



## BRIEFING

### Māori Trades and Training Fund: Initial expression of interest applications for review and approval

<b>Date:</b>	6 August 2020	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2021-0500

Action sought		
	Action sought	Deadline
Hon Willie Jackson <b>Minister of Employment</b>	<b>Agree</b> to the recommendations outlined in this briefing.	7 August 2020
Hon Kelvin Davis <b>Minister for Māori Crown Relations: Te Arawhiti</b>		

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Ben Dalton	Chief Operating Officer, Provincial Development Unit, MBIE	Privacy of natural persons	Privacy of natural persons	✓
Kelly Dunn	Deputy Chief Executive, Partnerships, Office for Māori Crown Relations - Te Arawhiti	Privacy of natural persons	Privacy of natural persons	

The following departments/agencies have been consulted
Ministry of Social Development, Te Puni Kōkiri, Tertiary Education Commission, Ministry of Education

**Minister's office to complete:**

- |   |  |
|---|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

**Comments**



## BRIEFING

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#### Purpose

To seek your approval to two initial expression of interest applications to the Māori Trades and Training Fund (MTTF), provide options on proceeding with a third application and outline the process to re-test the settings of the MTTF in line with Cabinet's authority to the Minister of Employment to make changes to the criteria of the Fund, where necessary.

#### Recommended action

The Ministry of Business, Innovation and Employment and Te Arawhiti recommend that you:

- a **Note** that \$50 million over two years was allocated to establish a Māori Apprenticeships Fund as part of the COVID-19 Response and Recovery Fund (CRRF) Foundational Package in Budget 2020  
*Noted*
- b **Note** that on 6 July 2020, Cabinet agreed to rename the Fund the Māori Trades and Training Fund and approved the policy objectives and criteria for the Fund  
*Noted*
- c **Note** that an invitation for expressions of interest to the Māori Trades and Training Fund was announced on 9 July 2020  
*Noted*
- d **Note** that the Provincial Development Unit within MBIE has assessed three initial applications that are ready to get underway by the beginning of August 2020, against the objectives and criteria for the Fund, with involvement from Te Arawhiti and other government agencies that deliver apprenticeship and employment support services  
*Noted*
- e **Note** that the Minister of Employment and Minister for Māori Crown Relations are jointly responsible for approving applications to the Māori Trades and Training Fund  
*Noted*

#### Takitimu Tuanui

- f **Note** that MBIE and Te Arawhiti Free and frank opinions [REDACTED], and would prefer the approval of a scaled option, to be reviewed after the first year of the project

**EITHER**

- g **Commercial Information**
- a. due diligence being completed to the satisfaction of the Ministry of Business, Innovation and Employment (MBIE)
- b. the appointment of an oversight advisor to ensure the project is delivered within the intent of the funding approved
- c. confirmation by MBIE of the pipeline of work and support from regional training providers

*Approved/Not Approved***OR**

- h **Approve** the MBIE and Te Arawhiti-preferred scaled-down option of grant funding of \$2.025 million over two years to support **Comme** apprentices from the Māori Trades and Training Fund towards the Takitimu Tuanui project, subject to the same conditions as those outlined in recommendation g, and with the option to reassess the initiative at a later date to fund the original proposed number of apprentices if suitable
- i **Note** the applicant requested funding for \$**Commercial Information**. The total funding amount was reduced to ensure that it aligned with wage subsidy amounts approved in the Apprenticeship Support Programme as recommended by the Employment, Education and Training Secretariat

*Approved/Not Approved**Noted***Ngā Kaimahi Kainga o Toa Rangatira**

- j **Note** that MBIE and Te Arawhiti **Free and frank opinions**, and would prefer the approval of a scaled option, to be reviewed after the first year of the project

**EITHER**

- k **Commercial Information**,  
subject to due diligence being completed to the satisfaction of MBIE

*Approved/Not Approved***OR**

- l **Approve** the MBIE and Te Arawhiti-preferred scaled-down option of grant funding of \$2.750 million over two years to support **Comme** apprentices from the Māori Trades and Training Fund towards the Ngā Kaimahi Kainga o Toa Rangatira project, subject to the same conditions as those outlined in recommendation k, and with the option to reassess the initiative at a later date to fund the original proposed number of apprentices if suitable
- m **Note** the applicant requested funding for \$**Commercial Information**. The total funding amount was reduced slightly to ensure that it aligned with wage subsidy amounts approved in the Apprenticeship Support Programme as recommended by the Employment, Education and Training Secretariat

*Approved/Not Approved*

Note

**Māori Internships Sapphire Consultants**

- n **Note** that concerns raised by agencies during consultation on applications, that the application carries risks around:
  - a. Overlap with related Ministry of Social Development employment supports, namely Mana in Mahi
  - b. The ability of the applicant to scale up its activities, moving from currently employing [Commercial] personnel to over [Commercial] over the funding timeframe for the initiative and the risks this presents to the ability of Sapphire Consultants to recruit interns, partner with employers and effectively discharge their obligations as an employer

Noted

- o **Note** Free and frank opinions [Redacted]  
[Redacted]  
[Redacted] :

- a. approving a scaled-down the proposal to fund [Commercial] interns instead of the [Commercial] proposed in the application
- b. the Provincial Development Unit reviewing Sapphire Consultants' progress in attracting and retaining interns after the initiative has been underway for [Commercial Information]
- c. including contract provisions to ensure coordination between the applicant and MSD employment services, where an intern is a MSD client

Noted

**EITHER**

- p **Commercial Information** [Redacted]  
[Redacted]  
[Redacted]

Approved/Not approved

**OR**

- q **Approve** a scaled-down proposal for grant funding of \$990,000 for [Commercial] interns over [Commercial Information] from the Māori Trades and Training Fund towards the Māori Internship project, subject to due diligence being completed to the satisfaction of MBIE

Approved/Not approved

**OR**

- r **Commercial Information** [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

Agree/Disagree

**Next steps**

- s **Note** that in light of higher than anticipated interest in the Fund and in line with Cabinet authorisation to the Minister of Employment to make decisions on the criteria and approach of the Fund, MBIE and Te Arawhiti plan to carry out a re-test of these settings, and report back to responsible Ministers in the incoming Government from with mid-September 2020 with any recommendations for decision.

*Noted*

Ben Dalton  
**Chief Operating Officer**  
Provincial Development Unit, MBIE

..... / ..... / .....

Hon Willie Jackson  
**Minister of Employment**

..... / ..... / .....

Kelly Dunn  
**Deputy Chief Executive**  
Partnerships, Office for Māori Crown  
Relations Te Arawhiti

..... / ..... / .....

Hon Kelvin Davis  
**Minister for Māori Crown Relations: Te  
Arawhiti**

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## Background

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1. As part of the CRRF Foundational Package in Budget 20, \$50m over two years was allocated for a Māori Apprenticeships Fund. On 6 July 2020, Cabinet agreed to the policy settings for the Fund, including its objectives and assessment criteria, and to rename the initiative the Māori Trades and Training Fund (MTTF) to reflect its purpose to support:
  - a. taking a partnership approach with Māori entities to support initiatives developed by Māori, for Māori
  - b. paid work-experience and other non-formal employment focused training opportunities, as well as support for formal apprenticeships
  - c. providing wraparound support services such as pastoral care to address the barriers to Māori uptake of employment-focused training opportunities
  - d. group-based approaches that would involve Māori entities employing trainees and playing a coordination function with one or more employers.
2. The Cabinet paper noted that there had already been strong interest from over one dozen Māori entities in applying for funding. It also noted that there was an urgent need to provide support to initiatives that can get underway quickly to mitigate the economic impacts of COVID-19.
3. To support these projects, Cabinet agreed to indicative criteria for the Fund to support initial applications, and authorised the Minister of Employment to make changes to these criteria if a later re-test of these settings proved it necessary to do so.
4. The MTTF opened to expression of interest (EOI) applications on 9 July 2020. Applications are being managed and assessed by the Te Ara Mahi team in the MBIE Provincial Development Unit (PDU) and Te Arawhiti.
5. In line with Cabinet decisions, the assessment process also involves consultation with the Ministry of Social Development, Ministry of Education, Tertiary Education Commission and Te Puni Kōkiri to ensure alignment with related initiatives across government, such as Mana in Mahi and the Apprenticeship Boost.

## There are three initial applications for your approval

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6. There are three initial expression of interest applications to the MTTF that we consider meet the objectives and criteria of the Fund, and are in a position to get underway immediately. A table setting out further details about these applications are attached as **Annex One**, and the applications are summarised below:
  - a. **Takitimu Tuanui (\$2.025m - \$<sup>Commercial Information</sup>)**: This proposal is intended to support Ngāti Kahungunu's housing vision for its iwi. The aim of Takitimu Tuanui is to raise the income and living standards of Māori in the Kahungunu rohe through upskilling Māori in building trades, supporting Māori business development and building warm, dry homes for Kahungunu whanau using traditional and innovative building system. Funding is sought to support:
    - i. Business mentoring for up to <sup>Comme</sup> candidates
    - ii. Pastoral care support
    - iii. Wage costs for <sup>Comme</sup> apprenticeship positions over <sup>Commercial Information</sup>
    - iv. Other operating costs to support the programme.

- b. **Ngā Kaimahi Kainga o Toa Rangatira (\$2.750m - \$<sup>Commercial Information</sup>m):** This proposal is to establish a community connection business to facilitate and connect trades training, sustainable employment and pastoral care in a supportive environment. Funding is sought for wage subsidies for up to <sup>Comme</sup> apprentice positions to work on Eastern Porirua Regeneration Project, of which Te Rūnanga o Toa Rangatira is a build partner with <sup>Commercial Information</sup>. Funding is also sought for:
- i. A business mentoring programme for up to <sup>Commerci</sup> of the <sup>Comme</sup> apprentices
  - ii. Operating costs
  - iii. Facilitator, coordinator and pastoral care positions.
- c. **Māori Internship Sapphire Consultants (\$990,000 - \$<sup>Commercial</sup>m):** A skills and employment initiative intended to assist Māori jobseekers to achieve long-term sustainable employment outcomes, while also fostering ongoing development into higher value and leadership roles. The initiative would operate similar to a Group Training Scheme, employing <sup>Comme</sup> Māori interns over <sup>Comme</sup> months to undertake pre-employment and on-the-job-training. At least <sup>Comme</sup> interns would be specifically placed into the trades, civil or heavy trade sectors and connected to formal apprenticeships or training pathways to become heavy trade drivers and operators. The initiative also includes intensive pastoral care support for interns over the <sup>Commercial Information</sup> and mentoring for employer partners.
7. In our recommendations, we have taken into account the need to be mindful of the potential for duplication or overlap across related government supports, such as Mana in Mahi and the Apprenticeship Boost scheme. To ensure alignment with these supports, we have recommended aligning the funding of the apprentice wage components sought from the Takitimu Tuanui and Ngā Kaimahi Kainga o Toa Rangatira applicants to match comparable support from other initiatives.
8. We have also consulted with, and forwarded applications to, the Ministry of Social Development (MSD), Ministry of Education, Tertiary Education Commission and Te Puni Kōkiri on the applications.
9. MBIE and Te Arawhiti have worked closely with applicants to develop their proposals to ensure alignment with the objectives and criteria of the Fund, and both agencies recommend Ministers approve the applications from Takitimu Tuanui and Ngā Kaimahi Kainga o Toa Rangatira. A list of key risks and mitigations for each initiative is attached as **Annex Two. - Withheld - commercially sensitive**
- Advice on Takitimu Tuanui and Ngā Kaimahi Kainga o Toa Rangatira**

Confidential advice to Government

11. Our preferred option would be for both applications to be scaled back to initially support <sup>Comme</sup> apprentices each. This would mitigate the risks around the capacity and capability of the applicants to support the number of apprentices proposed by the applicants. This approach could be reviewed after the first year of each project and scaled up to support more apprentices, if appropriate. For Takitimu Tuanui, we recommend that any approval for

funding from the MTTF is subject to confirmation of the pipeline of work to support the project and support from regional training providers.

### Advice on Māori Internship Sapphire Consultants

12. In our consultation with agencies on the proposal for Māori Internships Sapphire Consultants, concerns were raised about the proposed initiative, including that:
  - a. Sapphire Consultants currently has a small number of staff, their ability to scale to directly employ up to [redacted] interns is untested and this makes the entity's ability to effectively discharge its legal obligations as an employer uncertain. Under the proposal, Sapphire Consultants would be the legal employer of the interns, which would be supported by the organisation to work at a third-party site
  - b. Sapphire Consultants' ability to secure [redacted] job opportunities to place interns was not demonstrated
  - c. the proposal replicates support offered through the Mana in Mahi scheme, including the provision of a wage subsidy, pastoral care and contributions to associated costs (such as tools and obtaining a drivers' licence)
  - d. the proposal was targeted to similar sectors as those through Mana in Mahi, and at the same qualification levels. The proposal would primarily support interns to obtain level 3 qualifications, while Mana in Mahi offers support for level 2 qualifications and up.
13. We have recommended that any approval of this proposal is subject to due diligence checks by MBIE that the applicant is able to effectively act as an employer. Additionally, MBIE can monitor the implementation of the proposal as the applicant begins to scale to take on interns over time. It is not expected that the applicant will employ its full funding complement of interns in the immediate term. We expect that this will provide some mitigation to the organisational risk raised.
14. We consider that the services offered by Sapphire could be provided directly to the relevant population group by MSD through its general employment services and initiatives such as Mana in Mahi. MSD provision of these services would not run the same risks around the ability of the applicant to scale its activities and discharge its employer obligations.
15. Alternatively, this application could be deferred to allow for further consideration of how agencies could support this proposal as a partnership model and mitigate any risk to Sapphire Consultants around direct employment of the interns. This approach could increase attraction of employing interns for employers as Mana in Mahi provides a higher rate of wage subsidy to the employer. MSD supports the intensive development and mentoring programme that Sapphire Consultants can provide which we believe will enhance retention of the employment placements
16. However on balance, MBIE and Te Arawhiti consider that there are key differences that suggest there is merit in facilitating the proposal put forward by Sapphire Consultants. The proposal is based around community provision and delivery of support, intensive one-on-one pastoral care, which has been proven to be a successful approach to engaging vulnerable groups in the labour market. While this might create some duplication, it could facilitate significantly improved outcomes for Māori in those communities and provide a further point of access to meet the large expected increase in demand for employment services due to the economic impacts of COVID-19.
17. As a further mitigation, the PDU would seek to include a contract provision to ensure there is coordination between Sapphire Consultants and MSD employment services, where an intern is a MSD client.
18. We consider that Ministers could choose to:



- a. Commercial Information [REDACTED]
  - b. Approve the application for a reduced funding amount of an estimated \$990,000 to support the placement of [REDACTED] interns, to mitigate the scaling risks, or
  - c. Commercial Information [REDACTED]
19. We note that, if approved, this application should not set a precedent for future applications, and we will work to ensure that any duplication between proposals received under the MTTF and other services already offered by the Crown are minimised.

## Next steps

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### *Approval and announcement*

20. If you approve these initiatives, the PDU will begin the process of disbursing funding to the applicants.
21. Officials will work with your Offices to support an announcement in early August 2020 at one of the approved projects, if desired.

### *Re-test of Fund criteria and approach*

22. When agreeing to the policy settings for the MTTF, Cabinet also approved the Minister of Employment to make adjustments to the criteria of the Fund at a later date, if necessary. This was in recognition that there was an urgent need to establish the Fund quickly to support labour market outcomes for Māori in the face of the challenges brought about by COVID-19.
23. To date, the PDU has received ten expression of interest applications via its regional coordinators, Te Arawhiti and other channels, and is aware of significant additional interest in the Fund in excess of initial anticipated demand. There is a risk that the current approach to assessing applications and disbursing the funds could lead to the Fund being oversubscribed. We consider that it is prudent to re-examine the initial settings of the Fund to inform the approach to subsequent applications, to ensure that the applications supported by the Fund best meet its objectives to provide tailored employment-focused training opportunities for Māori.
24. MBIE and Te Arawhiti are planning to re-test the criteria, assessment approach and other settings of the Fund in August 2020. This will involve engagement with other agencies responsible for similar training and employment initiatives targeted to Māori to develop a deeper understanding of where initiatives are at risk of overlap, and possible mitigations.
25. We will report back to responsible Ministers in the incoming Government from mid-September with any recommendations on changes to the Fund for decision.

### *Future applications*

26. We will provide further applications for your approval on a rolling basis going forward. We will continue to monitor the assessment process for the MTTF to ensure it remains fit for purpose.

## Annexes

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Annex One: Projects seeking decision for funding from the Māori Trades and Training Fund

Annex Two: Key Risks and Mitigations for Māori Trades and Training Fund initiatives - **Withheld - Commercially sensitive**

**Annex One: Projects seeking decision for funding from the Māori Trades and Training Fund**

Ref	Project details	Project description	PDU and Te Arawhiti comment
1.	<p><b>Project name:</b> Takitimu Tuanui</p> <p><b>Applicant:</b> Kahungunu Asset Holding Company (on behalf of K3 (GP) Limited, which was established on 3 July 2020)</p> <p><b>Background:</b> K3 (GP) Limited (K3) has recently been established to administer the build programme. K3 is a property development company fully owned by Kahungunu Asset Holding Company Limited (the commercial arm of Ngāti Kahungunu Iwi Incorporated).</p> <p><b>Region:</b> Hawke's Bay</p> <p><b>Funding type:</b> Māori Trades and Training Fund</p> <p><b>Estimated total project cost:</b> \$<sup>Commercial Information</sup> over <sup>Commercial Information</sup></p> <p><b>Amount of funding sought from the MTTF:</b> \$<sup>Commercial Information</sup> over <sup>Commercial Information</sup></p> <p><b>Amount recommended for funding sought from the MTTF:</b> \$<sup>Commercial Information</sup> over three years</p> <p><b>Financial instrument requested:</b> Grant</p> <p><b>PDU and Te Arawhiti recommendation:</b> Either:</p> <p>a. <sup>Commercial Information</sup></p> <p>b. Approve the scaled-down option to support <sup>Commercial Information</sup> apprentices, with the option to reassess the initiative at a later date to</p>	<p>The proposal, Takitimu Tuanui, is Ngāti Kahungunu's housing vision for its iwi. The aim of Takitimu Tuanui is to raise the income and living standards of Māori in the Kahungunu rohe. This will be achieved through upskilling in building trades, supporting Māori trade business development and building warm, dry houses for Kahungunu whānau, using both traditional and innovative building systems.</p> <p>There is high demand for skilled tradespeople within the Hawke's Bay region with significant housing developments planned and underway. These skills will be in demand over a long period of time. However, lack of access to skills for employers has now been exacerbated by the lack of access to skilled migrant workers as a result of border closures, but this also opens up a unique opportunity for local Māori and communities.</p> <p>Takitimu Tuanui will focus on:</p> <ul style="list-style-type: none"> <li><b>Earning while you learn:</b> K3 will facilitate and act as a conduit for participants to access sustainable employment opportunities through a range of employers. Apprentices will receive innovative training models from K3 that complement their employment.</li> <li><b>Building affordable homes:</b> construction work will be at the heart of the model. The mission is to provide a training model that supports the process of building quality, desirable and affordable homes for whānau.</li> <li><b>Growing new Māori business:</b> using new small business ownership training and development, the K3 model will produce new Māori businesses, and an opportunity to stimulate the Māori economy through trades.</li> </ul> <p>Takitimu Tuanui aims to support up to <sup>Commercial Information</sup> apprentices over <sup>Commercial Information</sup>, and provide at least the living wage to employees. Up to <sup>Commercial Information</sup> apprentices will also be provided with business mentoring to support ongoing development of Māori business in the trade sector, creating ongoing sustainability and building Māori capability. The target group will include people who have been impacted by COVID-19 and are suitable to be redeployed, those who have completed pre-trades training, or candidates who show an interest in a career within the trades. There will be a specific focus on rangatahi and Māori.</p> <p>MTTF funding will be \$<sup>Commercial Information</sup> per person over the period of the contract. MTTF funding will be used to support:</p> <ul style="list-style-type: none"> <li>business mentoring for up to <sup>Commercial Information</sup> candidates</li> <li>pastoral care support - <sup>Commercial Information</sup> x FTE in the first year with the addition of <sup>Commercial Information</sup> FTE in the second year</li> <li>operating costs to support the programme: IT, vehicle lease, office lease, administration of the programme and technology such as laptops and cell-phones</li> <li>wage subsidies direct to the employer – and attached to the apprentice (whereby if an apprentice moves to another employer – the wage subsidy will go with them). Note that the apprentice will not be employed by K3.</li> </ul> <p>K3 aims to build <sup>Commercial Information</sup> homes per year and there is strong support from Māori landholders who are looking to develop some of their land in the near future. K3 is currently in discussions with housing developments such as Waingakau Housing Development Limited and other build partners in the region who are willing to take on apprentices, including <sup>Commercial Information</sup>. Takitimu Tuanui meets with <sup>Commercial Information</sup> every three weeks for advice and monitoring.</p>	<p>The PDU and Te Arawhiti <b>recommend you approve grant funding of \$2,025,000 over three years</b> from the Māori Trades and Training Fund (MTTF) towards the Takitimu Tuanui project, subject to the completion of a due diligence review to the satisfaction of MBIE and confirmation of the pipeline of work to support the initiative, and support from regional training providers.</p> <p>As this is the first initiative of its type from this applicant, our preferred option is for a scaled-down proposal that would mitigate the risks to the capacity and capability of the applicant to support the number of apprentices signalled in its original application. This would include the option to reassess the initiative at a later date to fund the original proposed number of apprentices, if suitable.</p> <p>The project aligns with MTTF criteria, providing greater provision to the business and employer to upskill Māori by providing:</p> <ul style="list-style-type: none"> <li>operating costs to support the programme: IT, vehicle lease, office lease, administration of the programme and technology such as laptops and cell-phones</li> <li>business mentoring and leadership support specific to the industry</li> <li>a wage subsidy direct to the employer</li> <li>in house pastoral care for the apprentices over the period of their apprenticeship.</li> </ul> <p>This funding provides a package of support for an iwi-led employment and training programme through partnering between Māori and the Crown that empower solutions by Māori, for Māori. Other funds were not able to provide a package of support in the way that the iwi wanted this programme to operate. For example, the design of Mana in Mahi does not allow for business operating costs and pastoral care is provided by an MSD provider rather than in-house.</p> <p>Takitimu Tuanui will focus on housing provision, Māori trades and business development, and building innovation. It will be supported by a backbone of pastoral support and workforce coordination in order to directly support Māori apprentices, and manage relationships with the build partners and training providers in the region.</p> <p>The PDU and Te Arawhiti are supportive of the programme as it provides:</p> <ul style="list-style-type: none"> <li>a targeted iwi-led approach to lifting the income levels and standard of living for Māori in the Kahungunu rohe</li> <li>a workforce pipeline in an industry that will have high demand for labour over the next 10 years</li> <li>a specific focus on assisting rangatahi and Māori into sustainable employment and careers, particularly those from vulnerable communities</li> <li>assistance to those who have been impacted by COVID-19 to be redeployed</li> <li>collaboration with the tertiary sector and assists those who have completed pre-trades training into employment within their trades, thereby providing a pathway for trainees.</li> </ul> <p>This programme has already engaged an Industry Advisory Group (IAG) made up of Māori tradespeople working across a variety of trades (building, electrical, plumbing) and this group will help guide the delivery of the programme. The IAG is fully supportive of the initiative and willing to provide access to, or their expertise, to ensure the project is a success. This model has also been informed by discussions with <sup>Commercial Information</sup></p> <p><b>The PDU and Te Arawhiti recommend appointing an oversight advisor to ensure the project is delivered within the intent of the funding approved.</b></p> <p><sup>Commercial Information</sup></p> <p><sup>Commercial Information</sup>:</p> <ul style="list-style-type: none"> <li>meet the cost of a development manager to support K3 for its first year</li> <li>provide the land at no cost and make progress payments for K3 to build <sup>Commercial Information</sup> social houses that <sup>Commercial Information</sup> will purchase upon completion</li> <li>provide the land for K3 to build <sup>Commercial Information</sup> affordable houses with the cost payable only on sale and with a guarantee that if they do not sell – <sup>Commercial Information</sup> will use them for affordable housing and put in place an ownership plan for tenants</li> <li>provide ongoing support, expertise and advice for the project, as well as access to its own procurement team, strategy and development team, urban designers and project managers to assist if/when required.</li> </ul> <p>The proposal is supported by: the Eastern Institute of Technology, Hastings and Napier district councils, the Ministry of Social Development, the Ministry of Housing and Urban Development and Waingakau Housing Development Limited.</p>

Ref	Project details	Project description	PDU and Te Arawhiti comment
	<p>fund the original proposed number of apprentices, if suitable (\$2,025,000) (MBIE and Te Arawhiti preferred option)</p>		
2.	<p><b>Project name:</b> Ngā Kaimahi Kainga o Toa Rangatira – Māori Trades Training Fund Request</p> <p><b>Applicant:</b> Te Rūnanga o Toa Rangatira Incorporated.</p> <p><b>Region:</b> Wellington originally and then to other areas which are part of Ngāti Toa's rohe (e.g. Marlborough, Tasman, Nelson)</p> <p><b>Funding type:</b> Māori Trades and Training Fund (MTTF)</p> <p><b>Estimated total project cost:</b> \$<sup>Commercial Information</sup></p> <p><b>Amount of funding sought from the MTTF:</b> \$<sup>Commercial Information</sup> over three years</p> <p><b>Amount recommended for funding sought from the MTTF:</b> \$2,750,000 over three years</p> <p><b>Financial instrument requested:</b> Grant</p> <p><b>PDU and Te Arawhiti recommendation:</b> Either:</p> <p>c. <sup>Commercial Information</sup></p> <p>d. Approve the scaled-down option to support <sup>Comm</sup> apprentices, with the option to reassess the initiative at a later date to fund the original proposed number of apprentices, if suitable (\$2,750,000)</p>	<p>Ngā Kaimahi Kainga o Toa Rangatira is a group employment skills and development initiative by Te Rūnanga o Toa Rangatira Incorporated. The key driver of this initiative is to support Ngāti Toa Rangatira people to develop industry relevant skills and to connect those skills through a pipeline of opportunities that provide sustainable employment in the Ngāti Toa Rohe (tribal area). The initial focus of the project is on building and housing related trades; however, in time it will be broadened to include other areas, such as healthcare services. This builds on Ngāti Toa Rangatira's strategic aspirations of providing sustainable and affordable housing whilst also building and growing their iwi through innovative and relevant development opportunities.</p> <p>Trades and apprenticeship qualifications are strongly associated with better employment and wage outcomes over their life course. Trades and apprenticeships offer an opportunity for both youth and/or those displaced from employment because of the recent pandemic.</p> <p>To operationalise this, Te Rūnanga o Toa Rangatira is establishing a community connection business which will facilitate and connect trades training, sustainable employment and pastoral care all within a supportive environment. The proposal supports the development of their own people to build skills which will then contribute to housing development. As a strategic partner within the Eastern Porirua Regeneration Project (EPRP) Te Rūnanga o Toa Rangatira has negotiated <sup>Comm</sup> houses per annum for <sup>Commercial Information</sup> as part of a build agreement. <sup>Commercial Information</sup></p> <p><sup>Commercial Information</sup>. Te Rūnanga o Toa Rangatira is therefore well placed to not just build houses but to build the capacity of local people through skills development and link to significant employment opportunities.</p> <p>Te Rūnanga o Toa Rangatira will focus on:</p> <ul style="list-style-type: none"> <li><b>Trade Related Careers:</b> employing <sup>Comm</sup> Māori apprentice participants. Apprentices will receive the support to complete training required from people who have recent ITO experience as well as being trade qualified.</li> <li><b>Building State Houses:</b> the Porirua regeneration work is the backbone of this project. The strategic aspirations are to provide employment that supports the process of building quality, desirable and affordable homes for whānau.</li> <li><b>Business Mentoring:</b> support for business partners to ensure they have what they need to succeed. This will include regular meetings, financial support for the development of apprenticeships, support to develop strategic and business plans and mentoring by experienced business leaders.</li> </ul> <p>Up to <sup>Comm</sup> apprentices will be provided with business mentoring to support ongoing development of Māori business in the trade sector. The target group will specifically focus on rangatahi and Māori. It will include people who have been impacted by COVID-19 and are suitable to be redeployed, those who have completed pre-trades training, or candidates who show an interest in a career within the trades.</p> <p>MTTF funding will be approximately \$<sup>Commercial Information</sup> per person over the period of the contract. MTTF funding will be used to support:</p> <ul style="list-style-type: none"> <li><sup>Comm</sup> FTE's – <sup>Commercial Information</sup></li> </ul>	<p>The PDU and Te Arawhiti <b>recommend you approve grant funding of \$2,750,000 over three years</b> from MTTF towards the Ngā Kaimahi Kainga o Toa Rangatira project, subject to the completion of a due diligence review to the satisfaction of the MBIE.</p> <p>As this is the first initiative of its type from this applicant, our preferred option is for a scaled-down proposal that would mitigate the risks to the capacity and capability of the applicant to support the number of apprentices signalled in its original application. This would include the option to reassess the initiative at a later date to fund the original proposed number of apprentices, if suitable.</p> <p>The project directly aligns with the Māori Trade and Training Fund criteria by:</p> <ul style="list-style-type: none"> <li>being led by Māori, for Māori</li> <li>providing construction trades skills that will be in demand over time</li> <li>providing meaningful opportunities to support people into sustainable employment to help fulfil their needs, goals and contribute to their overall wellbeing</li> <li>promoting upskilling and employment in a vulnerable community, and supporting people to access training opportunities</li> <li>providing a pathway to employment and further career development through business mentoring and leadership support specific to the industry.</li> </ul> <p>Te Rūnanga o Toa Rangatira will focus on supporting Māori into trades and local business development. The programme will be supported by intense training and pastoral support for apprentices, so they have the best opportunity to complete their trade and become qualified.</p> <p>The PDU and Te Arawhiti is supportive of the programme as it provides:</p> <ul style="list-style-type: none"> <li>25 years of guaranteed builds and housing renovations through iwi in an industry that will have a high demand for a qualified workforce</li> <li>a career pathway for local people who face high levels of unemployment and deprivation</li> <li>collaboration with the tertiary sector and assistance to those who have completed pre-trades training into employment within their trades</li> <li>a specific focus on assisting Māori into employment and careers</li> <li>employment opportunities that support the provision of safe, warm, dry and affordable housing; and</li> <li>a targeted approach to lifting the income levels and standards of living for Māori.</li> </ul> <p>The project team has extensive experience to be able to deliver a successful project. Team members are as follows:</p> <ul style="list-style-type: none"> <li>Rawiri Faulker <sup>Privacy of natural persons</sup></li> <li><sup>Privacy of natural persons</sup></li> <li><sup>Privacy of natural persons</sup></li> <li><sup>Privacy of natural persons</sup></li> <li><sup>Privacy of natural persons</sup></li> </ul> <p>Wider agency feedback (TPK, TEC) supports the project, and a letter of support was provided by MOE with the application. MSD was generally supportive of the application but did want some questions answered. These related to, for example:</p> <ul style="list-style-type: none"> <li>the programme being extended to areas outside of Wellington to allow rohe members in the Upper South Island to be able to access the programme</li> <li>Te Rūnanga o Toa Rangatira i.e. Ngāti Toa being the employer - as a Group Training Employer</li> <li>confirmation of job opportunities – these will be through the Eastern Porirua Regeneration Project as well as relationships with a range of existing businesses that are willing to begin taking on apprentices</li> </ul> <p>The PDU and Te Arawhiti are satisfied that the questions have been responded to appropriately.</p>

Ref	Project details	Project description	PDU and Te Arawhiti comment
	(MBIE and Te Arawhiti preferred option)	<p>Commercial Information</p> <ul style="list-style-type: none"> <li>operating costs to support the programme: IT, vehicle lease, office lease, programme administration and technology such as laptops and cell-phones.</li> <li>business mentoring, and</li> <li>wage subsidies.</li> </ul>	<p>MSD also recommended that the applicant apply for funding through Mana in Mahi. <b>The PDU and Te Arawhiti considers that the MTTF would be more suitable for this particular programme as it is a community based and supported programme which are proven to be effective.</b> Commercial Information</p>
3	<p><b>Project name:</b> Māori Internships</p> <p><b>Applicant:</b> Sapphire Consultants Ltd</p> <p><b>Region:</b> Greater Wellington (Hutt Valley)</p> <p><b>Funding type:</b> Māori Trades and Training Fund</p> <p><b>Estimated total project cost:</b> \$Commercial Information over two years</p> <p><b>Amount recommended for funding sought from the MTTF:</b> See options below</p> <p><b>Amount of funding sought from the MTTF:</b> \$Commercial Information over Commercial Information</p> <p><b>Financial instrument requested:</b> Grant</p> <p><b>PDU and Te Arawhiti recommendation:</b> Either:</p> <p>a. Commercial Information</p> <p>b. approve a reduced amount to support interns at an estimated \$990,000, or</p> <p>c. Commercial Information</p>	<p>COVID-19 has had a significant impact on many key areas of the New Zealand economy, leaving many people displaced from work and others with fewer opportunities to enter the workforce. In these difficult times, unemployment is a massive barrier to positive wellbeing, and one that is disproportionately felt by Māori, and rangatahi in particular.</p> <p>In response to this, "Māori Internships" is a skills and employment group training initiative by Sapphire Consultants Ltd. The initiative aims to assist Māori jobseekers to achieve long term sustainable employment while also fostering ongoing development into higher value and leadership roles. <b>This project has a specific focus on rangatahi Māori, but will also target other vulnerable Māori groups, including unemployed, sole-parents and those that have been displaced by the COVID-19 pandemic and need to retrain for new industries, primarily in the Hutt Valley area.</b> Key industries that will be targeted include <b>civil construction and truck driving, security, office administration and contact centres, which all have opportunities for long-term career progression.</b></p> <p>With extensive experience as a provider of training and employment solutions in the Greater Wellington region, Sapphire Consultants Ltd. has delivered successful projects with an "employment outcome focus" since 2000. Sapphire has connections with other training providers and employers, to meet all training needs, as well as a pipeline of potential candidates through community organisations, secondary schools, and government service agencies.</p> <p>Sapphire Consultants Ltd. will focus on:</p> <ul style="list-style-type: none"> <li><b>Sustainable employment: paid training and employment for Māori interns</b>, with employment staggered over 24 months. Interns will receive support through completion of pre-employment and on-the-job training that is tailored to their needs within their new industry. Targeted industries will be construction, infrastructure, heavy transport, office administration and security. <b>At least interns will be placed into the trades and/or civil/heavy trades sectors specifically</b>, and connected to apprenticeships, or working through the heavy trades process to become HT Operators and Drivers. <b>Sapphire will be the employer for interns over the duration of the project</b>, ensuring a minimum wage of \$Comm/hour is paid to participants.</li> <li><b>Ongoing pastoral care:</b> each intern will receive <b>personal support from a mentor for Commercial Information from the time they are employed.</b> This support will be tailored to individual needs, and could also involve their immediate family members or other support people. Sapphire has team members with psychology qualifications who can share this level of expertise with participants as required.</li> <li><b>Employer mentoring:</b> support for business partners, where needed, to ensure they develop a better understanding of Māori learning and working traits and styles. Mentors will work alongside employers and employees, helping facilitate any training and support required to ensure the interns remain in employment.</li> </ul>	<p>Sapphire Consultants is seeking grant funding of \$Commercial Information over Commercial Information from the Māori Trades and Training Fund towards the Māori Internship project, subject to:</p> <ul style="list-style-type: none"> <li>due diligence being completed to the satisfaction of MBIE and</li> <li>confirmation of support from local stakeholders and relevant government agencies.</li> </ul> <p><b>The PDU and Te Arawhiti recommend options are provided to Ministers to either:</b></p> <p>a. Commercial Information</p> <p>b. approve a reduced amount to support interns at an estimated \$990,000 (Commercial Information), or</p> <p>c. Commercial Information</p> <p>Sapphire Consultants has confirmed external governance and business management support from the Chair of the NZ Māori Council (written support given).</p> <p>The project directly aligns with MTTF criteria by:</p> <ul style="list-style-type: none"> <li>being led by Māori, for Māori</li> <li>supporting sectors that will be in demand over time, such as, construction, security, contact centres and office administration</li> <li>providing Māori jobseekers with meaningful opportunities into trades and local employment and ensuring a minimum wage of \$Comm/hour</li> <li>promoting upskilling and employment in the Hutt Valley area and supporting people to access training</li> <li>encouraging positive labour market outcomes for the local community and employers in the longer-term</li> <li>providing business mentoring and leadership support specific to a range of industries; and</li> <li>providing pastoral care for the interns over the period of the project.</li> </ul> <p>The PDU and Te Arawhiti are supportive of the programme as it provides:</p> <ul style="list-style-type: none"> <li>multiple career pathways for local people who face high levels of unemployment and deprivation, including careers likely to appeal to both men and women</li> <li>a specific focus on assisting Māori, and specifically rangatahi, into employment and careers</li> <li>a targeted approach to lifting income levels and qualifications for Māori, and</li> <li>a tailored approach to local needs, emphasising Māori learning styles and working traits.</li> </ul> <p>The project team has relevant experience to be able to deliver a successful project. Team members and roles are as follows:</p> <ul style="list-style-type: none"> <li>Ben Kingi, Privacy of natural persons</li> <li>Privacy of natural persons</li> <li>Ben will be supported by Comm staff that all have experience as mentors, trainers, pastoral care providers and employment consultants. Collectively, the team possesses a broad range of skills and qualifications, related to employment, recruitment, youth training and mentoring. The mentors will be in constant contact with the interns over the duration of the project.</li> <li>Sapphire Consultants has engaged the services of an independent organisation and adviser to ensure transparency and accountability within their governance structure. The Chairperson of the NZ Māori Council has agreed to support them.</li> </ul> <p>Sapphire Consultants has noted that they have extensive support for the project from local employers and government agencies for this initiative, which will be reinforced by support letters in due course.</p> <p>TPK supports the proposal. TEC has confirmed that Sapphire Consultants is currently not in receipt of any funding from</p>

Ref	Project details	Project description	PDU and Te Arawhiti comment
		<p>MTTF funding will be approximately \$<sup>Commercial Info</sup> per person for the duration of the contract which is consistent with other government supports for this type of initiative. MTTF funding will be used to support:</p> <ul style="list-style-type: none"> <li>• training, dependent on individuals' needs across different industries (\$<sup>Commercial In</sup> over <sup>Commercial Information</sup>)</li> <li>• pastoral care, including ongoing human resource costs for Sapphire Mentors (\$<sup>Commercial In</sup> over <sup>Commercial Information</sup>)</li> <li>• wage subsidies (\$<sup>Commercial In</sup> over <sup>Commercial Information</sup>)</li> </ul> <p>industry-relevant tools (owned by the interns) (\$<sup>Commercial In</sup>).</p>	<p>them so do not see any issues with duplication of funding. MSD raised concerns around <sup>Commercial Information</sup> potential duplication with Mana in Mahi. The PDU and Te Arawhiti recommend the options laid out above.</p>

## Annex Two: Key Risks and Mitigations for Māori Trades and Training Fund initiatives

### Takitimu Tuanui

Risk description	Mitigations
Ongoing employment over the course of the apprenticeship may not be available	<ul style="list-style-type: none"> <li>K3 are in negotiations with Kainga Ora and Māori landowners to secure a larger pipeline of housing and therefore employment.</li> <li>K3 has the ability and willingness to partner with other like-minded developers to ensure ongoing employment for apprentices.</li> </ul>
Low demand for apprentices	<ul style="list-style-type: none"> <li>K3 will only partner/procure from suppliers/builders that respond to social procurement practices through supporting trades training – this includes taking on apprenticeships.</li> </ul>
Quality training and support for apprenticeships	<ul style="list-style-type: none"> <li>K3 are working closely with EIT on developing an apprenticeship model that allows apprenticeships to 'earn while they learn'. The training will be on site and through night classes facilitated by EIT as part of the iTabs.</li> </ul>
The applicant's perceived lack of experience to be able to deliver the project	<ul style="list-style-type: none"> <li>The PDU and Te Arawhiti have recommended appointing an oversight advisor to ensure the project is delivered within the intent of the funding approved. This has been agreed to by the applicant.</li> <li>The PDU and Te Arawhiti recommend reducing the number of apprentices on this application from 80 to 50, with the option to reassess the initiative at a later date to fund the original proposed number of apprentices, if suitable.</li> </ul>

### Ngā Kaimahi Kainga o Toa Rangatira

Risk description	Mitigations
Support of partners (industry) lessens and the programme and may lose its momentum	<ul style="list-style-type: none"> <li>Ngati Toa will take both a top down approach and a bottom up approach. Through the Project Manager and Project Sponsor will actively partner with our key stakeholders to ensure clear communication and, any issues are proactively dealt with and, solutions identified.</li> <li>Communication will be both verbal and written and will ensure that Ngati Toa partners are actively engaged in every part of their business. They will also develop both written, digital and verbal platforms to ensure seamless and proactive engagement.</li> </ul>
If key stakeholders don't see the value of the programme then the programme may struggle to achieve its objectives	<p>Ngati Toa will:</p> <ul style="list-style-type: none"> <li>Ensure stakeholders are actively engaged in the design and development of the program from the beginning.</li> <li>Ensure planning which identifies critical success factors and industry drivers are agreed up front.</li> <li>Ensure robust stakeholder analysis, understanding and managing the different needs of key stakeholders.</li> <li>Provide a continuous feedback loop from key stakeholders to ensure expectations are managed.</li> <li>Ensure that the benefits of the programme are tangible.</li> <li>Ensure dependencies are mapped in consultation with key stakeholders to support their buy-in to the programme.</li> </ul>
The applicant's perceived lack of experience to be able to deliver the project	The PDU and Te Arawhiti recommend reducing the number of apprentices on this application from 85 to 50, with the option to reassess the initiative at a later date to fund the original proposed number of apprentices, if suitable.

### Māori Internships - Sapphire Consultants

Risk description	Mitigations
If there was any issues with Sapphire Consultants Ltd internal governance or business management during this project	<ul style="list-style-type: none"> <li>To provide external governance and business management support from a Māori perspective (as required), they have engaged the support of the NZ Māori Council. Consent has been gained from the current Chairman who is willing to provide the support himself and/or arrange for others to support the governance or business management for this project.</li> <li>The PDU and Te Arawhiti recommend reducing the number of interns on this application from 80 to 45.</li> </ul>
If the Project Leader was unable to continue leading or participating in the Internship programme for some reason	<ul style="list-style-type: none"> <li>Although Ben Kingi is taking the role of the Project Leader for this programme, Sapphire Consultants Ltd has a dual Directorship. In the event of Ben not being able to continue leading the project, this role will be picked up in the first instance by Lesley Maxwell, the Co-Director. Both Directors are very familiar with this project. Tone Te Ahuru is the Senior Consultant and will also be highly involved in the project as one of the Senior Mentors. Tone will also be able to assist Lesley with the governance of this project (if required) along with the other Mentors.</li> </ul>
The applicant underestimated the need for a larger wage subsidy to ensure individuals remain in sustainable employment	<ul style="list-style-type: none"> <li>The applicant is able to seek or apply for additional funding under the current settings, though not guaranteed.</li> </ul>