



TE ARA MAHI PROPOSALS FOR REVIEW

Date:	7 May 2020	Priority:	Medium
Security classification:	In Confidence	Tracking number:	3202 19-20

Action sought		
	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Agree to the recommendations outlined in this briefing.	7 May 2020
Hon Phil Twyford Minister of Transport Minister of Economic Development		7 May 2020
Hon David Parker Minister for Trade and Export Growth		7 May 2020
Hon Shane Jones Minister for Regional Economic Development		7 May 2020
Fletcher Tabuteau Parliamentary Under-Secretary to the Minister for Regional Economic Development	Note the contents of this briefing.	7 May 2020

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Ben Dalton	Chief Operating Officer	Privacy of natural persons	✓
Nathan Grennell	Programme Director	Privacy of natural persons	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Withdrawn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

Central Region Major Projects Skills Hub

2. **Agree** to approve Central Region Major Projects Skills Hub Trust's application for a \$1,039,436 grant from the TAM allocation of the PGF towards the Central Region Major Projects Skills Hub, subject to:
 - a. Completion of due diligence to the satisfaction of the PDU.

Agree / Disagree

Otago Workforce Development Programme

1. **Note** [Redacted] Commercial Information [Redacted]

Noted

2. **Agree** to approve the Otago Chamber of Commerce's application for a \$1,850,000 grant from the TAM allocation of the PGF towards the Otago Workforce Development Programme.

Agree / Disagree

Privacy of natural persons
[Redacted]

Ben Dalton
Chief Operating Officer
Provincial Development Unit

Hon Grant Robertson
Minister of Finance

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Hon Shane Jones
Minister for Regional Economic Development

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Hon Phil Twyford
Minister of Transport
Minister of Economic Development

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Hon David Parker
Minister for Trade and Export Growth

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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: Central Region Major Projects Skills Hub Trust</p> <p>Project name: Central Region Major Projects Skills Hub</p> <p>Region: Manawatū-Whanganui</p>	<p>Central Region Major Projects Skills Hub Trust (the Trust) is seeking PGF funding to establish the Central Region Major Projects Skills Hub (the Hub) for Manawatū/Whanganui in Feilding. The Hub will provide a regional 'connector' between large scale infrastructure projects and a prepared, trained workforce.</p> <p>It will facilitate any required training, with an initial focus on Te Ahu a Turanga: Manawatū Dannevirke highway, a new road build, from Woodville to the Western Gorge entrance, and other "shovel-ready" infrastructure projects that are being identified post COVID-19. There will be an ongoing need for the Hub as Manawatū businesses have identified difficulties with accessing skilled workers as the key barrier to growth in the region.</p> <p>This project will incorporate some of the best features and learnings of the three existing Auckland Hubs; Manukau Southern Hub, Northern Hub and the Water Care Induction and Training Centre.</p> <p>The target group for this programme is broad and includes all people of working age and potential applicants will be sourced from schools, MSD, iwi, tertiary providers, existing civil construction employees, and those who may need to be redeployed. This project is expected to facilitate at least Commercial Information people into employment over Commercial Information, post COVID-19. The funding requested will cover the costs of Commercial Information full time and Commercial Information part time staff over Commercial Information. Funding will also go towards general operation costs for the Hub space.</p> <p>The Hub will help to bridge the skills gap and enable the regional projects to access the skills and talent required to succeed by:</p> <ul style="list-style-type: none"> • Facilitation of regional workforce to career and job opportunities, including direct job brokerage with key project partners. • Mapping the employment needs of key projects to meet regional needs. • Training a pipeline of industry workers to help fulfil employment needs. • Pastoral Care to support industry workers employed through the Hub. <p>The Hub will ensure that local people are given the opportunity to obtain employment before contractors look outside the region and also help address skill-shortages employers may face in the future through reduced immigration.</p> <p>Commercial Information</p>	<p>The PDU recommends you approve Central Region Major Projects Skills Hub Trust's application for \$1,039,436 of PGF grant funding towards the Central Region Major Projects Skills Hub, subject to:</p> <p>a. Completion of due diligence to the satisfaction of the PDU.</p> <p>Note: the project has support from Ministry of Social Development, Ngāti Kauwhata, Central Economic Development Agency, Te Ahu a Tūranga Alliance (Project Director), New Zealand Transport Agency and District Councils: Palmerston North, Manawatū and Tararua.</p> <p>The project will improve productivity in the region by:</p> <ul style="list-style-type: none"> • Increasing the pool of local people who meet the requirements to fill current and future employment opportunities, reducing reliance on imported labour. • Increasing pa Supporting letters withheld employability by ensuring training and upskilling and providing pastoral support to help ensure sustainability of employment. <p>The PDU considers that the employment targets are likely to be achieved given the large infrastructure needs in the area and Commercial Information% of the expected Commercial Information facilitated into work will have sustained employment over a Commercial Information period. The number of people expected to receive training each year reflects the potential scale of upskilling and training participants required to meet employment needs.</p> <p>The project ensures additionality by filling a gap in service provision which existing cross-government initiatives do not cover. This will build and strengthen mechanisms for coordination of workers, government and industry that will endure past the lifetime of the PGF.</p> <p>PGF funding will cover the first Commercial Information of costs. Government funding is required to initiate the Hub and get it to a viable operating level. Once proven, it is expected that income lines will be developed from the main users in the form of placement fees, grant flows from government and community funders to sustain it into the future. The applicant is aware of this is the expectation and has indicated this will happen. The PDU will conduct further due diligence once the Trust's board has been confirmed.</p> <p>The project will be overseen by an advisory group made up of Commercial Information</p> <p>Commercial Information There will be strong interconnections between this programme and Commercial Information</p> <p>Commercial Information CO-funding of \$Commercial Information from the applicant is derived from the value of the work of those on the board and advisory groups, which will likely continue beyond PGF funding.</p> <p>The PDU has continued to work with the applicant and the advisory group during the Level 4 lockdown period. During this time, they have appointed an Commercial Information and the advisory group has worked to identify additional infrastructure projects that could be ready or near ready, that will create additional employment and redeployment opportunities post</p>	<p>\$Commercial Information</p>	<p>\$1,039,436</p>	<p>SROs endorse the approval of a grant of up to \$1,039,436 from the Te Ara Mahi portion of the PGF towards the Central Region Major Projects Skills Hub.</p>



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		<p>Level 4 COVID-19 Lockdown. The advisory group members have access to equipment, experienced industry operators, who will be able to provide additional training venue, machinery and trainers, both active and retired. Projects they could partner with include, but are not limited to, <small>Commercial Information</small></p>			
<p>Applicant name: Otago Chamber of Commerce</p> <p>Project name: Otago Workforce Development Programme</p> <p>Region: Otago</p>	<p>Otago Chamber of Commerce is seeking funding to support WorkForce Central (WFC), Dunedin's Jobs & Skills Hub, as part of the Otago Workforce Development Programme (OWDP).</p> <p>WFC will be a physical site based beside the New Dunedin Hospital (NDH) build. PGF funding will fund an <small>Commercial Information</small> as well as marketing costs, one car lease and contingency costs (over <small>Commercial Information</small>).</p> <p>WFC will support the upskilling of local workforce to meet the anticipated demand for construction workers for the NDH project. Demolition has already begun onsite (and continues under Level 3), and the trained workforce requirement for the NDH build will exceed the current availability.</p> <p>It is estimated that the NDH build alone will generate a minimum of <small>Commercial Information</small> trade-related employment opportunities for at least <small>Commercial Information</small>, including apprenticeships, supervisors and highly qualified roles. A minimum of <small>Commercial Information</small> people will be engaged and supported into training, education and/or employment through WFC, to ensure their ability to progress into construction projects in the region.</p> <p>These figures are based on two studies undertaken to define the labour supply and demand issues, and opportunities in Otago's construction industry. About \$10 billion worth of construction and infrastructure projects identified across Otago for the next 15 years. WFC's development is based on the findings of both studies and also modelled off the five current Jobs & Skills Hubs operating in Auckland, incorporating learnings from these previous experiences and adaptations to the local context.</p> <p>Targeted groups include, but are not limited to, NEETs, school students (and their whanau), MSD clients and people in Corrections' care, or people returning home to Dunedin from other regions. The project will also support people in the region displaced due to the COVID-19 pandemic into industry specific training, upskilling and re-skilling, playing a key role in promoting job retention and re-deployment. This upskilling or reskilling can also incorporate improved earning and social outcomes for Maori, Pacifica and other disadvantaged groups.</p> <p>The WFC will provide coordination for:</p> <ul style="list-style-type: none"> • On-site Recruitment and Employment. The WFC will leverage local sustainable employment outcomes and reduce reliance on imported labour to support the pipeline of construction projects. In the current changing environment, WFC will also assist the construction industry in retaining and re-deploying their workforce with zero costs recruitment extended to multiple industries. • On-site Training and Upskilling. On-site delivery of literacy and numeracy skills training, mental health and wellbeing support, compliance tickets, cadetships, apprenticeship, supervisor and project management training, as well as development of individual 	<p>The PDU recommends you approve the Otago Chamber of Commerce's application for \$1,850,000 PGF grant funding from the TAM allocation towards the Otago Workforce Development Programme.</p> <p>Note <small>Commercial Information</small></p> <p>One main focus of the project is to improve local skills and reduce reliance on migrant labour, supporting local people into local employment in line with TAM principles.</p> <p>Border closure emphasises the reliance on skilled local labour as a priority to ensure regional shovel ready projects continue on time. This includes the demolition of the Cadbury factory complex where the NDH will sit, which will continue for further nine months. WFC has the ability to collaborate with the contracted demolition company to develop highly transferrable trade-related skills training and employment opportunities in the growing asbestos removal industry.</p> <p>WFC will be flexible to provide services for and support other infrastructure projects happening in the region beyond the NDH build. In order to assist the infrastructure industry, as well as to achieve successful job placement or re-deployment outcomes, WFC will also work to connect with other industries that will be looking for employees as their demands increase.</p> <p>The project proposes a change in the traditional workplace practice in the sector to develop trades into an attractive and sustainable career choice. Extensive stakeholder consultation was conducted to align the form and objectives of the project to regional needs and priorities. Changes will be implemented into the traditional workplace practice and employment model, promoting worker diversity and wellbeing with strong focus on mental health.</p> <p>The programme also seeks to attract people back to the region, provide placement support to those returning for work and optimise the use of available workforce. This will strengthen the co-ordination between workers and employers in line with TAM principles. A unique feature of this project is a 2-day site induction for all new workers. <small>Commercial Information</small></p> <p>The project indirectly reinforces investment in PGF Tier 2 (Sector Investment) and PGF Tier 3 (Enabling Infrastructure) projects by specifically supporting workforce requirements and will also support other Infrastructure Projects in Otago that the Government may announce.</p> <p>The physical site for WFC will be provided by MoH and will be strategically</p>	<p><small>Commercial Information</small></p>	<p>\$1,850,000</p>	<p>SROs endorse the approval of a grant of up to \$1,850,000 from the Te Ara Mahi portion of the PGF towards Otago Workforce Development Programme.</p>



Applicant and Project	Proposal and key outcomes	PDU Comment	Total cost of project	Proposed PGF investment	SROs recommendation
	<p>learning plans.</p> <ul style="list-style-type: none"> • School and Community Engagement. Will create pathways for trades students via engagement with Iwi, Corrections, schools, Polytech and university students, MSD clients, Women in Trades, NEETs, PTEs, etc. • Induction programme for all site workers: This induction has been co-designed by stakeholders and provides a complete orientation package for the training and upskilling requirements, tailored around individual needs. The induction will involve recognition of prior learning, literacy and numeracy upskilling, <small>Commercial Information</small> education around the significance and importance of the land to iwi and the community, <small>Commercial Information</small> training (mental health awareness), connector and assist training, and verification of competency. Staff hired in both demolition and construction work connected to the NDH project will be inducted through WFC as soon as it becomes operational. <p>Following completion of the NDH, the WFC will continue to provide learning, upskilling and training opportunities within the construction sector, maintaining a strong focus on promoting construction workers' wellbeing. It is anticipated that the wider OWDP will implement change in the employment prospects of a significant group of unemployed or underemployed people in Otago, by offering work that is safe, develops skills, credentials and qualifications over time, and prepares for further work in the construction sector in Otago.</p>	<p>located across the road from the NDH build. The PGF funding covers the first <small>Commercial Information</small>. At the end of the funding cycle, it is envisaged that the main contractor and sub-contractors involved in the NDH build, along with local government, will fund the initiative. The applicant is aware of this expectation. The cost of training program delivery will then be met by employers, and accumulating the training needs of employers should result in a reduction in costs.</p> <p>The project is supported by the Otago Workforce Development Committee, which includes members of the Otago Chamber of Commerce, <small>Commercial Information</small> representatives of local and central government, Otago Polytech, industry-training organisations, pre-employment course providers, regionally-based construction company and subcontractor representatives, career advisory representatives, and MBIE's Sector Workforce Engagement Programme.</p> <p>The proposal has cross agency support from Ministry of Social Development (MSD), Corrections, Tertiary Education Commission (TEC), Immigration New Zealand, and Ministry of Education. <small>Commercial Information</small></p>			