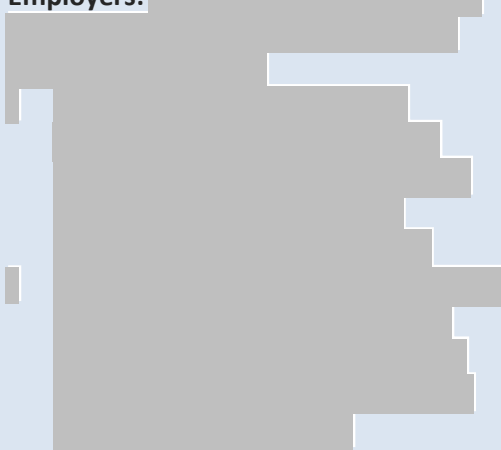


## 2.1 WEST COAST REGIONAL EMPLOYMENT SCHEME

<b>PGF Application – TE ARA MAHI</b>		<b>For: Approval</b>	
<b>Applicant:</b>	Development West Coast	<b>Pipedrive ID #</b>	Commercial Information
<b>Region</b>	<b>West Coast</b>	<b>PGF Funding Sought:</b>	\$ Commercial Information
<b>Region detail:</b>	Entire West Coast	<b>Total Project Value:</b>	\$ Commercial Information
		<b>Applicant co-funding:</b>	<b>Employers:</b> Commercial Information   <b>MSD:</b> has provided a letter of support stating they will support the project with products such as Mana in Mahi and Flexi Wage <b>Withheld - Commercial Information</b>
<b>Entity Type:</b>	Registered Charitable Trust	<b>Funding Structure:</b>	Grant
<b>Entity Detail:</b>	Development West Coast (DWC) was set up as a Charitable Trust in 2001 to manage, invest and distribute income from a fund of \$92 million received from the Government. This fund was an adjustment package for the loss of indigenous forestry and the privatisation of much infrastructure on the West Coast in the late 1990s. DWC is governed by a Deed of Trust which specifies DWC's objective 'to promote sustainable employment opportunities; and generate sustainable economic benefits for the West Coast, both now and into the future'		
<b>We recommend that the SROs:</b> <ul style="list-style-type: none"> <li>a) <b>Support</b> \$2,080,040 from the Te Ara Mahi portion of the Provincial Growth Fund towards Development West Coast's West Coast Regional Employment Scheme</li> <li>b) <b>Note</b> that the funding requested covers a <b>Commercial Information</b></li> </ul>			

- c) **Note** that this initiative, if funded, will result in at least [Comm] people being trained, upskilled and supported into sustainable local employment in the West Coast
- d) **Note** that this application is endorsed by, Buller District Council, Westland District Council, Grey District Council and the regional Ministry of Social Development (MSD) office. It will be delivered as a joint venture and all parties will be expected to remain involved in a governance capacity, as well as assisting in the administration of the program.
- e) **Note** has provided a letter of support stating they will support the project with products such as Mana in Mahi and Flexi Wage [Withheld - Commercial Information]
- f) **Note:** MBIE – Tourism does not support the application
- g) **Note** that this initiative, if funded, will result in at least [Comm] people being trained, upskilled and supported into sustainable local employment in the West Coast

### **The proposal focuses on retaining skilled people in the West Coast**

This initiative focuses on supporting people to attain recognised qualifications in skills shortage areas in the West Coast region. The main aim of the initiative is to create sustainable employment opportunities which will keep both people and businesses in the region.

The target group for the initiative is working age people who are unemployed or 'underemployed' and want to stay in or move back to the West Coast. They will require upskilling, training and/or new qualifications in order to move into available local roles. Available roles will either be newly created, or have been vacant for the previous 12 months, and will be in any type of skilled employment.

*It addresses a trend in the West Coast of employers not being able to fill vacancies*

The initiative addresses a current trend in the West Coast of employers carrying vacancies for long and indefinite periods of time. This is due to a lack of qualified local people being available to fill these vacancies. As a result, many employers have had to move out of the region.

The funding requested from the PGF will enable the applicant to implement a coordinated system for matching available people to employment opportunities. This system will be delivered through a Development West Coast 'Programme Coordinator' who will take on a number of different roles to ensure the system's success.

The Coordinator will form a key part of the initiative and will be carefully selected to ensure they're able to deliver the activities required to make the initiative a success.

The system will operate as follows:

- 1) Candidates and employers with vacancies will be identified by the Program Coordinator who will work as an employment broker across the potential candidates, prospective employers, MSD and other partner agencies. The Program Coordinator (Coordinator) will also conduct promotional activities designed to generate enrolment.
- 2) Candidates and employers will then be matched by the Coordinator to ensure placements are appropriate and aligned with employer and candidate needs and interests.
- 3) Once an employment match is made, the Coordinator will coordinate with training providers to line candidates up with the training required for the role.
- 4) A 'training agreement' will be put in place between the candidate, the applicant, and the employer, to ensure ongoing commitment to the employment arrangement by all parties.
- 5) The training agreement will ensure candidates stay with the employer for a period of time beyond the completion of training in exchange for the employer providing the training.
- 6) The Coordinator will be responsible for providing long term support to both candidates and employers to ensure placements are successful.

This will result in at least [Comm] people ([Comm] people per district) being employed, formally qualified and supported into sustained regional employment for at least [Commercial Information]. Additionally, a number of existing employees will also be supported to undertake new training or education to move up into new roles. The number of existing employees

being upskilled will depend on employee/employer needs.

### **The applicant is building off previous success**

This initiative is built off a similar initiative which ran in the Buller District from 2016 - 2018. The Buller initiative was jointly funded by Development West Coast and MSD and was delivered with the assistance of Buller District Council. It resulted in 22 new jobs being added to the Buller District and 22 people attaining employment. It was discontinued because the funding provided from the Buller District Council ran out and they were unable to find another funding source.

The new initiative will be an expanded and strengthened version of the Buller District Initiative. It will:

- be led by Development West Coast
- focus on upskilling as well as employment
- support a wider group of people, including people who are already in employment but require upskilling
- be available to all businesses throughout the West Coast region.

The intention is for Development West Coast to continue funding the initiative beyond the term of the PGF.

### *The initiative design has been designed to maximise success*

The West Coast is large and sparsely populated with a wide range of industries in operation depending on the district. Work opportunities in the region could range from mining and fishing in the Buller District, to heavy industry in the Grey District, and agriculture and tourism in the Westland District. This diversity means that in order to meet the needs of the region, an initiative is required which covers the full range of different employers and industries in the region; as opposed to employment programmes that target specific industries.

### **There is benefit from Central Government funding over other sources**

Government funding will enable the initiative to be set up and trialled. Once implemented, and if successful, Development West Coast intends to continue the initiative. Development West Coast and other regional stakeholders do not currently have the capacity to fund this initiative.

Regarding other Government Funding, 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.

MSD also has a responsibility to ensure 'double dipping' doesn't occur and a process will be set up as part of the MoU to support this.

### **There are benefits wider than employment attainment**

- People and employers remain in the West Coast region
- The skill level of people in the West Coast increases
- There is a reduction in isolated living in rural west coast
- Improved financial wellbeing for individuals, leading to strengthened families and communities

### **Employers will provide in-kind contribution to ensure the initiative is a success**

- The funding requested is for <sup>Commerc</sup> % operational costs, the majority of which will cover the training costs of participants. <sup>Commercial Information</sup>
- MSD has provided a letter of support stating they will support the project with products such as Mana in Mahi and Flexi Wage **Withheld - Commercial Information**
- The average cost per participant is up to \$ <sup>Commercial Inform</sup> for participants moving into a new role, and up to \$ <sup>Commercial Inform</sup> for participants in an existing role but needing upskilling
- There will also be some <sup>Commercial Information</sup> co-funding from local employers through contributions such as:
  - Sourcing accommodation and transport for participants, either directly or indirectly. These are key barriers for people sustaining employment on the West Coast
  - Committing to providing employment for <sup>Commercial Information</sup>, even if the person requires time-off for study or

can't perform full duties initially because they aren't fully qualified

### Annual outcome breakdown

	Response	PDU (TAM) Statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually (on average):	Comme	Previous delivery of the programme, and an evidenced need for the service, provide confidence that this is achievable
Number of people expected to attain employment as a result of the project/activity annually (on average):	Comme	Previous delivery of the programme, and an evidenced need for the service, provide confidence that this is achievable

### Assessment against the PGF criteria:

#### Eligibility Criteria

This application is eligible for PGF funding

#### Productivity Potential

The project will improve productivity in the identified regions by:

- Ensuring local employers are able to fill their vacancies
- Ensuring local people are able to attain fulfilling and sustainable local employment
- Improving the financial wellbeing, and increasing the resilience, of families and communities
- Increasing incomes for local people
- Increasing work satisfaction for local people
- Addressing skilled worker shortages across multiple sectors in the region

#### Policy objectives

Applications alignment with the principles of Te Ara Mahi:

- 1) It *will* support 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 *will* ensure additionality by filling a gap in service provision which existing cross-government departmental funding does not cover
- 3) It *will* fit within mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF
- 4) It *does not, but has the potential to* reinforce investment in PGF Tier 2 (Sector Investment) and PGF Tier 3 (Enabling Infrastructure) projects

PGF Criteria	Assessment Commentary	Rating Yes/No/Partial
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#### Link with fund and government outcomes

Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> <li>• The initiative strongly aligns with the strategic priorities of the West Coast region, as evidenced by the stakeholders that have endorsed the initiative</li> </ul>	<b>Yes</b>
Demonstrates potential to meet the current or future labour	<ul style="list-style-type: none"> <li>• The initiative is tailored to meet the immediate needs of the labour market in the region</li> </ul>	<b>Yes</b>

market skill needs of the region, including those resulting from PGF Tier 2 and 3 investments		
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	<ul style="list-style-type: none"> <li>This is not the core purpose of this project as people who are not in education, employment or training already are not the key target group for the initiative. However, it is reasonable to expect that a portion of people targeted will fit into this category.</li> <li>This project does not have an emphasis on Māori</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>This is the core purpose of this application</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 initiative addresses a gap in service for people requiring support to upskill</li> <li>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.</li> </ul>	<b>Yes</b>
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>The initiative will plug the gaps in funding from other agencies</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 across a range of stakeholders, which include district councils, economic development agencies, employers, education providers and the Ministry of Social Development</li> <li>The applicant has relationships with local employers</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>The applicant has a robust plan in place for managing and governing the initiative</li> </ul>	<b>Yes</b>
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> <li>This has been evidenced by the successful previous operation of the service</li> </ul>	<b>Yes</b>

Risk management approach	<ul style="list-style-type: none"> <li>Risks and mitigations are outlined in application</li> </ul>	Yes
Future ownership / operational management	<ul style="list-style-type: none"> <li>The intention is for Development West Coast to continue funding the West Coast Regional Employment scheme beyond the term of the PGF. They will take a sector-based approach to investment in the scheme, based on industry/organisational feedback, and based on research provided by Tai Poutini into skill shortage areas.</li> </ul>	Yes

### Funding Arrangements

Funds will be distributed via a milestone plan

### Due Diligence and Ownership

- Due Diligence has already been completed on Development West Coast – Privacy of natural persons

### 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
	No action is taken, and the opportunity is lost; people continue leaving the region and under staffing remains an issue.	Run a West Coast specific employment pathways program and assess impacts.	High risk
	The program is established but ends up with unexpected cost pressures, potentially overspending.	Ensure robust governance and management of the program, embedding the Program Coordinator in an established team at DWC	Medium risk
	The program underestimates the demand on either the candidate side or organizational side	Clear management of expectations undertaken by DWC and Program Coordinator. Target numbers are set at a high level.	Low risk
	The program overestimates the demand on either the candidate side or the organizational side	Program is pared back for future iterations. Expectations of stakeholders are clearly set, and success metrics regularly reported.	Low risk
	Candidates aren't committed to the program and don't complete the training scheme.	Effective, formal establishment of pastoral care as a function of the Program Coordinator role. Pastoral care standards are monitored by DWC and governance.	Low risk.

### Consultation undertaken or implications:

MBIE – Tourism does not support the application:

The main issue they have with this proposal is that it states that the key issue for the region is that there aren't enough workers or skilled workers within the region for the number of jobs available, while proposing a solution that primarily focuses on job-matching those already within the region.

**MSD, West Coast Mayors & Chairs of Regional Councils along with Iwi support the application:**

See supporting documents

**Supporting proposal:**

Yes

**Appendices:**

Yes – Application and supporting letters are attached as annexes  
Letters withheld - Commercial Information

**Author of paper:**

AM, Te Ara Mahi/He Poutama Rangatahi Team