



COVERSHEET

Minister	Hon Shane Jones	Portfolio	Regional Economic Development
Title of Cabinet paper	Worker Redeployment Package: Next Phase	Date to be published	26 June 2020

List of documents that have been proactively released

Date	Title	Author
26 June 2020	Minute of Decision DEV-20-MIN-0081	Office of Minister for Regional Economic Development
26 June 2020	Worker Redeployment Package: Next Phase	Office of Minister for Regional Economic Development

Information redacted

YES / NO (please select)

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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 Economic Development 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.

Worker Redeployment Package: Next Phase

Portfolios Economic Development / Regional Economic Development

On 13 May 2020, the Cabinet Economic Development Committee:

Background

- 1 **noted** that on 16 March 2020, Cabinet agreed to a worker redeployment package of \$100 million [CAB-20-MIN-0108];
- 2 **noted** that on 18 March 2020, the Ad Hoc Cabinet Committee on COVID-19 Response approved \$34.405 million for a Taiarua redeployment programme (\$28.205 million) and national forestry worker redeployment programmes (\$6.200 million) [CVD-20-MIN-0014];
- 3 **noted** that officials have worked with other government agencies and local authorities to identify possible worker redeployment proposals;

Funding package to support worker redeployment

- 4 **agreed** to the following package to support worker redeployment:

Location	Project	Proposed funding (\$m)
Queenstown Lakes	Funding for the Queenstown Lakes District Council to undertake redeployment/labour market activity	1.400
Northland	Various projects (roadside/vegetation clearing, maintenance or construction work) – 197 jobs	9.510
Hawke's Bay	Various projects (roadside/vegetation clearing, maintenance or construction work) – 218 to 229 jobs	15.240
Rotorua	Vegetation control projects – 25 jobs	1.120
Ministry of Social Development	Training to support re-deployment to pay for § 9(2)(b)(i) courses	3.450
Ministry for Primary Industries	Primary sector workforce package	6.000
Total		36.720

- 5 **noted** that \$^{Commercial Information} of the funding package proposed in paragraph 4 above is to be used by the Provincial Development Unit, contracted with district councils, and spent against the Worker Redeployment Package appropriation in Vote Business Science and Innovation, as previously approved by Cabinet [CAB-20-MIN-0108];
- 6 **authorised** the Chief Executive of the Ministry of Business, Innovation and Employment to finalise contracts, subject to a robust delivery strategy;
- 7 **agreed** that funding provided to Queenstown Lakes, Northland, Hawke's Bay and Rotorua will be administered with a robust delivery strategy via the Provincial Development Unit, working with the Ministry of Social Development;
- 8 **noted** that the Ministry of Social Development's Rapid Response Teams will work with local employers and Work and Income offices to identify and match affected workers with the redeployment opportunities outlined in the paper under DeV-20-SUB-0081;
- 9 **noted** that officials from the Ministry of Social Development and the Ministry of Business Innovation and Employment will provide further advice to Ministers on how to use national and regional data and intel to understand the extent of regional displacement and identify and match workers and redeployment opportunities;
- 10 **noted** that the Ministry for Primary Industries will work with the Ministry of Social Development and the Ministry of Business, Innovation and Employment to ensure that the primary industries workforce package complements, rather than duplicates, other government systems, capabilities, and services;
- 11 **noted** that the work outlined in paragraph 10 above will inform a joint agency report back to the Ministers of Agriculture and Social Development by the end of May 2020 on how the \$6 million will be spent to effectively deliver the agreed outcomes;
- 12 **noted** that, subject to paragraph 4 above, \$^{9(2)(b)(ii)} will remain in the Worker Redeployment Package appropriation;
- 13 **noted** that the work undertaken by the Ministry of Social Development and the Ministry of Business Innovation and Employment (paragraph 9 above) will help inform further redeployment proposals for the use of this remaining funding, and any further funding sought;
- 14 **authorised** the Ministers for Regional Economic Development, Economic Development, Social Development, and Agriculture to make minor changes to the funding proposed in the paper under DEV-20-SUB-0081 in order to allocate funding within the worker redeployment allocation in a timely manner;

Financial implications

15 approved the following fiscally neutral adjustments, drawing down on the redeployment package, to fund redeployment and supporting activity by government agencies, with no impact on the operating balance and/or net core Crown debt:

	\$ m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
Vote Business Science and Innovation Minister for Economic Development					
Non-departmental Other Expenses Worker Redeployment Package	(9.450)	-	-	-	-
Vote Agriculture, Biosecurity, Fisheries and Food Safety Minister for Biosecurity					
§ 9(2)(b)(ii) [Redacted]					
Agriculture: Administration of Grants and Programmes (funded by revenue Crown)	6.000	-	-	-	-
Vote Social Development Minister for Social Development					
Multi-Category Expense and Capital Expenditure: Improved Employment and Social Outcomes Support MCA Departmental Output Expense: Improving Employment Outcomes (funded by revenue Crown)	3.450	-	-	-	-

16 § 9(2)(b)(ii) [Redacted]

17 agreed to exempt the requirement from the end of year performance measure sort under section 15D(2)(b)(ii) of the Public Finance Act 1989 due to the short-term nature of this funding, which is less than six months,

18 § 9(2)(b)(ii) [Redacted]

19 agreed to broaden the scope of the \$28.205 million referenced in paragraph 2 above for a Tairāwhiti redeployment programme, to allow all workers in the region who are affected by COVID-19 to be eligible to be considered for participation in the package of specific projects to support worker redeployment in Tairāwhiti;

- 20 **noted** that projects in regions that have not received funding through the worker redeployment allocation (including in the paper under DEV-20-SUB-0081) can be channelled into the proposed Provincial Growth Fund response to COVID-19, which includes a proposal to fund immediate worker redeployment, including on local roading projects.

Janine Harvey
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Dr Megan Woods
Hon David Parker
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Damien O'Connor
Hon Kris Faafoi
Hon Shane Jones
Hon Willie Jackson
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

PROACTIVELY RELEASED

In Confidence

Office of the Minister for Economic Development

Office of the Minister of Regional Development

Ad Hoc Cabinet Committee on COVID-19 Response

Worker Redeployment Package – next phase

Proposal

- 1 Cabinet has previously approved a \$100 million worker redeployment package, and this Committee under authorisation by Cabinet to have Power to Act, agreed to allocate \$34.405 million of that on a package for the Tairāwhiti region (\$28.205 million) and forestry workers, nationally (\$6.2 million).
- 2 This paper seeks approval for the drawdown of \$36.720 million of the remaining \$65.595 million for projects in Hawke’s Bay, Northland and Rotorua, for funding for the Queenstown Lakes District Council (QLDC) to support its local workforce, for the Ministry of Social Development (MSD) for training and support for redeployment activities and for a primary sector workforce package.

Relation to government priorities

- 3 This paper is part of the Government’s economic response to COVID-19, and supports people in maintaining their attachment to the workforce.

Executive Summary

- 4 This paper sets out the following funding proposals:

Location	Project	Proposed funding (\$m)
Queenstown Lakes	Funding for QLDC to undertake redeployment/labour market activity	\$1.400
Northland	Various projects (roadside/vegetation clearing, maintenance or construction work) – 197 jobs	\$9.510
Hawke’s Bay	Various projects (roadside/vegetation clearing, maintenance or construction work) – 218 to 229 jobs	\$15.240
Rotorua	Vegetation control projects – 25 jobs	\$1.120
MSD	Training to support re-deployment to pay for courses	\$3.450
MPI	Primary sector workforce package	\$6.000
TOTAL		\$36.720

Error: Job number should read 165

Background

- 5 On Monday, 16 March, Cabinet agreed to an economic support package, including \$100 million for worker re-deployment support.
- 6 On 18 March 2020, the Ad Hoc Cabinet Committee on COVID-19 Response, having been authorised by Cabinet to have Power to Act, agreed to allocate \$28.205 to a package to support forestry worker redeployment in Tairāwhiti; and \$6.200 million to a package to support redeployment of forestry workers on a national scale (including Canterbury and Northland).
- 7 Following this, officials have worked with the Provincial Development Unit (PDU), the Department of Conservation (DOC), the New Zealand Transport Agency (NZTA), the Ministry for Primary Industries (MPI) and regional councils to identify a long list of further redeployment options. \$65.595 million of the original \$100.00 million appropriation remains to be allocated.
- 8 Using their regional networks, agencies have uncovered a wide range of projects that can be initiated with funding support: from Northland down to Fiordland; involving roadside clearing work to pest eradication.
- 9 The current alert level means that most of these initiatives will only be possible once the virus is contained and people movement is permitted. Our focus is therefore now on ensuring that our funding is targeted towards the regions and worker groups most in need of redeployment support. We are also working to ensure that the initiatives are ready to commence as soon as this is possible. This package sits within the restart work programme with its focus on ensuring displaced workers are able to stay employed in projects in their regions, (as soon as the COVID Alert level permits). It also sits alongside the work of the Industry Infrastructure Reference Group to identify shovel ready projects throughout New Zealand.
- 10 Alongside this, we are also aware of a range of offers of valuable skillsets from different organisations. In many instances this job-matching is occurring without government intervention. It is clear however that targeted co-ordination support could ease this process.
- 11 We are also shaping a work programme around the “restart” and recovery phases of the COVID-response to ensure New Zealand can rebound and generate economic growth again when movement restrictions begin to lift.

How to guide the allocation of funding

- 12 In our consideration of redeployment options, we have used the following factors to guide our recommendations:
- National initiatives are in scope but priority is to be given to PGF surge regions¹ and those disproportionately affected by COVID-19
 - The initiative is ready to go when COVID alert level permits (no major planning or processes needed, e.g. land acquisition)
 - The redeployment allows individuals to remain in their communities

¹ PGF surge regions are Northland, Bay of Plenty, Tairāwhiti, Hawke’s Bay, Manawatu-Whanganui and West Coast.

- The initiative supports an affected sector
- Cost per FTE is appropriate.

Process to identify, refer and match displaced workers

- 13 While COVID-19 is affecting all parts of our economy and society, we know that workers in particular industries and sectors are disproportionately impacted. The restrictions on international borders for goods and people movement has exposed regions which have relied on a small handful of industries, as well as industries that have relied on one or two export markets.
- 14 Local intelligence and relationships will be critical to ensure the rapid redeployment of displaced workers. The Ministry of Social Development's (MSD) Rapid Response Teams will work with local employers and Work and Income offices to identify and match affected workers with the redeployment opportunities in this paper. As well as this identification and matching process, MSD can contribute to the ongoing development of redeployment opportunities with data which illustrates the extent of displacement at a regional level (e.g. new benefit numbers and wage subsidy uptake). MSD's knowledge and connections to local labour markets will also help to identify redeployment opportunities.
- 15 MSD will continue working with MBIE and other agencies on identifying and matching workers and redeployment opportunities. This work will help inform further redeployment proposals for the use of this remaining funding, and any further funding sought.

Process for other potential redeployment projects in regions

- 16 In developing the proposals in this paper, the PDU has worked with district councils eligible for PGF funding to identify shovel-ready local roading projects that could support worker redeployment throughout New Zealand.
- 17 Projects in regions that have not received funding through the worker redeployment allocation (including in this paper) can be channelled into the proposed PGF response to COVID-19, which includes a proposal to fund immediate worker redeployment, including on local roading projects.

Proposals for funding

Queenstown Lakes redeployment support - \$1.400 million

- 18 The Queenstown Lakes region is currently suffering from the halt to its tourism industry, which has underpinned its regional economy for many decades. It is clear that this will have a significant impact on the future regional economy.
- 19 Central and local governments are starting work to use the current lockdown period to reassess industry diversification strategies at a regional level. For example, Queenstown Lakes District Council (QLDC) is developing a package of initiatives that it sees as necessary to protect its people from economic and social dislocation. This includes initiatives that can redeploy workers into projects once the alert system permits this, but also "life-line" services that are critical for the social fabric of the population.
- 20 Queenstown has highlighted a need for support across the following stages of recovery:

IN CONFIDENCE

- Triage - responses to support the immediate needs of businesses, support agencies and individuals impacted by the economic downturn. As well as responding, a new Taskforce has been established by QLDC to be able to do so in a coordinated way.
- Recovery - assisting organisations and individuals to rebuild.
- Transformation - taking opportunities to redesign the regional economy and community to be more sustainable and productive.

21 From this broader package of work, we propose that this worker redeployment appropriation fund a package of initiatives around the Queenstown labour market at a cost of \$1.400 million.

Activity	Cost (\$m)
Operations support for Recovery Taskforce dedicated teams and structures to be formed that can coordinate information and actions	\$ 9(2)(b)(ii)
Redeployment explore opportunities for staff to be redeployed/relocated/retrained into work Data Monitoring, mapping and modelling weekly insights into business, tourism demand, unemployment, community needs Key Staff retention programme identifying up to 200 staff essential to the ongoing viability of local businesses and organisations (e.g. NZ Fire service volunteers). Community leadership programme Supporting key business and community leaders to manage through a retrenchment and rebuild phase	\$ 9(2)(b)(ii)
Total	\$1.400

22 There are opportunities to support shovel ready projects in the Queenstown region, and these are being channelled into the Infrastructure Reference Group process.

Local roading projects - \$25.87 million

23 The PDU has worked with district councils that are eligible for PGF funding to identify a number of local roading projects that could be brought forward. The PDU proposes a \$25.87m package of local roading projects in the Hawke's Bay, Rotorua and Northland because these are amongst the areas most affected by the economic impacts caused by COVID-19. Specifically, the package includes:

- Rotorua - \$1.120 million for 25 workers. Funding would be provided to the Rotorua Lakes Council.
- Hawke's Bay - \$15.240 million for between 218 and 229 workers. Funding would be provided to each district council for their proposals.
- Northland - \$9.510 million for 197 workers. Funding would likely be provided to the Kaipara District Council on behalf of the Northland Transport Alliance, which includes: Whangarei City Council, Kaipara District Council, and Far North District Council.

24 A 9(2)(b)(i) per cent contingency has been factored into the above costings for project administration, reporting and accountability requirements.

- 25 These projects are predominately designing/constructing footpaths, cycleways, playgrounds; vegetation management, and roadside clearing. Annex 1 outlines the specific proposals within this package.
- 26 These projects vary in length. Projects proposed typically have a cost per job of less than \$9(2)(b)(ii) with some exceptions when it is necessary to achieve a balance of investments throughout a region. In the Hawke's Bay, a Central Hawke's Bay District Council (CHBDC) project has a cost to job ratio of \$9(2)(b)(ii), and the Wairoa projects have a cost to job ratio of over \$9(2)(b)(ii) if the minimum job number provided is used, but a ratio of \$9(2)(b)(ii) or less if the maximum job number is used.
- 27 This approach reflects Regional Economic Development (RED) Ministers feedback when considering the PGF Hawke's Bay package of focusing on Central Hawke's Bay and Wairoa because of their higher deprivation levels than Napier and Hastings.

Training to support re-deployment - \$3.450 million

- 28 In addition to their role in identifying displaced workers and redeployment opportunities, MSD's Rapid Response Teams will play an important role in facilitating short-term job-focused training of workers/clients to enable them to work, for example, on public roads.
- 29 The training programmes are generally short to medium term and tailored to job-specific requirements for particular vacancies. Training can be offered as pre-employment or in-work training, and programmes can be delivered by providers or employers. Ancillary support can also include support for transport and pastoral care for people navigating challenging circumstances. These programmes are generally costed at between \$9(2)(b)(ii) and \$9(2)(b)(ii) per person (dependent on training requirements).
- 30 Cabinet agreed in principle that a portion of the new appropriation for national redeployment will be assigned to Vote Social Development. We are therefore proposing to support this work with \$3.450 million.

Primary sector workforce package - \$6.000 million

- 31 The primary sector has a shortfall of workers across many industries, while other industries including forestry, tourism, hospitality and aviation are facing widespread redundancies. We proposed a primary sector workforce package, of \$6 million, that will focus on:
- reskilling the existing primary industries workforce into higher skilled and higher paid roles, and backfilling those workers' substantive roles;
 - building attractive career pathways within the primary industries and working with industry on good employer practices;
 - attracting new employees into the primary sector at pace through a national campaign;
 - working with industry to create jobs in the sector;

- integrating a primary industry-focused seasonal mobility so workers have the key skills to be able to move around regions in peak seasons, enabling this style of work to be a full time career.
- 32 The package will be pan-primary industry sector, but particular industries such as dairy, dry stock (beef and lamb) and aquaculture will be targeted initially.
- 33 MPI will work collaboratively with other government departments, particularly MSD and the Ministry of Business, Innovation and Employment (MBIE), to ensure the funding is spent without duplicating other initiatives. Where appropriate, MPI will triage and direct work to other agencies. Inter-departmental governance and oversight arrangements will be established, and formal agreements between Agencies will be developed.
- 34 MPI, MSD, and MBIE will report back to Ministers on how the \$5 million will be spent, including how the funding will be allocated to deliver the outcomes sought.

Implementation

- 35 For projects that are proposed to be delivered by district councils (i.e. in Queenstown, Hawke's Bay, Rotorua, and Northland), the PDU will work with the Ministry of Social Development to deliver the projects, as well as to streamline contract negotiations with these so that approved projects can be contracted within five working days of approval. This ensures that funding will be with councils as soon as possible, and that employment can commence as soon as the COVID-19 alert is reduced to Level 3, which is when construction and maintenance work can begin.
- 36 There will need to be a high-level of trust and cooperation between the PDU and district councils because of the unprecedented circumstances that have arisen due to COVID-19. The PDU will ensure that contract terms provide assurance that district councils deliver these projects, and create jobs in line with the allocation's objective to redeploy workers displaced by COVID-19. A 5% contingency for projects is also factored in for project administration, reporting and accountability requirements.
- 37 Contract terms will include:
- a. regular reporting, in line with standard PGF reporting
 - b. verification that works were not already funded over the next 18 months
 - c. local council will be liable for 75% of the cost of any mutually agreed cost escalation of activities
 - d. district councils will document and verify their procurement processes, material input and the number of additional workers hired to undertake these activities, and
 - e. the PDU will monitor projects through site visits, reviewing procurement plans and financial and technical information.
- 38 This paper proposes to transfer funding for the projects being delivered by MSD and MPI.

Minor change to the scope of the Tairāwhiti worker redeployment package

39 On 18 March 2020, the Ad Hoc Cabinet Committee on COVID-19 Response allocated \$28.205 million to a package of specific projects to support forestry worker redeployment in Tairāwhiti. Since the Committee approved this package, it has become evident the economic impacts of COVID-19 will span a number of sectors across the economy. In light of this context, I propose to broaden the scope of the \$28.205 million Tairāwhiti forestry worker redeployment so that all possible workers from Tairāwhiti may be eligible under this package of projects. This may require changes to the funding arrangement to reflect the change of scope.

Fit with wider COVID-19 economic response

40 This paper is part of the Government's economic response to COVID-19, and supports people in maintaining their attachment to the workforce.

41 Alongside the proposals in this paper, there are also other projects that could be initiated with further funding. For example, there is a large capacity within the conservation estate for workers to be deployed onto different projects, particularly in the Southern Lakes and Fiordland regions. The Department of Conservation (DOC) is collating a long list of work that can be resourced over coming months (as Alert Levels permit). NZTA also have a number of projects that can be considered.

42 We note that subject to the approval of the proposals in this paper, **§§ 9(2)(b)(ii)** remains in the Worker Redeployment Package appropriation.

43 Other work underway is also relevant to this package, including advice from MBIE on the establishment of Regional Skills Leadership Groups, and from the Ministry of Education on the role of the tertiary sector, in particular to ensure the system is able to deliver the short courses and/or micro credentials that will help workers to be redeployed as quickly as possible.

Treasury comment

44 The Treasury notes that it has had insufficient time to consider the proposal and its probability of success, value for money, risks and merits. It recommends this proposal be deferred and considered as part of the COVID budget package in May, alongside comparable initiatives. We have significant concerns that:

- The paper does not provide evidence about which regions and sectors have been impacted by COVID-19 and therefore why some areas and workforces will receive funding and training but not others. We consider this paper asserts that some regions have been disproportionately affected and encourage MBIE to provide the evidence that supports the assertion.
- The funding criteria is being inconsistently applied and creates inequities between regions and sectors;
- The short term nature of many redeployment opportunities risks contradicting other COVID-19 intervention objectives, especially if there is no consideration about how their employment will be supported once the redeployment is over (i.e. jobs between 1-6 months in duration should be considered a short term intervention and risks possibly disconnecting some workers from their current employer);
- The cost per job does not represent value for money relative to other COVID response efforts (e.g. **§§ 9(2)(b)(ii)** per job in the Central Hawke's Bay for an

IN CONFIDENCE

unstated period compared with \$ § 9(2)(b)(ii) for a wage subsidy recipient for 3 months).

- 45 The Treasury is tentatively supportive of the job matching and retraining schemes included in the proposals, but more work should be done to align them with broader efforts underway.

Financial Implications

- 46 The table below collates these proposals and their costs:

Location	Project	Proposed funding (\$m)
Queenstown Lakes	Funding for QLDC to undertake redeployment/labour market activity	\$1.400
Northland	Various projects (roadside/vegetation clearing, maintenance or construction work) – 197 jobs	\$9.510
Hawke’s Bay	Various projects (roadside/vegetation clearing, maintenance or construction work) – 218 to 229 jobs	\$15.240
Rotorua	Vegetation control projects – 25 jobs	\$1.120
MSD	Training to support re-deployment to pay for § 9(2)(b)(ii) courses	\$3.450
MPI	Primary sector workforce package	\$6.000
TOTAL		\$36.720

Error: Job number should read 165

Consultation

- 47 The proposals in this paper were developed in consultation with the following agencies: Ministry for Primary Industries, Department of Conservation, Ministry of Social Development, MBIE Provincial Development Unit, The Treasury, New Zealand Transport Agency.

Communications

- 48 Ministers will announce the proposal, following Cabinet decisions and consultation with the Prime Minister’s Office.

Proactive Release

- 49 This paper will be proactively released within 30 days, subject to redaction as appropriate under the Official Information Act 1982.

Recommendations

The Minister for Economic Development and Regional Economic Development recommends that the Committee:

IN CONFIDENCE

- 1 **note** that Cabinet agreed to a worker redeployment package of \$100 million on Monday 16 March Cabinet [CAB-20-MIN-0108 refers].
- 2 **note** that the Ad Hoc Cabinet Committee on COVID-19 Response approved \$34.405 million for a Tairāwhiti redeployment programme (\$28.205 million) and national forestry worker redeployment programmes (\$6.200 million) [CVD-20-0014 refers].
- 3 **note** that officials have worked with other government agencies and local authorities to identify possible worker redeployment proposals.
- 4 **agree** to the following package to support worker redeployment:

Location	Project	Proposed funding (\$m)
Queenstown Lakes	Funding for QLDC to undertake redeployment/labour market activity	\$1.400
Northland	Various projects (roadside/vegetation clearing, maintenance or construction work) – 197 jobs	\$9.510
Hawke’s Bay	Various projects (roadside/vegetation clearing, maintenance or construction work) – 218 to 229 jobs	\$15.240
Rotorua	Vegetation control projects – 25 jobs	\$1.120
MSD	Training to support re-deployment to pay for courses	\$3.450
MPI	Primary sector workforce package	\$6.000
TOTAL		\$36.720

- 5 **note** that \$27.270 million of the funding package proposed in recommendation 4) is to be used by the Provincial Development Unit, contracted with district councils, and spent against the Worker Redeployment Package appropriation in Vote Business Science and Innovation, as approved by Cabinet [CAB-20-MIN-0108 Minute].
- 6 **agree** to delegate authority to finalise contracts to the Chief Executive of MBIE.
- 7 **agree** that funding provided to Queenstown Lakes, Northland, Hawke’s Bay and Rotorua will be administered via the Provincial Development Unit, working with the Ministry of Social Development.
- 8 **note** that the Ministry of Social Development’s Rapid Response Teams will work with local employers and Work and Income offices to identify and match affected workers with the redeployment opportunities in this paper.
- 9 **note** that officials from the Ministry of Social Development and the Ministry of Business Innovation and Employment will provide me and the Minister of Social

IN CONFIDENCE

Development with further advice on how we can use national and regional data and intel to understand the extent of regional displacement and identify and match workers and redeployment opportunities.

- 10 **note** that the Ministry of Agriculture will work with the Ministry of Social Development and the Ministry for Business, Innovation and Employment to ensure that the primary industries workforce package complements, rather than duplicates, other government systems, capabilities, and services.
- 11 **note** that the work outlined in recommendation 10 will inform a joint agency report back to the Ministers of Agriculture and Social Development by the end of May on how the \$6 million will be spent to effectively deliver the agreed outcomes.
- 12 **note** that subject to the approval of recommendation 4, \$ 9(2)(b)(ii) remains in the Worker Redeployment Package appropriation.
- 13 **note** that the work undertaken by Ministry of Social Development and Ministry of Business Innovation and Employment in recommendation 9 will help inform further redeployment proposals for the use of this remaining funding, and any further funding sought.
- 14 **agree** to delegate authority to the Ministers of Regional Economic Development, Economic Development, Social Development, and Agriculture to make minor changes to the funding proposed in this paper in order to allocate funding within the worker redeployment allocation in a timely manner.
- 15 **approve** the following fiscally neutral adjustments, drawing down on the redeployment package, to fund redeployment and supporting activity by government agencies with no impact on the operating balance and/or net core Crown debt:

Please refer to DEV-20-MIN-0081 for correct table

IN CONFIDENCE

- 16 **agree** that the changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 17 **Agree** to exempt the requirement from the end of year performance measure sort under section 15D(2)(b)(ii) of the Public Finance Act 1989 due to the short-term nature of this funding which is less than six months.
- 18 **Agree** that any under-expenditure in the appropriation for the fund in Vote Business, Science and Innovation, Vote: Agriculture, Biosecurity, Fisheries and Food Safety, and Vote Social Development be carried forward to following financial year through until 2020/21 to recognise the exceptional circumstances and the nature of this funding.
- 19 **Agree** to broaden the scope of the \$28.205 million referenced in Recommendation 2 above for a Tairāwhiti redeployment programme, to allow all workers in the region who are affected by COVID-19 to be eligible to be considered for participation in the package of specific projects to support worker redeployment in Tairāwhiti.
- 20 **Note** that projects in regions that have not received funding through the worker redeployment allocation (including in this paper) can be channelled into the proposed PGF response to COVID-19, which includes a proposal to fund immediate worker redeployment, including on local roading projects.

Authorised for lodgement

Hon Phil Twyford

Minister for Economic Development

Hon Shane Jones

Minister for Regional Development

IN CONFIDENCE

Annex 1: List of proposed local roading projects

Hawke's Bay – s 9(2)(b)(ii)

Council	Description	Cost (\$)	Job #	Commencement
CHBDC	Vegetation management in roading corridor/s	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(ii)
Hastings District Council	Chambers Street footpath construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	School Road (Clive) footpath construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Scanell Street footpath (2nd) construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Lyndhurst Road footpath (2nd) construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Tainui Diversion footpath construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Taihape Road Passing Ops - Sites 1-2	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	iWay Network Upgrades - Fixing faults in the existing iWay network	s 9(2)(b)(ii)	s 9(2)	s 9(2)(b)(i)
	Bennet Road footpath construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Ada Street footpath construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Howard Street footpath construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Murdoch Street footpath (2nd) construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Taihape Road Passing Ops - Sites 3-5	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Taihape Road Barrier improvements - Stage 1	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Holt place	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Tomoana Road footpath construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Karamu Road footpath construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
Chambers Street footpath (2nd) construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)	
SH51 - Safety improvements (Waipatu marae). Upgrade of footpath and cycle ways and stormwater improvements between from Kenilworth Road to Ruhapia Road	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(i)	
Southampton Road construction	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)	
Napier District Council	Marine Parade Cycle Bypass - design and construct paths.	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Douglas McLean/Herrick intersection improvements	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Cross Country Drain Pathway (Sections) - design and construct paths.	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Hislop St shared path - design and construct paths.	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Westshore (Charles Street) Reserve and Playground Upgrade	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Toronui Drive pathway	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(i)
	Meeanee Rd to boundary cycleway connection	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
	Pirimai LATM traffic calming	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Wairoa District Council	Replacement of Patangata Bridge	s 9(2)(b)(ii)	s 9(2)(b)(i)	s 9(2)(b)(ii)
	Realignment of Nuhaka River Road	s 9(2)(b)(ii)	s 9(2)(b)(i)	s 9(2)(b)(ii)
	Waitepatu Culvert Washout	s 9(2)(b)(ii)	s 9(2)(b)(i)	s 9(2)(b)(ii)

IN CONFIDENCE

			s 9(2)(
--	--	--	---------	--

Northland – \$s 9(2)(b)(ii)

Proposals originated from Northland Transport Alliance, which includes: Whangarei City Council, Kaipara District Council, and Far North District Council

Description	Cost (\$)	Job #	Commencement
Removal of self seeded roadside trees	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Roading sightline improvements and vegetation clearance	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Roadside litter collection and clean-up	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Removal of known Road side hazardous trees	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(ii)
Removal of self seeded roadside trees	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Roadside litter collection and clean-up	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(ii)
Spot Spraying Noxious Weeds	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Sight Rail Improvements (3# districts) (Draft Coroner's Report 2020, fatal crash Kokopu Rd 2016)	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(ii)
Kaipara District Council Parks - Vegetation clearance & clean ups - Kai Iwi Lakes & Pou Tu o Te Rangi	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(ii)
Whangarei District Council Parks - Vegetation clearance & clean ups	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Far North District Council Parks - Vegetation clearance & clean ups	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Northland Regional Council - Rivers & Beaches Vegetation clearance & clean ups	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)
Tikipunga cycle trail - Stage 1 (Totara Parklands to Whangarei Falls)	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(ii)
New Footpaths (3# districts) missing links in existing urban network	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(ii)
Accelerated Unsealed network grading program	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)

Rotorua – \$1.1 million

IN CONFIDENCE

Council	Description	Cost (\$)	Job #	Commencement
Rotorua Lakes Council	Rotorua Rural Roads vegetation control and drainage maintenance.	s 9(2)(b)(ii)	s 9(2)(	s 9(2)(b)(ii)
	Tree cutting and removal Atiamuri Landfill facility.	s 9(2)(b)(ii)	s 9(	s 9(2)(b)(ii)

PROACTIVELY RELEASED