

# MEMO TO THE SENIOR REGIONAL OFFICIALS

# Subject: Te Kōrau Regional Pilot Project

Date prepared:	13 February 2020	Meeting date:	27 February 2020
Prepared by:	Victoria Tetley, Regional Advisor Te Ara Mahi	Approved by:	Thomas Perenara, Team Leader Te Ara Mahi

# Purpose

- 1. The purpose of this memo is to:
  - a) Seek further funding for the Te Ara Mahi (TAM) project **Te Kōrau Regional Pilot** (R14.00937) based in Tai Tokerau.

#### **Recommended action**

- 2. We recommend that the SROs:
  - (a) Note you approved Te Ara Mahi grant funding of \$63,300.00 for the project Te Kōrau Regional Pilot at the 31 July 2019 SRO meeting.
  - (b) **Note** the applicant underestimated the cost to deliver pilot programmes in remote rural communities to develop business and entrepreneurial capability.
  - (c) **Note** the applicant has incurred additonal costs, not budgeted for, to conduct community engagement in the Hokianga area and this will mean that these services will not be able to be delivered in Te Hiku.
  - (d) **Note** the applicant has tried sourcing other funding via organisations Commercial Information but these organisations are not in a position to bridge the funding gap.
  - (e) **Approve** additional grant funding of **\$20,000.00** noting the above information.
  - (f) **Note** once this information has been reminuted, we can proceed to draft a variation of contract to ensure the delivery of the programme.

# Key points

(a) The initiative is about building entrepreneurial capability and mentoring people with business ideas. It targets Māori people who have a business idea in the Northland region.

It is based on a programme called 'CO.STARTERS' which is a nine week programme that builds entrepreneurial capability and validates business ideas; equipping aspiring entrepreneurs with the insights, relationships, and tools needed to turn ideas into action and develop a passion into a sustainable and thriving business.

Te Kōrau is the same programme, however it is specifically targeted at Māori, the content is tailored to the Māori world view, and it is run out of marae.

- (b) The TAM project Te Kōrau Regional Pilot was approved at the 31 July 2019 SRO meeting under agenda item 2.9 Te Kōrau Regional Pilots (TAM), Northland, presented by Amy McElroy.
- (c) The SRO minutes approved a grant for **\$63,300.00** and a contract was drafted and signed by parties for this amount. See the highlighted section in **Appendix One.**
- (d) We are seeking approval from SRO's for further funding so a variation of contract can be



#### completed.

- (e) Hokianga has been the area of delivery for the first pilot which has led to an overspend particularly related to remote location and underestimating the time required to build community connection within the area, resulting in significant over-spend in the following areas: wages/salaries, contractors and travel/accommodation.
- (f) The second Pilot is to be devliered in Te Hiku, there is a stronger community connection here working thorugh the <sup>Commercial Information</sup>, which will help reduct costs and lessons learnt will mean better allocation of time and resources to ensure budget is met.
- (g) User pay modelling was also included within the contract which has been identified as risk due to the inabuility to meet this cost within these rural communities, Commercial Information

# Consultation

3. Our Tai Tokerau TAM Senior Regional Advisor has been in regular contact with the applicant about the issues they have confronted them and is fully supportive of the increase in funding request.

# Appendices

Appendix One: July 2019 SRO minutes.

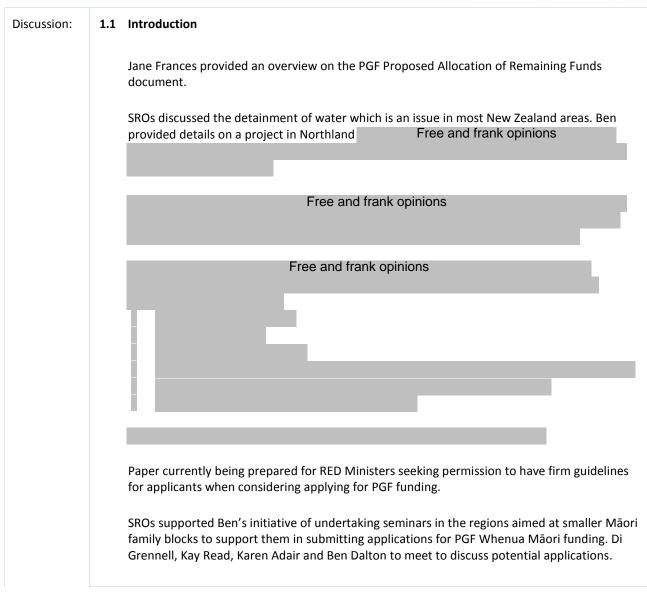


## Appendix One – July 2019 SRO minutes

Subject	Minutes of the SRO meeting held on Wednesday 31 July 2019, 9:00am- 12:00pm at MBIE offices, Stout Street, Wellington
Senior Regional Officials Present	Ben Dalton (Chairperson from 9:15am), Apryll Parata (Acting Chair until 9:15am) Karen Adair, Karl Cummins, Kay Read, Di Grennell, Kathy Mansell (left at 11:30am), Al Morrison (via telephone conference)
In attendance:	David van der Zouwe, Glynis Mussen, Monica Butler, Jane Frances
PDU Attendees:	Amy McElroy, Hilary Pearse, Eliot Linforth-Hall, Jason Hall, Paul Swallow, Dipankar Ganguly, Nick Hough, Matt Chisnall, Olaf Buhrfeindt & Tania Heyrick
Apologies	Bryan Wilson, Marama Edwards and Robert Pigou

1. MEETING ADMINISTRATION		
Reference #	SRO 31/07/2019/01	



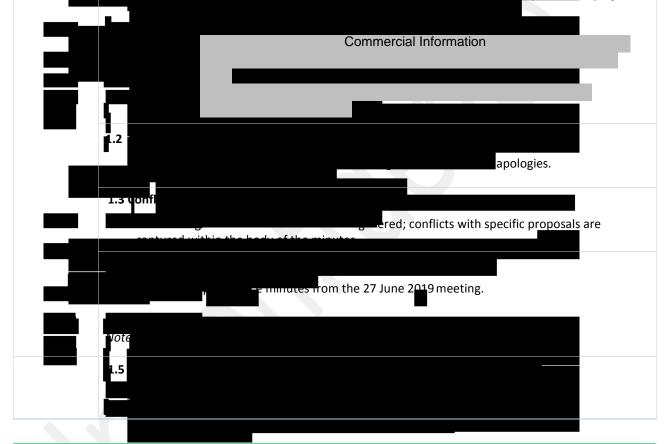




SROs requested that the PDU Comms team provide information on PDU events.

Ben attended the Economic Development CE's meeting yesterday where discussions were held on social procurement and how to get more Māori firms to bid for work.

Discussions are underway on a cross agency approach to methamphetamine. Mayors and local business chief executives in the regions are saying the labour market is being severely impacted by methamphetamine use. Ben to advise SROs the outcome of a Minister meeting on 8 August where Te Ara Mahi PGF funding of \$40m towards a methamphetamine project is



#### **2. INVESTMENT PROPOSALS**

•

2.1 Regional Sector Investment Overviews (David van der Zouwe)	
Reference #	SRO 31/07/2019/02

Papers tabled as read.

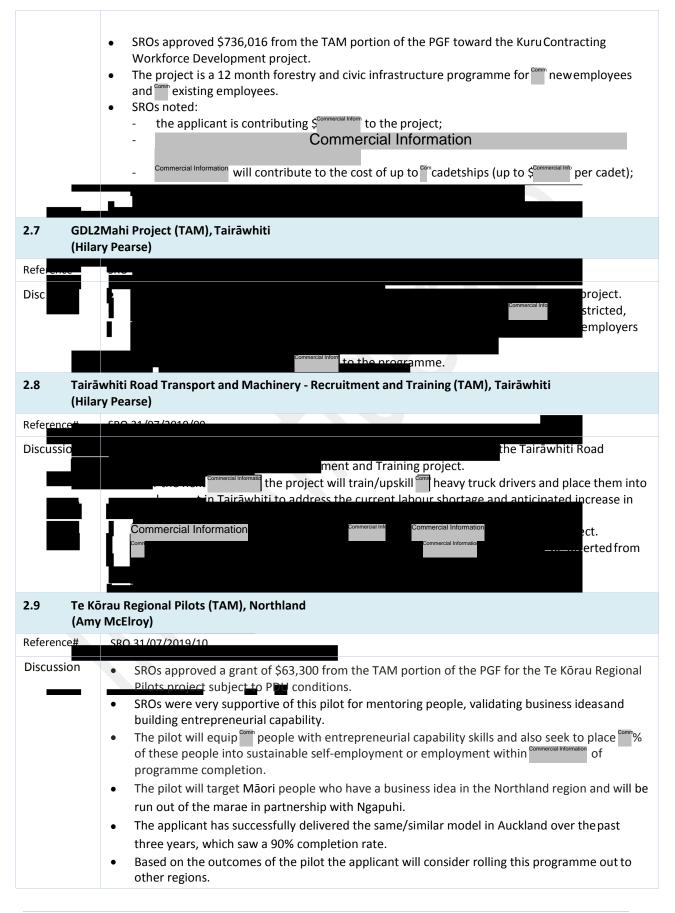
#### He Poutama Rangatahi (HPR) and Te Ara Mahi (TAM) proposals under \$1million for SRO decision

2.2 Rangatahi Pathways to the Trades Initiative (HPR), Tairāwhiti (Hilary Pearse)		
Reference #	SRO 31/07/2019/03	
Discussion	• SROs approved funding of \$425,000 from the HPR portion of the PGF for the Rangatahi Pathways to the Trades Initiative project.	



	<ul> <li>The project:         <ul> <li>expands a successful programme to include 20-24 year olds who are not in employment, education or training; and</li> <li>targets 30 rangatahi who have left school with no or low qualifications and provides a pathway to the construction, engineering or automotive industries.</li> </ul> </li> </ul>
	ration Programme (HPR), Tairāwhiti y Pearse)
Reference #	SRO 31/07/2019/04
Discussion	SROs approved \$90,000 from the HPR portion of the PGF towards the Generation Programme
	strengthen
	comments vo cohorts
	Poutama Rangatahi Programme (HPR), Tairāwhiti y Pearse)
Reference #	GRO T
Discussion	towards the ASET Poutama
	or training:
	<ul> <li>this additional funding is for an additional Pastoral Care worker due to the higher demand for the programme and very intensive pastoral care requirements of participants; and</li> <li>funding is being sought from PGF due to previous funding being provided from Vote Labour before HPR became funded by the PGF.</li> </ul>
	GEN Room Project (HPR), Northland y Pearse)
Referencen	
Discussion	Privacy of natural persons
	• SNOS approved \$550,000 from the HPR portion of the PGF towards the NGEN Room project.
_	<ul> <li>the project will provide digital technology training and pastoral support for 40 rangatahi who are NEET over a two year period;</li> <li>It is anticipated a rangatahi will go into employment or further training as a result of the</li> </ul>
	<ul> <li>programme;</li> <li>the applicant has a proven history of delivery with rangatahi NEET in Northland.</li> <li>SROs also noted the project requires further refinement and Te Puni Kokiri and PDU will continue to work the applicant to strengthen it.</li> <li>SROs recommended the contract specify funding is stage gated to ensure year one is successful.</li> </ul>
	Contracting Workforce Development (TAM), Tairāwhiti y Pearse)
Reference#	SRO 31/07/2019/07
Discussion	Privacy of natural persons







	proposals over \$1million for SRO consideration and recommendation to RED Ministers
	thland Youth Futures (TAM), Southland y McElroy)
Reference#	SRO 31/07/2019/11
Discussion	<ul> <li>SROs recommended the approval of a grant of \$1,550,000 over a <sup>Commercial Information</sup> period from the Te Ara Mahi portion of the PGF towards the Southland Youth Futures project.</li> <li>The Southland Youth Futures application was originally presented to SROs in March 2019. S Commercial Information</li> </ul>
	h Futures
	er of service to enable more intensive, tailored support to per year); 2019 to 2022; 20 increase in the number of employers involved in the initiative from <sup>Commercial Information</sup> .
2.11 Cor	nmercial Information - declined project
SRO Investm	ent Proposals
	Food Factory, Te Tau lhu/Top of South t Linforth-Hall)
Reference#	SRO 31/07/2019/13
Discussion	<ul> <li>SROs approved a grant of \$778,000 from the PGF towards the Food Factory project subject to the conditions on the PDU coversheet on the basis that the project:         <ul> <li>is an enabler for economic growth;</li> <li>has strong regional support; and</li> <li>builds on a regional competitive advantage, providing strong additionality.</li> </ul> </li> <li>SROs noted the applicant is requesting a grant totalling \$<sup>commercial Informat</sup> This has been reduced by \$<sup>commercial Informat</sup> by the PDU as these costs were for ongoing opex which should be met by the region.</li> </ul>

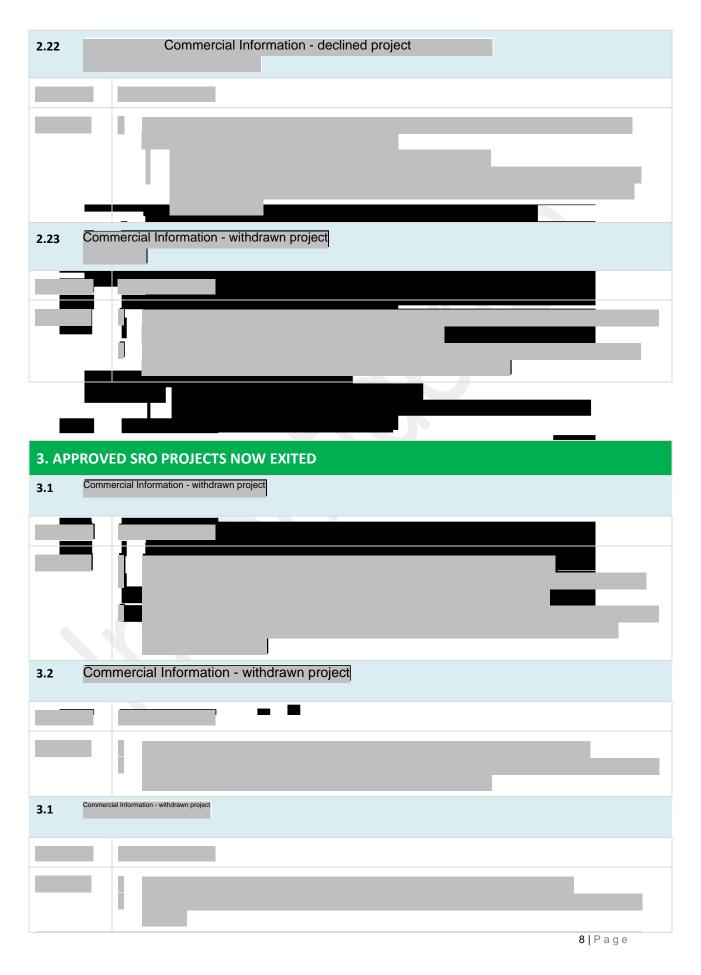


Toke	okerau Northland Economic Action Plan Portfolio Management – Second Year application, Tai rau/Northland ' Swallow & Dipankar Ganguly)
Reference #	SRO 31/07/2019/14
Discussion	<ul> <li>SROs approved EDA grant funding of \$200,000 from the PGF towards the Tai Tokerua Northland Economic Action Plan Portfolio Management – Second year application subject to the conditions on the PDU coversheet.</li> <li>The PGF has previously approved grant funding of \$200,000 to fund this initiative for the 2018- 19 year.</li> <li>SROs noted the applicant has applied for a further two years funding of \$400,000, on top of the</li> </ul>
	one year \$200,000 funding previously received for the 2018-19 year. EDA funding is restricted to a total of \$400,000 per region over two years.
2.14 Commer	Commercial Information - declined project
_	
2.15	Commercial Information - declined project
	whiti Cress – Acceleration of Business Expansion, Manawatū-Whanganui/Horowhenua Hough & Matt Chisnall)
Reference #	SRO 31/07/2019/17
Discussion	<ul> <li>SROs approved a grant of \$90,000 towards the Awawhiti Cress – Acceleration of Business Expansion proposal subject to the conditions on the PDU coversheet.</li> <li>The grant funding will provide the opportunity to accelerate expansion plans for the existing tunnel house to allow for profitable trading through the winter months, fund new business ventures and support an additional connectant full time staff and connect part time seasonal staff.</li> <li>The proposal is also aligned with regional priorities and has strong local governance support.</li> <li>SROs sought clarification that the applicant agrees with the change in the business process which has resulted in the second chiller being excluded. PDU confirmed the applicant undertook a new assessment and are happy with this change.</li> </ul>



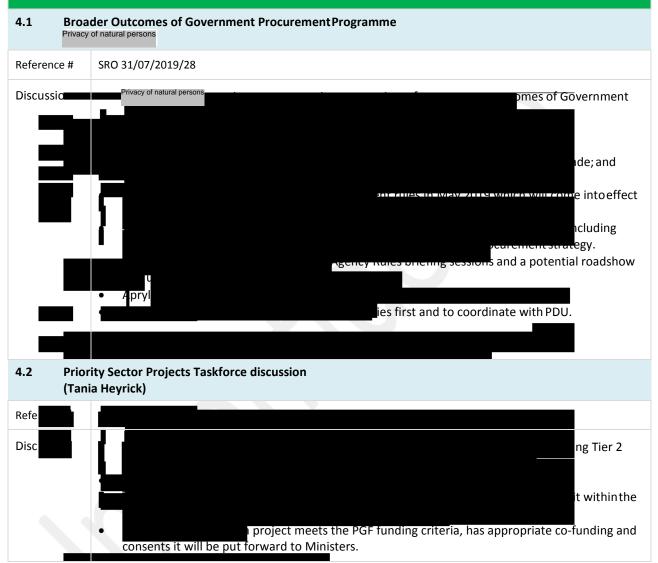
2.17 Commercial Information - declined project		
2.18	Commercial Information - declined project	
ľ		
2.19 Com	mercial Information - declined project	
	ogen Transmission Roadmap, Taranaki t Chisnall)	
Refe	RO	
Discussion	PGF towards the Hydrogen Transmission Roadmap Project subject to the conditions on the PDU coversheet. SROs noted this project potentially does not align with some of the investment principles in the "PGF Position paper on energy". However, the benefits below outweigh this: the project provides an opportunity to better understand the energy infrastructure needs for a zero carbon future, which is important for the region and nationally; there is a strong regional and national level support, including Just Transitions and MBIE energy markets; Hist eas will co-fund <sup>(11)</sup> % of the project; and there is a lignment with the regional strategy which involves a road map for advancement of a hydrogen based economy.	
	Filler Marketability Next Steps, Taranaki t Chisnall)	
Reference #	SRO 31/07/2019/22	
Discussion	<ul> <li>SROs approved a loan of \$300,000 from the PGF towards the Acos Filler Marketability Next Steps project subject to the conditions on the PDU coversheet.</li> <li>The project will create up to <sup>comm</sup> new jobs in the Taranaki region over the next <sup>Commercial Information</sup> and the applicant is contributing a further \$<sup>commercial Information</sup> towards the project.</li> </ul>	







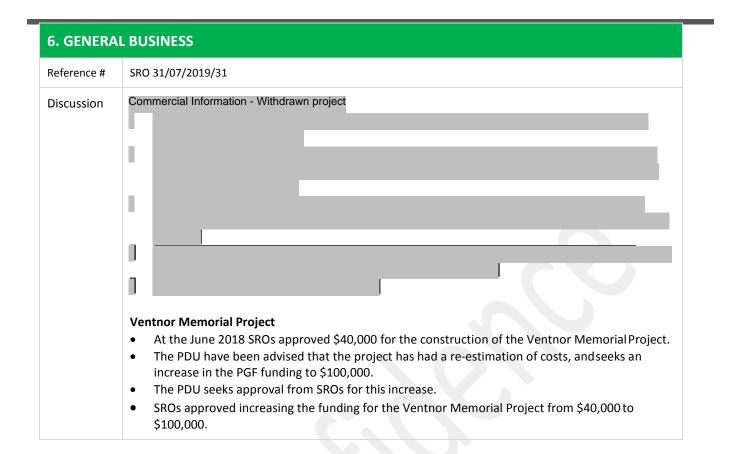
# 4. VERBAL UPDATES



# **5. NOTING AND DISCUSSION PAPERS**

5.1 PGF Portfolio Analysis	
Reference #	SRO 31/07/2019/30
Discussion	Papers were tabled as noted.





Meeting closed at 12:00pm