

2.4 PARATA CONTRACTING WORKFORCE DEVELOPMENT PROJECT – TE ARA MAHI (TAM) APPLICATION

PGF Skills & Employment (Te Ara Mahi) - R04.01249		For: Approval	
Tier:	1 - Regional	Sector:	Skills
Background & context:		Recommendation(s): APPROVAL	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Parata Contracting Ltd Parata Contracting is a solely owned and operated roading contracting company based in Ruatoria, Gisborne <p>Location:</p> <ul style="list-style-type: none"> Tairāwhiti <p>Proposal:</p> <ul style="list-style-type: none"> A 2 year civic infrastructure workforce development programme for ^{Comm} new employees (targeting potential workers from as far as Tolaga Bay up to Hicks Bay) and ^{Comm} existing employees <p>Funding Sought: \$731,311.40</p> <ul style="list-style-type: none"> Total project value \$^{Commercial Information} PGF Funding: \$731,311.40 Applicant contribution: \$^{Commercial Inform} (Management staff and training equipment) Commercial Information Commercial Information <p>Background:</p> <p>Parata Contracting is a solely owned business that works providing roading infrastructure services and currently has guaranteed roading contracts in the region for the next 3-5 years.</p> <p>Tairawhiti's roading network received an investment of \$137 million from the Provincial Growth Fund for a total investment of \$^{Commerc} ^{Commercial Info} including the National Land Transport Fund over the next 2 years.</p> <p>The civic infrastructure industry is facing a growing labour shortage in Tairāwhiti. Parata Contracting is applying for Te Ara Mahi funding</p>		<p>We recommend that the SRO(s)</p> <p>a) Approve the application from Parata Contracting Limited for \$731,311.40 from the Te Ara Mahi portion of the Provincial Growth Fund toward the Parata Contracting Workforce Development project</p> <p>b) Note the project has been regionally endorsed by the CARE (Regional Employment and Skills) Forum on 17 September</p>	

to establish a training programme for roles in this industry at a scale and faster pace than it is able to fund without assistance. Parata Contracting will employ all trainees during and after the completion of the 24 month programme. Parata Contracting has existing roading contracts that guarantee a work pipeline for 3 years.

The programme will train ^{Comm} new employees and upskill ^{Comm} existing employees. Depending on the civic infrastructure pathway taken by trainees, components will include:

- New Zealand Certificate in Infrastructure Works- Level 3
- Wheels, Tracks and Rollers licence endorsements
- Class 1-5 driver licences
- Certification in traffic management supervision

The emphasis of the programme is both on meeting immediate labour shortages, developing workers transferable qualifications, and on leadership development of the predominantly Māori workforce. Upskilling for current employees includes certification as Traffic Management Supervisors. Parata Contracting also has an agreement in principle with TPK for 4 cadetships to develop and mentor full-time permanent Māori staff to take on more senior roles in the organisation.

Parata Contracting has an established relationship with MSD and the ^{Comm} new employees will be predominantly MSD clients, including up to ^{Co} participants in MSD's Mana in Mahi programme and ^{Co} participants from Flexi Wage. The training programme will also provide pastoral care to support trainees with wider personal, whānau and cultural issues.

Parata Contracting is applying for Te Ara Mahi funding to pay for:

- HR costs: \$ ^{Commercial Inform}
- Training costs: \$ ^{Commercial Information}
- Pastoral costs: \$ ^{Commercial Information}
- Support and associated costs \$ ^{Commercial Inform}

Parata Contracting will be contributing \$ ^{Commercial Inform} for:

- training equipment as well as maintenance/repair costs for equipment
- personal protective equipment for all trainees

MSD will be contributing to the cost of up to ^{Comm} Mana in Mahi participants (\$ ^{Commercial Info} per participant) and ^{Comm} Flexi Wage participants (\$ ^{Commercial In} per participant) and Te Puni Kokiri will be contributing to

the cost of up to 4 cadetships (up to \$^{Commercial Info} per cadet).

Once immediate labour shortages are met through this upscaled, accelerated training programme, Parata Contracting expects to take over training costs for staff. The company is committed to workforce development.

	Response	PDU (TAM) Statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually:	^{Comm}	^{Comm} already identified (current employees) and ^{Comm} new employees to be sourced mainly from MSD
Number of people expected to attain employment as a result of the project/activity:	^{Comm} new employees ^{Comm} employees in more senior roles	Parata Contracting has guaranteed employment for all trainees during training and at the end of the programme
High level outcomes sought by the project/activity:	<ul style="list-style-type: none"> • Help to address the labour shortage in both the civic infrastructure and forestry and sectors in Tairāwhiti • Increase employment, especially for Māori • More Māori employees in senior roles • Increase income and wellbeing for whānau and communities 	
Detail of who else is involved in funding the project/activity:	<ul style="list-style-type: none"> • Applicant contribution: \$^{Commercial Inform} • Commercial Information • Commercial Information 	

PGF Skills & Employment criteria that this proposal supports:

Te Ara Mahi Criteria	Assessment Commentary	Met (Y /N/Partial)
Link with fund and government outcomes – delivers benefit to communities		
Acts as a catalyst for improving	<ul style="list-style-type: none"> • Increases skills and capability in the region’s civic 	Y

productivity potential in the region (s)	infrastructure and forestry sectors. New civic infrastructure projects have been identified as a major catalyst for the region	
Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> Civic infrastructure is one of the four priority sectors identified in the Tairāwhiti Economic Action Plan 	Y
Demonstrates potential to meet the current or future labour market skill needs of the region, including those resulting from PGF Tier 2 and 3 investments	<ul style="list-style-type: none"> The project is being established to directly meet the urgent labour market skill needs in the civic infrastructure sectors. Labour market demand has been increased significantly by the investment in roads coming directly from the PGF 	Y
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	<ul style="list-style-type: none"> █ of the participants in the project will be new employees, including local people who have been NEET until beginning the programme 90 per cent of Parata Contracting's current workforce are Māori and the company anticipates that the majority of new employees will also be Māori 	Y
Increases local employment and earning potential, by supporting local people into local jobs, with an emphasis on sustainable employment outcomes	<ul style="list-style-type: none"> All trainees will be employed by Parata Contracting, both during and after their training but will also have work skills that can be utilised by other local companies in the future The company's commitment to upskilling existing staff creates a career pathway for sustainable employment 	Y
Additionality - adds value by building on what is already there		
Addresses a gap in current service provision e.g. does not cover activities that are already funded for (unless funding is to up-scale or re-start, existing projects)	<ul style="list-style-type: none"> The applicant has designed a training programme specifically to meet its own labour market needs Existing training providers will deliver components of the programme, including Commercial █ Information █ 	Y
Demonstrates why third party funding, including other government agencies, cannot be used to address the current gap in service provision	<ul style="list-style-type: none"> Both MSD and TPK have agreed in principle to provide funding for new employees through the MSD Mana in Mahi programme, MSD Flexi Wage Programme and TPK cadetship programme. This would provide funding towards at least █ Commercial Information █ participants. 	Y
Demonstrates awareness of and ability to connect to other services/initiatives that are	<ul style="list-style-type: none"> Parata Contracting have been contracting to Tier 1 Contractor for the region, Downer Gisborne, since 2018 and have a 3 year contract for traffic 	Y

complementary to the project	<p>management and other road services.</p> <ul style="list-style-type: none"> Parata Contracting has also provided traffic management services for Kuru Contracting and Ngati Porou Forests Ltd- locally owned forestry- roading companies. 	
------------------------------	--	--

Connected to regional stakeholders and frameworks		
<p>Has support and input, where applicable, from:</p> <ul style="list-style-type: none"> Local; industry, employers, community groups and employment bodies/governance mechanisms central and local government agencies iwi and other Māori governance mechanisms 	<ul style="list-style-type: none"> Endorsed by the CARE Advisory Forum - the Skills and Employment Sub-group of the Tairāwhiti Economic Action Plan Steering Group. (The TEAP Steering Group includes Gisborne District Council, industry leaders and all iwi chief executives. Supported by MSD, MOE and TPK Supported by three major employer stakeholders: Commercial Information: [REDACTED] 	Y
Governance, risk management and project execution		
Has robust project management and governance systems planned or in place	<ul style="list-style-type: none"> Project management system has been demonstrated. Project governance needs to be clarified – this should be a condition of approval 	Partial
Demonstrates the capacity and technical capabilities to effectively implement the initiative e.g. has experience in building local capacity, lifting work readiness and knowledge of the local labour market	<ul style="list-style-type: none"> PCL is experienced in training staff formally and on the job. The training that they use with their current workforce (6 crews) is being refined and applied to this programme The Operations Manager in charge of the programme has 10 years’ experience in the roading industry and the following relevant qualifications: Traffic Control Level 1, STMS Level 1, Occupational Health & Safety Level 4, Coordinated Incident Management System Level 4, State Highway Inventory Collection & Entry Level 1, Diploma in Adult Education & Training Level 4, class 1 and class 2 licence, class 4 learner licence, wheels, tracks and rollers licence endorsement. 	Y
Risk management approach outlined	<ul style="list-style-type: none"> Risk management approach outlined 	Y
Future ownership / operational management identified	<ul style="list-style-type: none"> Te-Rangi-Matanuku Parata is the sole director of this company 	Y

The purpose of this briefing is to inform a discussion on the approval of PGF funds for the Parata Contracting

Workforce Development project**Regional Governance Group View:**

This project was endorsed by the CARE Advisory Forum, which is the regional skills and employment sub-group of the Tairāwhiti Economic Action Plan Steering Group. The Forum is co-chaired by the Regional Commissioner for MSD and the CEO of Activate Tairāwhiti.

Privacy of natural persons

Eligibility points of note:

- *Due diligence*:- Due diligence was requested and completed on 27 August 2019.
- **Privacy of natural persons**
[REDACTED]
- *Illegal Activity*:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans*:- The programme aligns with the Tairāwhiti Economic Action Plan.
- *Commercial funding availability*:- Given the nature of the project (employee training), access to commercial funding is not considered a feasible option.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	
--------------	-----	-----------	-----	----------------	-----	--------------------	-----	--------------	--

Cross agency feedback:

The application has been reviewed and is supported by MSD, MOE and TPK in Tairāwhiti.

Advice from regional and any other PDU teams:

The Tairāwhiti PDU team based in Gisborne (Shannon Williams) has worked directly with Parata Contracting to develop the application

Supporting proposal:

Yes

Appendices:

Yes - Applications and supporting letters are as annexes

Sponsor(s):	N/A
Manager/Author of paper:	MW - TAM Regional Team

PROACTIVELY RELEASED