



28 July 2022

Tēnā koe

On 7 July 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *Details of the Ministry's spending with We Are Indigo and/or its associated entity Manaaki, e.g.*
- *How much has been spent in total?*
- *Which initiatives/projects We Are Indigo or Manaaki have been employed on, and the spend on individual projects?*

The Ministry collaborates with We Are Indigo on two of the company's many initiatives.

The Ministry's first contract with We Are Indigo was for the Manaaki Digital Doers with a start date of 15 December 2020 and an end date of 31 August 2021.

Manaaki Digital Doers

The contract for Manaaki Digital Doers was valued at \$270,000, for 25 participants. The pilot programme aimed to enable tech and social media savvy jobseekers to upskill and gain employment. Through building the digital capability of jobseekers, they would be employable as 'digital doers': digital and social media coordinators/advisors in SMEs (Small and medium-sized enterprises), or have the transferrable digital skills valued by employers.

The programme consisted of a 12-week education programme made up of online courses, live webinar-based learning sessions and practical capability building exercises - all deliverable at any stage of COVID-19 lockdowns. The second stage of the programme was an 8-week paid business internship. A wage subsidy was provided at 30 hours per week at minimum wage for up to 8 weeks in order to enable the participant to gain experience on their pathway to secure ongoing employment.

The programme costs are broken down as follows:

Programme Cost Overview:	
Programme fees per participant	\$6,000
Wage Subsidies: 30 hours per week x min wage (\$20.00) x 8 weeks	\$4,800
Total average cost per client	\$10,800

The cohort graduated on 18 June 2021 and begun their 8-week internships from 5 July 2021.

Digital Doers numbers

- 197 candidates applied
- 40 shortlisted
- 25 started on programme
- 23 completed pre-employment training
- 19 exiting their benefit post training -16 placed into internships

Total spend: \$226,000.00

Based on the success of the first pilot, the Ministry then contracted a second cohort of Manaaki Digital Doers in F22 from the period 8 September 2021 to 30 June 2022. The contract was valued at \$1,240,000. Manaaki was contracted to deliver the same programme for 100 people. Employment and in-work support components were added to the contract as the Ministry wanted to test scalability.

Activity	Per person	Total
12-week academy delivery	\$4,000	\$400,000
Internship placement	\$1,500	\$150,000
Wage Subsidies: 30 hours per week x min wage x up to 8 weeks	Up to \$4,800	Up to \$480,000
9-weeks in-work payment	\$1,000	\$100,000
22-weeks in-work payment	\$500	\$50,000
Programme co-ordinator		\$50,000
Total average cost per client	\$12,300	\$1,230,000
25 X Chromebooks - \$10,000		\$1,240,000

Results from the programme

- 100 started on programme
- 80 completed pre-employment training
- 69 people were placed into internships (with 61 completing them)

Current spend: \$878,800 (with a reconciliation due 30 September 2022)

At the end of June 2022, across the two cohorts, 77 people are working full or part-time in digital, and 49 people are off-benefit. In an end of programme report, Manaaki drew the following conclusions:

- It has not delivered off-benefit outcomes as expected.
- More focused courses, in smaller cohorts running concurrently, would meet employer needs and be more appropriate for target groups.
- The timing of the programme split by Christmas and New Year was not successful.
- Manaaki needs a recruitment expert to manage internship and work placement.
- A number participants are working casually or volunteering or have gone on to further education.
- Digital literacy and skills are critical for success in life and work – all the Digital Doers have upskilled, whether they are in work or not.

The Ministry does not have a contract in place for the 2022/23 financial year with We Are Indigo for Manaaki Digital Doers. The Ministry is currently tendering for the provision of employment brokerage services for the Technology Sector.

Manaaki: Whanake Partnership

Ministry Industry Partnerships has a partnership contract with Manaaki, participating in a project called Manaaki Whanake. This is a 12-month partnership valued at \$50,000, which ends on 31 March 2023, with deliverables expected in late 2022.

Whanake is a Manaaki-led partnership of technology-based companies working together to accelerate entrepreneurial activity in the digital eco-system, aimed at closing the digital divide and targeting businesses in the health, sustainability, education and community sectors. The initiatives will run business technology accelerators that will recruit SME businesses and deliver a programme to upgrade the digital capability and provide business growth/mentoring services. These may be business at start-up stage, or more established SMEs.

Industry Partnerships has a portfolio of business start-up programmes that targets Ministry clients who have viable business proposals. Among this group, a lack of digital capability is a significant driver of disadvantage. Across the Ministry, approximately 450 clients successfully apply for small business start-up support each year. Many New Zealand SMEs lack digital capacity, and this is more pronounced among the cohorts represented across the Ministry's client base, and participation in Whanake has potential to boost Ministry clients that start small businesses so that they can grow, be sustainable and employ other people from the target communities.

Partnership deliverables:

- 1) Manaaki will reserve 5 positions in a new business accelerator programme for clients that have come through the Ministry's Flexi-wage for Self-Employment programme. The Ministry will promote this across our Self-Employment portfolio, including a Maori/Pasifika-focused technology-enabled business start-up programme in Auckland.

- 2) Whanake will conduct a series of intakes which take 10 small businesses that reflect the backbone of the New Zealand economy and provide them with a blueprint of how to leverage digital technology and 5G to achieve their own versions of success. All the technology is provided and installed for them, and they are taught how to use it. Manaaki will collaborate with the Ministry to select a minimum of two start-ups who have come through the Flexi-wage for Self-Employment programme (current or past) and in partnership with the Whanake programme provide a suite of technological upgrades and support to upgrade capability and embed or harness the new technology for business growth. Two positions will be reserved for Ministry clients.
- 3) Industry Partnerships will have the opportunity to collaborate with the partnership network (including a number of leading businesses) to develop employment and or apprenticeship programmes for Ministry clients from disadvantaged backgrounds, while building a valuable network with industry leaders.

This contract is being Account Managed as is standard across Industry Partnership programmes and is on-track with outcome delivery scheduled for late 2022.

The principles and purposes of the Act 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
- 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 available to the wider public. The Ministry will do this by publishing this letter 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 Ministry's spending with We are Indigo and Manaaki, 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



Amanda Nicolle
Director
Industry Partnerships