employment skills and placement, and with two years of pastoral care is beyond of the scope of other government agencies. This includes creating a support pathway for non-beneficiaries who need support in order to maintain employment. 	Y
Demonstrates awareness of and ability to connect to other services/initiatives that are complementary to the project	<ul style="list-style-type: none"> • First Choice suggests that components of this proposal could be made available to alternative providers to complement their existing programmes. For example, the ‘end in mind’ employment-orientation of the drug and alcohol education and support component of this proposal could be combined with other employment training programmes. 	Y
Connected to regional stakeholders and frameworks		
Has support and input, where applicable, from: <ul style="list-style-type: none"> • Local, industry, employers, community groups and employment bodies/governance mechanisms • central and local government agencies • iwi and other Māori governance mechanisms 	<ul style="list-style-type: none"> • The proposal has been developed in collaboration with an industry partner, <small>Commercial Information</small>. • The provider also has extensive employer networks in the region. • The proposal has been endorsed the Matariki Skills and Employment Sub-Group, which includes representatives from MSD, TPK, and the Ministry of Education, as well as Ngāti Kahungunu and Te Taiwhenua O Heretaunga. 	Y
Governance, risk management and project execution		
Has robust project management and governance systems planned or in place	<ul style="list-style-type: none"> • Evidence of a well organised approach to managing the project has been provided. 	Y
Demonstrates the capacity and technical capabilities to effectively	<ul style="list-style-type: none"> • The provider has run a successful pilot of the programme, <i>Te Koru Tairāwhiti Initiative</i>, in 	Y

<p>implement the initiative e.g. has experience in building local capacity, lifting work readiness and knowledge of the local labour market</p>	<p>Gisborne from October 2016-October 2017 for 55 participants referred by Work and Income NZ. The pilot received \$Commercial Information as part of the Tairāwhiti Economic Action Plan (Activate Tairāwhiti). MSD's report on the programme concluded that, "On the basis of the ability to engage ... and the complexity of this client group versus the number and percentage of employment outcomes, this programme was very successful." (Although an expansion of the programme was supported by the Commercial Information, the provider was advised that funding for programmes outside base programme delivery was no longer available following the 2017 election).</p> <ul style="list-style-type: none"> • In January 2019, SROs unanimously agreed to recommend that RED Ministers approve First Choice's application to deliver a similar employment oriented drug and alcohol programme in Tairāwhiti. Funding for the programme was approved by RED Ministers on 29 January 2019. • First Choice has extensive knowledge of the local labour market and experience in both drug and alcohol assessment and employment related education and training. It has successfully delivered MSD work preparation and employment placement and support contracts in Hawke's Bay for more than eight years. 	
<p>Risk management approach outlined</p>	<ul style="list-style-type: none"> • Appropriate risk management for the proposal has been identified. 	<p>Y</p>
<p>Future ownership / operational management identified</p>	<ul style="list-style-type: none"> • The provider anticipates that, following two years of PGF funding, future investment and funding for the programme would be provided by industry, and possibly Māori investors through Te Taiwhenua o Heretaunga. • If proven effective during delivery, this approach could also be mainstreamed in the local employment system. 	<p>Y</p>

The purpose of this briefing is to consider recommending PGF funds for Te Koru Education and Employment Initiative

Te Ara Mahi (TAM) View:

The Te Ara Mahi team supports this proposal as meeting Te Ara Mahi criteria.

Regional Governance Group View:

The Matariki Skills and Employment Sub-Group have endorsed the proposal from this provider. It notes that:

- First Choice has “established credibility” and “extensive employer networks” in Hawke’s Bay
- the partnership with a “big industry player” is innovative for the region
- the provider’s skill set in drug and alcohol services fills a current gap in the region.

Risks and Issues:

Note: If recommended for approval by SROs and then approved by RED Ministers, this proposal could be announced as part of the Hawke’s Bay package, currently planned for April 2019.

Eligibility points of note:

- *Due diligence*:- Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team.
- *Conflict(s) of interest*:- Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- *Illegal Activity*:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans*: Strong alignment with regional plans.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	
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The following consultation has occurred:

Internal PDU teams – feedback on application received.

We have consulted with relevant central agencies, including MSD and MPI. Note that regional agency representatives from MSD, TPK and the Ministry of Education have reviewed and supported the proposal in their role as members of the Matariki Skills and Employment Sub-Group.

Supporting proposal:	Yes
Appendices:	Confirmation of partnership from Commercial Information
Sponsor(s):	N/A
Manager/Author of paper:	Brendan Quinlivan / Hilary Pearse