

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

3.16 Accelerating Our Capability Project Te Ara Mahi (TAM) Application		For: Approval	
Tier:	1 - Regional	Sector:	Skills
Background & context:		Recommendation(s):	
<p>Applicant Organisation: Te Kotahitanga e Mahi Kaha Trust (TKEMKT)</p> <p>Location:</p> <ul style="list-style-type: none"> Kaikohe, Northland <p>Proposal:</p> <ul style="list-style-type: none"> To fund for 3 years the development of a training and employment programme for NEETs (of all ages) in Kaikohe, including a local employment and skills support hub. The Trust will also develop a Social Enterprise to enable long term sustainability of the programme. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$^{Commercial} (10 years) Ta Ara Mahi Resource Funding: \$^{Commercial} (years) – Grant % <i>Capital Expenditure</i> Te Ara Mahi Funding \$^{Commercial} – Grant %^{Commer}) Total project value includes ^{Commercial Information} \$^{Commercial Inform} and ^{Commercial Information} to purchase premises. <p>Background: Kaikohe is a town in Tai Tokerau which has long standing high NEET rates and levels of unemployment. Current working age main benefit figures sit at 16,699 for the region and 2,254 for Kaikohe</p> <p>TKEMKT was established in 1986 for the purpose of improving the social, cultural, environmental and economic outcomes for local people in the Kaikohe</p>		<p>We recommend that the SRO(s)</p> <p>a) Approve in principle funding up to \$^{Commercial Information} from the PGF (Te Ari Mahi) by way of a grant, to be released in stages over three years.</p> <p>b) Refer TKEMKT's application for PGF (TAM) funding to the Regional Economic Ministers group for a final decision</p> <p>Note The final amount of the grant and timing of payments will be determined by ongoing evaluation of the programme and assessment of revised financial forecasts as the programme scales up, and when milestones are met.</p> <p>Note that TKEMKT is also funded under He Poutama Rangatahi to run a training and employment scheme for NEETs (age 15-24) at the Mangatoa Station Forestry and Ecological Restoration Project.</p> <p>Note that TKEMKT has existing contracts with Te Puni Kokiri and the Ministry of Social Development, and is an accredited education provider.</p> <p>Note that the contribution of \$^{Commercial Information} ^{Commercial Informa} and \$^{Commercial Information} to purchase new premises demonstrates a high level of pre-commitment to the project, but that this purchase is still conditional.</p> <p>Note some final costs associated with refitting the new premises have still to be confirmed due to its very recent purchase.</p>	

region.

TKEMKT has three operating activities:

- Education, training and employment acceleration (Accredited- Approval under NZQA section 251 of the Education Act 1989; He Poutama Rangatahi – MBIE provider), Alternative Education Provider to MoE, Driver Licensing provider.
- Youth and whanau support services (Te Puni Kokiri Provider, Passport to Life)
- Health and Fitness (Whare Oranga, Community Gym Facility, Moving the Maori Nation)

The HPR program combines training with pastoral care, covering life skills, work readiness and primary industries training for 30 NEETs over 2 years with a paid supervised work placement.

This proposal builds on TKMT's current programme to set up a larger scale long term project to develop the capability and work skills of NEETs (of all ages) in Kaikohe (and surrounds), while supporting and growing new industry and businesses within the region. The premises will also act as a 'hub' providing training facilities and a place for employers and 'graduates' to engage.

The proposal leverages TKEMKT's existing capability and experience as a platform to support a much wider/older group of learners over a 10-year period. It aims to target up to 80 new learners per year (after 3 years), with engagement of up to 160 learners at any point in time. Over the 10-year duration of the program up to ^{Co} learners will come on board targeting at least ^{Commer} graduates (individuals into employment).

In order to facilitate this TKEMKT have purchased a bigger premises and is seeking capital expenditure to help fit it out. This will enable better training facilities (tailored to industry), a publicly accessible skills and employment hub and the creation of a social enterprise to enable the programme to be self-funding

<p>in the longer term.</p> <p>The initial phase will involve training and development in Agriculture, Forestry and viticulture industries – key focus areas of ‘Land and Water’ in the Tai Tokerau Northland Economic Action Plan (“TTNEAP”).</p> <p>As the program develops it will look to move into training in Digital Infrastructure, Finance, and Leadership – all specific targets for development under the ‘Enablers’ work area of the TTNEAP. (NOTE- the CEO has strong contacts with Digital providers)</p> <p>NOTE – When putting forward its application in 2018 the applicant had identified a premise it wished to purchase as the location for the proposed project. However this purchase fell through in December 2018. TKEMKT, with support from the Commercial Information is subsequently purchasing a new premise, however this is still conditional and a final report on developing the premise is not available until 1 February (but is expected to be similar).</p>		
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		
Acts as a catalyst for improving productivity potential in the region (s)	This project looks to increase the skill base available across a range of industries. Many of those targeted will have left school early or without qualifications, have been unemployed for considerable periods of time and will be starting from low skill levels. This increase in work readiness and skills in the Kaikohe Labour market should bring productivity benefits across the region as a whole.	YES
Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	Yes the proposal phase will involve training and development in Agriculture, Forestry and viticulture industries, which are key focus areas of ‘Land and Water’ in the Tai Tokerau Northland Economic Action Plan (“TTNEAP”). The primary sector is an important part of the employment opportunities in the Kaikohe area. These skills will also be transferable for use in other parts of the region, including for Māori land use	YES

	development programmes.	
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	The initial training will be in the Primary Industries where the demand for labour is most immediate in the Kaikohe area. As the range of training opportunities develop TKEMKT has the ability to lean on a network of willing employers which has been established by the CEO over the years. TKEMKT has the connections, and is well poised to open doors for young people (and others).	YES
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	Kaikohe has a largely Māori population. The proposal targets ^{Co-erc} NEETS (of all ages) for training and capability building through to employment. The proposal also contains support for those who wish to develop their own businesses. If a significant proportion of these trainees do graduate to employment, as anticipated in the proposal, this will have a significant impact on reducing the numbers of Māori NEETs of all ages in Kaikohe. The 'Accelerating Our Capability' programme is clearly focused towards preparing Māori NEETs for the workforce – both locally and farther afield.	YES
Increases local employment and earning potential, by supporting local people into local jobs, with an emphasis on sustainable employment outcomes	Yes. It will also give individuals the skills they need to move away from being beneficiaries and link them to employers. It will help those who need skills to 'move up the ladder' or have the drive and ability to develop their own businesses. With the premises also being an employment hub, local people will be better informed about the range of job opportunities available and employers will be able to engage with potential workers. Resources for the delivery of the project itself: Initially the project will result in the creation of ^{Commercial} FTEs in the training arm; ^{Commerc} FTE in the vineyard arm; and a crew of ^{Comme} staff for the riparian planning scheme.	YES
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)	While there are a large number of health and social service providers in Kaikohe and its surrounds, there are no organisations offering the unique combination of services proposed by TKEMKT. The key points of difference are the 24 month pastoral care model, the business incubation and support services, the job	YES

	creation strategy and the employer support approach. In addition the CEO has an extensive global network of community development specialists, philanthropists and industry leaders – all of which will be leveraged to ensure the success of the proposed programme.	
Demonstrates why third party funding, including other government agencies, cannot be used to address the current gap in service provision	As the provider targets individuals who are far from being employment ready there are limited funding opportunities available. However, some additional funding has been obtained from philanthropic sources.	YES
Demonstrates awareness of and ability to connect to other services/initiatives that are complementary to the project	The applicant is aware of the need to link and engage with complementary services and other PGF projects (with workforce requirements). This is one of the reasons for an open access hub development, to link learners to employers and businesses, and to feed into, and learn from, local agency knowledge of the labour market. The applicant is confident in its ability to provide services to MSD clients in Kaikohe.	YES
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"> TKEMKT is a Te Puni Kokiri provider and has the support of local officials. One risk raised was duplication and competition with other proposed community/civic/business hubs. The applicant provides assurance that the key players (FNDC, Ngapuhi and the Business Hub) exploring such opportunities are in support of TKEKMT's long term business plan. The PGF Senior Advisor report contains a list of employers and tertiary providers who have indicated support for the project. More are likely to be added if funding is agreed. 	YES
Governance, risk management and project execution		
Has robust project management and governance systems planned or in place	<ul style="list-style-type: none"> TKEMKT is a long standing provider in the region with a sound governance structure. They have employed external advisors to oversee projects of importance. To ensure this project is a sound investment for government, TKEMKT is employing governance experts from external advisors e.g. KPMG to regularly test the robustness of projects and investment. Support in the early stages of the project will also be provided by PDU Regional Officials. 	

Demonstrates the capacity and technical capabilities to effectively implement the initiative e.g. has experience in building local capacity, lifting work readiness and knowledge of the local labour market	<ul style="list-style-type: none"> TKEMKT is already a He Poutama Rangatahi provider and has contracts with MSD and TPK. It has extensive knowledge of the challenges faced and services needed to support people to become work ready and get them to employment. TKEMKT has extensive knowledge of the local labour market. 	
Risk management approach outlined	<ul style="list-style-type: none"> A number of risks have been identified by the applicant and strategies will be in place to manage these. These strategies include employing governance experts from external advisors e.g. KPMG to regularly test the robustness of projects and investment. Experienced PGF officials will also supporting implementation of the programme and the development of a skills hub. 	
Future ownership / operational management identified	<ul style="list-style-type: none"> TKEMKT is will be seeking to become a Social Enterprise as the programme develops and a governance group has been identified 	

The purpose of this briefing is to consider recommending/ declining PGF funds for the Accelerating Our Capability project

Regional Governance Group View:

The Regional Governance Group is supportive of the aims of this proposal. They have also identified risks about the scale and delivery of the project. As part of the ongoing review and development of the proposal, the time scale for expanding the programme will be managed in a more proportionate way and additional resource will be put into implementing the project, including the development of a number of workstreams which will also provide funding to support the project.

Risks and issues:

Include where applicable:

- Any PR or Ministerial announcements will be co-ordinated with PDU Comms.*
- Communications opportunities/risks associated with the project will be managed by PDU Comms*
- Cross agency risks and implications.*
- There are no dependencies with other related projects although related PGF investments and associated training schemes managed by He Poutama Rangatahi and MSD may link to this broader scheme.*

Eligibility points of note:

- Due diligence:-* Full due diligence is in the process of being completed
- Conflict(s) of interest:-* **Commercial Information**
- 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:-*The programme is strongly aligned with the Regional Development Plan.

- *Commercial funding availability:-* Given the nature of the project which is mainly targeted at a supporting low-skilled individuals to employment access to commercial funding is not considered a feasible option.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	
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During the development of the proposal a senior TPK official has worked with TKEMKT to help them address areas of concern raised by reviewers of the application. This has led to the provision of further information from TKEMKT about how they intend to implement the project. The most recent report is attached. In light of the nature of the project there will need to be ongoing engagement with a number of agencies where there is potential cross over in funding streams (in particular MSD, MoE and TEC). This will become more pertinent when trainees are identified and training courses developed, and particularly in the early stages of the project.

Supporting proposal:	Yes
Appendices:	Yes - Commercial Information
Sponsor(s):	Marama Edwards
Manager/Author of paper:	S Ruddell - TAM.

