



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

12 AUG 2021

Tēnā koe

On 16 April 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), material that has been created by the Ministry in the forms of documents, memos and reports, for the following information:

1. *Any Ministerial Briefings from 1 January 2020 to date relating to the Apprenticeship Boost Initiative*
2. *Any internal reports, memos or papers from 1 January 2020 to date relating to the Apprenticeship Boost Initiative to leadership teams, governance groups or similar bodies*
3. *Any joint papers, updates or briefings from 1 January 2020 to date relating to the Apprenticeship Boost Initiative*
4. *Any Terms of Reference, Memoranda of Understanding and Partnership Agreements between the agencies participating in 1 January 2020 to date relating to the Apprenticeship Boost Initiative*
5. *Any internal communications from 1 January 2020 to date relating to the Apprenticeship Boost Initiative*
6. *In addition, MSD has released the names of the following briefings which I request a copy of:*
 - *Further decisions to support the Apprenticeship Boost Initiative, REP/20/7/813*
 - *Apprenticeship Support Programme Design and implementation of the Mana in Mahi expansion and the Apprenticeship Boost, REP/26/6/659*
 - *Aide Memoire Budget 2020 Targeted Training and Apprenticeship Fund, REP/20/5/578*
 - *Education and Social Development Report: Apprenticeship Support Draft Cabinet Paper for Ministerial Consultation, REP/20/5/600*

On 3 May 2021, Inland Revenue Department (IRD) partially transferred the following parts of your request to the Ministry:

1. *Any Ministerial Briefings from 1 January 2020 to date relating to the Apprenticeship Boost Initiative*
2. *Any internal reports, memos or papers from 1 January 2020 to date relating to the Apprenticeship Boost Initiative to leadership teams, governance groups or similar bodies*
3. *Any joint papers, updates or briefings from 1 January 2020 to date relating to the Apprenticeship Boost Initiative*
4. *Any Terms of Reference, Memoranda of Understanding and Partnership Agreements between the agencies participating in 1 January 2020 to date relating to the Apprenticeship Boost Initiative*
5. *Any internal communications from 1 January 2020 to date relating to the Apprenticeship Boost Initiative*

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The Ministry will respond to both requests within this letter, as the parts of the request which were transferred to the Ministry from IRD are included in your original request, dated 16 April 2021.

On 14 May 2021, the Ministry informed you of the need to extend the decision date to 11 June 2021, as more time for consultation was necessary to make a decision on your request.

On 11 June 2021, the Ministry notified you that your request for official information will be sent to you by 2 July 2021.

The Ministry acknowledges that this timeframe was not met and apologises for any inconvenience this delay may have caused.

The Apprenticeship Boost Initiative programme came into effect on 5 August 2020 and expires on 4 April 2022. The purpose of this programme is to support employers to engage and retain eligible apprentices who are in training towards their qualification, and in turn, to assist New Zealand's recovery from the impacts of COVID-19. The policies regarding the initiative were led by the Ministry of Education, however, the administration of the scheme is lead by the Ministry of Social Development.

An employer is eligible for assistance under this programme if they:

- have applied for assistance in accordance with clause 9 of the programme,
- make an employment position, or engage a self-employed contractor, who is an eligible apprentice,
- are not a State Sector employer, and
- are not receiving a specified payment in respect of the eligible apprentice.

For the purpose of this programme, an eligible apprentice is a person who the Ministry is satisfied:

- is enrolled in a New Zealand Apprenticeship with a Transitional Industry Training Organisation,
- is enrolled in a Tertiary Education Commission (TEC)-recognised Managed Apprenticeship with a provider,
- has not had their enrolment withdrawn or put on hold,
- is in paid employment or a paid contracting arrangement with an applicant, and
- has completed no more than 24 months of a programme of study.

The amount of a grant for an applicant eligible under clause 6 of the programme is (exclusive of GST):

- \$1,000 per month during the first 12 months of the eligible apprentice's programme of study, to a maximum of \$12,000 per annum, and
- \$500 per month during the second 12 months of the eligible apprentice's programme of study, to a maximum of \$6,000 per annum.

You can find more information regarding the Apprenticeship Boost Initiative here: www.workandincome.govt.nz/map/legislation/welfare-programmes/apprenticeship-boost-initiative-programme/index.html.

The following documents were identified to be within the scope of your request and are enclosed:

- REP/20/5/578 - Aide-mémoire: *Budget 2020 - Targeted Training and Apprenticeship Fund*, dated 26 May 2020.
- Report: *Apprentice Support draft Cabinet paper for Ministerial consultation*, dated 27 May 2020.
- REP/20/6/665 - Aide-mémoire: *Apprenticeship Support Programme - design and implementation of the Mana in Mahi expansion and the Apprenticeship Boost Initiative*, dated 15 June 2020.
- REP/20/7/813 - Report: *Further decisions to implement the Apprenticeship Boost Initiative*, dated 28 July 2020.
- *Memorandum of Understanding between Ministry of Social Development and Tertiary Education Commission*, dated 4 August 2020.
- *Memorandum of Understanding between Ministry of Social Development and Inland Revenue*, dated 5 August 2020.
- REP/21/3/243 - Aide-mémoire: *Increasing Housing Supply and Improving Affordability for First Home Buyers and Renters*, dated 12 March 2021.

The Ministry interpreted your request for internal communications to be for internal messaging from the Service Delivery Communications team to frontline staff, and the following communications were identified to be within the scope of your request:

- *Daily Update - COVID-19 Update for all MSD people*, dated 3 August 2020.
- *Daily Update - COVID-19 Update for all MSD people*, dated 5 August 2020.
- *Apprenticeship Boost Initiative*, dated 23 March 2021.
- *In the Loop*, dated 24 March 2021.
- *On the Radar*, dated 29 March 2021.
- *Te Komako - Message from Debbie*, dated 17 June 2021.
- *Te Komako - Message from Debbie - Thank you everyone*, dated 19 June 2021.

Please note that the names of officials below tier 4 have been removed from the documentation as it is out of scope, as you confirmed that you do not require this information.

Further, some information is withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Some information is withheld under section 9(2)(f)(iv) of the Act, as it is under active consideration. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

Some information is withheld under section 9(2)(k) of the Act, in order to prevent the disclosure or use of official information for improper gain or improper advantage.

Two documents which were identified to be within the scope of your request are refused under section 18(d) of the Act, as they are publicly available. They can be found at the following links:

- Education and Social Development report: *Further policy and implementation decisions for the Apprenticeship Boost initiative*: www.education.govt.nz/our-work/information-releases/advice-seen-by-our-ministers/advice-seen-by-our-ministers-july-2020/.
- Education and Social Development report: *Apprenticeship Support programme uptake*: www.education.govt.nz/assets/Documents/our-work/information-releases/Advice-Seen-by-our-Ministers/April-2021/15.-1254676-Hipkins-Education-and-Social-Development-Report_Redacted.pdf.

The Ministry does not hold any further information such as 'updates', 'terms of reference', 'partnership agreements' or 'internal communications'. This information is refused under section 18(g)(i) of the Act as it is not held by the Ministry and the Ministry has no grounds to believe that the information is held by another department or Minister of the Crown or organisation.

Please note, information within the documents which is not related to the subject matter of your request has been redacted as out of scope.

You will note that the content and title of the Aide-mémoire: *Increasing Housing Supply and Improving Affordability for First Home Buyers and Renters*, dated 12 March 2021 are not directly related. The paper provides information on extending an Apprenticeship Boost as a means to enable the development of more construction apprentices, hence increasing their supply.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding the Apprenticeship Boost Initiative, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

A handwritten signature in black ink, appearing to read 'M Beecroft', written in a cursive style.

Megan Beecroft
Policy Manager
Employment and Housing Policy

Aide-mémoire

Cabinet paper



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Date: 26 May 2020

Security Level: Cabinet Sensitive

For: Hon Carmel Sepuloni, Minister for Social Development

File Reference: REP/20/5/578

BUDGET 2020 – TARGETED TRAINING AND APPRENTICESHIP FUND

| | |
|--------------------------|----------------------------------|
| Cabinet Committee | Social Wellbeing Committee (SWC) |
|--------------------------|----------------------------------|

| | |
|------------------------|-------------|
| Date of meeting | 27 May 2020 |
|------------------------|-------------|

| | |
|-----------------|--|
| Minister | Hon Chris Hipkins, Minister of Education |
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| | |
|-----------------|---|
| Proposal | This paper seeks agreement from Cabinet for the targeted areas of the fund from 1 July 2020 and the process for decisions from 2021, and outlines the type of programmes that will be targeted. |
|-----------------|---|

We recommend that you **support** the proposals in the paper but **note** that we have some concerns that the initiative may 'crowd out' MSD clients in the labour market.

| |
|-------------------|
| Key issues |
|-------------------|

As part of Budget 2020, the COVID-19 Response and Recovery Fund provided \$320 million for the new Targeted Training and Apprenticeship Fund which is part of the wider \$1.6 billion Trades and Apprenticeships Training package. This will make a range of targeted vocational education and training programmes free for all learners from 1 July 2020 until 31 December 2022.

Minister Hipkins is proposing that the fund initially targets vocational programmes within several broad areas for 2020 and seeks agreement to target the fund appropriately, and authorisation to confirm the required changes to the tertiary system policy settings to implement the fund.

MSD Clients in Labour Market

We are supportive of increasing funding for training programmes, and we support the direction of this paper and initiative. However, some of the targeted areas, such as construction, overlap with sectors where MSD frequently work with clients to find suitable employment and assist with training programmes.

As part of our feedback into this paper, we raised concerns that this funding had the potential to 'crowd out' MSD clients from employment opportunities in the labour market.

MSD regularly pays for training programmes, such as through Skills for Industry, to improve MSD client's employability. This proposal will create further avenues for fees free training for the same group of training programmes. Without coordination between agencies, we are concerned that this proposal will weaken the incentive to hire MSD clients and further entrench their vulnerability and disadvantage in the labour market.

We also raised that while we are supportive of additional support for training programmes, apprentices and vocational pathways, we are concerned that this initiative will create a duplication of funding sources.

We suggested, as part of our feedback, adding the following noting recommendations to this Cabinet paper to reflect these concerns.

1. **"Note** the Ministry of Social Development currently funds training for MSD clients to improve their employability, including some courses that will be covered by the Fund."
2. **"Note** the Ministry of Social Development, the Tertiary Education Commission and the Ministry of Education will work together to minimise the possibility of MSD clients being disadvantaged by the Targeted Training and Apprenticeship Fund."

We note that the final Cabinet paper did not include these recommendations or incorporate the basis of our concerns by other means within the paper.

TEC indicated that they were not willing to include specific provisions to improve access for MSD clients. Additionally, it was suggested that if training fees are met for MSD clients through this fund, MSD should instead shift its resources to brokerage services or other employment support for clients who have commenced new employment to provide additional factors to help MSD clients in the labour market.

Mana in Mahi

We do not consider that this initiative will have adverse impacts on the Mana in Mahi programme. It is our view that this initiative will complement the current Mana in Mahi supports, and further incentivise employers to consider partnering with MSD.

Our advice

We recommend that you **support** the proposal to change the tertiary education funding settings to implement the key policy settings for the fund. This includes agreeing to;

- authorise the Minister of Education to make necessary amendments to the policy settings,
- agree that apprenticeships outside the targeted areas will be eligible for fees support through the fund.

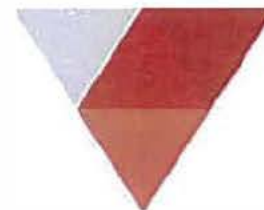
We recommend that you **agree** that the fund initially targets vocational programmes (outside of apprenticeships) within several broad areas for 2020.

We recommend that you **agree** that the newly formed Employment Education and Training Ministers Group confirms this refined set of targeted areas which will guide what tertiary education provision the Fund covers from 1 January 2021 onwards.

We recommend that you **continue to engage** with the Employment Education and Training Ministers Group to **encourage coordination between MSD, MOE and TEC to reduce duplication of funding sources and further discuss ways this fund can improve the outcomes of MSD clients in the labour market.**

Author: Out of scope Graduate Policy Analyst, Employment Policy)

Responsible manager: Out of scope Manager, Employment Policy)



Education and Social Development Report: Apprentice Support draft Cabinet paper for Ministerial consultation

| | | | |
|---|--|-------------------------|----------|
| To: | Hon Chris Hipkins, Minister of Education and Hon Carmel Sepuloni, Minister for Social Development | | |
| Cc: | | | |
| Date: | 27 May 2020 | Priority: | Medium |
| Security Level: | In Confidence | METIS No: | 1229675 |
| Drafter: | Out of Scope | Tracking number: | MSD: |
| Key Contact: (MOE) | Out of scope | DDI: | s9(2)(a) |
| Key Contact: (MSD) | Megan Beecroft | DDI: | s9(2)(a) |
| Messaging seen by Communications team: | No | Round Robin: | No |

Purpose of Report

This report provides updated advice and a draft Cabinet paper on Apprenticeship Support for Ministers' consideration. This follows feedback on an initial draft which was sent on 21 May.

You have indicated that you intend to discuss this paper with the Employment, Education and Training (EET) Ministerial Group on Thursday 28 May. If you are content, please forward to EET Ministers for consultation.

Following Ministerial consultation, we intend to lodge this paper with Cabinet on 4 June.

Summary

- 1 The Budget day announcement of a \$412 million contingency to support employers to retain apprentices has been well received.
- 2 This report sets out recommendations for the duration and the eligibility criteria of the scheme and provides the options requested by the Minister of Education on the level of funding that each apprentice should receive. The paper also addresses further questions about implementation and payment.
- 3 Officials are working to ensure that this new initiative is well aligned with related support for apprentices to be recruited or remain employed, including proposed enhancements to Mana in Mahi which are currently being progressed.
- 4 We seek Ministers' feedback on this report and the draft Cabinet paper, so that it can proceed to Cabinet for decision on 4 June. You should note that officials are concurrently undertaking agency consultation to ensure alignment between programmes.

- 5 To succeed, the initiative needs to provide confidence to employers that they will have ongoing support for their apprentices, and have the opportunity to take on new apprentices. Early communication of the parameters for the initiative and its start date is important to achieving this success.

Recommended Actions

The Ministry of Education and Ministry of Social Development recommend you:

Timing

- a. **agree** the target date for the start of the support is early August 2020, in order to provide for continuity of support for employers relying on the extended wage subsidy scheme (the earliest date for the extended wage subsidy scheme to expire)
Agree / Disagree **Agree / Disagree**

Eligibility

- b. **agree** employers of first and second year apprentices would be eligible for Apprentice Support, reflecting that apprentices are more vulnerable to job loss in the early years
Agree / Disagree **Agree / Disagree**
- c. **agree** that Apprentice Support will be open to apprentices in any industry
Agree / Disagree **Agree / Disagree**

Level of Funding

- d. **agree** to one of the following levels of payment for the scheme:
Either
a. \$12,000 per annum for a first year apprentice, and \$6,000 per annum for a second year apprentice
Agree / Disagree **Agree / Disagree**
Or
b. \$10,000 per annum for a first year apprentice, and \$5,000 per annum for a second year apprentice.
Agree / Disagree **Agree / Disagree**
- e. **note** that a \$12,000 wage subsidy for apprentices in their first year is higher than the current Mana in Mahi wage subsidy and could create an equity issue for people that are most disadvantaged
- f. **note** that options in advice provided to the Minister of Employment on an enhanced Mana in Mahi scheme included an option to access the contingency fund to fund Mana in Mahi

Implementation approach

- g. **note** that a number of delivery agencies have been considered to implement this scheme including education, TEC and MSD.

- h. **agree** that based on experience, expertise and existing systems the Ministry of Social Development (MSD) is best placed to lead implementation, with support from the Tertiary Education Commission (TEC) on verifying apprentice eligibility

Agree / Disagree

Agree / Disagree

- i. **agree** that employer would be expected to ensure the apprentice receives the benefit of the subsidy – i.e. income to at least the value of the subsidy

Agree / Disagree

Agree / Disagree

Next steps

- j. **agree** to forward the Cabinet paper to the EET Ministers with a separate cover note, and to undertake Ministerial Consultation in order to lodge on 4 June.

Agree / Disagree

Agree / Disagree

- k. **agree** that this Report is not proactively released until after Cabinet decisions on the initiative because final decisions are still to be made on the wider piece of work and release at this time would prejudice these decisions

Release/Not release

Release/Not release

Out of Scope

**Policy Director
Ministry of Education**

**Megan Beecroft
Policy Manager
Ministry of Social Development**

___/___/___

___/___/___

**Hon Chris Hipkins
Minister of Education**

**Hon Carmel Sepuloni
Minister for Social
Development**

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Overview and Timing

- 1 Government's primary response to supporting employees and businesses manage the impacts of COVID-19 has been the Wage Subsidy Scheme (WSS). The WSS was initially intended to end on 9 June 2020, but will now continue to be accessible to employers for up to a further eight weeks until 1 September 2020. Under the WSS, existing apprentices in employment are protected to ensure that their training can continue.
- 2 Ministers agreed to provide a contingency of \$412 million to establish a subsidy scheme to support employers to retain and keep training their apprentices, following from Cabinet decisions on the overall COVID-19 recovery and response contingency [CAB-20-MIN-0219.27 refers]. This will in effect take over from the WSS when it ends to ensure ongoing employment and investment in skills for apprentices who may otherwise be vulnerable to job loss and loss of access to training.
- 3 In order to align with the end of the WSS, **we recommend that the Apprenticeship Support payments start after the first firms exit the wage subsidy extension, which will occur from early August 2020 (applications for the wage subsidy extension close on 1 September 2020).**
- 4 An early announcement is important to give assurance and an early signal to those firms that are not eligible for the second round wage subsidy, and are struggling to keep their apprentices on without some support.

Alignment across government

- 5 Apprentice Support is a broad based programme that is accessible to many so that apprentices can continue their training to support the country as it recovers from COVID-19. Under this scheme, every apprentice will receive the same level of support to ensure that all types of training can continue. It represents the largest fiscal package of the collection of new programmes and extended current policies that were announced for apprenticeships in the recent budget.
- 6 As part of Budget 2020 there were a range of other apprenticeship policy initiatives which supplement this broad-base of financial support, these have been summarised with a recent report on apprenticeship-related active labour market products [REP/20/5/526]. These initiatives include more targeted support for work-based training, including apprenticeships or pre-trades training. In priority industries, this will be complemented by the Targeted Training and Apprenticeships Fund, which provides zero-fee training for apprentices. Other, more targeted, initiatives announced at Budget 2020 including Māori Crown Partnerships to support Māori Trades Training, Cadetships and the Provincial Growth Fund are likely to supplement this initiative to target harder to reach and minority groups. Existing programmes such as Mana in Mahi also target work based training for priority groups, and include access to apprenticeships.
- 7 Establishing the principles and mechanisms of the Apprentice Support scheme will enable each of these supporting targeted initiatives to provide the wraparound support that is required. Agencies will continue to work together to ensure that these initiatives work coherently to support economic growth, grow skills and promote strong attachment to the labour market.

Advice on design and implementation of Apprentice Support

Eligibility

- 8 We have focussed on keeping settings simple and easy to understand to make them accessible for employers and administering agencies. We recommend targeting based only on the stage of the apprenticeship.
- 9 **We consider that all first and second year apprentices with an apprenticeship agreement and who meet the usual definitions¹ of either a New Zealand Apprentice or Managed Apprentice should be eligible**, regardless of their industry, so as to keep current apprentices in their jobs and to stabilise the skills pipelines across all industries. This represents over 36,000 people, over half of all apprentices.
- 10 A possible alternative would be to extend the subsidy to year three, four and beyond. This would lower the level of subsidy or the duration of the scheme (e.g. for one year only). It may result in subsidies being too low to provide substantive support, or the schemes duration being compromised.

Level of Funding

- 11 The available funding of \$412m allows for a range of different funding levels to be operated. The options under consideration have been derived from the assumption that this subsidy is stepped to support first year apprentices, as the risk of job loss and cost to the employer is highest at the earliest stages of the apprenticeship, and reduces as the apprentice gains skills and expertise. The recommendations above, that those eligible are in their first and second year, have also been carried through:
(The recommended option in the cabinet paper)
 - a. \$12,000 (year 1 apprentices) and \$6,000 (year 2 apprentices). This enables a monthly rate of \$1,000 and \$500 respectively. This would lead to an annual cost of \$222 million based on current apprentice levels and would provide funding for 20-21 months if those levels continue.
 - b. \$10,000 (year 1 apprentices) and \$5,000 (year 2 apprentices). This enables a monthly rate of \$833 and \$416 respectively. This would lead to an annual cost of \$186 million based on current apprentice levels and could provide funding for longer than two years.
- 12 Comparing the two options, introducing a higher subsidy would have clear financial benefits for employers. Option A represents about 40% of the training wage of \$604.50 per week for a full time employee and would help secure the employment of apprentices during the pending downturn.
- 13 We consider that having a fund that is available for two years would reflect experience from the Canterbury earthquakes and the Global Financial Crisis, in that businesses on the whole need at least two years to recover following a significant economic shock.
- 14 Based on current apprenticeship levels, Option A cannot be publicly confirmed as having a 2 year duration because funds would end by April-June 2022, which based on our conversations to date may impact on employer confidence. However, there is uncertainty over whether the current number of apprentices in their first and second

¹ These are as used by the Tertiary Education Commission for apprenticeship funding and records through the Single Data Return.

year will be maintained due to the pending economic downturn. If this does take place, it is likely that Ministers would have the option to extend over the two year period.

- 15 Higher rates would also have implications for the value relative to Mana in Mahi (\$9,568), and may encourage employers to choose the Apprentice Support when Mana in Mahi would be the better option for an employee. The proposed year one subsidy level in Option B is slightly higher than the current wage subsidy offered through Mana in Mahi, but provides less overall support across all components of Mana in Mahi programme. Mana in Mahi supports employers to take on particularly vulnerable workers, and targets support accordingly. Officials agree that it is appropriate for Mana in Mahi to continue to provide a higher total level of support than the general Apprentice Support programme, to provide an incentive for employers to take on more at-risk apprentices. Options to achieve this include increasing the total level of Mana in Mahi support, through support for at-risk apprentices and a higher Mana in Mahi wage subsidy.
- 16 Combining both the factors of two year security and Maha in Mahi, **officials recommend that the implementation of a rate of \$10,000 (year 1 apprentices) and \$5,000 (year 2 apprentices) would be proportionate.**

Implementation

- 17 Our work on the implementation of this initiative reflects its scale (with over 30,000 apprentices likely to be supported, and over 20,000 employers) and pace to implement from August this year. It has been guided by the following goals:
- a. a simple, flexible approach that meets employer needs and minimises administration and auditing requirements for the delivery department
 - b. fast implementation to match the extended WSS
 - c. enabling reporting and transparency so that apprentices benefit from the support
 - d. building in appropriate and proportionate mechanisms to ensure the integrity of payments over time
- 18 A number of delivery agencies have been considered to implement this scheme including the Ministry of Education, Tertiary Education Commission (TEC) and MSD. Based on experience, expertise and existing systems we recommend implementation through the Ministry of Social Development. TEC will provide support, including verification of apprentice eligibility and information on their employers.
- 19 **We recommend MSD administer funding for the initiative**, because MSD has:
- a. capability to design and administer high volumes of payments to employers, including creating easy interfaces and systems for employers to use
 - b. infrastructure in place to manage payments to employers, including the portal through which the WSS is paid, and a contract-based payment system (currently used to pay Mana in Mahi employers),
 - c. potential for efficiencies for employers already accessing MSD payments such as Mana in Mahi or Flexi wage, or transitioning between payments such as WSS and Apprentice Support. Apprentice Support would have synergies with these more targeted programmes.
- 20 The major risk in implementation of this initiative is its short lead time, which is driven by the need to support employers of apprentices after the extended WSS finishes. This would create demand on MSD's payment systems. The pressure would be mitigated by starting Apprentice Support as the extended WSS finishes, rather than alongside the expiry of the general wage subsidy, and therefore **we recommend commencing**

the programme in August 2020. MSD would also require funding (and a new appropriation) to stand up and administer this initiative.

- 21 Delivering the initiative using MSD's existing portal for the wage subsidy will allow for high volume timely payments upfront. ^{s9(2)(f)(iv)}

- 22 TEC will support MSDs by verifying each individual apprentice's eligibility, and confirm which rate applies. The TEC will work at pace using their available data to ensure that MSD does not need to request information from employers that they have already provided through Tertiary Education Organisations (TEOs) to the TEC. This may require more timely supply of information from TEOs to TEC, and employers to TEOs.

- 23 Employers claiming the subsidy will be required to pass on the benefits of the subsidy to the apprentice in the form of wages at least at the level of the subsidy. Employers would also agree not to 'double dip' with other support, with the details of this to be specified later. There are a number of initiatives targeting employers of apprentices, and the degree of overlap with Apprenticeship Subsidy will become clear as their policy settings are developed. However, we expect that many will be complementary, particularly where they support uptake of apprenticeships, or additional support to particular groups of learners.

Next steps

- 24 You have indicated that you intend to discuss this with Employment, Education and Training Ministerial Group on Thursday. A cover note for that meeting has been provided separately.

Proactive Release

- 25 We recommend that this Report is not released until Cabinet takes decisions on the design and implementation of the initiative. This is because release at this time could prejudice those decisions.

Annexes

- Annex 1: Draft Cabinet paper

Aide-mémoire

Cabinet paper



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Date: 15 June 2020 **Security Level:** Cabinet Sensitive

For: Hon Willie Jackson, Minister of Employment

File Reference: REP/20/6/665

Apprenticeship Support Programme – design and implementation of the Mana in Mahi expansion and the Apprenticeship Boost Initiative

| | |
|--------------------------|---|
| Cabinet Committee | Cabinet Social Wellbeing Committee |
| Date of meeting | 17 June 2020 |
| Minister | Hon Chris Hipkins, Minister of Education Hon Carmel Sepuloni, Minister for Social Development Hon Willie Jackson, Minister of Employment |
| Proposal | <p>This paper proposes the establishment of an Apprenticeship Support Programme that includes a cross-government package of four key initiatives:</p> <ul style="list-style-type: none">• Expanded Mana in Mahi;• The new Apprenticeship Boost Initiative;• Increased support for Group Training Schemes; and• The Regional Apprenticeships Initiative. <p>The paper also seeks agreement to policy and implementation details and funding for an expanded Mana in Mahi programme and the Apprentice Support Initiative.</p> <p>We recommend that you support the proposal.</p> |
| Key issues | <p>The Apprenticeship Support Programme covers four key initiatives</p> <p>The Government's Apprenticeship Support Programme covers four key initiatives that will help employers to retain and bring on new apprentices:</p> <ul style="list-style-type: none">• The new \$380.6m Apprenticeship Boost Initiative, which is funded from the \$412m contingency;• Expanded Mana in Mahi, which includes \$49.9m of existing funding and \$30.3m in new funding provided from |

the \$412m contingency;

- **\$19m of increased support for Group Training Schemes**, also funded through the COVID Foundation Package, though not as part of the contingency; and
- The **\$40m Regional Apprenticeships Initiative**, which is funded through the Provincial Growth Fund.

Details of how these initiatives will work have been refined through the Employment, Education and Training Ministers Group to ensure they provide a cohesive programme of support for employers.

The Cabinet paper seeks agreement to a number of enhancements to Mana in Mahi:

- **increasing the duration of the programme** from one year to two, including an increase in duration for the supports available through the programme
- **increasing the wage subsidy rate** from \$9,580 over one year, to \$16,000 in the first year and \$8,000 in the second.
- **payment of up to \$16,000 to help cover course fees** across two years, as long as the participant remains in an industry training qualification and where Fees Free and the Targeted Training and Apprenticeship Fund are not applicable
- **payment of \$2,000 to help cover additional educational costs**, including the cost of any required literacy and numeracy support or equipment to help facilitate working from home
- **expanding the target cohort of Mana in mahi to anyone at risk of long-term benefit receipt**, regardless of age.

These changes will have a total cost of \$30.318 million over three financial years, which is being sought through draw-down from the \$412 million COVID-19 Support for Apprentices contingency, set aside from the COVID-19 Response and Recovery Fund.

Mana in Mahi holds a unique place in the ASP, as it is available to those studying at a pre-trades level (i.e. levels 2-3) through to apprenticeship level (level 4 and above), whereas the other ASP initiatives are focused solely on apprentices.

Key messages

- Mana in Mahi is an established and successful programme. Placements have already exceeded the 2019/20 target of 300, with 458 placements filled in the 2019/20 year as at the end of April 2020 (bringing the total to 729 placements filled since August 2018).
 - Mana in Mahi complements the other initiatives in the Apprenticeship Support Programme by providing additional targeted support to those most vulnerable in the labour
-

market, particularly those who are at risk of long-term benefit receipt.

- It is important that the Mana in Mahi offering is relevant and viable in the current economic climate, and that employers are incentivised to invest in this group, even with other apprenticeship supports being available
- The enhancements to Mana in Mahi will help better support a wider range of people, including those who may be required to retrain in other industries due to expected widespread displacement of workers as a result of COVID-19.
- The Mana in Mahi expansion will support *He kai kei aku ringa*, the Crown-Māori Economic Development Strategy, particularly goals to:
 - grow future Māori workforce into higher-wage, higher-skilled jobs, and
 - increase Māori participation in regional economic development.
- As at the end of April 2020, Māori made up a significant 45 percent of all Mana in Mahi participants. Increasing the wage subsidy component of Mana in Mahi during the economic downturn will help to retain the skills acquisition and employment of Māori.

There are key policy differences between the Regional Apprenticeships Initiative and Mana in Mahi

The Regional Apprenticeships Initiative (RAI) will invest in creating up to 1,000 new apprenticeships in regional New Zealand across a range of sectors. It will offer up to \$40,000 per apprentice and, like Mana in Mahi, will include wage subsidies of up to \$16,000 for the first year and up to \$8,000 for the second, depending on the needs of each apprentice. The initiative will also provide other forms of business support and pastoral care to assist employers to retain their apprentices.

While there are similarities between the two initiatives, the RAI targeting will help to ensure there is minimal overlap. For example, RAI funding is only available to apprentices (who are studying at levels 4 and above), whereas Mana in Mahi is available for apprentices, as well as those doing pre-trades training at levels 2 or 3. Mana in Mahi is also a nationally available programme, and open to anyone at risk of long-term benefit receipt, whereas the RAI is regional and will initially focus on supporting recently displaced workers and Māori and Pacific peoples.

MSD will continue to work with MBIE as the new RAI's finer policy details are developed to ensure ongoing alignment.

The Māori Apprenticeship Fund is not included in the Apprentice Support Programme.

The Māori Apprenticeship Fund (led by MBIE) is a \$50 million

scheme that will offer contestable grant funding for Māori groups, entities and employers to partner with the Crown to provide support to Māori workers in the trade sector. It is not included in the ASP. However, it is an important part of the wider apprenticeship landscape and it is intended that the ASP will provide supplementary support where gaps are identified by applicants to the Māori Apprenticeship Fund.

MSD, MBIE, MoE and TEC are working closely on a communications plan to ensure the relationships between all apprentice supports, including the Māori Apprenticeship Fund, are made clear and that applicants know which would be most appropriate for them.

MSD will administer MoE's Apprentice Boost Initiative

The key objective of the broad-based Apprenticeship Boost Initiative (ABI) is to enable firms to retain apprentices who are in the first 24 months of their training. To do this, the initiative will provide a wage subsidy of:

- \$12,000 (\$1,000 per month) for apprentices in the first year (months 1-12) of their training programme; and
- \$6,000 per annum (\$500 per month) for apprentices in the second year (months 13 to 24) of their training programme.

An employer would not be able to claim both the COVID-19 Wage Subsidy Extension and the ABI for the same employee.

The ABI would also draw down from the Support for Apprentices contingency and cost a total of \$381.682 million, which will enable the initiative to run from August 2020 until the end of March 2022 (around 20 months).

Due to MSD's experience and existing mechanisms for providing payments of this type, MSD is proposed to implement the ABI. TEC will support MSD's implementation by verifying each apprentice's eligibility and which wage subsidy rate they should be on.

Key messages

- MSD is well placed to administer the Apprentice Boost Initiative utilising its experience and existing mechanisms for providing payments of this type.
- The initiative will run from August 2020 until the end of March 2022.

Author: Out of scope, Policy Analyst, Employment and Housing Policy

Responsible manager: Out of scope Manager, Employment and Housing Policy

Report



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIAŌ ORA

Date: 28 July 2020

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development
CC Hon Chris Hipkins, Minister of Education

Further decisions to implement the Apprenticeship Boost Initiative

Purpose of the report

- 1 This paper seeks your approval to establish the Apprenticeship Boost Initiative (ABI) Welfare Programme under section 101 of the Social Security Act 2018. It also outlines information sharing and audit and integrity arrangements to implement the ABI from 5 August 2020 and provides advice recommending not to publish the details of employers who have received the ABI.

Recommended actions

It is recommended that you:

- 1 **note** that on 8 July 2020 you agreed to establish a new Welfare Programme under section 101 of the Social Security Act 2018 to implement the Apprenticeship Boost Initiative
- 2 **approve and sign** the attached Apprenticeship Boost Initiative Welfare Programme
agree / disagree
- 3 **direct** your Office to arrange for a copy of the instrument to be tabled in the House of Representatives once you have signed it and no later than on 4 August 2020, to establish the Welfare Programme before applications open on 5 August 2020
agree / disagree
- 4 **note** as previously advised, to ensure the Welfare Programme is in place as Apprenticeship Boost Initiative payments begin, the 28-day rule will need to be waived
- 5 **agree** to waive the 28-day rule as the Apprenticeship Boost Initiative Programme only confers benefits on the public
agree / disagree
- 6 **agree** not to publish the details of employers that have received Apprenticeship Boost Initiative payments
agree / disagree

- 7 **agree** to forward this paper to Hon Shane Jones, Minister for Regional Economic Development and Hon Willie Jackson, Minister of Employment

agree / disagree

9(2)(a)

Megan Beecroft, Manager
Employment Policy, MSD

28/7/20
Date

9(2)(a)

Hon Carmel Sepuloni
Minister for Social Development

28/7/20
Date

Background

- 4 On 15 June 2020 Cabinet agreed to the policy and implementation settings for the Apprenticeship Boost Initiative (ABI), as part of the Apprenticeship Support Programme [CAB-20-MIN-0280 refers].
- 5 The key objective of the Initiative is to keep first and second year apprentices employed and training towards their qualification, training the skilled workforces we need to recover from the impacts of COVID-19.
- 6 On 8 July 2020 Ministers agreed that the Minister for Social Development will approve and establish a Ministerial Welfare Programme under section 101 of the Social Security Act 2018 [REP/20/7/757 refers]. This paper provides further advice on the content of the Welfare Programme, arrangements for information sharing and verification, auditing and integrity processes, and advice regarding the publication of details of employers who are receiving ABI payments.

The Ministry of Social Development has drafted a new Welfare Programme for the Apprenticeship Boost Initiative

- 7 The Ministry of Social Development (MSD) has drafted the attached Instrument (**Appendix 1**) to give effect to the new Apprenticeship Boost Initiative Programme. As previously noted, in order for the Welfare Programme to be in place as ABI applications open from 5 August 2020, the 28-day rule will need to be waived (under the exemption that the ABI only confers benefits on the public).
- 8 The ABI Programme reflects previously agreed policy settings. The ABI Programme gives legal authority to use existing processes provided for under the Social Security Act 2018, such as recovery of overpayment and review of decision processes.

Information will be shared with Inland Revenue and the Tertiary Education Commission as part of the application process

The Tertiary Education Commission will match apprentice details to enrolments

- 9 MSD will share details that are provided through the application process, such as the apprentice's name and date of birth. The Tertiary Education Commission (TEC) will use these details to locate the apprentice's enrolment record in order to verify their eligibility and the rate of ABI they are entitled to.
- 10 This process may mean some information will need to be matched manually, particularly where TEC are unable to locate the apprentice's enrolment records based on the information provided. This could mean there are slight delays when administering the initial payment. For example, if an apprentice has changed their name or if a date of birth is entered incorrectly. However, this would only affect the first payment (when the initial application is made), not subsequent payments as the details will already be verified.
- 11 Clear, pro-active communications will be produced to manage employer expectations around timeframes (particularly as this will likely be influenced by their experience with the COVID-19 Wage Subsidy). Consent forms will also be made available in advance to allow employers time to prepare prior to day one.
- 12 TEC have also advised there may be a slight lag between when an apprentice starts their apprenticeship and when TEC receive record of this to enable matching for ABI payments. This is because the information is held by Transitional Industry Training Organisations (Transitional ITOs) who pass this onto TEC. TEC will work with Transitional ITOs to help prepare their information systems to enable efficient transfer of apprentice information to TEC.

Inland Revenue will provide pre-payment verification of the employer's details

- 13 Inland Revenue (IR) will use the employer's IR number (provided via the application process) to verify that the employer's details match official records prior to payment being made. This information sharing is permitted under the Approved Information Sharing Agreement between MSD and IR, and only needs to be completed once at the point of application.

Agencies will ask employers to declare that they are not receiving mutually exclusive apprenticeship or wage subsidy payments

- 14 On 15 June 2020, Cabinet noted that employers would be able to access support from either the ABI, Mana in Mahi or the Regional Apprenticeships Initiative, which are all initiatives under the Apprenticeship Support Programme. Employers will also not be able to receive the ABI if they are receiving the COVID-19 Wage Subsidy or Flexi-Wage payments for the same employee.
- 15 MSD and the Ministry of Business, Innovation and Employment (MBIE) are aligning operational practices to make the ABI and Regional Apprenticeships Initiative quicker and simpler to access and administer. Both initiatives will ask employers to declare that they are not receiving another form of Apprenticeship Support Programme assistance for the apprentices in their application.
- 16 As the Regional Apprenticeships Initiative will have relatively few apprentices (up to 1,000) over the life of the programme, the benefits of a more administratively complex pre-payment check would be minimal. MBIE will undertake random audits and use contract management to check that employers are not receiving more than one form of apprenticeship support. They will also work with TEC and relevant Tertiary Education Organisations to ensure that the appropriate checks and balances are undertaken for the duration of the Regional Apprenticeships Initiative contract. MSD will also carry out reactive checks if there is reason to believe the employer is also receiving Regional Apprenticeships Initiative support.
- 17 MSD will carry out pre-payment checks on the other mutually exclusive payments (i.e. Mana in Mahi, the COVID-19 Wage Subsidy and Flexi-Wage). This process will be relatively simple as MSD also administers these programmes.
- 18 The Māori Trades and Training Fund (MTTF) provides support for Māori led initiatives. The Welfare Programme specifies that applicants cannot receive a wage subsidy for the same person through both the MTTF and the ABI. MBIE will consult with MSD as part of assessing applications for the MTTF. This will ensure there is no duplication of payments.

Further auditing processes are being developed

2)(f)(iv)

- 20 The Welfare Programme also provides a mechanism for MSD to investigate should an allegation of a breach of the declaration be received (e.g. the employer is receiving two mutually exclusive supports for the same apprentice). If an allegation is substantiated, MSD can use the powers in the Social Security Act 2018, as allowed for through the Welfare Programme, to recover overpayments and prosecute fraud.

Agencies do not recommend publishing employer details online

- 21 MSD (in consultation with the Ministry of Education and TEC) considered whether it would be necessary to publish employer details as we did for the COVID-19 Wage

Subsidy. The COVID-19 Wage Subsidy was a high-trust payment delivered under urgency in exceptional circumstances, which necessitated bespoke processes designed to address the high risk of fraud. The publishing of employer details in this case, acted as a form of "community check" and allowed employees to know if their employer had applied for the Subsidy on their behalf without passing on the payment.

- 22 It is not standard practice for MSD to publish employer details. A Welfare Programme, which was not established for the COVID-19 Wage Subsidy due to urgency, enables MSD to use existing review and recovery of overpayment powers and processes under the Social Security Act 2018 to mitigate any risk of fraud. Apprentices will also know that their employer has applied for the ABI, as the apprentice is required to complete a consent form as part of the application. Agencies therefore advise there is no need to publish employer details online.
- 23 Should you wish to publish employer details, MSD would require approximately two weeks to build this into the process. This would not require the ABI start date to be extended.

Apprenticeship initiatives should be aligned

- 24 Employment, Education and Training Ministers recognised that a coordinated government approach was essential to ensuring the alignment and effectiveness of new and expanded apprenticeship supports. To give effect to this intent, agencies will work closely to create cross-agency communications detailing each initiative across the Apprenticeship Support Programme. This will help ensure employers can choose the scheme that is best suited to their situation. Information about the ABI will also be available on [Connected.govt.nz](https://connected.govt.nz) (due to be launched on 10 August), which brings together information on employment, education and training supports into one easy-to-navigate platform.

Next steps

- 25 MSD seeks your approval and signature of the attached instrument by 31 July 2020 to allow sufficient time to table, publish and notify the instrument prior to the ABI's intended 5 August 2020 commencement date.
- 26 Once you have signed the instrument, your Office will arrange for a copy of it to be tabled in the House of Representatives. Officials will also arrange for publication of the instrument on the Ministry of Social Development's external website and notify the making of the instrument in the New Zealand Gazette. Completing these steps will meet the requirements of section 102 of the Social Security Act 2018 and section 41 of the Legislation Act 2012.

File ref: REP/20/7/813, A12644620

Author: Out of scope Policy Analyst, Employment Policy

Responsible manager: Out of scope Manager, Employment Policy

I certify that this instrument is in order for signing by the Minister

PP

Stuart McGilvray

Principal Lawyer

28/07/2020

Apprenticeship Boost Initiative Programme

This welfare programme for special assistance is established and approved under section 101 of the Social Security Act 2018 by the Minister for Social Development.

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Programme

1 Title

This programme is the Apprenticeship Boost Initiative Programme.

2 Commencement

This programme comes into effect on 5 August 2020.

3 Purpose

The purpose of this programme is to support employers to engage and retain eligible apprentices who are in training towards their qualification to assist New Zealand's recovery from the impacts of COVID-19.

4 Interpretation

- (1) In this programme, unless the context otherwise requires,—

Act means the Social Security Act 2018

applicant means an employer who has applied, or on whose behalf an application has been made, for assistance under this programme

eligible apprentice has the same meaning given to it in clause 6(2) of this programme

employer means a person or registered business who employs an employee or engages a self-employed contractor

first contact means the date on which an applicant first creates an online account for Apprenticeship Boost Initiative on the Work and Income New Zealand website

MBIE means the Ministry of Business, Innovation and Employment

programme of study means any apprenticeship programme in which an eligible apprentice is or was enrolled and undertaking training with a particular Transitional ITO or provider

provider means a subsidiary of the New Zealand Institute of Skills and Technology, or a private training establishment, that has been approved by TEC to deliver Managed Apprenticeships

specified payment means a payment under the following apprenticeship support schemes:

- (a) Mana in Mahi under the Employment and Work Readiness Assistance Programme:
- (b) the COVID-19 Wage Subsidy and Extension:
- (c) the Flexi-Wage Subsidy:
- (d) the Regional Apprenticeships Initiative as administered by MBIE:
- (e) any wage-subsidy component of the Māori Trades and Training Fund as administered by MBIE

State Sector employer means the following:

- (a) Public Service:
- (b) Non-Public Service Departments:
- (c) Crown Entities:
- (d) Reserve Bank of New Zealand:
- (e) Offices of Parliament

TEC means the Tertiary Education Commission

Transitional ITO means a Transitional Industry Training Organisation.

- (2) Other terms defined in Schedule 2 of the Act have the same meanings in this programme.

5 Application of the Social Security Act 2018

- (1) Sections 19, 113 – 114, 204 – 205, 217, 290 – 295, 301, 303 308, 317 – 318, 325, 364, 391 – 417, and clauses 1 to 12 of Schedule 6 of the Act apply in relation to this programme and

to the persons mentioned in subclause (2) as if the special assistance authorised by this programme were a benefit.

- (2) The persons are:
 - (a) any applicant for assistance, and eligible apprentice they apply in respect of, under this programme; and
 - (b) any applicant granted assistance, and eligible apprentice they are granted assistance in respect of, under this programme.
- (3) Nothing in subclause (1) limits or affects the application of any other provision of the Act.

6 Eligibility

- (1) An employer is eligible for assistance under this programme if they—
 - (a) have applied for assistance under this programme in accordance with clause 9; and
 - (b) employ an employee, or engage a self-employed contractor, who is an eligible apprentice; and
 - (c) are not a State Sector employer; and
 - (d) are not receiving a specified payment in respect of the eligible apprentice.
- (2) For the purpose of this programme, an eligible apprentice means a person who MSD is satisfied—
 - (a) is enrolled in a New Zealand Apprenticeship with a Transitional ITO; or
 - (b) is enrolled in a TEC-recognised Managed Apprenticeship with a provider; and
 - (c) has not had their enrolment withdrawn or put on hold; and
 - (d) is in paid employment or a paid contracting arrangement with an applicant; and
 - (e) has completed no more than 24 months of a programme of study.

7 Conditions of grant of assistance

- (1) It is a condition of every grant of assistance under this programme that:
 - (a) the employer retains the eligible apprentice; and
 - (b) the eligible apprentice remains engaged in their programme of study; and

- (c) the employer complies with their obligations under the Minimum Wage Act 1983 in relation to the eligible apprentice; and
 - (d) the employer and eligible apprentice provide information required by MSD to confirm their continued eligibility under this programme; and
 - (e) the employer immediately notifies MSD of any change in circumstances for themselves or the eligible apprentice which may affect their eligibility under clause 6; and
 - (f) the employer and the eligible apprentice comply with any other conditions imposed by MSD.
- (2) A grant is recoverable from an applicant if they fail to comply with any condition in subclause (1).

8 Amount of assistance

- (1) The amount of a grant for an applicant eligible under clause 6 is:
- (a) \$1,000 per month during the first 12 months of the eligible apprentice's programme of study to a maximum of \$12,000 per annum; and
 - (b) \$500 per month during the second 12 months of the eligible apprentice's programme of study to a maximum of \$6,000 per annum.
- (2) Grants of assistance are exclusive of GST.

9 Application process

- (1) Assistance must not be granted to an applicant until MSD has received—
- (a) an application form (provided by MSD for the purpose) completed by, or on behalf of, the applicant to MSD's satisfaction; and
 - (b) any supporting evidence reasonably required by MSD; and
 - (c) confirmation from TEC that the criteria in clause 6(2) are met.
- (2) MSD may determine the date of application to be the date of first contact if an applicant satisfies the requirements in clause 9(1)(a) and (b) within 20 working days from that first contact.
- (3) MSD must not grant assistance in respect of any application received after 4 April 2022.

10 Commencement of assistance

Payments under this programme commence on the later of the date of application or the date of eligibility, subject to clause 9(2).

11 Payment of assistance

(1) Payments under this programme must be paid:

- (a) wholly to the applicant; and
- (b) in advance in monthly instalments of the full amounts set out in clause 8(1)(a) and (b).

(2) The maximum number of monthly payments that can be made with respect to an eligible apprentice under this programme is 20.

12 When assistance ends

(1) Assistance under this programme ends on the earlier of:

- (a) the last day of the payment month in which an applicant ceases to be eligible under clause 6; or
- (b) when this programme expires.

13 When this programme expires

This programme expires on the close of 4 April 2022.

Minister for Social Development

At Wellington this day of 20

Explanatory Note

This note is not part of the programme, but is intended to indicate its general effect.

This programme, which comes into effect on 5 August 2020, provides financial support to employers to keep existing or take on new first and second year eligible apprentices, who are employed and in training towards their qualification, as New Zealand recovers from the impacts of the COVID-19 pandemic.

This assistance will be paid on a monthly basis to eligible applicants in respect of each individual eligible apprentice's programme of study, for a maximum of 20 months. This programme expires on the close of 4 April 2022.

Apprenticeship Boost Initiative Programme

This welfare programme for special assistance is established and approved under section 101 of the Social Security Act 2018 by the Minister for Social Development.

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Programme

1 Title

This programme is the Apprenticeship Boost Initiative Programme.

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The purpose of this programme is to support employers to engage and retain eligible apprentices who are in training towards their qualification to assist New Zealand's recovery from the impacts of COVID-19.

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(1) In this programme, unless the context otherwise requires,—

Act means the Social Security Act 2018

applicant means an employer who has applied, or on whose behalf an application has been made, for assistance under this programme

eligible apprentice has the same meaning given to it in clause 6(2) of this programme

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- (c) the Flexi-Wage Subsidy;
- (d) the Regional Apprenticeships Initiative as administered by MBIE;
- (e) any wage-subsidy component of the Māori Trades and Training Fund as administered by MBIE

State Sector employer means the following:

- (a) Public Service;
- (b) Non-Public Service Departments;
- (c) Crown Entities;
- (d) Reserve Bank of New Zealand;
- (e) Offices of Parliament

TEC means the Tertiary Education Commission

Transitional ITO means a Transitional Industry Training Organisation.

- (2) Other terms defined in Schedule 2 of the Act have the same meanings in this programme.

5 Application of the Social Security Act 2018

- (1) Sections 19, 113 – 114, 204 – 205, 217, 290 – 295, 301, 303 – 308, 317 – 318, 325, 364, 391 – 417, and clauses 1 to 12 of Schedule 6 of the Act apply in relation to this programme and

to the persons mentioned in subclause (2) as if the special assistance authorised by this programme were a benefit.

- (2) The persons are:
- (a) any applicant for assistance, and eligible apprentice they apply in respect of, under this programme; and
 - (b) any applicant granted assistance, and eligible apprentice they are granted assistance in respect of, under this programme.
- (3) Nothing in subclause (1) limits or affects the application of any other provision of the Act.

6 Eligibility

- (1) An employer is eligible for assistance under this programme if they —
- (a) have applied for assistance under this programme in accordance with clause 9; and
 - (b) employ an employee, or engage a self-employed contractor, who is an eligible apprentice; and
 - (c) are not a State Sector employer; and
 - (d) are not receiving a specified payment in respect of the eligible apprentice.
- (2) For the purpose of this programme, an eligible apprentice means a person who MSD is satisfied —
- (a) is enrolled in a New Zealand Apprenticeship with a Transitional ITO, or
 - (b) is enrolled in a TEC-recognised Managed Apprenticeship with a provider; and
 - (c) has not had their enrolment withdrawn or put on hold; and
 - (d) is in paid employment or a paid contracting arrangement with an applicant; and
 - (e) has completed no more than 24 months of a programme of study.

7 Conditions of grant of assistance

- (1) It is a condition of every grant of assistance under this programme that:
- (a) the employer retains the eligible apprentice; and
 - (b) the eligible apprentice remains engaged in their programme of study; and

- (c) the employer complies with their obligations under the Minimum Wage Act 1983 in relation to the eligible apprentice; and
 - (d) the employer and eligible apprentice provide information required by MSD to confirm their continued eligibility under this programme; and
 - (e) the employer immediately notifies MSD of any change in circumstances for themselves or the eligible apprentice which may affect their eligibility under clause 6; and
 - (f) the employer and the eligible apprentice comply with any other conditions imposed by MSD.
- (2) A grant is recoverable from an applicant if they fail to comply with any condition in subclause (1).

8 Amount of assistance

- (1) The amount of a grant for an applicant eligible under clause 6 is:
- (a) \$1,000 per month during the first 12 months of the eligible apprentice's programme of study to a maximum of \$12,000 per annum; and
 - (b) \$500 per month during the second 12 months of the eligible apprentice's programme of study to a maximum of \$6,000 per annum.
- (2) Grants of assistance are exclusive of GST.

9 Application process

- (1) Assistance must not be granted to an applicant until MSD has received—
- (a) an application form (provided by MSD for the purpose) completed by, or on behalf of, the applicant to MSD's satisfaction; and
 - (b) any supporting evidence reasonably required by MSD; and
 - (c) confirmation from TEC that the criteria in clause 6(2) are met.
- (2) MSD may determine the date of application to be the date of first contact if an applicant satisfies the requirements in clause 9(1)(a) and (b) within 20 working days from that first contact.
- (3) MSD must not grant assistance in respect of any application received after 4 April 2022.

10 Commencement of assistance

Payments under this programme commence on the later of the date of application or the date of eligibility, subject to clause 9(2).

11 Payment of assistance

(1) Payments under this programme must be paid:

- (a) wholly to the applicant; and
- (b) in advance in monthly instalments of the full amounts set out in clause 8(1)(a) and (b).

(2) The maximum number of monthly payments that can be made with respect to an eligible apprentice under this programme is 20.

12 When assistance ends

(1) Assistance under this programme ends on the earlier of:

- (a) the last day of the payment month in which an applicant ceases to be eligible under clause 6; or
- (b) when this programme expires.

13 When this programme expires

This programme expires on the close of 4 April 2022.



Minister for Social Development

At Wellington this 28th day of July 2020

Explanatory Note

This note is not part of the programme, but is intended to indicate its general effect.

This programme, which comes into effect on 5 August 2020, provides financial support to employers to keep existing or take on new first and second year eligible apprentices, who are employed and in training towards their qualification, as New Zealand recovers from the impacts of the COVID-19 pandemic.

This assistance will be paid on a monthly basis to eligible applicants in respect of each individual eligible apprentice's programme of study, for a maximum of 20 months. This programme expires on the close of 4 April 2022.



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATU WHAKAHĀTO ORA

**Tertiary Education
Commission**
Te Amorangi Mātauranga Matua



Memorandum of Understanding

Between

Ministry of Social Development

and

Tertiary Education Commission

For the purpose of supporting the Apprenticeship Boost programme to help employers retain and bring on new apprentices

August 2020

PARTIES

1. This Memorandum of Understanding ("MOU") is a standalone arrangement made between:

1.1. Ministry of Social Development ("MSD") and

1.2. Tertiary Education Commission ("TEC").

BACKGROUND

2. Apprenticeship Boost aims to provide support for employers to retain and take on new apprentices as the economy recovers from the impacts of COVID-19, so they can continue to earn and progress towards their qualifications.

3. This initiative recognises that apprentices need more support from employers in their first two years while they are training and developing their skills.

4. Employers can apply for Apprenticeship Boost at any time during the first two years of an apprentice's training programme. Eligibility ends either when an apprentice completes 24 months of their training programme or when the Apprenticeship Boost scheme ends, whichever is the earlier.

5. Apprenticeship Boost will be available from 5 August 2020 and runs for 20 months.

INTERPRETATION

6. In the MOU, unless the context otherwise requires these terms have the following meanings:

| Term | Meaning |
|----------------------|---|
| Apprenticeship Boost | Apprenticeship Boost is a special assistance programme established under s101 of the Social Security Act. The purpose of Apprenticeship Boost is to provide support for employers to retain apprentices and take on new apprentices through government funded monetary support. |
| COVID-19 | The novel coronavirus, see: https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus . |
| Consent Form | A written form (supplied by MSD) used to record evidence that an Employee provides their consent to their Information being collected by the Employer, and shared by MSD with TEC for the purposes of assessing the Employer's eligibility to Apprenticeship Boost payments. |

| | |
|--------------------------------|---|
| Declaration | The statement completed by an Employer as part of the process of applying for an Apprenticeship Boost payment. |
| Eligible Apprenticeship Scheme | A New Zealand Apprenticeship through a transitional industry training organisation (ITO) or a TEC-approved Managed Apprenticeship through a New Zealand Institute of Skills and Technology (NZIST) subsidiary (formerly an institute of technology or polytechnic) or private training establishment (PTE). |
| Employee | <p>An apprentice:</p> <ul style="list-style-type: none"> - who is a full or part-time employee or contractor of an Employer, working in the nature of employment; - who has signed a tri-partite training agreement in an Eligible Apprenticeship Scheme; - who is within the first 24 months of an Eligible Apprenticeship Scheme; and - in respect of whom an application for an Apprenticeship Boost payment has been made by an Employer. |
| Employer | A business that employs or engages an Employee. |
| Exception | When Information sent by MSD to TEC does not match TEC's records of an Employee in an Eligible Apprenticeship Scheme (including the verification that the Employer matches to the enrolment record), this will amount to an Exception. For example: if an Employer has ten Employees, but the Information for one of those Employers does not match, there will be an Exception in respect of that Employee, but not the other nine Employees covered by the same application. |
| Expiry Date | 30 April 2022, or any extended date as agreed by the parties in writing. |
| Information | Information that may be shared by TEC and MSD under this MOU, as specified in the Schedules. |
| MOU | This Memorandum of Understanding between TEC and MSD as amended from time to time, including any Schedules. |
| Party | TEC or MSD (as the context requires), and Parties means both TEC and MSD. |
| Primary Contact | Each Party's representative who will be responsible for the matters set out in paragraph 62. The Primary Contacts are named at paragraphs 63 and 64. |
| Privacy Act | The Privacy Act 1993, or from 1 December 2020, the Privacy Act 2020. |
| Relationship Manager | Each Party's representative for managing the relationship between the Parties, and other high-level issues. The Relationship Managers are named at paragraphs 60 and 61. |

| | |
|------|--------------------------------|
| SFTP | Secure file transfer protocol. |
|------|--------------------------------|

7. In this MOU, unless the context requires otherwise, references to:

- 7.1. Paragraphs and Schedules are to paragraphs and Schedules to this MOU;
- 7.2. The singular includes the plural and vice versa; and
- 7.3. Any statute includes any amendment to, or replacement of, that statute and any subordinate legislation made under it.

PURPOSE

8. The purpose of the MOU is to:

- 8.1. support the Apprenticeship Boost programme to help Employers retain and bring on new Employees;
- 8.2. set out the principles that the Parties are to take into account when sharing Information with one another;
- 8.3. acknowledge and apply the statutory context in which Information sharing is intended to occur;
- 8.4. record the Parties' agreement about how Information will be shared between them, and the justifications for each information flow; and
- 8.5. detail the process for reviewing information flows between the Parties, or for varying or terminating this MOU.

EFFECT OF THIS MOU

- 9. The Parties' intention for this MOU is to set out the overarching principles governing the co-operation between Parties, and for the Schedules to set out the details of the specific information sharing requirements.
- 10. The Schedules are subject to the provisions of the MOU. If there are any discrepancies between the Schedules and the MOU, the provisions of the MOU will prevail.

TERM

11. This MOU commences on the date it is signed by both Parties and continues in effect until either the Expiry Date or until it is terminated by either of the Parties in accordance with the termination clauses of this MOU, whichever is sooner.

REVIEW

12. A Party may request a review of the MOU at any time provided that it reasonably believes such a review is necessary.
13. Whether or not a Party has requested a review in the interim, the Parties agree to review this MOU by no later than 31 August 2021.

VARIATION

14. If a party proposes a variation to this MOU, it must give reasonable notice of the proposed variation, and the reason for the proposed variation, to the other party.
15. Any variation to the main body of this MOU must be in writing and signed by the signatories to this MOU, or their delegates.
16. Variations to, or additions of, Schedules to this MOU must be agreed in writing by the Relationship Managers.

INFORMATION USE, ACCESS AND DISCLOSURE

17. MSD will collect Information from Employers about their Employees for the purpose of making Apprenticeship Boost payments. An Employer's eligibility for, and the amount of Apprenticeship Boost payment is contingent upon:
 - 17.1. each Employee being currently enrolled in an Eligible Apprenticeship Scheme; and
 - 17.2. the Employee being in their first or second year of that Scheme (the amount of payment will differ depending on the year of study).
18. MSD does not hold information that allows it to verify whether any of the Employees are enrolled in Eligible Apprenticeship Schemes, and if so, which year of study they are in. That verification

needs to be carried out by TEC based on information that has been reported to it by tertiary education organisations for the funding purposes.

19. MSD will therefore share the Information about Employees with TEC for the purpose of verifying whether each Employee listed in each Employer's Apprenticeship Boost application is on an Eligible Apprenticeship Scheme and if so, their year of study.
20. TEC will compare the Information provided by MSD with information that TEC holds about the Employees. It will notify MSD whether each is on an Eligible Apprenticeship Scheme and the year of study.
21. MSD will use this verification, along with additional information that it has checked with Inland Revenue, to determine whether it will make an Apprenticeship Boost payment to an Employer, and if so, how much will be paid.
22. MSD and TEC will continue to share information on a monthly basis to confirm that the Employee remains currently enrolled in the Eligible Apprenticeship Scheme.
23. MSD will use any Information provided by TEC, and TEC will share Information for the following additional purposes:
 - 23.1. For the review and audit of Apprenticeship Boost payments to determine whether an Employer has received any amount of Apprenticeship Boost payment that an Employer was not entitled to receive.
 - 23.2. To conduct investigations and initiate any appropriate procedures to recover any amount of Apprenticeship Boost payment that an Employer was not entitled to receive.

LEGAL AUTHORITY FOR SHARING

24. The Parties will comply with the Privacy Act and any relevant Code of Practice made under the Privacy Act in respect of all Information shared between the Parties under this MOU.

Consent

25. All Information collected, used and shared, by and between the Parties, under this MOU will only be collected, used and shared if both Parties hold a belief on reasonable grounds that each Employee has provided MSD with their explicit consent for the Information to be collected, used

and shared, by and between the Parties, for the purposes described in paragraphs 17 to 22. That consent is the basis for collection, use and sharing of the Information under:

- 25.1. paragraph 2(b) of Information Privacy Principle 2 under section 6 of the Privacy Act;
- 25.2. paragraph 1(b) of Information Privacy Principle 10 under section 6 of the Privacy Act;
and
- 25.3. paragraph (d) of Information Privacy Principle 11 under section 6 of the Privacy Act.

26. In order for the Parties to have a reasonable belief that each Employee has consented to the collection, use and disclosure of their information, MSD will require each Employer to:

- (a) ask each Employee to complete the Consent Form;
- (b) attach that completed Consent Form to the Employer's application.

27. The consent form will be supplied by MSD and must contain details about Employees' privacy rights in line with Information Privacy Principle 3, and a link to MSD's online privacy notice.

28. MSD will collate all Consent Forms and retain a copy of them in a way that permits the validity of consent to be verified.

29. That Consent Form must be received by MSD before the first Apprenticeship Boost payment is made in respect of an Employee.

30. After that first payment, the Parties will proceed on the basis that each Employee in respect of whom an application has been made has not withdrawn their consent, unless indicated otherwise by an Employer or an Employee.

31. The monthly Declaration that every Employer must provide in order to receive ongoing monthly payments, will require every Employer to confirm by way of a separate tick box in respect of each Employee, that each such Employee has not withdrawn their consent for their Information to be collected, used and shared by and between the Parties for the purposes set out in this MOU. It will not be necessary for Employers to provide MSD with a new Consent Form every month.

32. TEC acknowledges that it will not be necessary for MSD to provide TEC with a copy of each completed Consent Form in order for Information to be shared in respect of each Employee. However, the Parties agree that MSD will provide copies of any Consent Forms requested by TEC at any time, in order to satisfy TEC that Employers are genuinely collecting their Employees' consent.

33. MSD will randomly sample the Consent Forms on a monthly basis. If the results of that random sampling reveal that Employees have not in fact provided valid consent, then the Parties will review whether it is necessary for MSD to check any or all Consent Forms before providing Information to TEC, in respect of any or all new applications and ongoing payments.

34. If the Parties agree that prior checking of Consent Forms is necessary before Information about any Employee can be shared, then that checking process will be specified in a new Schedule to this MOU. The Parties agree to proceed thereafter on the basis of any subsequently agreed checking process.

Recovery of overpayments and integrity investigations

35. MSD will use the Information shared under this MOU for the purposes described in paragraph 23 only if they hold a belief on reasonable grounds that is necessary for the purposes provided for in:

35.1. paragraph (1)(c) of Information Privacy Principle 10 under section 6 of the Privacy Act;
and

35.2. paragraph (e) of Information Privacy Principle 11, under section 6 of the Privacy Act.

36. The Parties acknowledge that this MOU and any Information shared under it, may be eligible for release in whole or in part in response to a request made under the Official Information Act 1982. The Parties agree that neither Party will release this MOU or any Information shared under it, in response to any such request without first consulting the other Party as to any grounds for withholding the MOU or Information that may apply.

37. The Parties will ensure that any Information that is shared under this MOU will only be disclosed, used and accessed by appropriately trained, qualified and authorised staff, contractors or third Parties for the purposes provided for in this MOU.

SECURITY OF INFORMATION

38. Information exchanged under this MOU will be stored by each party in a secure system that protects the information against privacy breach, unauthorised use, modification, destruction, access or disclosure.

39. The Parties will ensure that the data extraction programs and other processes associated with the Information transfers ensure that only Information relevant to the MOU is exchanged.

40. All Information supplied by MSD in accordance with this MOU must be transmitted securely, in accordance with any mechanism provided for in Schedule 1.
41. Each Party will ensure that all staff members handling Information for the purposes of any Information exchange under this MOU will comply with the Privacy Act and any other applicable legislation relevant to each Party.
42. The Parties will ensure that any specific security and confidentiality requirements will be set out in a Schedule to this MOU.

REPORTING

43. The Parties will monitor the communication of Information under this MOU and may report publicly and within their respective organisations on the:
- 43.1. volume of Information communicated;
 - 43.2. nature of Information communicated;
 - 43.3. protections applied to the use of Information;
 - 43.4. errors or problems with the Information; and
 - 43.5. complaints received.
44. The Parties may share Information about Employers who have applied for and received Apprenticeship Boost payments, and use it for statistical and research purposes, including but not limited to reporting on the number of applications received and paid, and demographic information about Employees in respect of whom Apprenticeship Boost payments have been made.
45. The Parties agree that any publication of reporting will be anonymised so that it does not include Information that could be reasonably expected to identify any individual.

DESTRUCTION AND RETENTION OF INFORMATION

46. The Parties will ensure that Information received for the purposes of this MOU is retained for as long as is required by the Public Records Act 2005, or any other statutory obligations.

BREACHES OF SECURITY OR PRIVACY

47. A Party will notify the other as soon as practicably possible in relation to any actual or suspected privacy or security breach, unauthorised access or use, modification, destruction, and/or disclosure of Information shared under this MOU.
48. The Parties will cooperate in the investigation of any actual or suspected privacy or security breach, unauthorised access or use, modification, destruction, and/or disclosure of Information that is shared under this MOU.
49. If a Party has reasonable cause to believe that a breach of an Information Privacy Principle of the Privacy Act, or any security provision in this MOU, has occurred, an inspection and/or internal investigation process will be undertaken utilising the identifying Party's standard processes.
50. The Parties agree to cooperate with each other in any inspection or investigation commenced due to a breach of privacy or security.
51. Any Party may suspend its participation under this MOU to allow time for a privacy breach to be remedied, by giving notice to the other Party's Relationship Manager, as far in advance of any such suspension as is reasonably practicable in the circumstances.

COSTS

52. Any costs associated with the provision of data under this MOU will be borne by the Party that incurs them.

DISPUTE RESOLUTION

53. The Parties will negotiate in good faith to resolve any disputes arising out of, or in relation, to this MOU. In the first instance, the relevant Primary Contacts will work together to identify the reasons for disagreement and what can be done to achieve agreement.
54. Where agreement cannot be reached, the issue will be escalated to the Relationship Managers, who will be asked to make judgements necessary to resolve the issue. If resolution is still not possible, the Chief Executive of MSD and the Chief Executive of TEC may be advised, and asked to work together to resolve the issue.
55. The obligations in this MOU concerning security, use and destruction of Information shall remain in force notwithstanding any suspension or termination of this MOU.

ORDER OF PRECEDENCE

56. In the event that there is a conflict between the main body of the MOU and any of the Schedules, the provisions of the main body of the MOU will take precedence over the Schedules unless specifically stated otherwise in the main body of the MOU.

MEMORANDUM NOT BINDING

57. The Parties acknowledge that the MOU is intended as a statement of mutually agreed intentions in relation to an area of interest. It is not intended to create legally enforceable rights or obligations.

58. However, the Parties will act in good faith to observe and perform their obligations in accordance with the MOU. The provisions of the MOU are subject to any Government (or Board) direction or policy change.

MANAGEMENT OF THE RELATIONSHIP AND PRIMARY CONTACTS

59. Each Party will nominate a Relationship Manager to act as that Party's representative for managing the relationship between the Parties, and other high level issues. The Relationship Managers will be responsible for:

59.1. establishing and maintaining communication and understanding between the two Parties; and

59.2. providing assistance in resolving any disputes between the Parties.

60. The relationship manager for MSD is Hugh Miller: s 9(2)(a) OIA [@msd.govt.nz](mailto:hugh.miller@msd.govt.nz)

61. The relationship manager for TEC is s 9(2)(a) OIA [@tec.govt.nz](mailto:tec@tec.govt.nz)

62. Each Party will nominate a Primary Contact who will be responsible for:

62.1. coordinating the supply and delivery of Information and supporting material; and

62.2. notifying the other Party of policy and systems changes at an operational level that may affect the supply or use of the Information; and

62.3. discussing and resolving, in the first instance, any data quality issues; and

62.4. agreeing changes relating to the content and format of the data supplied and

62.5. arrangements pertaining to supply and use; and

62.6. advise each other, in writing, of any change of contact people.

63. The Primary Contact for MSD is Hugh Miller: s 9(2)(a) OIA [redacted] @msd.govt.nz

64. The Primary Contact for TEC is s 9(2)(a) OIA [redacted] @tec.govt.nz

65. Each Party may change its Primary Contact or Relationship Manager, or their contact details by giving the other Party's Primary Contact written notice of these changes.

TERMINATION

66. This MOU may be terminated at any time by agreement in writing between the Parties' Relationship Managers.

SIGNATORIES

67. This MOU may be executed in any number of counterparts (including any scanned PDF counterpart), each of which shall be deemed to be an original, but all of which together shall constitute the same instrument. No counterpart shall be effective until each party has executed at least one counterpart.

Signed for and on behalf of Tertiary Education Commission / Te Amorangi Mātauranga Matua

..... Date/...../.....
Mathew Pawley
Deputy Chief Executive

Signed for and on behalf of Ministry of Social Development / Te Manatū Whakahiato Ora

9(2)(k)
[redacted]
.....
Viv Rickard
Deputy Chief Executive

Date 09/05/2020

SCHEDULE 1

INFORMATION TO BE SHARED AND PROCESS FOR SHARING

| Key Details | | |
|--------------------|---|---|
| 1. | Expected benefits as a result of the sharing | <ul style="list-style-type: none"> • Verify the eligibility of Applicants for Apprenticeship Boost payments • Information to enable enforcement action to be undertaken to recover payments • Generate new intelligence about misuse or systemic abuse of the Apprenticeship Boost programme |
| 2. | Expected disadvantages as a result of sharing | <ul style="list-style-type: none"> • If no match arises, then that may result in an Employer's Apprenticeship Boost application being declined or payments being suspended. • Investigation and prosecution of Apprenticeship Boost fraud • Apprenticeship Boost recovery actions |

| Operational Process | | |
|----------------------------|---|--|
| 3. | Outline of end to end operational process | <ul style="list-style-type: none"> • Employers will complete an application form that will include, in respect of each Employee covered by their application, the Information set out in row 9 of this table. The application must be accompanied by a copy of a Consent Form completed by each and every Employee covered by the Employer's application. • MSD will not manually check each Consent Form upon receipt of each application before sending the Information to TEC, unless the Parties agree that is necessary in order to hold a reasonable belief that consent has been properly obtained in respect of any or all applications. • MSD will collate the Information set out in row 9 of this table into a daily file, and will send it to TEC on a daily basis. • TEC will match the Information received from MSD with their database and provide a daily response to MSD via SFTP. • Where the Information does not match TEC's records of an apprentice on an eligible apprenticeship scheme ("an Exception") TEC will notify MSD of the reasons for not matching. • MSD will retain the list for reporting purposes. • Where there is an Exception, this data will be collated into a separate report which will be loaded into MSD's work flow management tool, Straight to Processing (S2P) |

| Operational Process | | |
|---------------------|--|--|
| | | <ul style="list-style-type: none"> There will be a monthly re-confirmation process that will require Employers to identify which Employees from any previous application remain employed by them, and to identify if any of those Employees have withdrawn their consent for their Information to be used and shared. That re-confirmation will be incorporated into the daily .csv file. |
| 5. | Frequency of supply | Daily |
| 6. | Transmission mechanism / protocol used | SFTP |
| 7. | MSD transfer job name | 2020_07_20_1_MSD_Employee_Export.csv |
| 8. | TEC transfer job name | 2020_07_20_1_MSD_Employee_Export_Response.csv |

| Information Exchanges | | | | |
|---|---------------------------------------|---|---------------|---|
| 9. | MSD Information provided to TEC | <table><tr><th>Field Details</th></tr><tr><td><ul style="list-style-type: none">• Employer's business trading name• Employer's business legal name• Employee's legal first name• Employee's middle name(s) (if provided)• Employee's legal last name• Employee's date of birth• Employee's tertiary education organisation• Employee's EDUMIS• Employee's apprenticeship• MSD unique identifier for employee</td></tr></table> | Field Details | <ul style="list-style-type: none">• Employer's business trading name• Employer's business legal name• Employee's legal first name• Employee's middle name(s) (if provided)• Employee's legal last name• Employee's date of birth• Employee's tertiary education organisation• Employee's EDUMIS• Employee's apprenticeship• MSD unique identifier for employee |
| Field Details | | | | |
| <ul style="list-style-type: none">• Employer's business trading name• Employer's business legal name• Employee's legal first name• Employee's middle name(s) (if provided)• Employee's legal last name• Employee's date of birth• Employee's tertiary education organisation• Employee's EDUMIS• Employee's apprenticeship• MSD unique identifier for employee | | | | |
| 10. | TEC Information to be provided to MSD | <table><tr><th>Field Details</th></tr><tr><td><ul style="list-style-type: none">• Fields listed in 9 (above)• Learner match: True/False• Learner match code• Programme match: True / False• Programme match code• Programme status• Programme status change date• Employer Name• Months consumed</td></tr></table> | Field Details | <ul style="list-style-type: none">• Fields listed in 9 (above)• Learner match: True/False• Learner match code• Programme match: True / False• Programme match code• Programme status• Programme status change date• Employer Name• Months consumed |
| Field Details | | | | |
| <ul style="list-style-type: none">• Fields listed in 9 (above)• Learner match: True/False• Learner match code• Programme match: True / False• Programme match code• Programme status• Programme status change date• Employer Name• Months consumed | | | | |

| Information Exchanges | | |
|-----------------------|---|---|
| 11. | Information to be retained by TEC | Information received from MSD as part of the Apprenticeship Boost verification process, including the results provided back to MSD by TEC, will be retained by TEC according to the Public Records Act. Information will be retained in accordance with TECs retention and disposal rules as determined by the Public Records Act 2005. |
| 12. | TEC system/database(s) where data is processed / retained | Data will be processed and retained in TECs Data Warehouse. |
| 13. | Information to be retained by MSD | Information verified as part of an Apprenticeship Boost payment will be retained by MSD according to the Public Records Act. Any information not part of a confirmed payment will be deleted after 60 days. |
| 15. | MSD system/database(s) where data is processed / retained | <ul style="list-style-type: none"> Retained in MSD's Data Warehouse Information Analysis Platform (IAP) Processed in S2P and Apprenticeship Boost application and database. |
| 16. | Additional processes | <ul style="list-style-type: none"> The Parties will cooperate to identify whether it is necessary to develop a process for checking Exceptions. If the Parties agree that is necessary, that process will be recorded in this row, in line with the procedure for amending Schedules to the MOU provided for in paragraph 16 of the MOU. |
| 17. | Consent form checking process | <ul style="list-style-type: none"> MSD will ensure that a Consent Form has been uploaded in respect of each Employee, but will not review the contents of each consent form, before sharing Information in respect of each Employee with TEC. |



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE HANATU WHAKAHIA TO ORA



Inland Revenue
Te Tari Taake

Memorandum of Understanding

Between

Ministry of Social Development

and

Inland Revenue

For the purpose of supporting the Apprenticeship Boost programme to help employers retain and bring on new apprentices

August 2020

PARTIES

1. This Memorandum of Understanding ("MOU") is made between:

1.1. Ministry of Social Development ("MSD") and

1.2. Inland Revenue ("IR").

BACKGROUND

2. Apprenticeship Boost aims to provide support for employers to retain and take on new apprentices as the economy recovers from the impacts of COVID-19, so they can continue to earn and progress towards their qualifications.
3. This initiative recognises apprentices need more support from employers in their first two years while they are training and developing their skills.
4. Employers can apply for Apprenticeship Boost at any time during the first two years of an apprentice's training programme. Eligibility ends either when an apprentice completes 24 months of their training programme or when the Apprenticeship Boost scheme ends, whichever is the sooner.
5. Apprenticeship Boost will be available from August 2020 and runs for 20 months.

INTERPRETATION

6. In the MOU, unless the context otherwise requires, these terms have the following meanings:

| Term | Meaning |
|----------------------|--|
| AISA | The Approved Information Sharing Agreement authorised by the Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Order 2017 http://legislation.govt.nz/regulation/public/2017/0176/latest/DLM7358754.html?src=qs . |
| Apprenticeship Boost | Apprenticeship Boost is a special assistance programme established under s101 of the Social Security Act. The purpose of Apprenticeship Boost is to provide support for employers to retain apprentices and take on new apprentices through government funded monetary support. |

| | |
|--------------------------------|--|
| COVID-19 | The novel coronavirus, see: https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus . |
| Declaration | The statement completed by an Employer as part of the process of applying for an Apprenticeship Boost payment. |
| Eligible Apprenticeship Scheme | A New Zealand Apprenticeship through a transitional industry training organisation or a TEC-approved Managed Apprenticeship through a New Zealand Institute of Skills and Technology subsidiary (formerly an institute of technology or polytechnic) or private training establishment. |
| Employee | An apprentice: <ul style="list-style-type: none"> - who is a full or part-time employee or contractor of an Employer; - who is within the first 24 months of an Eligible Apprenticeship Scheme; and - in respect of whom an application for an Apprenticeship Boost payment has been made by an Employer. |
| Employer | A business that employs or engages an Employee. |
| Exclusion Criteria | The criteria listed in Schedule 1 that IR will use to check against the Information received from MSD. If Information matches one or more of the Exclusion Criteria then a <i>false</i> result will be produced. |
| Expiry Date | 30 April 2022, or any extended date as agreed by the parties in writing. |
| Information | Information that may be shared by IR and MSD under this MOU, as specified in Schedule 1. |
| IRD Number | A unique identifier assigned by IR. |
| MOU | This Memorandum of Understanding between IR and MSD as amended from time to time, including any Schedules. |
| myIR | Inland Revenue's secure online services facility. |
| Party | IR or MSD (as the context requires), and Parties means both IR and MSD. |
| Primary Contact | Each Party's representative who will be responsible for the matters set out in paragraph 52. The Primary Contacts are named at paragraphs 53 and 54. |
| Privacy Act | The Privacy Act 1993, or from 1 December 2020, the Privacy Act 2020. |
| Relationship Manager | Each Party's representative for managing the relationship between the Parties, and other high-level issues. The Relationship Managers are named at paragraphs 50 and 51. |

| | |
|-------|--|
| SFTP | Secure file transfer protocol. |
| START | IR's Simplified Tax and Revenue Technology System. |
| TAA | Tax Administration Act 1994. |

7. In this MOU, unless the context requires otherwise, references to:

- 7.1. paragraphs and Schedules are to paragraphs and Schedules to this MOU;
- 7.2. the singular includes the plural and vice versa; and
- 7.3. any statute includes any amendment to, or replacement of, that statute and any subordinate legislation made under it.

PURPOSE

8. The purpose of the MOU is to:

- 8.1. support the Apprenticeship Boost programme to help Employers retain and bring on new Employees;
- 8.2. set out the principles that the Parties are to take into account when sharing Information with one another;
- 8.3. acknowledge and apply the statutory context in which Information sharing is intended to occur;
- 8.4. record the Parties' agreement about how Information will be shared between them, and the justifications for each information flow; and
- 8.5. detail the process for reviewing Information flows between the Parties, or for varying or terminating this MOU.

EFFECT OF THIS MOU

9. The Parties' intention is for this MOU to set out the overarching principles governing the cooperation between Parties, and for Schedule 1 to set out the details of the specific Information sharing requirements.

10. Schedule 1 is subject to the provisions of the MOU. If there are any discrepancies between Schedule 1 and the MOU, the provisions of the MOU will prevail.

TERM

11. This MOU commences on the date it is signed by both Parties and continues in effect until either the Expiry Date or until it is terminated by either of the Parties in accordance with the termination clauses of this MOU, whichever is sooner.

REVIEW

12. A Party may request a review of the MOU at any time provided that it reasonably believes such a review is necessary.
13. Whether or not a Party has requested a review in the interim, the Parties agree to review this MOU by no later than 31 August 2021

VARIATION

14. If a party proposes a variation to this MOU, it must give reasonable notice of the proposed variation, and the reason for the proposed variation, to the other party.
15. Any variation to the main body of this MOU must be in writing and signed by the signatories to this MOU, or their delegates.
16. Variations to, or additions of, Schedules to this MOU must be agreed in writing by the Relationship Managers.

LEGAL AUTHORITY AND APPLICATION OF THE PRIVACY ACT 1993

17. The Parties will comply with the Privacy Act and any relevant Code of Practice made under the Privacy Act.
18. The Apprenticeship Boost is a special assistance programme, within the meaning of section 101 of the Social Security Act 2018 and is a benefit for the purposes of the AISA.

19. MSD will disclose Information to IR, and IR will disclose Information to MSD, under this MOU in accordance with the AISA.

20. The AISA authorises Information sharing for the purpose of:

- 20.1. assessing eligibility for, and entitlement to, benefits and subsidies; and
- 20.2. assessing and enforcing any obligations relating to benefits and subsidies, including recovering any associated debt.

21. Regardless of the legal authority for sharing the Information, IR and MSD will only share Information to the extent that is necessary to achieve one or more of the purposes in paragraphs 22 and 23.

INFORMATION USE, ACCESS AND DISCLOSURE

22. MSD may provide Information to IR so that IR can compare it against information that it holds in myIR to enable MSD to verify whether an Employer who has applied for an Apprenticeship Boost payment is a genuine business, registered with IR.

23. IR may supply Information to MSD to enable MSD to administer Apprenticeship Boost payments, by verifying that an Employer who has applied for an Apprenticeship Boost payment is a genuine business, registered with IR;

24. The Parties acknowledge that this MOU, and any Information shared under it, may be eligible for release in whole or in part in response to a request made under the Official Information Act 1982. The Parties agree that neither Party will release this MOU, or any Information shared under it, in response to any such request without first consulting the other Party as to any grounds for withholding the MOU or Information that may apply.

25. The Parties will ensure that any information that is shared under this MOU will only be disclosed, used and accessed by appropriately trained, qualified and authorised staff, contractors or third Parties for one or more of the purposes set out in paragraphs 22 and 23.

26. Before an MSD staff member or anyone engaged by MSD receives or has access to any information that IR provides under this MOU, they must execute a certificate of confidentiality in the form prescribed by the Commissioner of Inland Revenue from time to time. MSD must retain all signed certificates of confidentiality and make them available to IR on request.

REPORTING

27. The Parties will monitor the communication of Information under this MOU and may report within their respective organisations on the:

- a. volume of Information communicated;
- b. nature of Information communicated;
- c. protections applied to the use of Information;
- d. errors or problems with the Information; and
- e. complaints received.

28. The Parties note that Information sharing under this MOU is subject to reporting requirements issued by the Privacy Commissioner under the AISA. MSD will provide any necessary reporting to IR so that IR can comply with those reporting requirements.

SECURITY OF INFORMATION

29. Information exchanged under this MOU will be stored by each party in a secure system that protects the information against privacy breach, unauthorised use, modification, destruction, access or disclosure.

30. The Parties will ensure that the data extraction programs and other processes associated with the Information transfers ensure that only Information relevant to the MOU is exchanged.

31. All Information supplied by MSD in accordance with this MOU is confidential. It must be transmitted securely, in accordance with any mechanism provided for in Schedule 1.

32. Each Party will ensure that all staff members handling Information for the purposes of any Information exchange under this MOU will comply with the Privacy Act and any other applicable legislation relevant to each Party.

33. The Parties will ensure that any specific security and confidentiality requirements will be set out in Schedule 1.

DESTRUCTION AND RETENTION OF INFORMATION

34. Once IR has provided a reply to MSD confirming the outcome of each Information match, IR will store the MSD Information in a secure location, and put in place security protections to ensure there is no unauthorised access of that Information.
35. MSD will ensure that Information received for the purposes of this MOU is retained for as long as is required by the Public Records Act 2005, or any countervailing statutory obligations.

BREACHES OF SECURITY OR PRIVACY

36. A Party will notify the other as soon as practicably possible in relation to any actual or suspected privacy or security breach, unauthorised access or use, modification, and/or disclosure of Information shared under this MOU.
37. The Parties will co-operate in the investigation of any actual or suspected privacy or security breach, unauthorised access or use, modification, and/or disclosure of Information that is shared under this MOU.
38. If a Party has reasonable cause to believe that a breach of an Information Privacy Principle of the Privacy Act, or any security provision in this MOU, has occurred, an inspection and/or internal investigation process will be undertaken utilising the identifying Party's standard processes.
39. The Parties agree to cooperate with each other in any inspection or investigation commenced due to a breach of privacy or security.
40. Any Party may suspend its participation under this MOU to allow time for a privacy or security breach to be remedied, by giving written notice to the other Party's Relationship Manager, as far in advance of any such suspension as is reasonably practicable in the circumstances.

COSTS

41. Any costs associated with the provision of data under this MOU will be borne by the Party that incurs them.

DISPUTE RESOLUTION

42. The Parties will negotiate in good faith to resolve any disputes arising out of, or in relation, to this MOU. In the first instance, the relevant Primary Contacts will work together to identify the reasons for disagreement and what can be done to achieve agreement.
43. Where agreement cannot be reached, the issue will be escalated to the Relationship Managers, who will be asked to make judgements necessary to resolve the issue. If resolution is still not possible, the Chief Executive of MSD and IR's Commissioner or their delegates may be advised and asked to work together to resolve the issue.
44. The obligations in this MOU concerning security, use, access, disclosure and destruction of Information shall remain in force notwithstanding any suspension or termination of this MOU.

ORDER OF PRECEDENCE

45. In the event that there is a conflict between the main body of the MOU and Schedule 1, the provisions of the main body of the MOU will take precedence over Schedule 1 unless specifically stated otherwise in the main body of the MOU.

MEMORANDUM NOT BINDING

46. The Parties acknowledge that the MOU is intended as a statement of mutually agreed intentions in relation to an area of interest. It is not intended to create legally enforceable rights or obligations.
47. In particular, nothing in this MOU creates an obligation on IR to communicate Information to MSD in circumstances in which IR perceives either a risk to the integrity of the tax system or an unreasonable intrusion into individual privacy.
48. However, the Parties will act in good faith to observe and perform their obligations in accordance with the MOU. The provisions of the MOU are subject to any Government direction or policy change.

MANAGEMENT OF THE RELATIONSHIP AND PRIMARY CONTACTS

49. Each Party will nominate a Relationship Manager to act as that Party's representative for managing the relationship between the Parties, and other high-level issues. The Relationship Managers will be responsible for:

- 49.1. establishing and maintaining communication and understanding between the two Parties; and
- 49.2. providing assistance in resolving any disputes between the Parties.

50. The Relationship Manager for MSD is Hugh Miller: s 9(2)(a) OIA @msd.govt.nz

51. The Relationship Manager for IR is Echo Brooke-White: s 9(2)(a) OIA @ird.govt.nz

52. Each Party will nominate a Primary Contact who will be responsible for:

- 52.1. coordinating the supply and delivery of Information; and
- 52.2. notifying the other Party of policy and systems changes at an operational level that may affect the supply or use of the Information; and
- 52.3. discussing and resolving, in the first instance, any data quality issues; and
- 52.4. agreeing changes relating to the content and format of the data supplied, and arrangements pertaining to supply and use; and
- 52.5. advising each other, in writing, of any change of contact people.

53. The Primary Contact for MSD is Hugh Miller: s 9(2)(a) OIA @msd.govt.nz

54. The Primary Contact for IR is Miriana Stanley: s 9(2)(a) OIA @ird.govt.nz

55. Each Party may change its Primary Contact or Relationship Manager, or their contact details by giving the other Party's Primary Contact written notice of those changes.

TERMINATION

56. This MOU may be terminated at any time by agreement in writing between the Parties.

SIGNATORIES

57. This MOU may be executed in any number of counterparts (including any scanned PDF counterpart), each of which shall be deemed to be an original, but all of which together shall constitute the same instrument. No counterpart shall be effective until each party has executed at least one counterpart.

Signed for and on behalf of Inland Revenue/Te Tari Taake

9(2)(k)



Date 05 / 08 / 2020

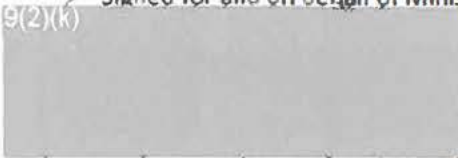
Cath Atkins

Deputy Commissioner

CCSB (Customer & Compliance Services – Business)

Signed for and on behalf of Ministry of Social Development / Te Manatū Whakahiato Ora

9(2)(k)



Date 04 / 08 / 2020

Viv Rickard

Deputy Chief Executive

SCHEDULE 1

INFORMATION TO BE SHARED AND PROCESS FOR SHARING

| Version | Date agreed |
|---------|----------------|
| 1 | 5 August 2020 |
| 2 | 17 August 2020 |

| | Key Details | |
|----|---|---|
| 1. | Expected benefits as a result of the sharing | <ul style="list-style-type: none">• Enable MSD to verify whether an Employer who applies for an Apprenticeship Boost payment from MSD is a genuine business, registered with IR. |
| 2. | Expected disadvantages as a result of sharing | <ul style="list-style-type: none">• If no match arises, then that may result in an Employer's Apprenticeship Boost application not proceeding beyond the initial match with IR.• There may be delays in accepting Apprenticeship Boost applications if the Employer has not registered for myIR before making their application. |

| | Operational Process | |
|----|--|--|
| 3. | Outline of end to end operational process. | <ul style="list-style-type: none">• For the first application made by each Employer, each Employer will complete an application form that will include the Information set out in row 8 of this table.• MSD will collate the Information set out in row 8 of this table in respect of each Employer's application into a .csv file, and send it to IR on a daily basis via SFTP.• The file name will be unique, and in the format set out at row 6 of this table.• The file will contain 3 columns: employer_ird_number, email_addres, and ird_match. employer_ird_number will always be 9 characters, zero left padded.• The file will be sent to IR by no later than 6pm each day.• IR will match the Information received against its own records, and the list of Exclusion Criteria listed in row 14 of this table, and compile a file confirming whether or not the Information provided to it by MSD matches its own records in respect of each Employer. In order to do this, IRD will only search for the email address within myIR for an active non-individual customer. |

| Operational Process | | |
|---------------------|--|---|
| | | <ul style="list-style-type: none"> The IR confirmation file will set out the Information set out in row 9 of this table. This will be all Information from row 8, plus a True / False option in respect of each combination of IRD number and email address. Both the IRD number and the email address must match, and must not fall under any of the Exclusion Criteria in order to produce a True result. IR will send the .csv file back to MSD between 6am and 11am on the day following receipt, delivering back to the same SFTP folder. For example, if MSD sends the file to IR before 6pm on 1 September, IR will complete the match and send it back between 6am and 11am on 2 September. The name of the response file send back to MSD will match the file name sent to IRD with the addition of a "_Response" suffix. MSD will send one .csv file per day. Each .csv file will have a unique sequential ID number. For the avoidance of doubt, the Information will only be sent by MSD to IR for matching when an Employer applies for the Apprenticeship Boost payment for the first time. It will not be necessary for MSD to send the Information to IR for checking when an Employer who has already been verified by IR makes an application in respect of an Employee that has not been covered by an earlier application. |
| 4. | Frequency of supply | Daily, including weekends and public holidays. |
| 5. | Transmission mechanism / protocol used | SFTP |
| 6. | MSD transfer job name | yyyy_mm_dd_MSD_Employer_Export.csv |
| 7. | IR transfer job name | yyyy_mm_dd_MSD_Employer_Export_Response.csv |

| Information Exchanges | | | | | | |
|--|--------------------------------|--|---------------|--|--|--|
| 8. | MSD Information provided to IR | <table><tr><th colspan="2">Field Details</th></tr><tr><td colspan="2"><ul style="list-style-type: none">• Employer's IRD number• Employer's email address</td></tr></table> | Field Details | | <ul style="list-style-type: none">• Employer's IRD number• Employer's email address | |
| Field Details | | | | | | |
| <ul style="list-style-type: none">• Employer's IRD number• Employer's email address | | | | | | |

| Information Exchanges | | |
|-----------------------|---|--|
| 9. | Information to be returned by IR to MSD | Field Details <ul style="list-style-type: none"> • Employer's IRD number • Employer's email address • True / False |
| 10. | Information to be retained by MSD | Field Details <ul style="list-style-type: none"> • Record of True response by IR in respect of each Employer. |
| 11. | Ad hoc Information supply | <ul style="list-style-type: none"> • The Parties may contact each other on an ad hoc basis (in a manner agreed between the Parties) if either Party has queries or feedback in relation to Information supplied. |
| 12. | MSD system/database(s) where data is processed / retained | <ul style="list-style-type: none"> • Retained in Information Analysis Platform (IAP) • Processed in S2P and associated database, the Apprenticeship Boost application and associated database. |
| 13. | Additional processes | <ul style="list-style-type: none"> • The parties will cooperate to identify whether it is necessary to develop a process for checking exceptions. If the Parties agree that is necessary, that process will be recorded in row 12 of Schedule 1, in line with the procedure for amending Schedules to the MOU provided for in paragraph 16 of the MOU. |
| 14 | Exclusion Criteria | <ul style="list-style-type: none"> • IRD number does not belong to an Employer; • IRD number belongs to a shelf company; • IRD number belongs to an inactive IR record; • IRD number is not linked to a myIR account; • Email address does not match the Employer's myIR email address; • IRD number belongs to one of the following entities listed below: <p>Departments:</p> <ul style="list-style-type: none"> • Business, Innovation, and Employment, Ministry of • Conservation, Department of • Corrections, Department of • Crown Law Office • Culture and Heritage, Ministry for • Defence, Ministry of • Education, Ministry of • Education Review Office • Environment, Ministry for the |

| Information Exchanges | |
|-----------------------|---|
| | <ul style="list-style-type: none"> • Foreign Affairs and Trade, Ministry of • Government Communications Security Bureau • Health, Ministry of • Housing and Urban Development, Ministry of • Inland Revenue Department • Internal Affairs, Department of • Justice, Ministry of • Land Information New Zealand • Māori Development, Ministry of • New Zealand Customs Service • New Zealand Security Intelligence Service • Oranga Tamariki—Ministry for Children • Pacific Peoples, Ministry for • Primary Industries, Ministry for • Prime Minister and Cabinet, Department of the • Serious Fraud Office • Social Development, Ministry of • State Services Commission • Statistics New Zealand • Transport, Ministry of • Treasury, The • Te Kāhui Whakamana Rua Tekau mā Iwa—Pike River Recovery Agency • Women, Ministry for <p>Departmental Agencies</p> <ul style="list-style-type: none"> • Cancer Control Agency • National Emergency Management Agency • Social Wellbeing Agency • Te Arawhiti—Office for Māori Crown Relations, <p>Non-Public Service Departments</p> <ul style="list-style-type: none"> • New Zealand Defence Force • New Zealand Police • Parliamentary Counsel Office • Office of the Clerk of the House of Representatives • Parliamentary Service <p>Crown entities</p> <ul style="list-style-type: none"> • Accident Compensation Corporation • Callaghan Innovation • Civil Aviation Authority of New Zealand |

| | Information Exchanges | |
|--|-----------------------|--|
| | | <ul style="list-style-type: none"> • <i>District Health Boards (20)</i> <ul style="list-style-type: none"> ◦ Auckland ◦ Bay of Plenty ◦ Canterbury ◦ Capital and Coast ◦ Counties Manukau ◦ Hawke's Bay ◦ Hutt ◦ Lakes ◦ MidCentral ◦ Nelson Marlborough ◦ Northland ◦ South Canterbury ◦ Southern ◦ Tairāwhiti ◦ Taranaki ◦ Waikato ◦ Wairarapa ◦ Waitematā ◦ West Coast ◦ Whanganui • Earthquake Commission • Education New Zealand • Energy Efficiency and Conservation Authority • Environmental Protection Authority • Fire and Emergency New Zealand • Health Promotion Agency • Health Quality and Safety Commission • Health Research Council of New Zealand • Kāinga Ora – Homes and Communities • Maritime New Zealand • New Zealand Antarctic Institute • New Zealand Blood Service • New Zealand Qualifications Authority • New Zealand Tourism Board • New Zealand Trade and Enterprise • New Zealand Transport Agency • New Zealand Walking Access Commission • Pharmaceutical Management Agency • Real Estate Authority • Social Workers Registration Board • Sport and Recreation New Zealand • Tertiary Education Commission • WorkSafe New Zealand • Accreditation Council • Arts Council of New Zealand Toi Aotearoa • Broadcasting Commission • Government Superannuation Fund Authority • Guardians of New Zealand Superannuation |

| Information Exchanges | | |
|-----------------------|--|---|
| | | <ul style="list-style-type: none"> • Heritage New Zealand Pouhere Taonga • Museum of New Zealand Te Papa Tongarewa Board • New Zealand Artificial Limb Service • New Zealand Film Commission • New Zealand Infrastructure Commission • New Zealand Lotteries Commission • New Zealand Symphony Orchestra • Public Trust • Retirement Commissioner • Te Reo Whakapuaki Irirangi (Māori Broadcasting Funding Agency) • Te Taura Whiri I Te Reo Māori (Māori Language Commission) • Broadcasting Standards Authority • Children's Commissioner • Climate Change Commission • Commerce Commission • Criminal Cases Review Commission • Drug Free Sport New Zealand • Electoral Commission • Electricity Authority • External Reporting Board • Financial Markets Authority • Health and Disability Commissioner • Human Rights Commission • Independent Police Conduct Authority • Law Commission • New Zealand Productivity Commission • Office of Film and Literature Classification • Privacy Commissioner • Takeovers Panel • Transport Accident Investigation Commission • AgResearch Limited • Institute of Environmental Science and Research Limited • Institute of Geological and Nuclear Sciences Limited • Landcare Research New Zealand Limited • National Institute of Water and Atmospheric Research Limited • New Zealand Forest Research Institute Limited • The New Zealand Institute for Plant and Food Research Limited • Crown Irrigation Investments Limited • New Zealand Growth Capital Partners Limited • Radio New Zealand Limited |

| Information Exchanges | | |
|-----------------------|--|--|
| | | <ul style="list-style-type: none"> • Television New Zealand Limited • Ara Institute of Canterbury • Eastern Institute of Technology • Manukau Institute of Technology • Nelson Marlborough Institute of Technology • Northland Polytechnic • Open Polytechnic of New Zealand • Otago Polytechnic • Southern Institute of Technology • Tai Poutini Polytechnic • Toi Ohomai Institute of Technology • Unitec Institute of Technology • Universal College of Learning • Waikato Institute of Technology • Wellington Institute of Technology • Western Institute of Technology • Whitireia Community Polytechnic • Any crown entity subsidiary • Any school board of trustees • Auckland University of Technology • Lincoln University • Massey University • University of Auckland • University of Canterbury • University of Otago • University of Waikato • Victoria University of Wellington • New Zealand Institute of Skills and Technology • Te Wānanga o Aotearoa (Te Awamutu) • Te Wānanga o Raukawa (Otaki) • Te Whare Wānanga o Awanuiārangi (Whakatane) <p>Reserve Bank of New Zealand</p> <p>Offices of Parliament</p> <ul style="list-style-type: none"> • Office of the Ombudsmen • The Controller and Auditor-General • The Parliamentary Commissioner for the Environment |

Aide-mémoire



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Cabinet paper

Date: 12 March 2021

Security Level: Sensitive - Budget

For: Hon Carmel Sepuloni, Minister for Social Development

File Reference: REP/21/3/243

Increasing Housing Supply and Improving Affordability for First Home Buyers and Renters

Cabinet Committee

Cabinet

Date of meeting

15 March 2021

Minister

Hon Carmel Sepuloni, Minister for Social Development and
Employment

Proposal

The paper proposes Ministers agree in principle to roll forward any Apprenticeship Boost underspend to the next financial year and authorise the Ministers of Finance, Social Development and Employment, and Education to jointly approve changes to appropriations.

We recommend that you **support** the proposal noting operational funding implications and potential impact on Mana in Mahi.

Key issues

The paper proposes extending Apprenticeship Boost from 20 to 24 months and delegate approval of appropriation changes to Ministers

The package put forward in the Cabinet paper will place increased demand on the current volume of the building and construction workforce. The paper proposes supporting the pipeline of this workforce by extending the Apprenticeship Boost from 20 to 24 months.

The paper also proposes authorising the Ministers of Finance, Social Development and Employment, and Education to jointly approve changes to appropriations and to extend the end date of the Apprenticeship Boost.

The Apprenticeship Boost Initiative was funded for 20 months from implementation: \$209.907 million in 2020/21 and \$170.647 million in 2021/22. It started on 5 August 2020, with the 20 months ending on 4 April 2022.

MSD's latest Apprenticeship Boost report (as at February 2021) shows that \$76.315m of the total \$204.045m for 2020/21 has been spent to date¹.

Extension of the Apprenticeship Boost will mean increased operational costs for MSD

The paper does not take increased operational costs into account if the Apprenticeship Support is extended. MSD currently employs 22 people to process Apprenticeship Support applications. If the initiative is extended, we would need funding of \$415,000 for 16 FTEs to carry out administration of the initiative and \$50,000 to cover IT costs to the end of the 24 months.

s9(2)(f)(iv)

Mana in Mahi is targeted to people who are at risk of long-term benefit receipt to gain employment and a formal industry qualification or apprenticeship. Since its expansion in August 2020, it has seen unprecedented demand, with the annual target of 450 placements almost reached one month into the expansion. As at the end of February we have placed 1,579 individuals into Mana in Mahi placements since the start of the financial year.

s9(2)(f)(iv)

Officials will have a better idea of actual uptake in late April

Cabinet previously noted that officials would undertake a review to understand actual volumes of uptake across initiatives within the Apprenticeship Support Programme, and that it may be possible to utilise any underspend in the \$412m COVID-19 Support for Apprentices contingency to extend the duration of the Apprenticeship Boost Initiative [CAB-20-MIN-0208 refers].

At the same time, Cabinet also authorised the Minister of Finance and the Minister for Social Development to jointly approve fiscally neutral transfers between appropriations to reflect changes in the uptake of the Apprenticeship Boost and the Mana in Mahi expansion.

¹ Note these figures are exclusive of administrative costs, and are the total amount available for Apprenticeship Boost subsidies.

MSD is also putting a recommendation into the technical Budget initiatives Cabinet paper to rollover any underspent funding across the life of the programme.

Author: Out of scope , Policy Analyst, Employment and Housing Policy

Responsible manager: Megan Beecroft, Manager, Employment and Housing Policy

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Daily update – Monday 3 August 2020

03 August 2020.

Apprenticeship Boost and Out of Scope

go live Wednesday Out of Scope

Out of Scope

COVID-19 update for all MSD people

Out of Scope

Operational updates:

Apprenticeship Boost and Out of Scope

go live Wednesday

Out of Scope

Operational updates

Apprenticeship Boost and Out of Scope

go live Wednesday

Out of Scope

the Apprenticeship Boost Out of Scope

are open for

applications from Wednesday 5 August.

The Apprenticeship Boost is a \$380.6 million subsidy for employers. It supports employers to keep first and second year apprentices employed and training towards their qualification. Out of Scope

Out of

If you get any calls about Apprenticeship Boost, there's more information on the Work and Income website

[<https://www.workandincome.govt.nz/work/apprentice-support/index.html>] Out of Scope

Out of Scope

Out of Scope

Out of Scope

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Out of Scope

Daily update – Wednesday 5 August 2020

05 August 2020

Out of Scope

Boost Out of Scope

Out of Scope

Apprenticeship

COVID-19 update for all MSD people

Out of Scope

Operational updates

Out of Scope

Apprenticeship Boost Out of Scope

– now live!

Out of Scope

Out of Scope

Operational updates

Apprenticeship Boost Out of Scope

– now live!

If you get any calls about Apprenticeship Boost, there's more information here on the [Work and Income website](http://www.workandincome.govt.nz/employers/subsidies-training-and-other-help/apprenticeship-boost.html)

(<http://www.workandincome.govt.nz/employers/subsidies-training-and-other-help/apprenticeship-boost.html>) Out of Scope

Out of Scope

Out of Scope

Apprenticeship Boost supports employers to keep first and second year apprentices employed and training towards their qualification.

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Apprenticeship Boost Initiative

Apprenticeship Boost is a payment to help employers keep and take on new apprentices. It means apprentices can keep earning and training towards their qualifications as the economy recovers from the impacts of COVID-19. The payment is made directly to employers.

About the Apprenticeship Boost Initiative

This programme is only available to employers with apprentices in their first two years of study, as generally they need more support while they are training and developing their skills. An apprentice needs to be studying towards a TEC (Tertiary Education Commission) approved NZ Apprenticeship or Managed Apprenticeship.

Apprenticeship Boost Initiative (ABI) is available for 24 months, from 5 August 2020 until 4 August 2022.

Employers can apply for ABI at any time so long as their apprentice is within the first 24 months of their training programme (while the initiative is running).

An employer with an apprentice who is:

in their first year of training will receive \$1,000 per month

in their second year of training will receive \$500 per month

This is for a maximum period of 20 months.

All payments are GST exclusive. That means that for employers who are GST registered their payment will include GST of 15%.

Employers who are GST registered will receive:

\$1150 (includes GST) for a year one apprentice

\$575.00 (includes GST) for a year two apprentice

Employers will need to complete account when they first apply for Apprenticeship Boost. They will also need to reconfirm their apprentice details each month to claim each payment.

For further information on the Apprenticeship Boost, check out the Work and Income website
(<https://www.workandincome.govt.nz/employers/subsidies-training-and-other-help/apprenticeship-boost.html>).

Out of Scope

In the Loop – Wednesday 24 March 2021

24 March 2021.

Out of Scope

Apprenticeship Boost extension

In the Loop

Stay up to date with what you need to know

Out of Scope

Operational updates

Out of Scope

Apprenticeship Boost extension

Operational updates

Out of Scope

Out of Scope

Apprenticeship Boost extension

The Government has extended the Apprenticeship Boost initiative for another four months, so it runs until August 2022. A total of 24 months of payments could be available to help retain an apprentice who's in their first two years of training. You can read more about this on the Work and Income website [<https://www.workandincome.govt.nz/about-work-and-income/news/2021/apprenticeship-boost-extended.html>] .

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**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

On the Radar

What you need to know this week

Monday 29 March – Sunday 4 April



Manaaki • Whānau • Mahi tahi • Tika me te pono

On the Radar

Welcome to this week's 'On the Radar'! We've got a short and snappy edition this week to go over the new Connected regional pages and take another look at some key messages from last week.

You're welcome to share this toolkit with your people or use it as a resource at your team meetings or discussions.

Remember, if you click on a topic below it'll take you straight to the info.

Out of Scope

- Out of Scope

Let's recap:

- Out of Scope
- [Apprenticeship Boost extension](#)

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Out of Scope

Apprenticeship Boost extension

- The Government has extended the Apprenticeship Boost initiative for another four months, so it runs until August 2022.
- A total of 24 months of payments could be available to help retain an apprentice who's in their first two years of training.

More information

- [Work and Income website](#)

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Out of Scope

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Message from Debbie - New Apprenticeship Support Programme

Out of Scope

- The Apprentice Boost Initiative is a new \$380.6 million wage subsidy to employers to help them keep existing apprentices and employ new ones. This will be led and delivered by MSD.

Out of Scope

Out of Scope

Out of Scope

Debbie

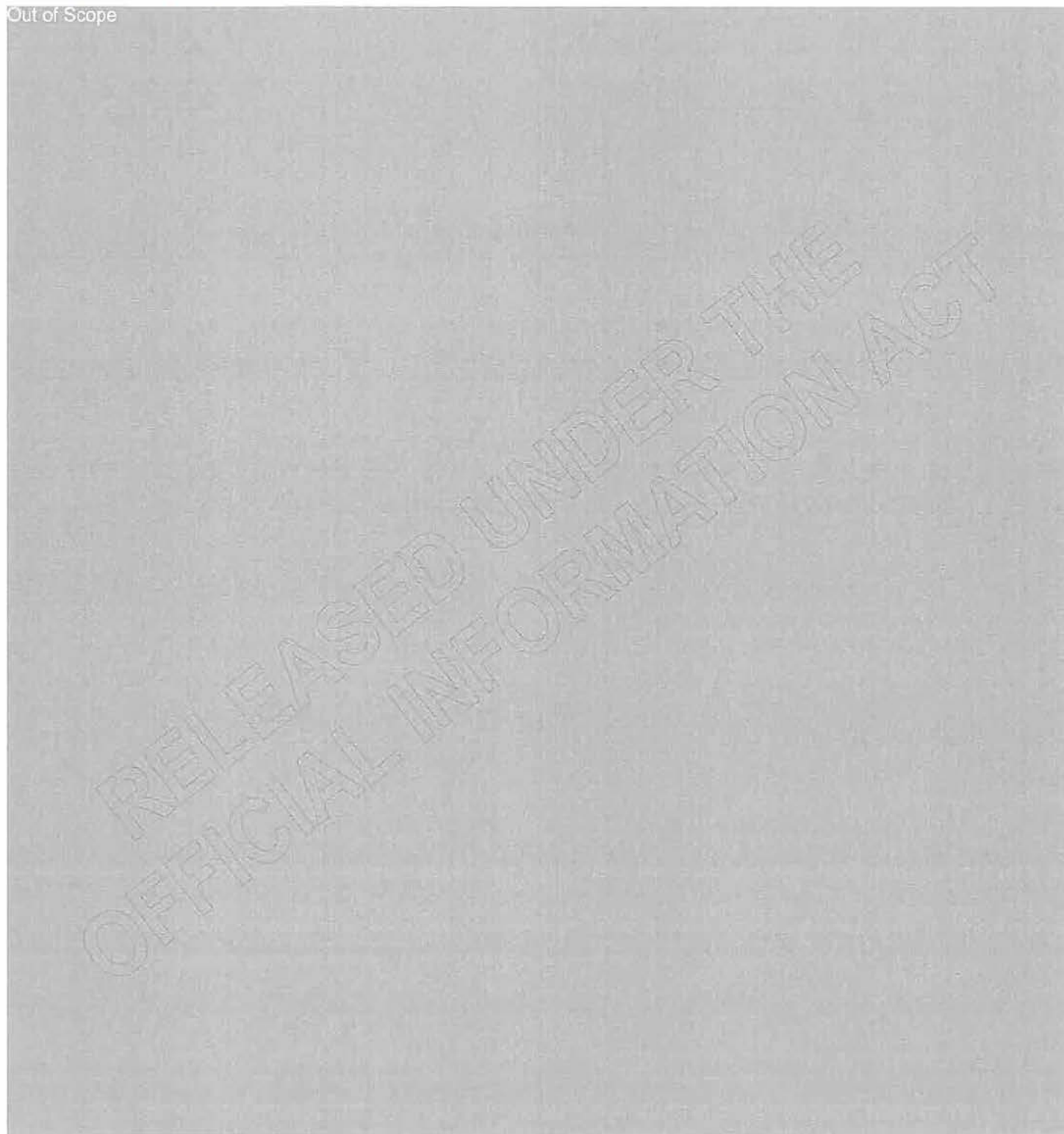
Message from Debbie - Thank you everyone

Out of Scope



Your achievements

Out of Scope



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- This week the Government announced the new Apprenticeship support package with funding to help employers keep apprentices

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