

## 2.02 TONGARIRO PROFESSIONAL RIVER GUIDES TRAINING COURSE PROGRAMME

<b>PGF Application – TE ARA MAHI</b>		<b>For: Approval</b>	
<b>Applicant:</b>	Rafting New Zealand GP Limited	<b>Pipedrive ID #</b>	R02.01230
<b>Region</b>	<b>Waikato</b>	<b>PGF Funding Sought:</b>	\$ <sup>Commercial Info</sup>
<b>Region detail:</b>	Turangi	<b>Total Project Value:</b>	\$575,090
		<b>Applicant co-funding:</b>	\$ <sup>Commercial</sup>
<b>Entity Type:</b>	Company	<b>Funding Structure:</b>	Grant
<b>Entity Detail:</b>	Rafting New Zealand are one of New Zealand's safest and most awarded white-water rafting companies with over 25 years' experience. They service 20,000 clients annually with this amount constantly growing.		

### We recommend that the SROs:

- a) **Approve** \$504,930 from the Te Ara Mahi portion of the Provincial Growth Fund towards Tongariro Professional River Guides Training Course Programme.
- b) **Note** that the funding requested is a grant and the reduced recommended amount is due to; 1) capital expenditure not typically funded under TAM (amount was instead amended to take into account for a contribution towards the lease of a motor vehicle) and 2) at least <sup>Comm</sup>% of the participants are highly likely to be MSD clients and therefore likely to be eligible for MSD funding.
- c) **Note** this covers an initial 12-15 month delivery of the course programme **Commercial Information**.
- d) **Note** that this was initially submitted as a HPR application however, after reviewing the application, it was found to better align with TAM criteria given the programmes targeted cohort i.e. not just NEETs.
- e) **Note** that the approval amount differs from the original funding sought given the applicant initially requested an amount of \$<sup>Commercial Info</sup> for the purchase of a motor vehicle.
- f) **Note** that this type of capital expenditure is not typically funded under TAM.
- g) **Note** that the amount was instead amended to take into account for a contribution towards the lease of a motor vehicle.
- h) **Note** the endorsement by MSD with the applicant having strong links to their Turangi office. MSD have advised that they are able to match some of their suitable clients to fill the cohorts. This will be part of the conditions precedent if any funding is approved.
- i) **Note** that a provision for the full amount has been requested to cover the costs for any participant who is not eligible for funding through other agencies.
- j) **Note** that if funding is approved the programme can begin immediately, once first cohort identified.
- k) **Note** that the initiative targets Māori with aspects of the programme tailored to the Māori world view.
- l) **Note** that at least 50% of the participants will need to have a connection to the local Iwi (Tuwharetoa)
- m) **Note** that the applicant has partnered with Lake Rotoaira Forest Trust who have recently invested in other local tourism opportunities.

- n) **Note** the applicant and their partners have strong links to other tourism organisations such as; <sup>Commercial Infor</sup> [redacted]  
**Commercial Information** [redacted].
- o) **Note** that the applicant will support <sup>Commel</sup> [redacted] % of participants into sustainable employment of which, at least, <sup>Comm</sup> [redacted] % will be employed by the applicant.

PROACTIVELY RELEASED

**Proposal:**

This will be a new initiative to fill the current shortage of suitable skilled guides, especially New Zealand locals with strong local Iwi links. The initiative is about building a local pipeline of guides and with a particular focus of those people in the Turangi and neighbouring regions. The guides will be able to provide a unique local experience and “show their Awa to the world’ once graduated.

In recent years the applicant has reached out to the local and found that the locals, especially younger ones, are really interested in the industry. The applicant has already informally been running the programme on an individual leave. This has involved taking on unemployed locals, training them which then leads to full time employment. The funding would allow them to formalise this and also upskill more locals.

The applicant has established a comprehensive 16 week rafting course. Participants will achieve an internationally recognised course gaining Level 4 credits and a number of certificates on completion of the course. These being:

- UNIT 26512 - Level 4, Credit 5
- UNIT 26513 - Level 4, Credit 10
- UNIT 26514 - Level 4, Credit 15
- UNIT 12407 - Level 4, Credit 10
- Pre-Hospital Emergency Care (PHEC) Qualified
- Certificate in Advanced River Rescue
- Certificate in Risk Management
- Professional Rafting Guide Grade 2
- Professional Rafting Guide Grade 3

The applicant is very aware of their surrounding environment and as a result they have incorporated cultural and environmental training into the course. This is in addition to the inclusive culture they have created within their business, which would naturally feed into their course.

The programme also has strong support from the local Iwi, Tuwharetoa, with procurement to ensure that at least 50% of all participants have a connection to this Iwi. This will be coordinated through their business partners who are formally involved with the Iwi.

Once participants graduate, the applicant intends to employ at least the first cohort of guides. The completion of the first cohort also leads nicely into the industry’s busiest season, summer. The applicant is able to provide sustainable work all year round, especially in an industry known to be seasonal.

They also have strong working relationships with other companies in the industry such as; Kaitiaki Adventures, Rotorua Rafting and River Rats. They also have options for workers to work in tourism industries during the winter, if they wish.

This has the overall impact of increasing success and social connections within regions and increasing employment opportunities for locals.

**Outcomes sought:**

The funding requested from the PGF (Te Ara Mahi) will enable to applicant to run two courses in the Turangi/Waikato region, resulting in the following outcomes:

- people trained and/or upskilled and supported into sustainable employment ( per cohort)
- At least % of participants will be successfully employed by the applicant with the any remaining, if not employed by Rafting NZ, to be supported into employment within the industry.

**Ability to achieve outcomes**

The applicant has effectively been running an informal version of this programme, albeit not at this scale, with proven success.

The director of Rafting NZ is also an approved assessor which means no external organisations are required. Skill Active Aotearoa Limited (an ITO) will sign off on final qualifications and have provided a letter of support.

**Wider benefits:**

- Increased social connection
- Decrease in unemployment rate, increase in wages which will stimulate the local economy
- Opportunities for locals to secure a qualification that will give them employment opportunities in the region, nationally and internationally
- Enhanced attractiveness of the region as a place to live and work

**Stakeholder support:**

- The applicant has worked with regional stakeholders to identify the need for this service in the region
- MSD are supportive and are ready to implement within a short period of time if funding is approved
- Tuwharetoa are supportive of the programme
- Other letters of support have also been supplied

**Funding detail:**

- There will be up front cost for setting up the programme, and then ongoing costs for running the programme
- The applicant has no other funding sources for this initiative however will use their current buildings and equipment throughout the course. No value has been attributed to this.

	Response	PDU (TAM) Statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually (on average):	Comm	This is achievable given the scale of the programme
Number of people expected to attain employment as a result of the project/activity annually (on average):	Comm	The business/applicant has an immediate need for at least <sup>Comm</sup> % of the participants

**Assessment against the PGF criteria:****Eligibility Criteria**

This application is eligible for PGF funding.

**Productivity Potential**

The project will improve productivity in the identified regions by:

- increasing the pool of local people who meet the requirements to fill vacant local positions;

- increasing mobility of participants through the applicants connection with other organisations in the industry
- improving employability and upskilling local people,
- strengthening, diversifying and growing regional economies

### Policy objectives

Applications alignment with the principles of Te Ara Mahi:

- 1) It focuses on supporting local people into local employment opportunities by addressing the specific needs of those who need more help than can be currently provided in order to achieve sustainable employment.
- 2) It ensures additionality by filling a gap in service provision which existing funding does not cover.
- 3) It fits within mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF.
- 4) It indirectly reinforces investment in PGF Tier 2 (Sector Investment) and PGF Tier 3 (Enabling Infrastructure) projects; through the improvement in work readiness of potential workers required to support investments in the region.

PGF Criteria	Assessment Commentary	Rating (0✓ to 5✓)
<b>Link with fund and government outcomes</b>		
Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> <li>• The project does not explicitly align with economic and employment plans in the regions, however this is implicit in that the industry targeted by the initiative clearly demonstrates an understanding of the economic development interests</li> </ul>	<b>Partial</b>
Demonstrates potential to meet the current or future labour market skill needs of the region, including those resulting from PGF Tier 2 and 3 investments	<ul style="list-style-type: none"> <li>• This application focuses specifically on training and/or upskilling the local people</li> <li>• The ability to train/upskill and then work in their own community</li> </ul>	<b>Yes</b>
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	<ul style="list-style-type: none"> <li>• This is not the core purpose of this project as people who are not in education, employment or training already are not the key target group for the initiative, however it is reasonable to expect that a portion of people targeted will fit into this category</li> <li>• This project has an emphasis on Māori with procurement to have at least 50% of the participants as being connected to the local Iwi, Tuwharetoa</li> <li>• Some of the course participants will be referred from MSD</li> </ul>	<b>Partial</b>
Increases local employment and earning potential, by supporting local people into local jobs, with an emphasis on sustainable employment outcomes	<ul style="list-style-type: none"> <li>• The project will improve earning potential by upskilling the participants</li> <li>• The project will aim to support all participants into sustained employment</li> </ul>	<b>Yes</b>

<b>Additionality – adds value by building on what is already there</b>		
Addresses a gap in current service provision e.g. does not cover activities that are already funded for (unless funding is to up-scale or re-start, existing projects)	<ul style="list-style-type: none"> <li>This funding addresses a gap in service for people looking to get into this industry as there is currently no provider in the region</li> <li>The project will support all participants into sustained employment</li> <li>The industry is well known to rely on different types of migrant labour to fill the seasonal roles</li> </ul>	<b>Yes</b>
Demonstrates why third party funding, including other government agencies, cannot be used to address the current gap in service provision	<ul style="list-style-type: none"> <li>Although Ministry of Social Development have some cross over stake in outcomes related to the initiative, it is known to be 'high risk' industry and therefore understand that there is no funding currently available</li> </ul>	<b>Yes</b>
<b>Connected to regional stakeholders and frameworks</b>		
Support from local employers, central and local government, and governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li>Evidence of support has been provided in the region across a broad range of stakeholders. These include MSD, Lake Rotorua Forest Trust, and Turangi Tongariro Community Board.</li> </ul>	<b>Yes</b>
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>The structure of their business and their proposed structure for their training arm service demonstrates robust project management and governance</li> <li>The applicant has a clear plan for developing these mechanisms to support the expansion of the service</li> </ul>	<b>Yes</b>
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> <li>The director is a registered assessor and has been for over 10 years</li> <li>The business will expand to allow for the participants to receive the attention they need</li> <li>The business has been in operation for over 25 years</li> </ul>	<b>Yes</b>
Risk management approach	<ul style="list-style-type: none"> <li>Outlined in their additional information</li> </ul>	<b>Yes</b>
Future ownership / operational management	<ul style="list-style-type: none"> <li>The applicant would look to downscale their cohort following the initial 2 groups. This will ensure that there is not an oversupply of workers and ensure there are jobs available at the end of the programme. Funding would either become part of business as usual or be funded by partners and the likes.</li> <li>The applicant is open to expanding his programme outside of the region</li> <li>The applicant is open to sharing learnings and possible programme material with other</li> </ul>	<b>Yes</b>

	organisations, who may look to get into this space, in the future		
<b>Funding Arrangements</b>			
Funds will be distributed via a milestone plan, which is likely to include an upfront cost for set up.			
<b>Due Diligence and Ownership</b>			
Due diligence was undertaken on the organisation and key persons involved <b>Commercial Information</b>			
Privacy of natural persons			
<p>If approved, further due diligence may be undertaken on these matters however there are no concerns at this stage.</p> <p><b>Directors:</b></p> <p><b>Jeremy Luke Boddington</b></p> <ul style="list-style-type: none"> <li>B. F. I. LIMITED (607984) (Director and Shareholder)</li> </ul> <p><b>Pianika Moe Boddington</b></p> <ul style="list-style-type: none"> <li>B. F. I. LIMITED (607984) (Shareholder)</li> </ul> <p><b>Tiwana Ohorere Tibble</b></p> <ul style="list-style-type: none"> <li>TIWANA TIBBLE LIMITED (7338196) (Director and Shareholder)</li> <li>TONGARIRO TRANSPORT HUB LIMITED (7476137) (Director)</li> <li>RINGA MATAU LIMITED (2076792) (Director)</li> <li>TAHUMATUA LIMITED (2076793) (Director)</li> <li>HOLE IN ONE TMGH LIMITED (6459092) (Director)</li> <li>LRFT LAND HOLDINGS LIMITED (4578679) (Director)</li> <li>OLIVE INVESTMENTS NO 1 LIMITED (3213829) (Director and Shareholder)</li> <li>OLIVE INVESTMENTS NO 2 LIMITED (5898430) (Director and Shareholder)</li> <li>NGATI POROU BERRIES LIMITED (6232774) (Director)</li> <li>NGATI POROU HOLDING COMPANY LIMITED (3893636) (Director)</li> <li>TAUPO MOANA GROUP HOLDINGS LIMITED (5496463) (Director)</li> <li>GONDOLA GENERAL PARTNER LIMITED (6948354) (Director)</li> </ul> <p><i>None of the above individuals appear on the Companies Office list of disqualified/prohibited persons.</i></p>			
<b>Risk Assessment</b>			
The key risks to the PDU and proposed mitigations of this investment are as follows:			
Type of risk	Risk description	Mitigations	Risk Rating L/M/H
<b>Cost Risk</b>	If our cost estimate are inaccurate, then the applicant may be unable to complete the project in the agreed manner	<ul style="list-style-type: none"> <li>We have taken a cautious approach to our cost estimates i.e. overestimated to mitigate as much of this risk as possible</li> </ul>	Low

		<ul style="list-style-type: none"> <li>A number of the costings are flexible</li> </ul>	
<b>Funding alignment</b>	It is perceived that investment in tourism is high risk and does not align with purpose Te Ara Mahi	<p>Clear communications on:</p> <ul style="list-style-type: none"> <li>The alignment of the service with provincial growth outcomes</li> <li>The uniqueness of the service</li> </ul>	Low
<b>Consultation undertaken or implications:</b>			
<p>The following consultation has occurred:</p> <p>Internal PDU teams – feedback on application received, more information sought from applicant, new information incorporated into application.</p> <p>Other agencies – we have consulted on this initiative with a number agencies with MSD providing substantive feedback and have indicated support for the application.</p> <p><b>Ministry of Social Development</b></p> <ul style="list-style-type: none"> <li>This applicant has a good relationship with MSD in the Turangi area</li> <li>The application is correct in saying that there is a latent labour force in the Turangi area</li> <li>Excellent opportunity to leverage employment opportunities: Our Turangi office believes that they could supply the required number of people from Turangi and/or Taupo, who would meet the requirements of the course.</li> </ul> <p><b>Lake Rotoaira Forest Trust</b></p> <p>Lake Rotoaira Forest Trust is now a partner of the Rafting New Zealand Limited Partnership.</p> <p>“We have been impressed and inspired by the growth and operation of Rafting New Zealand over the past 25 years. We are extremely proud and encouraged to have such a forward-thinking initiative happening in our own backyard as the proposed Rafting Guide Training Course.</p> <p>We have been witness to the character and leadership traits that working for Rafting New Zealand has instilled in local youth over the years, and the life-changes individuals have made by training with them. So the prospect of having this program available to more of our rangatahi in positive ways is extremely exciting.</p> <p>We support the initiative and will use whatever resources we can muster to ensure its success for our rangatahi and our Turangi and surrounds rohe”.</p> <p>Full feedback attached received from MSD.</p>			
<b>Supporting proposal:</b>	Yes		
<b>Appendices:</b>	Yes – Applications, additional information, and supporting letters attached as annexes		
<b>Author of paper:</b>	HG, Te Ara Mahi/He Poutama Rangatahi Team		