



26 March 2025

Tēnā koe

Official Information Act request

Thank you for your email of 31 January 2025, requesting information about funding paid to Ratebroker Limited from the financial year ending 30 June 2021 to present.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below.

I have also included some general information about our engagement with Ratebroker Limited during the COVID-19 pandemic at the end of this letter, for your further information.

Please find attached the **Appendix One** which provides the following:

- *Memo Skills for Industry: Redeployment – Ratebroker NZ*
- *Master Outcome Agreement between the Ministry and Ratebroker Limited*

You will note that the information regarding some individuals in **Appendix One** 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.

Please find attached the **Appendix Two** which provides the following:

- *Ratebroker Limited Outcome Report*

Some information in the **Appendix Two** table has been marked as 'S'. This 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 the information.

General information about the Ministry's previous contract with Ratebroker Limited

The Ministry's relationship with Ratebroker Ltd was a standalone partnership in response to COVID-19. Travel agents were impacted immediately when New Zealand went into lockdown. The purpose of this contract was to enable travel agents the opportunity to reskill and obtain employment in the financial services industry.

To expedite any names or contact details of Ministry staff have been withheld as out of scope. Please contact the Ministry if this was not the intent of your request and you would like this information considered for release.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

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 my decision on your request, 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

pp. 

Anna Graham
General Manager
Ministerial and Executive Services



Memo

To: out of scope Director Industry Partnerships

From: out of scope Account Manager Corporate

Date: 20 July 2020

Security level: IN CONFIDENCE

Skills for Industry: Redeployment – Ratebroker NZ

Purpose

This paper seeks your approval to utilise **\$1,030,400.00** from the Industry's Partnerships MCA budget to purchase the Industry training, certification, and employment placement services for 100 travel brokers from Travel Managers Limited (a subsidiary company of Flight Centre New Zealand) to be re-skilled and re-deployed as Financial Services Advisors for Ratebroker New Zealand (RBNZ).

Background

Tourism Industry

The tourism industry has been severely affected by Covid-19 travel restrictions globally due to the impact of Covid-19 travel restrictions. The travel industry is facing a long-term downturn, however many of the travel brokers are still required to work to refund and re-book the existing bookings. This is putting a big financial burden on Travel Managers Limited while they are not generating any income but retaining their staff to perform these functions.

Ratebroker New Zealand

Ratebroker New Zealand was founded by Matthew Grant and Matthew Smith in 2015 and was partially acquired by NZME (a listed media business) in January 2016.

Ratebroker is an online marketplace for financial products and services. Customers submit a form with a few basic details, and they receive a range of representative offers back in under 90 seconds. These appear on their personal dashboard and they choose, follow up any representative offers displayed completely at their discretion.

In 2018, Ratebroker Canada (RBC) was launched using the Ratebroker platform purchased from RBNZ. RBNZ provides all the servicing and development support for RBC. RBNZ part owns RBC.

Mid 2019, NZME returned the shares it owned in RBNZ to the founders of the business so NZME could pursue its own digital strategy and RBNZ would be free to execute an independent strategy. Excluding RBC, in New Zealand the current operating model is

purely digital with a mix of employees and contractors totalling 4-8 people depending on platform development requirements.

Ratebroker Canada Model

Ratebroker Canada has taken the NZ platform and extended the number and types of services offered to the consumer through the platform. The roll out plan includes power, telecommunication services and other consumer services. The model adopted with RBC was due to be rolled out in New Zealand as part of the business model refresh that was planned, following a strategic review once the founders regained control of the business. Contracts are in place with a number of power and telecommunications companies in New Zealand, but the refreshed platform has not yet been released in to the market.

The investors in the RBC are experienced digital technology investors and were the founders of a significant online cruise business that was sold for several hundred million dollars to Expedia.com.

Travel Managers Limited

Travel Managers Limited is a subsidiary company of Flight Centre New Zealand. Flight Centre restructured their business and closed their retail shops in April due to the Covid-19 impact however Travel Managers travel brokers are still operating, and many are trying to find alternative employment until the market picks up. Travel Managers Limited and the brokers have welcomed this idea and most of the brokers (186 in total) have already indicated they would like to participate in this initiative.

The travel brokers are independent sole traders affiliated with Travel Managers Limited. They are not generating any income at present. If this initiative does not get a go ahead, a new pipeline of income will be gone, they will need to apply for a benefit unless they find alternative employment.

Most of them are in receipt of the Covid Income Relief Payment but would sign a declaration when signing up to their employment agreement with RBNZ that they will cease the payment or return any amount that they were ineligible for.

Initiative

Travel Broker Re-skilling

Ratebroker New Zealand is planning a change in their current operating model to include Financial Services Advisors providing advice to customers.

Ratebroker New Zealand has identified the following benefits in the new operating model;

- Ratebroker NZ will have control over the quality of the advice provided to the consumer. Currently the advice provided to the consumer is from a supplier and it is difficult to monitor or control the quality of that advice. A poor consumer experience damages Ratebroker brand
- Ratebroker NZ will be able to train and employ brokers further ensuring the consistency and quality of contact points with consumers
- Ratebroker will be able to access higher levels of commission through integrating and employing brokers directly due to the way commission on financial services is structured

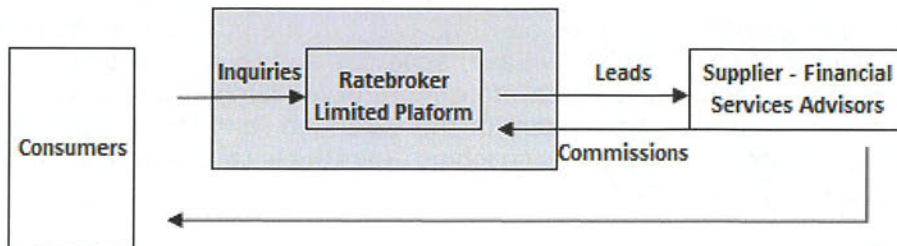
Ratebroker will be able to protect its brand and engage directly with regulators in a way that is not possible as simply a lead generation platform.

The Advisors will be guaranteed the the base salary (30 hours a week at minimum wage) for 52 weeks and they will also receive the 70% of the commission generated through the sales while RBNZ take 30%.

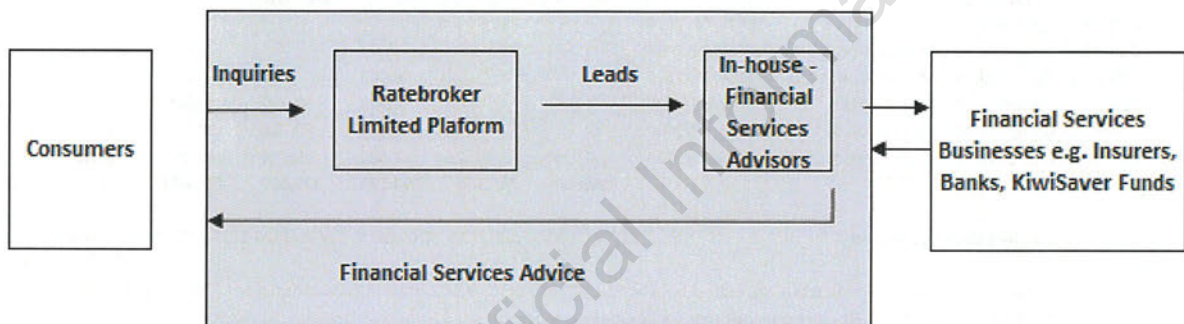
The travel industry's recovery may take longer than anticipated, and Travel Managers Limited is well aware that these brokers may not return to the travel industry after 12 months however they still want to provide this pipeline to their brokers. This initiative will future proof the brokers employability.

The following high-level diagram shows the current Ratebroker operating model and the new Ratebroker operating model:

Ratebroker: Existing Business Model



Ratebroker New Business Model:



Initiative

RBNZ will offer 30 hours a week 12 months fixed full-time employment for 150 travel brokers who express their interest in this initiative. Travel Managers Limited currently have 186 travel brokers and most of them have already indicated they would like to be re-skilled as Financial Advisors and take part in this initiative.

The Ratebroker will

- Offer 30 hours a week 12 months fixed full-time employment to the 150 travel brokers (This will allow the brokers to continue with their current roles as agents for 10 hours a week)
- Provide 12 weeks full time training to travel brokers in Auckland, Hamilton, Tauranga, Wellington and Christchurch
- Cover half the training cost (\$1,000.00 out of \$2,000.00 per person)
- Hire up to 150 travel brokers to be res-skilled as Financial Services Advisors

MSD will

- Cover the 100 new Financial Advisors wages for the initial training period of 12 weeks (\$18.90 x 30 hours x 12 weeks per person)
- Pay for their registration and certification cost at \$1,500 per person (on actual and reasonable)
- Cover half the training cost (\$1,000.00 out of \$2,000.00 per person)
- Fund \$100,000.00 for legal fees, technology training, background checks and etc

The brokers will be registered as financial advisors and conduct certification training per the plans as below:

Web based training from training providers will include

- Training from suppliers (KiwiSaver funds)
- Face to face group training
- One to one coaching and group coaching

The brokers will not have an exclusive focus on KiwiSaver but the purpose of the plan is to focus in the 500,000 people in default KiwiSaver schemes and to allow those consumers to exercise their choice. The three-month intensive training period will include training on more than one product. The reason for the extended (and less productive) training period of three (intensive) and nine (coaching) months is to ensure the quality of advice given is up to the required standard.

MSD Funding Profile

	Start Date	July	August	September	October	November	December	Total
Administration Fee		100,000						100,000
Cohort 1 Cohort of 40 - Certification & Training*	17/08/2020		100,000					100,000
Cohort 2 Cohort of 40 - Certification & Training*	31/08/2020		100,000					100,000
Cohort 3 Cohort of 20 - Certification & Training*	14/09/2020			50,000				50,000
Cohort 1 Cohort of 40 - Wage Subsidy**	17/08/2020		45,360	90,720	90,720	45,360		272,160
Cohort 2 Cohort of 40 - Wage Subsidy**	31/08/2020			90,720	90,720	90,720		272,160
Cohort 3 Cohort of 20 - Wage Subsidy**	14/09/2020			22,680	45,360	45,360	22,680	136,080
		100,000	245,360	254,120	226,800	181,440	22,680	1,030,400

Funding Date Requested 31/07/2020 17/08/2020 14/09/2020 12/10/2020 13/11/2020 14/12/2020

*Certification paid on invoice but calculated here at \$1,500 per person + MSD training contribution of \$1,000 per person

**Wage subsidy of \$18.90 x 30 hours per week x 12 weeks per person

*Certification paid on invoice (actual and reasonable) but based here at up to \$1,500.00 per person including the MSD training contribution of \$1,000.00 per person

**Wage Subsidy of \$18.90 x 30 hours per week x 12 weeks per person

Partnership Investment

MSD's investment is approximately 1M however RBNZ is also undertaking a huge financial liability – approximately 3.7M as they will cover the 9 months' salary for 100 brokers as well as 12 months' salary for the additional 50 people.

Risks and Concerns

- **Regulatory Scrutiny** - RBNZ has engaged with the Financial Management Authority (FMA) about their plans with no red flags or concerns being raised. RBNZ will continue to engage in a transparent manner with FMA including sharing details of training plans with them and a programme of periodic updates
- **Learning and Development** – RBNZ has a training plan which has the following elements:

An intensive 12-week training period to re-skill the travel brokers during which time the certification will be completed, and professional competence will be trained;

- A compliance certification process that is delivered using a combination of "in person" and virtual training modules;
 - Workshops and training developed and delivered by key suppliers such as KiwiSaver funds and insurers;
 - A buddy system for coaching;
 - Engagement with the FMA (RBNZ is planning a series of virtual talks with the FMA market engagement and compliance teams); and
 - An extended training period of learning and coaching beyond the initial 12-week training period
- **Industry acceptance** – RBNZ is limiting the number of suppliers they work with without limiting the consumer choices available. By focusing on a small number of suppliers, RBNZ can ensure their knowledge of products is deeper than if product training was too broad
 - **Institutional knowledge and experience** – the senior team are experienced in learning and development and have trained large groups of people programmatically in the past
 - **Staff attrition** – Not all 150 staff may complete their 12 months contract, however this can be mitigated by the total number of travel brokers participating in this initiative (Only 100 out of 150 will be funded by MSD). There are currently 186 brokers affiliated Travel Managers Limited and further 60 staff from the parent company Flight Centre New Zealand who are keen to participate in the initiative. They should be able to make up the numbers if some leave the programme early

Financial Due Diligence

Financial Evaluation

RBNZ has provided us with their unaudited Income Statement and Balance Sheet for the years ended 31 March 2020, 31 March 2019 and 2018. They have made a loss of **\$275,017** in 2020, a profit of \$1,519,855 in 2019 due to the sale of their platform for \$3m (ignoring this one-off sale they made a loss of **\$1,480,145**) and a loss of **\$2,013,561** in 2018.

Based on the information provided, as at 31 March 2019, RBNZ had Net Assets of \$2.549m (\$3.121m of Total Assets and \$0.572m of Total Liabilities). Ideally an organisation should have a Liquidity Ratio of greater than 1 and a Current Asset Ratio of greater than 1.5 but RBNZ ratios were 0.016 in 2019 regards Liquidity (0.14 for 2018) and 0.059 Current (1.99 in 2018). This suggests that RBNZ may have issues with paying immediate debt and covering ongoing debt payments.

However now due to the sale of their platform the Liquidity Ratio looks very positive – Liquidity Ratio of 2.34 and a Current Ratio of 2.35.

Report Year End Date	2020	2019
Financial Ratios	Ratio	Ratio
Liquidity ratio (ideal >1)	2.34	0.02
Current ratio (ideal >=1.5)	2.35	0.10
Was concern around in prior year	Yes	
Debt to Equity (ideal <1.6)	0.52	0.20
Total Debt to Assets (ideal <0.40)	0.34	0.18
Was concern around in prior year	No	
Return on Equity (ideal >0%)	(11.7%)	59.6%
Surplus / (Deficit) (ideal >0)	(45.9%)	41.5%

Report Year End Date	2019	2018
Financial Ratios	Ratio	Ratio
Liquidity ratio (ideal >1)	0.02	0.14
Current ratio (ideal >=1.5)	0.06	2.00
Was concern around in prior year	Yes	
Debt to Equity (ideal <1.6)	0.22	1.00
Total Debt to Assets (ideal <0.40)	0.18	0.50
Was concern around in prior year	No	
Return on Equity (ideal >0%)	59.6%	(442.8%)
Surplus / (Deficit) (ideal >0)	41.5%	(6753.5%)

Using the SSA financial evaluation tool, Ratebrokers had a favourable Risk Matrix of BBB and a score of 33 in 2020 and a Risk Matrix of D and a score of 54.4 in 2019 (the closer to a score of 0 is best).

Summary

- The Risk Matrix is favourable both in 2020 (BBB) and 2019 (D)
- Over the last 3 years excluding the sale of the platform they have made losses but the losses each year have decreased significantly which is very positive.
- There are currently no liquidity concerns regards meeting their debt obligations due to the sale of their platform whereas previously there were concerns

Recommendation from Service Delivery Finance

Overall, they have recommended this is a credible initiative to ensure the continuous employment of 100 staff and provide an opportunity to upskill. RBNZ is seeking \$1,030,400 in total which means approximately \$10,000 per employee.

Critical success factors

- The travel company partner (Travel Managers Limited) has signed an MOU allowing RBNZ to have access to consumer databases (subject to consumer consent) which broadens the available consumer pool beyond the leads generated by the Ratebroker platform
- The travel brokers understand how to engage with consumers and have existing trusted relationships
- The senior Ratebroker team have significant experience in the financial services advisory industry and understand both the commercial and regulatory environment; and
- By focusing initially on KiwiSaver, Ratebroker will be able to assist the 500,000 New Zealanders that are in default schemes and help consumers select a scheme that better suits their individual needs

Recommendations

It is recommended that you

1. **Note** MSD have sighted the MOU signed between Travel Managers Limited and Ratebroker New Zealand
2. **Note** Service Delivery Finance (requested by Deputy Chief Financial Officer) conducted a forensic accounting review of RBNZ prior to entering a formal negotiation

Agree to use **\$1,030,400.00** out of the Industry Partnerships MCA budget

Action: For Approval 20 July 2020

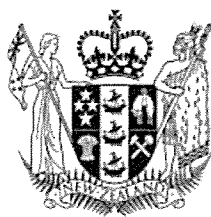
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Director

Industry Partnerships

22.7.2020
Date



MINISTRY OF SOCIAL DEVELOPMENT

TE MANATŪ WHAKAHIATO ORA

MASTER OUTCOME AGREEMENT

between

Ministry of Social Development

and

Ratebroker Limited

Contract Name	Skills for Industry – Ratebroker NZ
Contract Number	ESWI-21-00538
Commencement Date	3 August 2020
Term	11 months
Expiry Date	30 June 2021
Total Contract Value (excluding GST)	\$1,030,400.00

Master Outcome Agreement

Parties

The Sovereign in right of New Zealand acting by and through the Chief Executive of the Ministry of Social Development (**Purchasing Agency**).

Ratebroker Limited, registration number 5871334 incorporated under the Companies Act 1993 and having its registered office at 21 Queen Street, Auckland Central, 1010, New Zealand.

Background

- A The Purchasing Agency wishes to engage the Provider to provide certain services.
- B The Services will be provided to the Purchasing Agency under Service Schedules entered into by the parties and governed by the terms and conditions set out in this Master Outcome Agreement and each Service Schedule.

Introduction

- C The Framework Terms and Conditions (2nd edition) are part of this Master Outcome Agreement and the Service Schedules. The Framework Terms and Conditions are available at www.procurement.govt.nz.
- D The Purchasing Agency engages the Provider to provide the Service/s on the terms of this Master Outcome Agreement (including the Framework Terms and Conditions) and each Service Schedule.

It is agreed:

1 Relationship between this Master Outcome Agreement and the Framework Terms and Conditions

- 1.1 This Master Outcome Agreement and any associated Service Schedule are deemed to incorporate and be governed by the Framework Terms and Conditions. Except as expressly varied in this Master Outcome Agreement, the Framework Terms and Conditions remain in full force and effect.
- 1.2 Unless the context otherwise requires, all terms defined in the Framework Terms and Conditions have the same meaning in this Master Outcome Agreement and each Service Schedule, except that:
 - 1.2.1 references in the Framework Terms and Conditions to an 'Outcome Agreement' are deemed to be references to this Master Outcome Agreement; and
 - 1.2.2 the following additional terms are defined for the purposes of this Master Outcome Agreement:
 - i. **Accreditation Status** means accreditation at levels 1 to 5 under the Ministry of Social Development's (MSD) Social Sector Accreditation Standards;

- ii. **Master Outcome Agreement** means this master outcome agreement and includes the Service Schedule;
- iii. **Service Schedule** means a service schedule listed in the Index of Service Schedules, as updated from time to time, detailing the Services;
- iv. **Service Specification / Service Guideline** means a specification / guideline listed on the Purchasing Agency's website and referenced in a Service Schedule. Service Specifications / Service Guidelines form a legal part of a Service Schedule. Each Service must be delivered in accordance with the relevant Service Specification / Service Guideline;
- v. **SSA Team** means a team within the Ministry of Social Development responsible for assessing whether a provider has established and maintained minimum standards of business operations and service delivery at an organisational level in accordance with the SSA Standards; and
- vi. **SSA Standards** means the Social Sector Accreditation Standards developed by the Ministry of Social Development.

1.3 The Introduction above forms part of this Master Outcome Agreement and Service Schedule.

2 Term of this Master Outcome Agreement

2.1 This Master Outcome Agreement will commence on the date of this Master Outcome Agreement and end on 30 June 2021 unless extended pursuant to clause 2.2 or terminated earlier in accordance with clause 11 of the Framework Terms and Conditions.

2.2 The Purchasing Agency may extend the term of this Outcome Agreement for further periods with the agreement of the Provider by giving the Provider notice it wishes to extend the term at least 30 days before the date when the term would otherwise expire.

3 Services

3.1 The Provider will provide the Services as set out in the Index of Service Schedules attached to this Master Outcome Agreement.

3.2 In providing the Services, the Provider will meet or exceed any performance measures set out in the Service Specifications / Service Guidelines. The performance measures will be used to determine whether the Provider has been successful in delivering each Service in accordance with each Service Schedule so as to contribute toward achieving the Outcome(s) linked to each Service.

3.3 In providing the Services, the Provider must follow the reasonable directions of the Purchasing Agency. Such directions must be consistent with the terms of this Master Outcome Agreement and each Service Schedule.

4 Payment

4.1 Subject to the Purchasing Agency's rights under the Framework Terms and Conditions relating to the recovery, reduction or suspension of Payments, the Purchasing Agency will pay the Provider for the Services the amounts, and at the times specified, in Service Schedule D.

5 Contract Management

- 5.1 The contract management arrangements for each Service Schedule, including monitoring and reporting, are set out in Service Schedules B and C.
- 5.2 The Provider and Purchasing Agency will comply with all applicable obligations under Service Schedules B and C.

6 New IP

- 6.1 If, contrary to the intellectual property clauses in the Framework Terms and Conditions, any New IP is to be owned by the Purchasing Agency, it will be recorded in Service Schedule E.
- 6.2 Any agreed uses of New IP will be recorded in Appendix 5 of each relevant Service Schedule.
- 6.3 The licence granted under clause 10.4 of the Framework Terms and Conditions is limited to the term of this Master Outcome Agreement.

7 Privacy of Personal Information

- 7.1 The details of any personal information that will be shared between the Purchasing Agency and the Provider, and any agreed approach to the management of such information, are recorded in each Service Schedule.

8 Media

- 8.1 The Provider will discuss with the Ministry of Social Development, and will use best endeavours to ensure that all the parties involved in this initiative (including Travel Managers Group Limited and its parent company, Flight Centre (NZ) Limited) will discuss with the Ministry of Social Development and the Provider, prior to releasing any information to media and other parties in relation to this agreement.

9 Relationship Managers and Contact Details

9.1 Contact details for each party's Relationship Manager are set out below:

Purchasing Agency:

Relationship Manager: out of scope
Postal address: PO BOX 1556, Wellington 6011
Physical address: Level 8, The Aurora Centre, 56 -66 The Terrace Wellington
Email address: out of scope @msd.govt.nz
Phone number: out of scope or 9(2)(a)

Contract Administration and Invoice Contact

Designation Contract Administration
National Contracts
Address PO Box 1556
Wellington 6140
Email address: ES_Contracts_Admin@msd.govt.nz

Provider:

Relationship Manager: Mike Moran
Postal address: Unit 307/194 Worcester Street, Christchurch, 8011
Physical address: 21 Queen Street, Auckland Central, Auckland 1010
Email address: 9(2)(a)
Phone number: 9(2)(a)

10 Accreditation Status

- 10.1 The Provider shall maintain its required Accreditation (as notified by the Purchasing Agency to the Provider) for the provision of Services for the term of this Master Outcome Agreement.
- 10.2 The Purchasing Agency shall disclose to the Provider any changes to the SSA Standards.
- 10.3 If the Provider's Accreditation is suspended, each Service Schedule will be suspended with immediate effect until such time that the Provider's Accreditation is reinstated.
- 10.4 If the Provider's Accreditation is revoked or relinquished this Master Outcome Agreement and associated Service Schedule/s will come to an end with immediate effect.
- 10.5 The Purchasing Agency may request the SSA Team to conduct an Accreditation Review of the Services or the Provider's practices, operational and financial policies, procedures and systems in accordance with clause 5 of the Framework Terms and Conditions.
- 10.6 The SSA Team will:
- 10.6.1 give the Provider at least two Business Days' notice of any Accreditation Review;

- 10.6.2 visit on Business Days and during working hours or such other reasonable times depending on the matter being reviewed; and
- 10.6.3 provide the Provider with a copy of any report produced as an outcome of the Accreditation Review.
- 10.7 The following table sets out the regular audits and Accreditation Reviews that the Purchasing Agency will carry out:

Audit or Accreditation Review:	Review Cycle Frequency
Social Sector Accreditation Standards Level	(risk dependent)
Level One	6 months
Level Two	2 years
Level Three	2 – 3 years
Level Four (Self-Assessment)	2 years
Level Five (Self-Assessment)	As required

11 Health and Safety

11.1 The Provider will:

- (a) Consult, cooperate and coordinate with the Purchasing Agency to the extent required to ensure both parties comply with their respective obligations under the Health and Safety at Work Act 2015 as they relate to this Master Outcome Agreement and any Service Schedule.
- (b) Perform its, and ensure that its Personnel perform their, obligations under this Master Outcome Agreement and any Service Schedule in compliance with its and their obligations under the Health and Safety at Work Act 2015.
- (c) Comply with all reasonable directions of the Purchasing Agency relating to health, safety and security.
- (d) Report any health and safety matters, as determined by:
 - i. the SSA Standards (for Levels 1 to 54 Services),
 - ii. the Purchasing Agency's policy, or
 - iii. any notice issued under the Health and Safety at Work Act 2015 to the Purchasing Agency to the extent that it relates to, or affects, this Master Outcome Agreement or any Service Schedule.

- 11.2 Unless specified in the Incident Reporting section of the associated Service Specification / Service Guideline, any health and safety matters reported to the Purchasing Agency should be sent to the Relationship Manager identified in clause 8 of this Master Outcome Agreement.

12 Notice of Termination without Cause

12.1 Despite clause 11.1 of the Framework Terms and Conditions, the Purchasing Agency may terminate this Master Outcome Agreement and any related Service Schedule by giving the Provider not less than six months prior written notice (or such other period agreed by the parties in writing).

Signatures

Ministry of Social Development

Signed by

out of scope

Group General Manager, Client
Service Delivery

Signed

Date

7/08/20

Provider Name

Signed by

Matthew Grant

CEO

I have authority to sign for Ratebroker Limited and confirm this agreement has not been altered from what was last provided by the Purchasing Agency.

Signed

Date

4/8/2020

Index of Service Schedules

Service Schedule A: Services, Outcomes to be achieved, and performance measures

Service Schedule B: Monitoring by the Purchasing Agency

Service Schedule C: Regular reporting by the Provider

Service Schedule D: Payment for Services

Service Schedule A – Services, Outcomes to be achieved, and performance measures

Outcome (Population)	<p>The Service/s in this Outcome Agreement provided by the Provider are to contribute towards the Purchasing Agency's purpose:</p> <p><i>We help New Zealanders to be safe, strong and independent.</i> Manaaki Tangata, Manaaki Whānau</p> <p>By providing these Service/s under this Outcome Agreement, the Provider will be contributing towards the Purchasing Agency's outcomes:</p> <ul style="list-style-type: none"> (a) Improve employment outcomes through sustainable work (b) Improve people's readiness for work, including through training and education (c) Improve our contribution to industry and regional development (d) Improve equity of outcomes, particularly for Māori (e) Improve people's abilities to meaningfully participate in society 					
Detailed Service Description	Service Location	Start Date	End Date	Volume	Cost per Participant	Outcome Agreement Price
Skills for Industry – Redeployment Ratebroker NZ	Auckland	27/07/2020	30/06/2021	40	\$10,304.00	\$412,160.00
Skills for Industry – Redeployment Ratebroker NZ	Wellington			15		\$154,560.00
Skills for Industry – Redeployment Ratebroker NZ	Christchurch			15		\$154,560.00
Skills for Industry –	Tauranga			10		\$103,040.00

Redeployment Ratebroker NZ						
Skills for Industry – Redeployment Ratebroker NZ	Hamilton			10		\$103,040.00
Skills for Industry – Redeployment Ratebroker NZ	Dunedin			10		\$103,040.00
Total Agreement Price						\$1,030,400.00

Please note these payments exclude GST. However, payments for GST registered providers will have GST added subject to the terms and conditions of this Agreement.

SKILLS FOR INDUSTRY (Employer)

1 Industry Employer

The Employer (Ratebroker Limited) has agreed to employ, up-skill, and support the 100 travel brokers currently affiliated with Travel Managers Group Limited (the participants).

2 Recruitment

The Employer will ensure each travel broker is registered as a jobseeker with MSD and provide their SWN number before each participant starts their employment with Ratebroker Limited. This helps the Purchasing Agency to make sure that each participant's information is correctly captured for reporting purposes.

3 Employment Placement

It is the responsibility of the Employer to offer all 100 participants, who meet the criteria for Financial Services Advisors i.e. passing the credit checks, full time (30 hours a week) fixed term contracts for 12 months.

The Employer will:

- (a) Provide a full-time employment for 30 hours a week for 12 months
- (b) Arrange on-going on the job training and mentoring, for participants in employment.
- (c) As part of this agreement, advise the Purchasing Agency when a participant has started employment
- (d) Ensure each participant has signed a declaration they are not in receipt of Covid Income Relief Payment at the same time

4 Industry Specific Training

The Employer will, within the contract period provide an intensive 12-week on-the-job training to re-skill the travel brokers during which time the certification will be completed, and professional competence will be trained;

- a) A compliance certification process that is delivered using a combination of "in person" and virtual training modules;
- b) Workshops and training developed and delivered by key suppliers such as KiwiSaver funds and insurers;
- c) A buddy system for coaching;
- d) Engagement with the Financial Markets Authority (RBNZ is planning a series of virtual talks with the FMA market engagement and compliance teams); and
- e) An extended training period of learning and coaching beyond the initial 12-week training period

5 Wage Subsidy

The Purchasing Agency will pay the Employer a wage subsidy up to \$567.00 per participant, per week for a maximum of 12 weeks. (30 hours a week at \$18.90 per hour)

The Employer will guarantee each participant works a minimum of 30 hours of work per week

6 Performance Measures

The Provider will ensure:

- (a) Each participant signs declaration that they are not in receipt of Covid-19 Income Relief Payment
- (b) Each participant registers as a job seeker through Work and Income website and receives a SWN number - www.workandincome.govt.nz/online-services/swn/request-client-number/html
- (c) Each participant receives a full time 12 months fixed term contract ensuring 30 hours a week of employment
- (d) 80% of those who start employment with the Provider shall be sufficiently qualified and experienced to transition to permanent employment in the industry.

7 Target Group

To be eligible for this service each participant will be:

- (a) Currently trading as travel brokers affiliated with Travel Managers Group Limited and is facing a long-term unemployment/low income due to the downturn of the travel industry and meet the criteria to be a Financial Services Advisor (i.e. passing the credit checks) or
- (b) Currently employed by the parent company of Travel Managers Group Limited, Flight Centre (NZ) Limited, and facing a long-term unemployment due to the downturn of the travel industry and meet the criteria to be a Financial Services Advisor (i.e. passing the credit checks) and
- (c) A New Zealand citizen or permanent resident and ordinarily resident in New Zealand

Service Schedule B: Monitoring by the Purchasing Agency

Service	Monitoring Activity	Time and frequency of monitoring activity
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Skills for Industry – Redeployment Ratebroker NZ	Face to Face	20 August
Skills for Industry – Redeployment Ratebroker NZ	Face to Face	15 November

Service Schedule C: Regular reporting by the Provider

Reports and information will be provided by the Provider to the Purchasing Agency within the required timeframes as set out in this Agreement. The records to be kept and reports to be submitted are listed below:

Report name	Details to be included in the report	Time and frequency of reporting
Acceptance to the programme	Information includes: <ul style="list-style-type: none"> Participant full names, SWN & IRD number Acceptance to the programme Declaration re: Wage Subsidy and Covid Income Relief 	As each cohort commences their employment and with invoicing
Employment Progress/Wage Subsidy	Information includes: <ul style="list-style-type: none"> Participant full names, SWN & IRD number Commencement date of their employment Training progress 	Each month and with invoicing
Certification	Information includes:	As each cohort achieves their certification

Service Schedule D: Payment for Services

- (a) Purchasing Agency will pay the Provider for satisfactory completion of the services in accordance with the terms of this Agreement where conditions for payment have been met.
- (b) All payments shall be made subject to the receipt from the Provider of the relevant reports, and a valid tax invoice. The Purchasing Agency will verify any claimed off-benefit outcomes (or not in receipt of Covid Income Relief Payment) against its own records prior to payment being made.
- (c) All costs associated with the services are included in the funding paid by the Purchasing Agency and the Provider shall not charge participants for any of the services provided under this Agreement.
- (d) All payments will be made within 15 working days of the Ministry receiving the required documentation, and subject to:
- the satisfactory delivery of the Services, and
 - compliance with the Terms and Conditions of this Agreement.

Payment Type	Payment amount	Pre-conditions to receiving payment	Additional Payment Conditions
Up-front Payment (Administration)	\$100,000.00	Payable upon signing of the Master Outcome Agreement by both Parties and a valid GST invoice as per Note 1:	Note 1: The upfront payment is for the legal fees, technology training, payroll set ups for new staff, background checks of the Financial Services Advisors.
Up-front Payment (Training)	\$100,000.00	Payable upon signing of the Master Outcome Agreement by both Parties and a valid GST invoice as per Note 2:	Note 2: This is the half of the training cost for all 100 participants at \$1,000.00 per person. Ratebroker Limited will cover the other half. The total training cost per person is \$2,000.00.
Certification on actual and Reasonable			

Certification	\$1,500.00 per participant	Payable on actual and reasonable with a valid GST invoice as per Note 3:	Note 3: Ratebroker Limited will provide a cost estimate provided by FMA for each cohort with the list of participants.
Wage Subsidy Payments			
Wage Subsidy 1	\$45,360.00 (Due 17/08/2020)	Payable on the receipt of the list of the cohort starting employment and a valid GST invoice as per Note 4:	Note 4: Wage Subsidy of \$18.90 for 30 hours per week for 12 weeks per person
Wage Subsidy 2	\$204,120.00 (Due 14/09/2020)	Payable on the receipt of the list of the cohort starting employment and employment progression report and a valid GST invoice as per Note 4:	
Wage Subsidy 3	\$226,800.00 (Due 12/10/2020)	Payable on the receipt of the list of the cohort starting employment and employment progression report and a valid GST invoice as per Note 4:	
Wage Subsidy 4	\$181,440.00 (Due 13/11/2020)	Payable on the receipt of the list of the cohort starting employment and employment progression report and a valid GST invoice as per Note 4:	
Wage Subsidy 5	\$22,680.00 (Due 14/12/2020)	Payable on the receipt of the list of the cohort starting employment and employment progression	

		report and a valid GST invoice as per Note 4:	
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Please note these payments exclude GST.

Reconciliation Payment

At the end of the contract period, the Purchasing Agency will reconcile payments made to the Provider for the amount of funding previously advanced and the actual costs associated with this contract.

The reconciled amount will take into account the actual number of participants who completed the Training for which the Provider had received the Up-Front Payment and the Wage Subsidies. If, as a result of this reconciliation, the Purchasing Agency has overpaid the Provider, then the Provider will refund the difference to the Purchasing Agency.

If the original 100 participants did not complete the 12 weeks training (Wage Subsidy period), the remaining portion of the subsidy amount and the training component can be utilised by the other cohort (not originally funded by MSD).

A reconciliation will be conducted by 30 June 2021 to ensure that the total contract volume has been delivered over the contract period.