



TE ARA MAHI PROPOSALS FOR REVIEW

Date:	21 January 2020	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2030 19-20

Action sought		
	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Agree to the recommendations outlined in this briefing	28 January 2020
Hon Phil Twyford Minister of Transport Minister of Economic Development		28 January 2020
Hon David Parker Minister for Trade and Export Growth		28 January 2020
Hon Shane Jones Minister for Regional Economic Development		28 January 2020
Fletcher Tabuteau Parliamentary Under-Secretary to the Minister for Regional Economic Development	Note the contents of this briefing	28 January 2020

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Withdrawn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



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

2. **Agree** to approve Development West Coast's application for up to a \$2,080,040 grant from the Provincial Growth Fund subject to:
 - a. The PDU receiving a letter from the Development West Coast Trustee Board committing to continue the funding at completion of the programme.

Agree / Disagree

3. **Agree** to approve the Te Rūnanga o Ngāti Manawa Trust's application for a \$2,289,150 million grant from the Provincial Growth Fund.

Agree / Disagree

David van der Zouwe
Head of Investment
Ministry of Business, Innovation and Employment
..... / /

Hon Grant Robertson
Minister of Finance
..... / /

Hon Shane Jones
Minister for Regional Economic Development
..... / /

Hon Phil Twyford
Minister of Transport
Minister of Economic Development
..... / /

Hon David Parker
Minister for Trade and Export Growth
..... / /



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: Development West Coast</p> <p>Project name: West Coast Regional Employment Scheme</p> <p>Region: West Coast</p>	<p>Development West Coast (DWC) has requested PGF funding Commercial Information to implement a coordinated system to upskill prospective employees and for matching available people to employment opportunities ensuring a good cultural fit. Funding will be used towards operational costs, the majority of which will cover external training costs of up to \$Commercial Inform per participant to gain a formal qualification. Vehicle lease, office lease and staff salary for the Programme coordinator are also included.</p> <p>This system will be delivered through a DWC 'Programme Coordinator' who will take on a number of different roles to ensure the system's success. This will include promotional activities, matching participants to employers, coordinating with training providers, assisting in putting 'training and employment agreements' in place to ensure commitment to the scheme, and providing long term support for both employee and employer.</p> <p>The programme will result in at least Comm people being trained, upskilled, with the majority being supported into sustainable local employment in the West Coast leading to higher paid jobs. Additionally, a number of existing employees will also be supported to undertake new external training or education to move up into a higher paid role (up to \$Commercial Inform per participant). The number of existing employees being upskilled will depend on employee/employer needs.</p> <p>This initiative is built off a successful initiative which ran in the Buller District from 2016 – 2018. The initiative was jointly funded by the applicant and MSD and delivered with the assistance of Buller District Council. It resulted in Comm new jobs being added to the Buller District and Comm people attaining employment. It was discontinued because the funding provided from the Buller District Council ran out and it was unable to find another funding source.</p>	<p>The PDU recommends you approve DWC's application for PGF funding subject to:</p> <p>a. The PDU receiving a letter from the Development West Coast Trustee Board committing to continue the funding at completion of the programme.</p> <p>The initiative aligns with Te Ara Mahi criteria, addressing a gap in service for people requiring support in order to upskill. It will ensure there is a local workforce for local employers to be able to fill their vacancies, creating sustainable employment opportunities which will keep both people and businesses in the West Coast. The initiative will also improve financial wellbeing for individuals, leading to strengthened families and communities.</p> <p>The proposal was originally put forward by Buller District Council to build on the earlier scheme that they ran in 2016. Buller District Council had no funds to support the proposal. After discussions with the PDU, the application became a Regional proposal on behalf of all three District Councils and it was decided that DWC should develop the application on behalf of the Region. DWC is not prepared to fund the scheme, but were open to budgeting for future years should the scheme prove successful. The initiative strongly aligns with the strategic priorities of the West Coast region, as evidenced by the stakeholders that have endorsed the initiative. Letters of support have been provided by district councils, economic development agencies, employers, education providers and MSD. The initiative will be delivered as a joint venture and all parties above will be expected to remain involved in a governance capacity, as well as assisting in the administration of the programme. Commercial Information</p> <p>Part of the Coordinators role will be to liaise with partner agencies to ensure funding sources from other agencies are considered before funding via this initiative. For example, if participants are in receipt of a Main Benefit, any funding they are entitled to via MSD will be accessed first. This will also involve ensuring 'Fees Free' or other training funding is considered first to cover training costs.</p> <p>MSD has stated it will support the project with products such as Mana in Mahi and Flexi Wage. A MoU will be set up between the applicant and MSD.</p> <p style="text-align: center;">Commercial Information</p>	<p>\$Commercial Information</p>	<p>\$2,080,040</p>	<p>SROs endorse approval of the DWC's application for a \$2,080,040 grant from the Provincial Growth Fund, subject to a letter from the Development West Coast Trustee Board committing to pick up the funding at completion.</p>



Applicant and Project	Proposal and key outcomes	PDU Comment	Total cost of project	Proposed PGF investment	SROs recommendation
		<p style="text-align: center;">Commercial Information</p> <p>Due Diligence has already been completed and risks have been mitigated.</p>			
<p>Applicant name: Te Rūnanga o Ngāti Manawa Trust (the Trust)</p> <p>Project name: Manawa Tu – Work for Life Centre (the Centre)</p> <p>Region: Bay of Plenty</p>	<p>The Trust has requested PGF funding towards the Centre which will provide pre-employment training to at least [redacted] participants over [redacted], with priority on development of entry-level employees (aged 18-24 years), many of whom are NEETS. The majority of funding will be used towards operating expenditure including staff and administration, with capital costs of office equipment and vehicle hire.</p> <p>An emphasis will be on pastoral care and the transition into paid work. The Centre will focus on providing:</p> <ul style="list-style-type: none"> • Whanaketanga: a 12-week training programme to provide skills and development. • Manaakitanga: guidance to help people transition into careers. • Tūhononga: connecting people with employment providers on completion of the 12-week programme. <p>The Centre will enable local providers to deliver work-readiness training, including: EastBay Rural Education Activities Programme (Class 1, 2, 4 and 5 driver licenses, literacy and numeracy); St Johns/Red Cross (first aid certificates, health and safety); Toi Ohomai and Te Wānanga o Aotearoa (foundational programmes).</p> <p>It is estimated that the training will lead to employment opportunities for up to [redacted] participants and provide a career pathway through to high-skilled and high-paid jobs. The remainder of the participants will have significantly increased their work-readiness and chances of securing employment, even though they will not be placed directly into work by the Centre. Murupara has high social development deficits and unemployment rates. Delivering the Work for Life Centre will help the community by creating a hub for work-readiness training and capacity building.</p>	<p>The PDU recommends you approve the Trust's application for PGF funding. Te Ara Mahi funding will provide a step-change in the employment outcomes for participants, and signal to key local sectors (i.e. forestry and tourism) that there is a latent labour force in Murupara/surrounding area.</p> <p>Murupara has a high social development deficit and unemployment rates. The proposal aligns with Te Ara Mahi criteria supporting people into sustained employment and/or providing pathways to sustained employment.</p> <p>The Centre is the first stage of a major plan, Manawa Oho, to redevelop the Murupara civic centre. The plan is a partnership between Ngāti Manawa and Whakatāne District Council, and would result in development of the township along State Highway 38. A proposed digital hub will work alongside the Centre to revitalise and modernise opportunities for the community of Murupara. The digital hub component will be considered for PGF funding at a future SRO meeting.</p> <p>In the past, providers have had a mixture of satellite services offering short-term funding and programmes. MSD is currently involved in supporting some access to entry level support and employer initiatives. However, the localisation of training and employment in Murupara is required to remove barriers to employment, including high-skilled employment.</p> <p>MSD endorse the intent of the application, noting that it aligns with their interest in supporting development in Kaingaroa.</p> <p>Te Puni Kōkiri supports the application, advising that the Centre will significantly benefit whānau in the inland areas of Eastern Bay of Plenty, providing much-needed workforce development support to prepare whānau for existing and future employment opportunities.</p> <p>The proposal has been endorsed by the Bay of Plenty regional governance group which implements the region's skills and employment activities. The Centre also aligns with the region's economic action plan, specifically the objective of improving pathways to employment. Support letters have been provided from local councils, Timberlands, regional committees schools, and Deliotte Ltd who have supported the development of the application.</p> <p>Te Rūnanga o Ngati Manawa is an established entity and mandated Iwi organisation that will govern and operate the project, and provide funding beyond the three years. Due diligence has been undertaken with no concerns identified.</p>	<p>Commercial Information</p> <p>Applicant co-contribution:</p> <p>Commercial Information</p>	<p>Up to \$2,289,150</p>	<p>SROs endorse approval of the Te Rūnanga o Ngāti Manawa Trust's application for a \$2,289,150 grant from the Provincial Growth Fund.</p>