



COVERSHEET

Minister	Hon Willie Jackson	Portfolio	Employment
Title of Cabinet paper	Policy settings for the Māori Trades and Training Fund	Date to be published	17 August 2020

List of documents that have been proactively released

Date	Title	Author
1 July 2020	<i>Policy settings for the Māori Trades and Training Fund</i>	<i>Office of the Minister of Employment</i>
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Information redacted

YES/ NO

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In Confidence

Office of the Minister of Employment

Cabinet Social Wellbeing Committee

Policy settings for the Māori Trades and Training Fund

Proposal

- 1 As part of Budget 2020, the COVID-19 Response and Recovery Fund allocated \$50 million over two years for a new *Māori Apprenticeships Fund*. This paper seeks Cabinet agreement to the policy settings for the Fund, including overall approach and design, and sets out a pathway for implementation.
- 2 As part of the policy design for the Fund, I propose to rename the initiative the *Māori Trades and Training Fund* to reflect the Fund's proposed focus on employment-based training opportunities for Māori that can include, but are not limited to, formal apprenticeships.

Executive Summary

- 3 Evidence shows that historically, Māori have experienced disproportionately poorer labour market outcomes compared to other groups, leading to a lack of adequate financial resources and opportunities. Prior to COVID-19, there had been promising signs of improvement for Māori labour market outcomes, including a sharp increase in the number of Māori apprentices.
- 4 However, there is a risk that the recent gains Māori have made could be lost as the labour market impacts of COVID-19 unfold. Previous labour market shocks have disproportionately affected Māori communities. This disproportionate impact has been attributed to overrepresentation of Māori in low-skilled occupations and export-focused sectors (and therefore more exposed to global recession) like agriculture, forestry, fishing, manufacturing and tourism.
- 5 A key way to lift labour market outcomes for Māori is through apprenticeships and other employment-focused training, as apprenticeship and vocational qualifications are strongly associated with better employment and wage outcomes over the life course.
- 6 As part of Budget 2020, the COVID-19 Response and Recovery Fund provided \$50 million over two years for a new *Māori Apprenticeships Fund* (the Fund). This paper seeks Cabinet agreement to the policy settings for the fund, including objectives, approach and an indicative investment framework.
- 7 I propose that the Fund operates as a flexible and contestable, grant-based initiative that partners with Māori communities to provide employment-focused

learning opportunities, designed and delivered by Māori and for Māori. It will focus primarily on providing employment-focused training opportunities and delivering group-based support. The expectation is that these training initiatives would see Crown investment coupled with the community knowledge and connections brought by Māori entities.

- 8 I also propose to rename the initiative the *Māori Trades and Training Fund* to reflect that the focus of the fund will take a wider approach than formal apprenticeships.
- 9 There is a need to move urgently on the establishment and disbursement of the Fund, and there is already strong interest from Māori entities in establishing initiatives as soon as possible to support communities to recover from COVID-19. I am seeking delegation from Cabinet to make final decisions on the design and criteria of the Fund to allow for funds to be dispersed from August 2020, with the flexibility to make adjustments, if needed, to the approach after further engagement with Māori.

Background

Māori experienced disproportionately poor labour market outcomes prior to COVID-19, but signs of improvement were emerging

- 10 Evidence shows that historically, Māori have experienced disproportionately poorer labour market outcomes than other groups, leading to a lack of adequate financial resources and opportunities. Many of these disparities have been well-understood for many years and have proven stubborn and hard-to-shift through government initiatives.
- 11 Māori typically experience lower levels of labour market participation, higher Not in Employment, Education or Training (NEET) rates, lower wages and higher rates of in-work poverty than Pākehā. There are also educational barriers that put Māori at higher risk of poor labour market outcomes. Māori are less likely to attain higher level qualifications and more likely to be employed in low skilled work. These labour market disparities can translate to increased material hardship as well as negative impacts on health and wellbeing.
- 12 Prior to COVID-19, there had been promising signs of improvement for Māori. We had observed relative improvements in NEET rates for Māori, a greater number of rangatahi achieving NCEA level 2 qualifications and a sharp increase in the number of Māori apprentices.

There is a risk that the recent gains Māori have made could be lost as the labour market impacts of COVID-19 unfold

- 13 Previous labour market shocks have disproportionately affected Māori, who have felt the sharp edge of weaker labour markets and economic recession. For example, when Pākehā unemployment reached 5 per cent in the first quarter of 2011, it was 13.9 per cent for Māori, and increased faster for Māori at that time.

- 14 This disproportionate impact has been attributed to overrepresentation of Māori in low-skilled occupations and export-focused sectors (and therefore more exposed to global recession) like agriculture, forestry, fishing, manufacturing and tourism. A similar, but more severe pattern was observed in the economic restructuring and recessions of the 1980s and 1990s.
- 15 It is not yet clear what the full impact of COVID-19 will be on different groups of workers or different sectors, but it does not appear that Māori have been affected beyond existing labour market inequities at this point. Māori are disproportionately employed in sectors with a more positive outlook like manufacturing and utilities, healthcare and social assistance.
- 16 However, Māori are also more likely to be in lower-skilled jobs and less likely to have higher qualifications. There is a risk that this may make Māori more likely to be impacted by firms making staff redundant (if they choose to retain staff with higher skills or more qualifications), and have difficulty redeploying into other roles or sectors.

Employers need additional support to take on and retain apprentices and other workers who are in training

- 17 A key way to lift labour market outcomes for Māori is through apprenticeships and other trades-based training. Trades and apprenticeship qualifications are strongly associated with better employment and wage outcomes over the life course. Trades and apprenticeships offer an opportunity for both rangatahi new to the labour force as well as those displaced from other sectors and occupations by COVID-19 to learn new skills and gain qualifications, while maintaining a connection to employment.
- 18 However, in the emerging economic downturn, the cost of retaining or taking on an apprentice (or employing groups of apprentices through Group Training Providers) could become prohibitive, as employers are less able to absorb the lower productivity of a trainee worker. The result could be that existing apprentices lose their apprenticeships, and fewer young people coming into the labour market are able to pursue trades training, even though funding might be available to support vocational education-related costs.
- 19 There are also a number of well-known barriers to participation in the labour market generally that likely also apply to entry into apprenticeships and trades careers. The Youth Employment Action Plan, released in August 2019 detailed that long-term NEET tended to have one or more of the following characteristics:
 - 19.1 Material hardship growing up, for instance experiencing intergenerational benefit dependency
 - 19.2 Poor mental or physical health or disability
 - 19.3 Disengagement from school, and leaving school early with lower or no educational qualifications

- 19.4 Limited opportunities for work experience
- 19.5 Caring responsibilities for children or family members.
- 20 Employers are likely to require additional support to meet the costs of taking on and retaining trainees and apprentices, and deliver training in a way that helps to overcome these barriers, promoting positive learning outcomes and successful pathways to further training or employment. Ensuring this support allows Māori to continue to access and stay engaged in trades-based training is crucial to maintain:
- 20.1 the momentum in the uplift of skills, employment and earnings for Māori during challenging economic conditions, supporting better social and economic outcomes; and
- 20.2 an ongoing pipeline of apprentices and trainees to support employers' and industries' skill needs in the long-term.

The Government has announced a range of additional support for employment-focused training and apprenticeships

- 21 On 18 June 2020, the Government announced the Apprenticeship Support Programme, a cohesive package of initiatives across Government that include the Apprenticeship Boost, Mana in Mahi, support for Group Training Schemes and the Regional Apprenticeships Initiative.
- 22 The Employment, Education and Training (EET) Ministers' Group has agreed that the initiatives that make up the Apprenticeship Boost should operate in an additive way. The Apprenticeship Boost will offer a broad-based wage subsidy to support employers of existing and incoming apprentices across all industries, who are in the early years of their apprenticeships. A higher subsidy rate and additional pastoral care and other support will be available to some employers through other initiatives (such as Mana in Mahi) to reflect the different level of need of the individual apprentice (or pre-apprentice trainee) they hire and support.
- 23 There are also related initiatives that are focused on employment more generally, such as He Poutama Rangatahi (HPR), which seeks to match rangatahi with real jobs identified by employers and communities, and the Provincial Growth Fund (PGF), which focuses on job creation in the regions.

Proposal

- 24 As part of Budget 2020, the COVID-19 Response and Recovery Fund allocated \$50 million over two years for a new *Māori Apprenticeships Fund*. The appropriation for the Fund was approved by the Minister of Finance on 13 May 2020, however this approval did not include the specific policy settings for how the Fund would operate. I am seeking Cabinet agreement to the overall approach, including the Fund's objectives, investment framework criteria and implementation pathway.

- 25 While the Government has recently moved to provide extensive support to apprentices, I consider there is an opportunity for the Fund to add value to the offering of support to Māori in the following ways:
- 25.1 The majority of the apprenticeship and employment initiatives outlined above are designed centrally. For Māori, there will be benefit in supplementing this support with a more flexible approach to deliver tailored, community-led initiatives designed by Māori and for Māori, that take a partnership approach with the Crown.
- 25.2 Focusing support on providing paid opportunities for work-experience and non-formal employment-focused training that may be suited to people who may not be ready to commit to a formal apprenticeship, as well as employers that have a need for trained workers, but may not have a formal apprenticeship pathway in place. This could also include pastoral care and other supports to help address the barriers to participating in employment-focused training or formal apprenticeships
- 25.3 While there is existing support for formal apprenticeship delivered under group-based training schemes, Māori entities are well-placed to add to this offering, again with a specific focus on employment-focused training to complement formal apprenticeships.
- 26 I am mindful of the potential risk of overlap and duplication between the Fund and other apprenticeship and employment initiatives, and have given careful consideration to how the design of the Fund can best complement other existing initiatives and add value for Māori and their communities.
- 27 As such, I propose to rename the Fund to the *Māori Trades and Training Fund* to reflect its intended focus on employment-focused training opportunities that are wider in scope than formal apprenticeships. This will require amendments to the Multi-category appropriation approved by the Minister of Finance on 13 May 2020.

A flexible, partnership approach would support tailored solutions developed by Māori, for Māori

- 28 I propose that the Fund operate as a flexible, contestable and grant-based initiative that partners with Māori entities, organisations, iwi and employers to provide employment-focused learning opportunities in the trades sector.
- 29 There are higher expectations, in an increasingly post-settlement environment, that the Crown will be willing to try new and different ways of working with Māori in partnership. The COVID-19 response and recovery presents a good opportunity to scale up and lean into meaningful and genuine partnership with Māori on the design and delivery of initiatives.
- 30 Aside from helping support the Crown's intentions to be a good Treaty partner to Māori, having a good partnership approach to the Fund has other benefits. It provides the opportunity to identify and capitalise on Māori economic and social strengths, and to help support Māori aspirations for labour market

outcomes. It also supports the unlocking of investment (both through private sector capital, and through post-settlement iwi entities making decisions about their capital) to empower Māori entities to deliver tailored, community-based support to Māori workers and trainees.

There is potential for the Fund to support employment-focused training opportunities

- 31 There are a range of existing support mechanisms designed to attract and retain apprentices during the coming recession. Generally, these cover wraparound support services to mitigate the known barriers to entry and participation in apprenticeships and other employment-focused training by:
- 31.1 supporting prospective apprentices to meet entry criteria (such as prerequisite qualifications) and support while undergoing training (such as pastoral care)
 - 31.2 providing wage subsidies to employers to offset the cost of taking on and retaining apprentices
 - 31.3 providing other subsidies to meet the associated costs of undertaking an apprenticeship, such as non-work based course fees, equipment and clothing costs.
- 32 There is an opportunity for the Fund to focus on employment-focused training opportunities that could include formal apprenticeships, but also less formal opportunities such as work experience or work-based training with an employer or group of employers. There is potential for this focus to benefit employers with a demand for trained workers, but where formal training pathways such as apprenticeships are less developed.
- 33 This may be an attractive option to those who are unsure about undertaking a formal apprenticeship or training programme, and lead to Māori undertaking more formal training as a result. I propose that the Fund criteria give consideration to initiatives that take a pathway approach to offering work experience and training initiatives, coupling with more formal training or employment to help ensure positive labour market outcomes.
- 34 There will also be a place for initiatives supported by the Fund to provide pastoral care and other wraparound support, as well as top up funding to support apprentices where appropriate. However, as there is extensive assistance available through the Apprenticeship Support Programme, I propose that agencies work closely with Māori entities during the application and assessment stages of the Fund to identify the right type of support, and make referrals to related initiatives where appropriate.

The main focus of the fund should be support for group-based initiatives delivered by Māori entities

- 35 Given the strong existing focus through other initiatives on supporting apprentices through individual employers, I propose that the Fund focus primarily on delivering group-based support.

- 36 Delivering support on a group basis allows employers to share the cost of taking on trainees or apprentices, as well as minimise the prospect of an individual employer not being able to meet the full cost or sufficient workload of a single apprentice or trainee on their own.
- 37 There is also the potential for Māori entities to play a coordination function, linking employers, Transitional Industry Training Organisations, training providers and other interested stakeholders together to support trainees and apprentices. Supporting training in a joint-up way helps to create good links to industry, provide employers with the ability to enable training and upskilling as well as deliver or access pastoral care services.

There is strong interest from Māori in partnering with the Crown to deliver employment-focused training initiatives

- 38 Over one dozen Māori entities have already responded to a request from the Minister of Employment to express a strong interest in partnering with the Crown on initiatives delivered through the Fund, and doing so as soon as possible to support their communities through the economic impacts of COVID-19. Examples of these initiatives include:
- 38.1 supplementing existing apprenticeship placements with pre-employment training and pastoral care focused on soft skills. For example, this could include funding for trainees to undertake pre-employment qualifications, attain a driver licence, and undergo one-on-one mentoring with an experienced colleague or community member to support development of life skills that facilitate sustained employment.
- 38.2 establishing practical, employment-focused training pathways for local sectors that do not have clear work experience or employment pathways to the same extent as traditional apprenticeship trades such as construction do. This could see the Fund providing for the set-up costs of work experience programmes that are focused on developing practical skills to bridge the gap between formal training and employment. Digital sectors and early childhood education have emerged as examples of sectors where such pathways are less developed, and where work experience initiatives would prove especially useful.
- 38.3 expanding or establishing a group training scheme, run by iwi and aimed at supporting employment-ready workers and apprentices to move between different employers to maintain their employment and training. This could see trainees being shared between multiple employers while their wages and allowances are provided for by the relevant iwi (supported by the Fund), which could also play a relationship management role between employers and trainees.

- 38.4 employing staff to deliver a coordination role between trainees/apprentices, employers, training organisations and other stakeholders to promote training and employment opportunities, matched to local skill demand needs and using community knowledge and connections to reach those in need of support. Such an initiative would ideally have significant interface with the work of the relevant Regional Skills Leadership Group in identifying local skill needs.
- 39 The expectation is that these training initiatives would see both Māori and the Crown bring resources and investments to the table to support the training and employment of Māori workers. The mix of co-investment could vary from partnership to partnership, and could include different levels and types of investment.
- 40 There may also be an opportunity to fund capital projects that contribute to the delivery of the types of initiatives outlined above. I have received interest from Māori entities seeking funding to build facilities that would bring together trainees, training providers and employers in a purpose-built, centrally-located space to complete training and overcome the barriers caused by a lack of access to transport.
- 41 Providing funding for capital projects is a more complex undertaking, and I propose to investigate this possibility in more detail before committing to this approach. I propose that Cabinet agree to delegate authority to the Minister of Employment and Minister of Finance to amend the multi-category appropriation for the Fund to create a new category for capital expenditure at a later date, if required.

Implementation of the Māori Trades and Training Fund

- 42 The following section sets out the proposed implementation approach for the Fund. I consider that there is an urgent need to begin entering into partnerships with Māori entities to support them to assist their communities through the recovery from COVID-19. As such, I propose an implementation approach that allows processes to be established before August 2020 to allow disbursement from the Fund to begin promptly.
- 43 I acknowledge that this approach may necessitate further refinements to the design settings of the Fund later in 2020, if a need to do so is identified through further engagement with Māori, and I am seeking delegated authority from Cabinet in order to do so.

Administration

- 44 I propose that the administration of the Fund draw from the approaches used in administering HPR and the PGF. This would see the Ministry of Business, Innovation and Employment (MBIE) receive applications for funding from Māori entities. MBIE, would then assess these against a set of fund-specific criteria and make recommendations on whether to approve individual proposals to the Minister of Employment and Minister for Māori Crown Relations.

- 45 I also see Te Arawhiti playing a significant role in the administration of the Fund. The agency has strong links to Māori entities and can play a key role in supporting these groups to develop applications that meet the objectives and criteria of the Fund. I also expect Te Arawhiti will work closely alongside MBIE to support the assessment of applications and advice to Ministers on those that have the most potential to produce good labour market outcomes for Māori communities.
- 46 Where necessary, MBIE would consult the Tertiary Education Commission (TEC), Ministry of Social Development (MSD), Ministry of Education (MoE) and Te Puni Kōkiri on the interactions with other support initiatives. MBIE and Te Arawhiti would also refer applicants to other Government supports and initiatives where appropriate, in order to contribute to a joined-up approach across agencies and mitigate any potential duplication or overlap between initiatives.
- 47 Officials would then provide joint Ministers with the applications, assessments and recommendations for full, partial or no funding. Subject to Ministerial decisions, contracts would then be established with the chosen Māori entities.
- 48 MBIE would also undertake monitoring against key success measures and provide progress updates to the Minister of Employment and Minister for Māori Crown Relations.

Proposed Assessment Criteria

- 49 I propose to develop an investment framework to inform decision-making around funding proposals based on the following indicative criteria:
- 49.1 **Māori-led** – A necessary prerequisite is for iwi, Māori businesses or Māori SME consortia to lead initiatives. Others might be involved, such as other community organisations, training providers and employers.
- 49.2 **In-demand skills** – While not a strict prerequisite requirement, funding should favour initiatives that will develop skills likely to be in demand over time, rather than just for an immediate project. I expect that Regional Skills Leadership Groups will play a role in this space in providing on-the-ground insights for skill demand in the regions.
- 49.3 **Co-investment** – There is an expectation that the partnership approach between the Crown and Māori entities will bring funding from the Crown and cultural knowledge, expertise and connections to the Māori community from Māori entities. Assessment of applications to the Fund would recognise that Māori entities bring non-monetary benefits that help to effectively reach those in need of support to produce better outcomes.
- 49.4 **Meaningful opportunities** – It should be a requirement that initiatives supported by the Fund pay at least the relevant minimum wage to all participants.

- 49.5 **Addresses disadvantages** – Initiatives should promote upskilling and employment in disadvantaged communities, and support people to gain entry and remain in apprenticeships or access employment-based training opportunities who otherwise may not be able to access such opportunities.
- 49.6 **Provides pathways** – Initiatives should provide a pathway for trainees to move into further training or employment opportunities to encourage positive labour market outcomes for communities and employers in the longer-term.
- 49.7 **Measures outcomes** – Initiatives should be able to provide measurements on their outcomes, which could include the number of people supported into or retained in apprenticeships or employment-focused training. This could also include measurement of the type of support provided to individual apprentices or trainees. This will contribute to reporting on the outcomes of the Fund.

Decision-making

- 50 I propose that funding applications be jointly approved by the Minister of Employment and the Minister for Māori Crown Relations. I consider that this remains a good approach as it reinforces the goal of the Fund to deliver through a partnership approach.
- 51 It is imperative that any decision-making around funding takes into account the intended partnership approach with Māori and supports aspirations for improving Māori Crown relationships, and achieving the intention of Tiriti o Waitangi. Ensuring Māori are at the centre of the decision-process making is important to achieving this.
- 52 I have considered the option of establishing a new Māori reference group to help assess applications, however, this element could be time consuming to establish and delay disbursements from the Fund until the end of 2020. The establishment of another reference group would also see significant overlap with some existing reference groups.
- 53 Rather than establish a new group and risk delaying disbursement of the Fund, there may be scope to use an already established group such as Te Taumata Aronui to support decision-making about applications. Te Taumata Aronui has a grounding in industry and training issues, and with strong ties to iwi.
- 54 I will further explore the best way to ensure Māori views are taken into account, and propose delegated authority from Cabinet to do so. In the immediate term to receive initial applications, I consider that Te Arawhiti can play a main role in supporting this aspect of the decision-making process.

Timeframes

- 55 Due to the urgent need to support communities to recover from the economic impacts of COVID-19 and the strong initial interest in the Fund, I propose to issue an invitation for applications in July, in order for applications to be assessed and initial funding disbursed in early-August.
- 56 I propose that subsequent funding rounds take place during 2020/21 and 2021/22, dependent on the level of funding remaining. The table below provides a high-level outline of the intended process. I also propose a short interim reassessment at the end of 2020/21 to test the design parameters of the Fund to inform bids for the remaining rounds in 2021/22, as well as carry out an evaluation of the Fund in mid-2022.

Milestone/Activity	Timeframe
Invitation for applications	From 9 July 2020
Applications close	16 July 2020
Assessment of applications	23 – 30 July 2020
Funding disbursed (first round)	By 12 August 2020
Stocktake/assessment of design settings for the Fund	Prior to second round
Subsequent round completed	By 30 November 2020
Interim review of the Fund and supported initiatives, to inform whether design changes are required for the second year of funding.	By 30 June 2021
Initial funding round	By 30 June 2021
Subsequent funding round (remaining funding dependent)	By 30 November 2021
Evaluation of the Māori Apprenticeships Fund	July 2022

Financial Implications

- 57 There are no financial implications resulting directly from this paper. As part of the CRRF Foundational Package, \$50 million over two years was allocated to support Māori apprentices.
- 58 Along with the changes to the description of the appropriation to align with the re-cast focus and approach of the Fund outlined earlier in this paper, I also propose that Cabinet agree to transfer any underspend from the Fund in 2020/21 to the appropriation for 2021/22. This would provide for flexibility in the event of an underspend in the first year of the Fund.

Legislative Implications

- 59 There are no legislative implications arising from this paper.

Population Implications

Population group	How the proposal may affect this group
Māori	The Māori Apprenticeship Fund is designed to encourage partnerships between the Crown and Māori entities that support work-based training opportunities.

	Prior to COVID-19, there had been a strong increase in the number of Māori apprentices. As apprenticeships are strongly associated with uplifts in employment and incomes, one of the aims of the fund is to help preserve this progress by continuing to support employment-focused training during the coming recession.
Women	Women make up a smaller proportion of apprentices, at 13% in 2018, so it is likely that work-based training initiatives will benefit male trainees to a greater extent. However, the criteria for applicants to consider how their proposal will address disadvantages could include how they will attract and support female learners.
Disabled people	Historically, disabled people are likely to remain out of work for longer than other population groups, and also to be under-employed when in work. Additional support through the types of initiatives envisaged by the Fund could mean that employers are more willing to take on a disabled trainees, apprentice or employee.
People living in rural areas	I expect that applicants to the Fund will come from all areas in New Zealand, including from the regions. Access is recognised as a pertinent barrier to the uptake of training opportunities and apprenticeships, which is more pronounced in regional areas with fewer transport options. Initial prospective applicants to the fund have expressed to us a need for the support offered by Māori entities to address this barrier.

Human Rights

60 There are no direct human rights implications stemming from the policy decisions in this Cabinet paper.

Consultation

61 The following Departments have been consulted in the development of this, paper: Ministry of Social Development, Ministry of Education, Tertiary Education Commission, the Treasury, Department of Internal Affairs (Office of Ethnic Communities), Te Puni Kōkiri.

62 The Department of the Prime Minister and Cabinet has been informed.

63 The Minister of Employment invited initial expressions of interest in potential initiatives that could be supported by the Māori Trades and Training Fund, and around 14 responses were received from Māori entities. Officials from the Ministry of Business, Innovation and Employment held follow up discussions with several respondents, in order to inform the general design of the proposals.

Communications

64 The Minister of Employment and Minister for Māori Crown Relations intend to make an announcement inviting applications to the Fund from 9 July 2020.

Proactive Release

65 I propose to release this paper and its annexes proactively. The release will be subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister for Employment recommends that the Committee:

- 1 **Note** that the Minister of Finance agreed to allocate \$50 million over two years to establish a Māori Apprenticeships Fund as part of the COVID Relief and Recovery Fund Foundational Package in Budget 20.
- 2 **Note** that while Māori experienced poorer labour market outcomes relative to Pākehā prior to the onset of COVID-19, there had been promising signs of improvement in the rates of rangatahi in employment, education or training, NCEA level 2 attainment and the number of Māori apprentices.
- 3 **Note** that while Māori do not appear to be disproportionately impacted by the economic impacts of COVID-19 at this stage, the expected coming recession creates a risk that the gains Māori have made in labour market outcomes are lost.
- 4 **Note** that trades and apprenticeship qualifications are strongly associated with better employment and wage outcomes over the life course.
- 5 **Note** that due to the economic impacts of COVID-19, the cost of retaining or taking on trainees and apprentices could become prohibitive as employers are less able to absorb the lower productivity of a trainee worker, leading to a reduction in training opportunities.
- 6 **Note** that on 18 June 2020, the Government announced the Apprenticeship Support Programme to present a cohesive package of initiatives to support work-based training and apprenticeships during the COVID-19 recovery.
- 7 **Note** that alongside the Apprenticeship Support Programme, there is an opportunity for the Māori Apprenticeship Fund to add value to the offering of employment-focused training and apprenticeship support, while being mindful to avoid potential duplication and overlap between initiatives.
- 8 **Agree** to rename the Māori Apprenticeships Fund the Māori Trades and Training Fund, to better reflect the objectives outlined in recommendation 9.
- 9 **Agree** to the overall policy objectives to guide the approach of the Māori Trades and Training Fund:
 - 9.1 Supporting tailored, community-led initiatives through partnership between Māori and the Crown that empower solutions by Māori, for Māori

IN CONFIDENCE

- 9.2 Placing an emphasis on paid employment-focused training opportunities, but also considering support services such as pastoral care to overcome barriers to participating in training or apprenticeships
- 9.3 Having a focus on group-based initiatives that connect multiple employers to offer work experience and training opportunities.

10 **Agree** to the following amendments to the Māori Apprenticeships Fund multi-category appropriation, to reflect the decisions taken in recommendations 8 and 9 above:

	Title	Single overarching purpose	Category Type	Category Name	Scope
Original	Employment - Māori Apprenticeships Fund	The single overarching purpose of this appropriation is to improve Māori skills, employment and earnings through apprenticeships	Departmental Output Expenses	Employment - Administration of the Māori Apprenticeships Fund	This category is limited to planning, management and allocation of the Māori Apprenticeships Fund and monitoring and reporting on supported programmes
			Non-Departmental Output Expenses	Employment - Māori Apprenticeship Programmes	This category is limited to expenses incurred in the selection and funding of programmes that support Māori apprenticeships
Amended	Employment - Māori <i>Trades and Training</i> Fund	The single overarching purpose of this appropriation is to improve Māori skills, employment and earnings through <i>trades and training</i>	Departmental Output Expenses	Employment - Administration <i>Trades and Training</i> Fund	This category is limited to planning, management and allocation of the Māori <i>Trades and Training</i> Fund and monitoring and reporting on supported programmes
			Non-Departmental Output Expenses	Employment - Māori <i>Trades and Training</i> Programmes	This category is limited to expenses incurred in the selection and funding of programmes that support

I N C O N F I D E N C E

	Title	Single overarching purpose	Category Type	Category Name	Scope
					Māori through Trades and Training

- 11 **Agree** to delegate to the Minister of Employment and Minister of Finance, the decision to amend the categories of *Employment - Māori Trades and Training Fund* multi-category appropriation to allow the funding of capital expenditure in line with the purpose of the Fund,.
- 12 **Authorise** the Minister of Employment and the Minister of Finance to transfer any underspent funds in the “*Employment - Māori Trades and Training Fund*” Multi Category Appropriation in one year to the next financial year, with the final amount to be transferred confirmed as part of the October Baseline Update following the presentation of the Ministry of Business, Innovation and Employment’s audited financial statements.
- 13 **Agree** that the Māori Trades and Training Fund be administered by the Ministry of Business, Innovation and Employment.
- 14 **Agree** that Te Arawhiti will support the Ministry of Business, Innovation and Employment in the implementation of the Māori Trades and Training Fund, by facilitating engagement with Māori entities, working with prospective applicants to develop appropriate proposals and advising in the assessment of applications.
- 15 **Agree** that assessment of applications by the Ministry of Business, Innovation and Employment will be made in consultation with the Ministry of Social Development, Ministry of Education and the Tertiary Education Commission, where appropriate.
- 16 **Agree** that the Minister of Employment and Minister for Māori Crown Relations have joint responsibility to approve applications to the Māori Trades and Training Fund.
- 17 **Agree** to delegate to the Minister of Employment final decision-making on the process to ensure Māori views are adequately taken into account during the assessment of applications to the Māori Apprenticeship Fund.
- 18 **Agree** to the initial criteria to guide the investment framework to guide the assessment of applications to the Māori Trades and Training Fund:
 - 18.1 Māori-led
 - 18.2 In-demand skills
 - 18.3 Co-investment

- 18.4 Meaningful opportunities
 - 18.5 Addresses disadvantages
 - 18.6 Provides pathways
 - 18.7 Measures outcomes.
- 19 **Agree** to delegate to the Minister of Employment decision-making on the final set of criteria to assess applications to the Māori Trades and Training Fund.
- 20 **Agree** to the indicative timetable for inviting applications to the Māori Trades and Training Fund, assessing and disbursing applications and conducting subsequent rounds, as funds allow.

Authorised for lodgement

Hon Willie Jackson

Minister of Employment