



TE ARA MAHI PROPOSALS FOR REVIEW

Date:	25 March 2019	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2836 18-19

Action sought		
	Action sought	Deadline
Hon Shane Jones Minister for Regional Economic Development	Agree to the recommendations outlined in this briefing	25 March 2019
Hon Grant Robertson Minister of Finance		25 March 2019
Hon Phil Twyford Minister of Transport		25 March 2019
Hon David Parker Minister for Economic Development		25 March 2019
Fletcher Tabuteau Parliamentary Under-Secretary to the Minister for Regional Economic Development	Note the contents of this briefing	25 March 2019

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
David van der Zouwe	Acting Head of Investment	Privacy of natural persons	✓
Patsie Karauria	Te Ara Mahi Programme Manager	Privacy of natural persons	
Jessica Sandford	Policy Advisor	Privacy of natural persons	



The following departments/agencies have been consulted

Te Puni Kōkiri, Ministry of Primary Industries, Ministry of Social Development

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments

PROACTIVELY RELEASED



Recommendations

The Provincial Development Unit recommends that you:

Tier 1- PGF EMPLOYMENT, SKILLS & CAPABILITY (TE ARA MAHI)

Te Koru Education and Employment Initiative – Hawke’s Bay

1. **Note** that there is one Provincial Growth Fund Tier 1 (Te Ara Mahi) proposal for approval that seeks a total Provincial Growth Fund investment of \$1.1 million
Noted

2. **Note** that Senior Regional Officials have considered the proposal and endorse its approval
Noted

3. **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

4. **Agree** to approve the First Choice Employment Services Limited’s application for a \$1.1 million grant from the Provincial Growth Fund subject to the completion of appropriate due diligence.
Agree / Disagree

David van der Zouwe
Acting Head of Investment
Ministry of Business, Innovation and Employment
..... / /

Hon Grant Robertson
Minister of Finance
..... / /



**PROVINCIAL
DEVELOPMENT
UNIT**

Hon Shane Jones
Minister for Regional Economic Development
..... / /

Hon Phil Twyford
Minister for Transport
..... / /

Hon David Parker
Minister for Economic Development
..... / /

PROACTIVELY RELEASED



Recommendations

Te Ara Mahi projects seeking approval from Regional Economic Development Ministers

Applicant and Project	Proposal and key outcomes	Comment	Total cost of project	Proposed PGF investment	SROs recommendation
<p>Applicant name: First Choice Employment Services Limited (First Choice)</p> <p>Project name: Te Koru Education and Employment Initiative</p> <p>Region: Hawke's Bay</p>	<p>First Choice is proposing to deliver a two-year programme combining drug and alcohol assessment, counselling and education, with work preparation and employment placement. The programme will also provide two years of pastoral care for participants and their employers.</p> <p>The initial programme will target 230 participants over a two year period and anticipates that all participants will have made progress towards sustained employment, with [redacted] percent, [redacted] participants, being placed in employment by the end of year two.</p> <p>The project seeks the following outcomes:</p> <ol style="list-style-type: none"> I. decreasing barriers to employment acquisition and retention; II. improving levels of employability and employer confidence in local recruitment; and III. Increasing the employment of local people in sustainable roles with long term career opportunities. <p>The programme has been developed in partnership with [redacted], which has committed to providing permanent, sustainable employment for [redacted] participants per annum. Other potential employments be targeted through First Choice and [redacted] industry networks.</p>	<p>The initial proposal was for He Poutama Rangatahi funding but was referred to Te Ara Mahi due to the size of application (over \$1 million) and because it does not focus exclusively on rangatahi NEET aged 15-24. On 29 January 2019, RED Ministers approved First Choice's Te Koru Education and Employment Initiative Project in Tairāwhiti to deliver a similar employment oriented drug and alcohol programme.</p> <p>The PDU recommends that the application is approved, subject to further due diligence being completed. The programme fills a gap in Hawke's Bay by using a proven methodology based on the probability of gaining and/or retaining employment as motivation for choices related to drug and alcohol use, rather than criminality or health. The project's partnership with [redacted] also sets it apart from other services, as this partnership is at a much larger scale than other collaborations between providers and employers. While the programme will help to address regional labour shortages for the horticulture sector, the programme prioritises working with local employers committed to providing career opportunities, rather than short-term jobs. PDU considers this directly contributes to PGF goals.</p> <p>The proposal directly aligns with the Hawke's Bay Regional Economic Development Plan: Matariki Initiative, and is complimentary to the goals of He Kai Kei Aku Ringa, the Crown-Māori Economic Growth Partnership. First Choice is committed to developing an integrated approach with the local iwi, Ngāti Kahungunu, and as Te Taiwhenua O Heretaunga. The programme has pledged to place a greater emphasis on the recruitment, facilitation and mentoring of Māori and Pacific participants, and female sole-parents.</p> <p>A successful pilot of the programme, <i>Te Koru Tairāwhiti Initiative</i>, was run in Gisborne from October 2016-October 2017 for [redacted] participants referred by Work and Income NZ. Ministry of Social Development (MSD) is supportive of the programme, noting the benefit of expanding the programme however, cannot provide funding as it involves participants who are not MSD clients. First Choice has successfully delivered MSD work preparation and employment placement and support contracts in Hawke's Bay for more than eight years.</p> <p>Te Puni Kōkiri is supportive of the proposal, noting its focus on making a positive contribution to Māori Development. The Ministry of Primary Industries (MPI) commented that a detailed plan for securing employment with other employers should to be developed along with on-going monitoring. MPI noted a lack of clarity around the training and pastoral care programme. The PDU notes that evidence of a well-organised approach to managing the project has been provided, with strong industry support and success in delivering MSD contracts suggesting that First Choice's pastoral care model is strong.</p>	<p>\$ [redacted]</p> <p>Other sources of funding: \$ [redacted] contribution in kind from [redacted] (staffing and wages, vehicle, qualifications and training)</p>	<p>\$1.1 m</p> <p>(\$ [redacted] p.a. over two years)</p>	<p>SROs endorse approval of the First Choice Employment Services Limited's application for a \$1.1 m million grant from the Provincial Growth Fund.</p>