

2.06 KURU CONTRACTING WORKFORCE DEVELOPMENT PROJECT TE ARA MAHI (TAM) APPLICATION

PGF Skills & Employment (Te Ara Mahi)		For: Approve	
Tier:	1 - Regional	Sector:	Skills
Background & context:		Recommendation(s):	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Kuru Contracting Ltd Kuru Contracting is a family owned and operated forest and roading contracting company based in Awapuni, Gisborne <p>Location:</p> <ul style="list-style-type: none"> Tairāwhiti <p>Proposal:</p> <ul style="list-style-type: none"> A 12 month forestry and civic infrastructure training programme for ^{Comm} new employees and ^{Comm} existing employees <p>Funding Sought: \$736,016</p> <ul style="list-style-type: none"> Total project value: \$^{Commercial Information} PGF Funding: \$736,016 Commercial Information: \$^{Commercial Inform} Commercial Information Commercial Information <p>Background: Kuru Contracting is a family owned business that works across forestry (logging), road line harvesting and road construction.</p> <p>The forestry and civic infrastructure industries are both facing a growing labour shortage in Tairāwhiti. Kuru Contracting is applying for Te Ara Mahi funding to establish a training programme for roles in these industries at a larger scale and faster pace than it is able to fund without assistance. Kuru Contracting will employ all trainees during and after the completion of the 12 month programme. Its existing forestry and roading contracts guarantee a work pipeline for 5-10 years.</p> <p>The programme will train ^{Comm} new employees and upskill ^{Comm} existing</p>		<p>We recommend that the SRO(s)</p> <p>a) Approve \$736,016 from the Te Ara Mahi portion of the Provincial Growth Fund toward the Kuru Contracting Workforce Development project</p> <p>Notes:</p> <p>b) Note the Kuru Contracting Workforce Development project will train ^{Comm} new employees and upskill ^{Comm} existing employees to meet labour shortages in the forestry and civic infrastructure sectors</p> <p>c) Note Kuru Contracting is contributing \$^{Commercial Inform} to the cost of the project</p> <p>d) Note ^{Commercia} has agreed in principle to contribute up to \$^{Commercial Inform} to the cost of the project</p> <p>e) Note ^{Commercia} has agreed in principle to contribute up to \$^{Commercial Info} to the cost of the project</p> <p>f) Note the project has been endorsed by the Commercial Information</p>	

Kuru Contracting employees. Depending on the forestry or civic infrastructure pathway taken by trainees, components will include:

- New Zealand Certificate in Forestry Operations (logging) Levels 3-5
- Wheels, Tracks and Rollers licence endorsements
- Class 1-5 driver licences
- Certification in quarry or traffic management supervision

The emphasis of the programme is both on meeting immediate labour shortages and on leadership development of the predominantly Māori workforce. Upskilling for current employees includes certification as Traffic Management Supervisors and training for foremen to become qualified Quarry Managers. Kuru Commercial Information

Commercial Information

The training programme will also provide pastoral care to support trainees with wider personal and whānau issues.

Kuru Contracting is applying for Te Ara Mahi funding to pay for:

- programme costs for participants. \$
- wages for days lost at training. \$
- training/pastoral supervisors and administrative staff: \$

Kuru Contracting will be contributing \$ for:

- training equipment (trucks, loaders and chainsaws) as well as maintenance/repair costs for equipment
- personal protective equipment for all trainees
- Commercial Information (FTE)

Commercial Information will be contributing to the cost of up to Commercial Information participants (\$ Commercial Info per participant) and Commercial Information will be contribution to the cost of up to Commercial Information (up to \$ Commercial Information Commercial Info

Once immediate labour shortages are met through this upscaled, accelerated training programme, Kuru Contracting expects to take over training costs for staff. The company has been committed to workforce development since its establishment in 1992.

	Response	PDU (TAM) Statement regarding achievability of target
Number of people	Commercial Info	Commercial Info already identified (current employees)

expected to be targeted by the project/activity annually:		Commercial Information
Number of people expected to attain employment as a result of the project/activity:	Comm	Kuru Contracting has guaranteed employment for all trainees during training and at the end of the programme
High level outcomes sought by the project/activity:	<ul style="list-style-type: none"> • Help to address the labour shortage in the forestry and civic infrastructure sectors in Tairāwhiti • Increase employment, especially for Māori • More Māori employees in senior roles • Increase income and wellbeing for whānau and communities 	
Detail of who else is involved in funding the project/activity:	<ul style="list-style-type: none"> • Applicant contribution: Commercial Inform • Commercial Information • Commercial Information 	
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)	<ul style="list-style-type: none"> • Increases skills and capability in the region's forestry and civic infrastructure sectors 	Y
Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> • Forestry and civic infrastructure are two of the four priority sectors identified in the Tairāwhiti Economic Action Plan 	Y
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	<ul style="list-style-type: none"> • The project is being established to directly meet labour market skill needs in the forestry and civic infrastructure sectors 	Y
Reduces the rates of people not in	<ul style="list-style-type: none"> • Comm of the participants in the project will be new 	Y

employment, education and training, with an emphasis on Māori	<p>employees</p> <ul style="list-style-type: none"> Commercial Information of Kuru Contracting's current workforce are Māori and the company anticipates that the majority of new employees will also be Māori 	
Increases local employment and earning potential, by supporting local people into local jobs, with an emphasis on sustainable employment outcomes	<ul style="list-style-type: none"> All trainees will be employed by Kuru Contracting, both during and after their training The company's commitment to upskilling existing staff creates a career pathway for sustainable employment 	Y
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"> The applicant has designed a training programme specifically to meet its own labour market needs. Existing training providers will deliver components of the programme, Commercial Information 	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"> Both Commercial Information and Commercial Information have agreed in principle to provide funding for new employees through the Commercial Information programme and Commercial Information. This would provide funding towards a maximum of Commercial Information of the Commercial Information participants. 	Y
Demonstrates awareness of and ability to connect to other services/initiatives that are complementary to the project	<ul style="list-style-type: none"> Commercial Information 	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"> Endorsed by the CARE Advisory Forum: the skills and employment sub-group of the Tairāwhiti Economic Action Plan Steering Group. The TEAP Steering Group includes Gisborne District Council, industry leaders and all iwi chief executives Supported by MPI, MSD, MoE and TPK Supported by three major employer stakeholders: Commercial Information Engaged with Te Papatipu o Uepohatu Trust and Hikurangi Takiwa Trust Supported by MPI 	
Governance, risk management and project execution		

<p>Has robust project management and governance systems planned or in place</p>	<ul style="list-style-type: none"> • Robust project management and governance systems demonstrated 	
<p>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</p>	<ul style="list-style-type: none"> • Ricky and Leanne Kuru have owned the company since 1997 Privacy of natural persons • Kuru Contracting has won Regional Business Forestry Awards since 2013 • In 2018, Kuru Contracting won both Eastland Wood Council's Skilled Forestry Professional of the Year and Individual Rooding Excellence Awards 	
<p>Risk management approach outlined</p>	<ul style="list-style-type: none"> • Risk management approach outlined 	
<p>Future ownership / operational management identified</p>	<ul style="list-style-type: none"> • Ricky and Leanne Kuru Commercial Information 	

The purpose of this briefing is to consider recommending PGF funds for the Kuru Contracting Workforce Development project

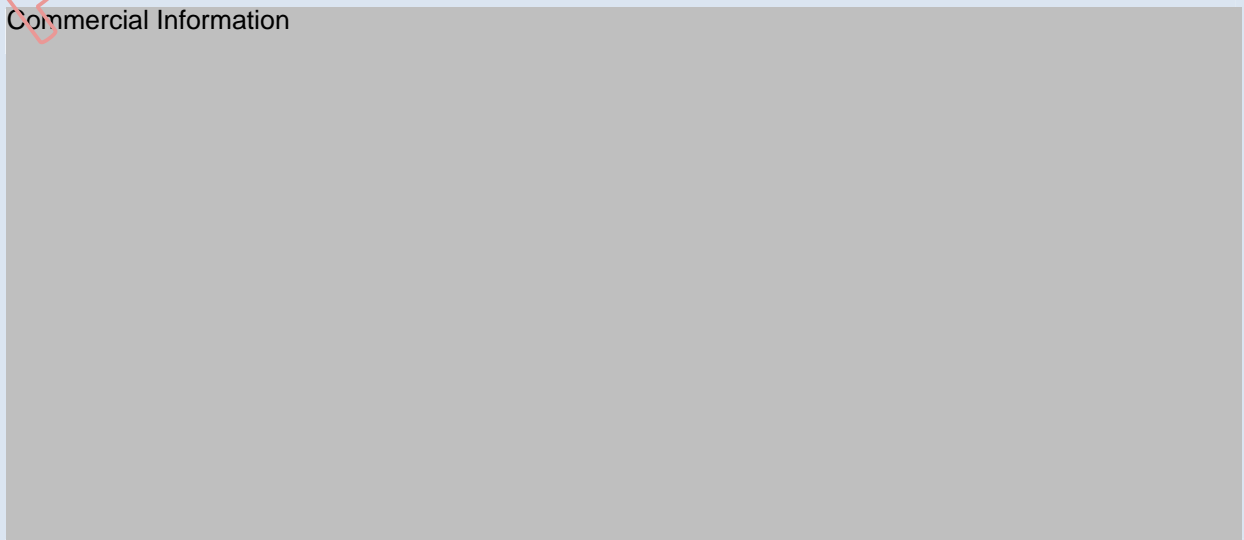
Regional Governance Group View.

This project has been endorsed by the CARE Advisory Forum, which is the regional skills and employment sub-group of the Tairāwhiti Economic Action Plan Steering Group. The Forum is co-chaired by the Regional Commissioner for MSD and the CEO of Activate Tairāwhiti.

Risks and Issues:

The Tairāwhiti logging industry is potentially vulnerable to any downturn in demand from China. However, Kuru Contracting believes this will only have a minor effect on their work programme:

Commercial Information



Commercial Information

Eligibility points of note:

- *Due diligence*:- Due diligence has been requested.
- *Conflict(s) of interest*:- Based on the information provided no conflict of interest is evident
- *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 aligns with the Tairāwhiti Economic Action Plan.
- *Commercial funding availability*:- Given the nature of the project (employee training), 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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Cross agency feedback (national offices):

MPI: "MPI are supportive of this application. Additionality and evidence of demand well met. The company has a proven track record in the fields of interest "

The application has been reviewed and supported by MSD, MOE and TPK in Tairāwhiti

Advice from regional and any other PDU teams:

The Tairāwhiti PDU team based in Gisborne (Marsha Wyllie and Shannon Williams) have worked directly with Kuru Contracting to develop the application

Supporting proposal:

Yes

Appendices:

Yes - Applications and supporting letters are as annexes

Sponsor(s):

N/A

Manager/Author of paper:

Nathan Grennell/Hilary Pearse