



TE ARA MAHI PROPOSALS FOR REVIEW

Date:	29 November 2019	Priority:	Medium
Security classification:	In Confidence	Tracking number:	1636 19-20

Action sought		
	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Agree to the recommendations outlined in this briefing	4 December 2019
Hon Phil Twyford Minister of Transport Minister of Economic Development		4 December 2019
Hon David Parker Minister for Trade and Export Growth		4 December 2019
Hon Shane Jones Minister for Regional Economic Development		4 December 2019
Fletcher Tabuteau Parliamentary Under-Secretary to the Minister for Regional Economic Development		Note the contents of this briefing

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
David van der Zouwe	Head of Investment	Privacy of natural persons		✓
Nathan Grennell	Programme Director	Privacy of natural persons	Privacy of natural persons	
Jessica Sandford	Policy Advisor	Privacy of natural persons		



**PROVINCIAL
DEVELOPMENT
UNIT**

The following departments/agencies have been consulted

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



**PROVINCIAL
DEVELOPMENT
UNIT**

Recommendations

The Provincial Development Unit recommends that you:

Tier 1- PGF EMPLOYMENT, SKILLS & CAPABILITY (TE ARA MAHI)

1. **Note** that Cabinet decision requires you to consult with Ministers of Social Development, Education and Employment [DEV-18-MIN-0235] and copies of the attached table have been forwarded to their offices

Noted

Talent Central – Equipping Young People for the World of Work

2. **Agree** to approve the Talent Central Charitable Trust's application for a \$1,778,000 million grant from the Provincial Growth Fund.

Agree / Disagree

Commercial Information - prejudice to negotiations



Agree / Disagree

Blue Light Youth Driver Navigator Programme

4. **Agree** to approve the Blue Light Ventures Inc's application for a \$3,002,968 million grant from the Provincial Growth Fund.

Agree / Disagree



New Zealand Shearing Training Model – Pilot Schemes

5. **Agree** to approve the New Zealand Shearing Contractors Association's application for a \$1,864,000 million grant from the Provincial Growth Fund.

Agree / Disagree

David van der Zouwe
Head of the Investment Management
Provincial Development Unit

..... / /

Hon Grant Robertson
Minister of Finance

..... / /

Hon Phil Twyford
Minister of Transport
Minister of Economic Development

..... / /

Hon David Parker
Minister for Trade and Export Growth

..... / /

Hon Shane Jones
Minister for Regional Economic Development

..... / /



Recommendations

Te Ara Mahi projects seeking approval from Regional Economic Development Ministers

Applicant and Project	Proposal and key outcomes	PDU Comment	Total cost of project	Proposed PGF investment	SROs recommendation
<p>Applicant name: Talent Central Charitable Trust</p> <p>Project name: Talent Central – Equipping Young People for the World of Work</p> <p>Region: Manawatu-Whanganui</p>	<p>Talent Central Charitable Trust (the Trust) requests PGF funding to scale up its Work Ready Portfolio (WRP) and Pathways Programmes for <small>Commercial Information</small></p> <p>The WRP is a living portfolio that ensures young people understand what it means to be work-ready and provides evidence to an employer that they will make a good employee. It was developed with assistance from industry and has been piloted by approximately 500 students. The Trust wishes to expand the WRP across the region to include a badging accreditation, educational components on employer interviews, meetings with industry professionals and proof of competence of work ready skills. The Trust is already supporting the 100% Sweet programme in Whanganui (previously received TAM funding for an additional co-ordinator) that is using WRP in schools and will be assisting them to implement the badging platform. It will be delivered in all regional secondary schools.</p> <p>The Pathways Programme works with major regional companies to allow young people to see the world of work. It gives school leavers and NEETs the chance to consider new careers and employers reach new talent. The expansion will provide pathways in the Distribution and Logistics, Agriculture, Manufacturing and Health Services sectors.</p> <p>The two programmes will meet the immediate needs of local business, prepare job seekers for better career choices and demonstrate to employers youth readiness for employment.</p> <p>The Trust hopes to reach 1,000 WPR users by <small>Commercial Inf</small> and 3,000 by <small>Commercial Inf</small>. It hopes to reach 1,000 Pathways users through work experience, internships and events by <small>Commercial</small> and each year following. The PDU believes this is a high target that can be achieved with good recruitment and leadership. This includes a proportion of Māori as a number of communities in the region have a Māori population of more than 50%.</p>	<p>The PDU recommend that you approve the Talent Central Charitable Trust's application for a \$1,778,000 million grant from the Provincial Growth Fund.</p> <p>The Trust's WRP and Pathways Programmes focusses on supporting secondary students, job seekers, career changers and underemployed into local employment opportunities by addressing the specific needs of those who need more help than can be currently provided to achieve sustainable employment. It ensures additionality by filling a gap in service provision which existing cross-government departmental funding does not cover. It fits within mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF.</p> <p>WRP and Pathways also indirectly reinforces investment in PGF Tier 2 (Sector Investment) and PGF Tier 3 (Enabling Infrastructure) projects; through the improvement in work readiness of potential school leavers required to support Tier 2 and 3 investments in the region.</p> <p>The chosen sectors in the Pathways are the top four industries in the Manawatu-Whanganui region. It will improve regional productivity by increasing the connectedness of students with the industries, fill vacant local positions and improve access to employment opportunities. It will also increase the productivity of businesses by ensuring vacancies are filled by people who remain in those positions over a long term.</p> <p>The current co-funders will continue to contribute beyond the PGF <small>Commercial Information</small> contribution. Revenue will also be created from the four industry pathways they are building, <small>Commercial Information</small>. The secondary schools will also contribute to the delivery of WRPs.</p> <p>The Trust's programmes align with the Manawatu Labour Market strategy and its 'strong employer-provider partnerships' strand, the Accelerate 25 and Te Pae Tawhiti Economic action plans. Evidence of support from a range of regional stakeholders has been received, including significant local employers. There are letters of support from MSD Regional Commissioner, UCOL, CEDA's CEO, principals of secondary schools and district councils.</p> <p>The Ministry of Education note that the badging component may crossover with their School Leavers Toolkit, and that it would not be appropriate to use government funding for both unless there was alignment. However, the applicant is working with students much earlier than MOE. If this application creates duplication at a later time, the applicant will work collaboratively with MSD and MOE.</p> <p>TPK notes that there is no specific evidence that the programme</p>	<p><small>Commercial Information</small></p> <p><i>Funding sought from PGF:</i> \$1,778,000 (<small>Comm</small>% of operational and establishment costs over a <small>Commercial Information</small> period). The total costs are split by:</p> <ul style="list-style-type: none"> • Operation of Pathways: <small>Commercial Information</small> • Development of four Pathways: <small>Commercial Informa</small> • Implementation of WRP: <small>Commercial Informa</small> <p><i>Other funding sources:</i> <small>Commercial Information</small></p> <p>Industry: \$ <small>Commercial Informa</small> (in revenue)</p> <p><small>Commercial Information</small></p>	\$1,778,000	SROs endorse approval of the Talent Central Charitable Trust's application for a \$1,778,000 million grant from the Provincial Growth Fund.



	<p>The Trust hopes that programmes will create employment outcomes in the first year (sustainable) and increasing yearly. The applicant and PDU strongly believe that the WRP and Pathways will create connections with industry and employers to achieve sustainable employment outcomes that can be measured and reported.</p>	<p>will be a game changer for Māori entering the workforce. It is acknowledged that while the application doesn't have a dedicated focus on Māori students, it does focus on all students in secondary schools and is for any student wishing to engage in understanding a pathway to employment and an opportunity to engage early with employers before leaving school. Māori are also over-represented as NEETs in the region.</p> <p>MSD cannot fund this as secondary students are not part of their remit but they may support some placements with their Mana in Mahi wage subsidy, which has been extended to non-beneficiary youth. MOE has confirmed that they are not in a position to fund this activity but recognise that they are attempting to address as part of their current review.</p> <p>The Trust has strong leadership and trustees with extensive regional and business experience. Due diligence was undertaken and no issues were identified. Talent Centre will be co-located with the National Driver Training Centre (recipient of PGF loan in May 2019).</p>			
<p>Commercial Information - prejudice to negotiations</p> <p>[Redacted]</p>	<p>Commercial Information - prejudice to negotiations</p> <p>[Redacted]</p>	<p>Commercial Information - prejudice to negotiations</p> <p>[Redacted]</p>	<p>Commercial Information - prejudice to negotiations</p> <p>[Redacted]</p>	<p>Commercial Information - prejudice to negotiations</p> <p>[Redacted]</p>	<p>Commercial Information - prejudice to negotiations</p> <p>[Redacted]</p>



	<p>Commercial Information - prejudice to negotiations</p> <p>[Redacted]</p>	<p>Commercial Information - prejudice to negotiations</p> <p>[Redacted]</p>			
<p>Applicant name: Blue Light Ventures Incorporated (BLV)</p> <p>Project name: Blue Light Youth Driver Navigator Programme (Blue Light)</p> <p>Region: Bay of Plenty (Western, Eastern, Rotorua) and Waikato (North, South, Taupo/Turangi, Hauraki)</p>	<p>Blue Light Ventures Inc (BLV) seeks a \$3,002,968 grant from the PGF for the Blue Light Youth Driver Navigator Programme (Blue Light). Blue Light will help young people in the Bay of Plenty and Waikato districts from low income or disadvantaged families to gain full NZ Drivers licence through a Graduated Drivers Licensing System (GDLS) and increase their employability. The GDLS overcomes barriers to youth gaining their full licence, including learning to drive, practicing in registered and warranted vehicles, transport to tests and payment of all test fees. It will support 2,000 marginalised and disadvantaged rangatahi over [Redacted], including those with learning disorders.</p> <p>A pilot was run in partnership with ACC and MSD in South Auckland with 500 rangatahi, which resulted in 90% of participants attaining at least their Learners licence. BLV is also [Redacted] ring a programme in the Bay of Plenty. 70% of the previous applicants were Māori.</p> <p>Blue Light uses three types of referrals: 1-5 decile secondary schools, social service providers to access Not in Employment,</p>	<p>The PDU recommends that you approve BLV's application for a \$3,002,968 grant from the PGF.</p> <p>Blue Light is an up-scale of a successful three year pilot. Its point of difference comes through its provision of volunteer navigators who act as positive mentors for each rangatahi referred to the programme, and who (in partnership with full time Blue Light co-ordinators) seek to remove barriers to attaining a full licence, including the process of getting identification, opening bank accounts and compulsory eye testing.</p> <p>There is a significant lift in person's self-esteem when they graduate with their full licences. Blue Light enhances well-being by providing participants with the means to legally drive themselves and their whānau to access health care, oral health care, education and cultural support readily within their region and across the country.</p> <p>Blue Light will balance inequalities of opportunity for disadvantaged youth. The participants will model safe driving habits to their family and friends, and are likely to decrease road trauma costs as safe drivers. Blue Light also aims to reduce offences for breaches of licence conditions and reduce the number of rangatahi introduced into the judicial system.</p> <p>Blue Light aligns with regional economic plans and priorities by enhancing employment opportunities and enhancing participants' potential income. The regions are also disadvantaged as they lack public transport options but Blue Light will build a regional workforce that can drive. Improving the</p>	<p><i>Total project cost:</i> \$ [Redacted]</p> <p><i>Funding sought from PGF:</i> \$ [Redacted]</p> <p><i>Yearly split of PGF funding:</i></p> <ul style="list-style-type: none"> • Commercial Information • Commercial Information • Commercial Information <p><i>Other funding sources:</i> \$ [Redacted] applicant co-funding (\$ [Redacted])</p>	<p>\$3,002,968</p>	<p>SROs endorse approval of the Blue Light Ventures Incorporated's application for a \$3,002,968 grant from the Provincial Growth Fund.</p>



	<p>Education or Training (NEETs) and the Police who refer rangatahi who are given 56 days to obtain a drivers licence to avoid conviction through the Awhi programme. It costs approximately \$ [Commercial Information] per participant, which is in line with NZTA's guidelines for Community Driver Mentor Programmes.</p> <p>1,230 rangatahi are expected to be targeted annually. The PDU has high confidence in BLV's ability to reach this number given the large volume of at-risk rangatahi in the regions. It assumes a [Comm] % drop-out rate based on previous years.</p> <p>At least [Comm] rangatahi are expected to attain employment as a result of Blue Light. Research shows that over [Comm] % of job adverts in New Zealand require a full licence. Blue Light removes this barrier and provides mentoring/pastoral care to support rangatahi to employment or training.</p>	<p>employability and upskilling of rangatahi will improve the Bay of Plenty and Waikato regions' productivity.</p> <p>Blue Light has the strong endorsement of the Bay of Plenty and Waikato regional cross-agency government groups and support from the MOE, NZTA, Police and TPK. Letters of support have been provided by the Mayors' Taskforce for Jobs and multiple secondary schools that use the programme. A high number of referrals from the Awhi programme highlight a need in the region.</p> <p>[Commercial Information]</p> <p>The PDU notes that the South Auckland pilot was only for secondary schools and the majority received learner's licenses. The PDU is happy with the project costs as it will cover all three streams of the drivers licensing. TPK also suggests that Blue Light develops relationships with local iwi to engender generational learning on marae.</p> <p>MSD have been involved in funding a one-off, short term pilot contract. It is currently being funded by local community grants and philanthropic organisations who cannot continue their existing level of funding beyond 2019. The NZTA is aware that Blue Light's pilot in the Bay of Plenty received some Road Safety Promotion funding from the National Land Transport Fund to support the administrative coordination of the pilot.</p> <p>BLV is an experienced NGO (established 35 years ago) with a strong governance board and experienced senior management team. Due diligence has been undertaken and no issues were identified.</p>			
<p>Applicant name: New Zealand Shearing Contractors Association (NZSCA)</p> <p>Project name: New Zealand Shearing Training Model – Pilot Schemes</p> <p>Region: Multi-region (Tairāwhiti, Hawke's Bay, Otago and Southland)</p>	<p>The NZSCA requests a \$1.864 million grant from the PGF for the NZ Shearing Training Model – Pilot Schemes. Two wool harvesting (shearing and wool handling) pilot training centres will be developed, one each in the Gisborne/Hawke's Bay and Otago/Southland regions.</p> <p>The funding is for a [Commercial Information] period to develop micro credentials for [Comm] new shearers and [Comm] shearers already in the industry. The Schemes will include industry attraction from secondary schools, online material for prospective shearers, development of Centres of Excellence (COE) as world class training environments, and development of industry standards (Seals). The funding will also enable the delivery of 1-4 training courses with guaranteed full employment for [Comm] graduates. Pastoral care will be provided to all students.</p> <p>The Schemes will prove the training model and then encourage the TEC to commit to an industry-approved national training programme under [Commercial Information]</p> <p>[Commercial Information] NZSCA have met with TEC, who are supportive of this plan, particularly in light of</p>	<p>The PDU recommends that you approve the NZSCA's application for a \$1,864,000 million grant from the Provincial Growth Fund.</p> <p>The project will address a skills shortage in the industry while providing sustainable employment that has the potential to pay \$ [Commercial Information] per annum in [Commercial Information]. The jobs are based in the regions and can provide opportunities nationally and internationally. It ensures additionality by filling a gap in service provision the existing cross-government departmental funding does not currently cover. The previous training programme was not supported by industry and became irrelevant. The NZSCA's programme will be developed with industry to ensure it is fit-for-purpose and useful.</p> <p>The industry has a high proportion of Māori employees (up to [Comm] % in some places). The Schemes will be embraced to raise the skill level and improve the earning potential of those already employed. The regions also have areas of high social and economic deprivation.</p> <p>The Schemes align with a range of economic development plans to increase skills and employment (particularly for Māori) in the regions. It will provide a proof on concept in two pilot regions for future funding options from the TEC.</p> <p>TPK are supportive of the application and asks the applicant to consult with relevant iwi and hapū groups in the regions considering the high proportion of Māori represented in the</p>	<p>[Commercial Information]</p> <p>\$ [Commercial Information]</p> <p><i>Funding sought from PGF:</i> \$1,864,000 ([Comm] % of the operational and establishment costs)</p> <p><i>Other funding sources:</i> [Commercial Information] \$ [Commercial Information]</p>	<p>\$1,864,000</p>	<p>SROs endorse approval of the NZSCA's application for a \$1.864 million grant from the Provincial Growth Fund.</p>



	<p>the current Review of Vocational Education (RoVE).</p> <p>The Schemes will focus primarily on supporting secondary students and local people into local employment opportunities who need more help than can currently be provided. It fits within mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF.</p> <p>The Schemes will meet immediate needs of local businesses, prepare secondary students and youth job seekers to make better career choices, and upskill people new to the industry and those already employed.</p> <p>It is expected there will be ^{Comm} students in training ^{Comm}. This is attainable as there is a strong interest from schools and communities. It is projected there will be ^{Comm} new employees (of the ^{Comm} students) ^{Comm}, which has been guaranteed by the NZSCA members. The other ^{Comm} trainees each year will be existing shearers looking for more training.</p>	<p>current and future workforce. TPK also asks the applicant to consider leadership opportunities.</p> <p>MSD notes that the application does not provide confidence that local industry support has been committed and further engagement should be completed particularly with iwi, PSG and mana whenua. The PDU notes ^{Comm}.</p> <p>In 2017/18 Te Ako Wools was established between Primary ITO, NZSCA and various wool organisations to develop a shearing and wool handling training model. It was challenged and did not have enough resources. NZSCA will incorporate learnings from Te Ako Wools into the Schemes. Primary ITO supports the Schemes and is open to further discussions about how the Primary ITO and NZSCA programmes can collaborate.</p> <p>The Schemes are not currently underway because historically training was funded by the old New Zealand Wool Board levy, which no longer exists. Te Ako Wools was a recent attempt to provide this training but when it was discontinued, the TEC withdrew its funding. MSD cannot fund the Schemes but may fund wage subsidies (to employers) and provide pastoral care for our clients entering the industry where its criteria are met, which would complement the Schemes. TEC cannot provide funding at this stage, although NZSCA's proposal aligns well with the current work in RoVE.</p> <p>The Schemes will become sustainable beyond PGF funding via committed industry investment and funding from TEC via existing channels.</p> <p>Letters of support have been received from ^{Comm}</p> <p>^{Comm}</p> <p>Due diligence was undertaken and no concerns were identified.</p>			
--	--	--	--	--	--