

## 2.3 KO NGĀ KĀKAHI WHAKAIROIRO O HINEHOPU

<b>PGF Application – HE POUTAMA RANGATAHI</b>		<b>For: Approval</b>	
<b>Applicant:</b>	Rotomā No. 1 Incorporation	<b>Pipedrive ID #</b>	N/A
<b>Region</b>	<b>Bay of Plenty</b>	<b>HPR Funding Sought:</b>	\$ <small>Commercial Information</small>
<b>Region detail:</b>	Rotorua, Rotoiti, Mourea and Rotomā	<b>Total Project Value:</b>	\$ <small>Commercial Information</small>
		<b>Applicant co-funding:</b>	\$ <small>Commercial Information</small>
<b>Entity Type:</b>	Maori Land Trust	<b>Funding Structure:</b>	Grant
<b>Entity Detail:</b>	Rotomā No. 1 Incorporation (Rotomā) is one of several Te Arawa hapū landowner entities and was established in 1908 by the Māori Land Court to administer the 6,637 acres on the shore of Lake Rotomā known as the Rotomā No. 1 Block. An initial register of 207 owners has now grown to include over 1,800 of their descendants. Rotomā currently manages \$ <small>Commercial Information</small> worth of assets which includes a large forestry estate, property and horticulture developments.		

### We recommend that the SROs:

- a) **Approve** \$396,780 from the He Poutama Rangatahi (HPR) fund towards the Ko Ngā Kākahi Whakairoiro o Hinehopu programme.
- b) **Note** that HPR funding is supported by co-funding from **Commercial Information** and Commercial Information, and that both agencies' support is subject to approval of this funding request
- c) **Note** that, subject to SRO approval, this multi-agency funding approach could help inform future collaborative Government funding of iwi-led programmes
- d) **Note** that, subject to the approval of this funding request, multi-agency funding will be allocated as follows:
  - a. HPR – \$396,780 for pastoral care and training/in-work support for rangatahi (including non-beneficiaries)
  - b. Commercial – **Commercial Information**
  - c. Commercial – \$**Commercial Information**
- e) **Commercial Information**
- f) **Note** that MBIE will be the lead agency and will enter into a funding agreement with the applicant. The Ministry will sign an MOU with Commercial and Commerc that will likely: facilitate the transfer of co-funding (which it will

administer); and establish agreed roles and responsibilities for each agency, including key performance measures for the programme

- g) Note** that the programme will target two main groups over an 18 month period:
- a.** <sup>Comme</sup> rangatahi NEETs aged 16-24 for employment in the forestry and horticulture sectors, as well as other key local sectors
  - b.** **10 forestry cadets** aged 18-55 who will pursue forestry qualifications (Levels 3-9) to take on roles higher up the forestry management supply chain
- h) Note** that funding will be stage-gated to maximise the programmes' effectiveness, as follows:
- a. Stage one** – focus on recruiting key staff and building organisational capability, enrolling approximately 10 participants and strengthening linkages with local employers across focus sectors
  - b. Stage two** – focus on enrolling the remaining <sup>Comm</sup> + participants and securing work placements
- i) Note** that Rotomā currently manages \$<sup>Commercial Information</sup> worth of assets, and has the intention and capacity to employ the majority of rangatahi who have an expressed interest in forestry/horticulture careers
- j) Note** that the programme has the strong endorsement of the Bay of Plenty regional cross-agency government group, and support from the Ministry of Education and NZ Transport Agency

#### Proposal:

Ko Ngā Kākahi Whakairoiro o Hinehopu has two main objectives. Firstly, to upskill existing forestry workers employed by Rotomā. Secondly, to provide sustainable employment pathways to rangatahi Not in Employment, Education or Training (NEETs) in the forestry sector, as well as other key sectors (horticulture, hospitality and tourism, film and television and agriculture). Forestry employment is the key driver of this programme, but where trainees opt out of this career pathway, Rotomā has developed strong relationships with local employers to create pathways into sustainable employment in these other key sectors. Rotomā takes a strong tikanga-based approach that starts by targeting communities where Te Arawa-affiliated rangatahi reside, and continues through with training and development that builds whakawhanaungatanga and kaitiakitanga. This kaupapa extends to the intensive, individualised pastoral care model that Rotomā provides rangatahi NEETs.

The programme places participants into three different cohorts according to age, experience and ambition:

- **Cohort 1** – <sup>Comme</sup> rangatahi NEETs (aged 16-24) who are likely to be in receipt of benefits and at risk of long-term unemployment, who have an aptitude for work in the forestry sector. Rangatahi will achieve forestry qualifications (Levels 2-4) and Class 5 driver licensing
- **Cohort 2** – <sup>Comme</sup> rangatahi NEETs (aged 16-24) who are likely to be in receipt of benefits and at risk of long-term unemployment, who have opted for work in other key sectors (as opposed to forestry). Rangatahi will be supported into apprenticeships with local employers, underpinned by ongoing pastoral care
- **Cohort 3** – **10 forestry cadets** (aged 18-55) employed within Rotomā that show an ability to upskill and complete higher qualifications in order to take on roles higher up the forestry management supply chain. Participants will achieve forestry qualifications (Levels 3-9).

#### Funding Detail:

MBIE (HPR) funding will contribute towards pastoral care and training/in-work support for rangatahi. This includes:

- HR costs – <sup>Comme</sup> x FTE Whanau Ora Kaiarahi, <sup>Comme</sup> x FTE Counsellor, <sup>Comme</sup> x FTE Education Specialists, <sup>Comme</sup> x Administrator

- Programme costs, including work-ready workshops and individual counselling sessions

## Commercial Information

[Redacted]

### Outcomes sought:

- Cohorts 1 and 2 – [Redacted]<sup>Comm</sup>% placed into sustainable employment
- Cohorts 1, 2 and 3 – [Redacted]<sup>Comm</sup>% qualification completion

	Response	PDU statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually (on average):	[Redacted] <sup>Comm</sup> (over 18 months)	This is achievable given the scale of the programme
Number of people expected to attain employment as a result of the project/activity annually (on average):	[Redacted] <sup>Comm</sup> (over 18 months)	Strong employment prospects for the approximately [Redacted] <sup>Comm</sup> % ([Redacted] <sup>Comm</sup> ) of total participants who are interested in forestry careers. The remaining [Redacted] <sup>Comm</sup> % who have opted for work in other key sectors may have a lower employment prospects due to Rotomā not being able to employ them directly. However, multi-agency funding approach and Rotomā’s strong local connections to industry and other service providers suggest this risk can be mitigated

### Ability to achieve outcomes:

Rotomā will likely be able to achieve strong employment outcomes, due to its large existing forestry and horticulture operations. These are supported by a Programme Advisory Group which has representatives from several key local employers: **Commercial Information** [Redacted]. These representatives will oversee the industry/employer needs of trainees and ensure compliance with industry standards. Rotomā also has strong connections with the tertiary providers it plans to use for pre-employment training/workforce development, with one member of its Committee of Management on Toi Ohomai’s Council, and the Chief Executive a former Te Wānanga o Aotearoa campus director.

**Wider benefits:**

- Increased social connection – programme strongly targeted towards rangatahi who affiliate with Te Arawa and Ngāti Pikiao
- Decrease in unemployment rate, increase in wages which will stimulate the local economy
- Opportunities for locals to secure qualifications that will give them employment opportunities in the region
- Delivery of training opportunities that align with industry shortages – including qualified forestry workers and truck drivers with Class 5 licenses.

**Stakeholder support:**

- The applicant has worked with regional stakeholders to identify the need for this service in the region
- <sup>Commercial</sup> and <sup>Commerc</sup> are strongly supportive (as evidenced by their \$ <sup>Commercial Informa</sup> in co-funding to the programme). MOE is also supportive of the programme
- **Commercial Information** have all provided letters of support.

In addition to the above organisations, Rotomā has strong working relationships with a number of other organisations that it plans to work with to achieve the programmes’ overall outcomes: **Commercial Information**

**Assessment against the PGF criteria:**

**Eligibility Criteria**

This application is eligible for PGF funding.

**Productivity Potential**

The project will improve productivity in the Bay of Plenty by:

- increasing the pool of local people who meet the requirements to fill vacant positions in priority sectors;
- increasing mobility of participants through the applicants connection with other organisations in the industry
- improving employability and upskilling local people,
- strengthening, diversifying and growing regional economies

**Policy objectives**

Applications alignment with the principles of Te Ara Mahi:

- 1) It focuses on supporting local people into local employment opportunities by addressing the specific needs of those who need more help than can be currently provided in order to achieve sustainable employment.
- 2) It ensures additionality by filling a gap in service provision which existing funding does not cover.
- 3) It fits within mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF.
- 4) It indirectly reinforces investment in PGF Tier 2 (Sector Investment) and PGF Tier 3 (Enabling Infrastructure) projects; through the improvement in work readiness of potential workers required to support investments in the region.

PGF Criteria	Assessment Commentary	Met (Yes/No/Partial)
<b>Link with fund and government outcomes</b>		
Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> <li>• Aligns with regional economic plans and priorities by:                             <ul style="list-style-type: none"> <li>- Building skills and capability in the region, and within priority sectors (forestry, horticulture, commercial transport)</li> <li>- Reducing the NEET rate amongst rangatahi</li> <li>- Reducing Maori unemployment</li> </ul> </li> </ul>	<b>Yes</b>
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"> <li>• This application focuses specifically on training and/or upskilling local people</li> <li>• The programme’s ability to train/upskill workers who can then work in their own community is compelling</li> </ul>	<b>Yes</b>
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	<ul style="list-style-type: none"> <li>• The target group for Cohorts 1 and 2 are rangatahi who are currently NEETs (including some who are non-beneficiaries)</li> <li>• The programme specifically targets individuals residing in four communities within Te Arawa rohe (Rotorua, Rotoiti, Mourea and Rotomā) and will seek to enrol rangatahi who affiliate with Te Arawa and/or Ngāti Pikiao iwi</li> <li>• Similarly, participants in Cohort 3 will affiliate to Te Arawa and/or Ngāti Pikiao</li> </ul>	<b>Yes</b>
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"> <li>• Focus on matching latent supply with existing demand for labour, providing training in specific on-the-job skills and supporting NEETs placed into employment through ongoing pastoral care and training/personal development. <small>Commercial Information</small></li> <li>• The programme will improve earning potential by upskilling participants, particularly for those in Cohort 3</li> </ul>	<b>Yes</b>
<b>Additionality – adds value by building on what is already there</b>		
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"> <li>• The project will support all participants into sustained employment in priority sectors</li> <li>• The forestry industry in particular is well known to rely on different types of migrant labour to fill the seasonal roles – this iwi-led programme offers a solution that could help address this current approach</li> </ul>	<b>Yes</b>

	<ul style="list-style-type: none"> <li>This programme places a strong emphasis on identifying the most appropriate work placement for rangatahi, by taking a Te Ao Māori-led approach, and working with a range of local employers</li> </ul>	
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"> <li>Programme brings together funding from three government agencies – MBIE (HPR), <sup>Commercial Information</sup>. It is hoped that this collaborative will serve as a model for future government funding of iwi-led employment solutions</li> </ul>	<b>Yes</b>
<b>Connected to regional stakeholders and frameworks</b>		
Support from local employers, central and local government, and governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li>Evidence of support has been provided in the region across a broad range of stakeholders. These include employers: <b>Commercial Information</b></li> <li>Support from regional government cross-agency group, as well as MSD, NZTA and MOE national offices. No letters of support from local government.</li> </ul>	<b>Yes</b>
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>Rotomā’s Committee of Management will be the primary governance group. This comprises a number of individuals with extensive governance experience and connections into the programmes’ target sectors</li> </ul>	<b>Yes</b>
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> <li>Rotomā benefits from the experience of members on its Committee of Management (which will provide overall governance support). It also has a Programme Advisory Group which comprises representatives from key local employers and will help strengthen the programmes’ employment/ training outcomes</li> </ul>	<b>Yes</b>
Risk management approach	<ul style="list-style-type: none"> <li>An appropriate risk management approach for this proposal has been identified.</li> </ul>	<b>Yes</b>
Future ownership / operational management	<ul style="list-style-type: none"> <li>Rotomā will retain ownership and operational management beyond HPR <sup>Commercial Information</sup> funding.</li> </ul>	<b>Yes</b>

## Funding Arrangements

Appropriate milestones and deliverables will be put in place with regular monitoring with payments made at appropriate time frames. It is expected that a stage-gated approach be taken to maximise positive outcomes, with stage one focusing on recruiting key staff and building organisational capability, enrolling approximately [redacted] participants and strengthening linkages with local employers across focus sectors. Stage two will focus on enrolling the remaining [redacted] + participants and securing work placements and/or qualifications.

## Due Diligence and Ownership

Due diligence has been completed. No issues have been identified.

## Risk Assessment

The key risks to the PDU and proposed mitigations of this investment are as follows:

Type of risk	Risk description	Mitigations	Risk Rating L/M/H
<b>Demand for the programme</b>	Demand for the programme peaks later than expected	<ul style="list-style-type: none"> <li>Marketing more aggressively and to wider networks to ensure that we meet our target numbers</li> </ul>	Low
<b>Employer support</b>	Employers who have already provided expressions of support for the programme are no longer willing/able to do so	<ul style="list-style-type: none"> <li>Work with a wide range of employers across target sectors to reduce this risk</li> <li>Ensure employers understand the complexities of working with rangatahi NEETs</li> </ul>	Medium
<b>Drug and alcohol abuse</b>	Drugs and alcohol abuse limit the ability of participants to join work sites/gain employment	<ul style="list-style-type: none"> <li>Random drug tests to ensure participants are work ready</li> <li>Provide access to drug and alcohol counselling services</li> </ul>	Medium
<b>Multi-agency funding approach</b>	Complexities of bringing together funding from different agencies, with their different priorities and focus on different outcomes	<ul style="list-style-type: none"> <li>Develop an MOU between MBIE, [redacted] that can formalise roles and responsibilities</li> <li>Hold regular cross-agency meetings to ensure we continue to take a coordinated approach</li> </ul>	Low

## Consultation undertaken or implications:

### Regional Governance Group View:

This application has been to the Bay of Plenty cross-agency government group who are strongly supportive of this iwi-led programme which has strong employment linkages. As a result, the group decided to take a multi-agency funding approach (with HPR, [redacted] each providing co-funding) that can be used as a model of collaborative government funding for similar schemes in the future.

**Central Government Agency Views:**

The Ministry of Education provided feedback on the application as follows:

- **Free and frank opinions**

NZTA provided feedback on the application as follows:

- **Free and frank opinions**

<b>Supporting proposal:</b>	Yes <b>Application Will Be Proactively Released Separately</b>
<b>Appendices:</b>	Yes – Applications, additional information, and supporting letters attached as annexes <small>Supporting Letters Are Withheld in Full Due to Commercial Sensitivity</small>
<b>Author of paper:</b>	BP, Te Ara Mahi/He Poutama Rangatahi Team