



COVERSHEET

Minister	Hon Stuart Nash	Portfolio	Economic Regional Development
Title of Cabinet paper	Enabling the Transfer of Three MBIE Skills and Employment Initiatives to MSD for July 2021	Date to be published	15 July 2021

List of documents that have been proactively released

Date	Title	Author
June 2021	Enabling the Transfer of Three MBIE Skills and Employment Initiatives to MSD for July 2021	Office of Minister for Economic Regional Development
2 June 2021	Enabling the Transfer of Three MBIE Skills and Employment Initiatives to MSD: SWC-21-MIN-0079	Cabinet Office

Information redacted

YES / NO (please select)

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Some information has been withheld to protect the confidentiality of advice tendered by ministers and officials, to protect the commercial position of the person who supplied the information, and to maintain the effective conduct of public affairs through the free and frank expression of opinions.



Cabinet Social Wellbeing Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Enabling the Transfer of Three MBIE Skills and Employment Initiatives to MSD

Portfolio **Social Development and Employment**

On 2 June 2021, the Cabinet Social Wellbeing Committee:

- 1 **noted** that on 7 December 2020, the Minister for Social Development and Employment agreed to transfer He Poutama Rangatahi (HPR), the Māori Trades and Training Fund (MTTF), and the Jobs and Skills Hubs, from the Ministry of Business, Innovation and Employment (MBIE) to the Ministry of Social Development (MSD);
- 2 **noted** that:
 - 2.1 the transfer of HPR, MTTF, and the Jobs and Skills Hubs from MBIE to MSD requires transfers of functions, funding, accountability, contracting arrangements, and personnel;
 - 2.2 these changes require formal authorisation in-line with the requirements of the Public Finance Act 1989;
- 3 **noted** that the provision of employment-related services is a clear fit with MSD's core functions and the three transitioning programmes will expand and are complementary to current offerings at MSD;
- 4 **noted** that the transition of the three programmes will consolidate service delivery, improve clarity for providers, employers and clients on how to access work readiness and employment supports and services, and will support the alignment of reporting requirements;
- 5 **noted** that HPR, MTTF and the Jobs and Skills Hubs will continue to be delivered with no change to their overall intent or function and the ^{C mme} positions administering these programmes will be invited to transfer to MSD from MBIE;
- 6 **agreed** to the transfer of the functions, funding and accountabilities of HPR, MTTF, and Jobs and Skills Hubs to MSD from 1 July 2021, in line with the decision in paragraph 1 above;
- 7 **noted** that in July 2020, SWC agreed that the MTTF fund would be administered by MBIE [SWC-20-MIN-0092];

- 8 **noted** that the Minister for Economic and Regional Development has an ongoing interest in HPR, where programmes receive Provincial Growth funding, and will be provided with regular progress and performance updates;
- 9 **noted** that MBIE, through the Provincial Development Unit regional teams, will have an interim role initially for up to six months to support the delivery of HPR and MTTF in the regions;
- 10 **noted** that an evaluation of HPR is due to be completed by Commercial Information, and provided to the Minister for Social Development and Employment, Minister for Economic and Regional Development, and any other relevant Ministers identified as part of the evaluation process;
- 11 **noted** that the Minister for Māori Crown Relations: Te Arawhiti will have an ongoing role in the approval of applications from the MTTF;
- 12 **noted** that Te Arawhiti will have an ongoing role to support MSD in the implementation of the MTTF by facilitating engagement with Māori entities, working with prospective applicants to develop appropriate proposals, and advising in the assessment of applications;
- 13 **agreed** to add the following categories to the multi-category appropriation “Improved Employment and Social Outcomes Support” in Vote Social Development:

Title	Type	Scope
He Poutama Rangatahi	Non-Departmental Output Expenses	This category is limited to supporting training and employment programmes for young people not in education, employment or training and at risk of poor labour market outcomes in the long-term
Māori Trades and Training Programmes	Non-Departmental Output Expenses	This category is limited to expenses incurred on programmes that support Māori through Trades and Training
Jobs and Skills Hubs	Departmental Output Expenses	This category is limited to expenses incurred in establishing, operating and administering jobs and skills hubs to work with employers to facilitate job brokerage and training

- 14 **noted** that Cabinet approval is required for any transfers into, or out of, the new categories created by paragraph 13 above in the Improved Employment and Social Outcomes Support MCA;

- 15 **approved** the following fiscally neutral changes to categories to provide for the transfer of programmes in paragraph 6 above, with no impact on the operating balance and/or net core Crown debt:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Vote Labour Market					
Minister of Employment					
Departmental Output Expenses:					
Employment – Employment Sector Analysis and Facilitation (funded by revenue Crown)	(6.750)	(6.750)	(6.750)	(6.750)	(6.750)
Employment – Administration of the He Poutama Rangatahi Programme (funded by revenue Crown)	(Commercial Info)	(Commercial Info)	(Commercial Info)	(Commercial Info)	(Commercial Info)
Employment – Administration of the Māori Trades and Training Fund (funded by revenue Crown)	(0.660)	-	-	-	-
Non-Departmental Other Expenses:					
Employment – He Poutama Rangatahi	(33.000)	(33.000)	(33.000)	(33.000)	(33.000)
Non-Departmental Output Expenses:					
Employment – Māori Trades and Training Programmes	(19.340)	-	-	-	-
Vote Social Development					
Minister for Social Development and Employment					
Departmental Output Expenses:					
Data, Analytics and Evidence Services (funded by revenue Crown)	0.500	0.500	0.500	0.500	0.500
Multi-Category Expenses and Capital Expenditure:					
Improved Employment and Social Outcomes Support (MCA)					

Departmental Output Expenses:					
Improving Employment Outcomes (funded by revenue Crown)	0.660	-	-	-	-
Improving Work Readiness Outcomes (funded by revenue Crown)	1.500	1.500	1.500	1.500	1.500
Jobs and Skills Hubs (funded by revenue Crown)	6.250	6.250	6.250	6.250	6.250
Non-Departmental Output Expenses:					
Employment – He Poutama Rangatahi	33.000	33.000	33.000	33.000	33.000
Employment – Māori Trades and Training Programmes	19.340	-	-	-	-
Total Operating	-	-	-	-	-

- 16 **agreed** to the transfer of cash and non-cash assets and liabilities from MBIE to MSD in relation to employee-related provisions and leasehold improvements;
- 17 **approved** the following changes to cash and non-cash capital injections and withdrawals to give effect to paragraph 16 above, with no impact on net core Crown debt:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Vote Labour Market					
Minister of Employment					
Departmental Output Expenses:					
Ministry of Business Innovation and Employment					
Capital injection – non cash	0.130	-	-	-	-
Capital withdrawal – cash	(0.130)	-	-	-	-
Capital withdrawal – non cash	(0.102)	-	-	-	-
Vote Social Development					
Minister for Social Development and Employment					
Ministry of Social Development					
Capital withdrawal – non cash	(0.130)	-	-	-	-
Capital injection – cash	0.130	-	-	-	-
Capital Injection – non cash	0.102	-	-	-	-
Total Capital	-	-	-	-	-

- 18 **agreed** that the changes to appropriations and departmental capital injections and capital withdrawals for 2021/22 in paragraphs 15 and 17 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 19 **noted** that further capital injections and withdrawals may be required between MBIE and MSD for specific assets and liabilities (including for employee-related provisions and leasehold improvements) as at 30 June 2021;
- 20 **authorised** the Minister of Finance and the responsible Ministers for the relevant departments to approve capital withdrawals and injections as described in paragraph 19 above;
- 21 **noted** that in the March Baseline Update 2021, the Minister of Finance approved an extension of the expiry date of the He Poutama Rangatahi tagged capital contingency of \$0.400 million until 30 June 2022;
- 22 **noted** that an in-principle expense transfer request has been made by MBIE for the funding associated with these programmes that has not been spent in FY21 to be carried forward to FY22, for up to \$54.100 million;
- 23 **authorised** the Minister of Finance and the Minister for Social Development and Employment to confirm any in-principle expense transfers as described in paragraph 22 above into the relevant successor appropriations in Vote Social Development for 2021/22 and/or outyears, once the audited 2020/21 year-end figures are available;
- 24 **authorised** the Minister of Finance and the relevant appropriation Minister to approve any changes to appropriations, including transfers across Votes as necessary of any unspent balances, following completion of the 2020/21 audited financial statements of MBIE, with no impact on the operating balance and/or net core Crown debt across the forecast period.
- 25 **noted** that MBIE and MSD will report back to the Minister for Social Development and Employment by Commercial Information regarding the programmes' integration at MSD.

Rachel Clarke
Committee Secretary

Present:

Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon Kris Faafoi
Hon Jan Tinetti
Hon Priyanca Radhakrishnan

Officials present from:

Officials Committee for SWC