

2.10 SOUTHLAND YOUTH FUTURES

PGF Application – TE ARA MAHI		For: Approval	
Applicant:	Great South (previously “Venture Southland”)	Pipedrive ID #	Commercial Information
Region	Southland	PGF Funding Sought:	\$ Commercial Information
Region detail:	Entire Southland region	Total Project Value:	\$6,557,855
		Applicant co-funding:	\$ Commercial Inform
		Employer contribution	\$ Commercial Information
Entity Type:	Local Authority	Funding Structure:	Grant
Entity Detail:	Great South (previously “Venture Southland”) is Southland’s Regional Development Agency. Great South is a council-controlled organisation focused on developing the Southland region. They have nine shareholders who contribute funding towards the organisation on both an operational and contract basis with the overall goal to develop the Southland region.		
We recommend that the SROs:			
<p>a) Support \$1,550,000 from the Te Ara Mahi portion of the Provincial Growth Fund towards Southland Youth Futures</p> <p>b) Note that the funding requested is a grant.</p> <p>c) Note the funding requested covers a three year period.</p> <p>d) Note that this application was declined by SROs at the March 2019 SRO meeting. The applicant has since addressed the main concern raised at this meeting, which was that insufficient evidence had been provided that other agencies do not have the funding available to fund or resource this initiative (see detail below).</p> <p>e) Note that MoE are supportive of this initiative but have advised that it is out of their current funding scope. They are only able to fund one coordinator in Otago/ Southland to provide strategic advice to all schools for secondary transitions and; while some of the initiatives participants will be school children, they cannot currently fund a programme that also includes students outside schools in Foundation Programmes. They also advise that this initiative complements but does not duplicate any of their own initiatives, such as the NCEA Review and Careers Action Plan.</p> <p>f) Note that MSD are supportive of this programme Commercial Information</p> <p>g) Note that TEC has stated that whilst it is active in career services provision it does not have a fund appropriation to support initiatives such as Southland Youth Futures.</p> <p>h) Commercial Information</p>			

- i) **Note** that the applicant is confident it can achieve the following **outcomes** should funding be approved:
- At least 2300 young people aged 14-20 actively engaged in Southland Youth Futures activities and programmes annually by 2022
 - ^{Commercial} at risk youth intensively worked with and supported into local employment, education and/or training pathways from 2019 to 2022 (Commercial Information)
 - 1200 youth assisted to complete a Work Ready Passport from 2019 to 2022 (400 per year)
 - 125 employers involved in the initiative by 2022 (increase from 85).
- j) **Note** that the **average cost** per participant for the PDU's contribution per student per year is approximately \$C (based on the 2300 young people actively engaged with annually).
- k) **Note** the favourable reputation of the applicant regarding their successful delivery of this initiative in Southland since 2016 which is linked to NEETs numbers in Southland dropping by a third in the past three years.
- l) **Note** the endorsement of this initiative from a comprehensive range of stakeholders including Ministers, councils, Iwi, schools, ITOs and other agencies.
- m) **Note** MBIE (Regional Growth Initiative) previously granted Southland Youth Futures \$140,000 for a co-ordinator role for two years (ending October 2019) as part of a package of support for the Southland Regional Development Strategy. This application is a resulting expansion of the service based on the success of that co-ordinator.

Proposal:

Southland Youth Futures is a careers programme for young southlanders, aged 14 – 20, who are studying at secondary school or undertaking foundation studies courses. It covers the whole of Southland and involves 85 Southland businesses (at present) and all secondary schools in the region.

By working in partnership with educators, employers, training providers, ITOs and industry advocacy groups, Southland Youth futures “connects the dots”, ensuring young people are assisted into appropriate training and/or employment before they leave the education sector, thus reducing the rate of those who end up as long-term NEETs.

This programme was set up in 2016 to address an identified gap in service provision. It aims to set all young southlanders on a positive pathway towards long term employment which will deliver economic and wellbeing benefits for Southland, and assist employers to find local people to fill local jobs. This includes:

- Engaging with young people early and educating them on the types of employment opportunities available in the Southland region. Early engagement supports them to understand which industries interest them, allowing them to align their subject choices and training with these interests, ultimately ensuring a higher likelihood of successfully entering meaningful and thus sustained employment
- Building direct linkages between young people and employers through advice, information, conversations and real-world experiences
- Assisting young people to gain the skills and training required for meaningful employment and a career which adds value to their own life and the Southland and New Zealand economies

This programme is currently being successfully delivered by one co-ordinator (funded by MBIE; funding expires October 2019) who is now at capacity, despite their being significant scope to expand and strengthen the programme.

Southland Youth Futures is applying for PGF funding to enable them to carry out this strengthening and expansion. The expansion will involve hiring **Commercial Information**

- At least 2300 young people aged 14-20 actively engaged in Southland Youth Futures activities and programmes annually

- An increase in the number of employers worked with from 85 to 125
- An increase in the number of those employers who are considered 'excellence partners' from 31 to at least 50 – being an 'excellence partner' means they have undertaken formal training relating to employing young people or have proven capability in hiring young people
- Expansion of the industry focus for the initiative from predominately primary sector employers to include employers in tourism, retail and hospitality
- Development of an additional layer of service which will enable more intensive, tailored support to be provided to individual students / groups of students, who are identified by educators as at high risk of becoming NEET; expected to be 450 rangatahi from 2020 - 2022
- Support of 300 students annually to complete the 'Southland Work Ready Passport' from 2020 - 2022
- An increase in the number and geographic spread of employers able to be involved in the initiative; and the intensity of connection able to be achieved with schools and rangatahi. This will be achieved through having more staff, which will enable the initiative to be run from a number of different locations regionally

A programme of this intensity is required in the Southland region because of:

- Its geographic spread – the Southland region covers 12% of NZ's land area but only 2.2% of its population
- The number of at risk youth in the region – the New Zealand government Integrated Data Infrastructure (IDI) table, released in January 2016, estimates that 18.2% of the youth population in the Southland region are at risk, placing the province eighth from 17 regions
- Its aging population – Southland has an aging workforce. A "silver tsunami" of retirements is expected over the next 20 years in Southland. It is vital for the continued vibrancy of the Southland economy to ensure employers can find local staff to fill essential roles, and grow their businesses
- An increasing number of employment vacancies in the region - as recently as December 2018, large Southland providers have been given approval by Immigration NZ to hire overseas staff, saying they could not find suitable New Zealanders to fill their roles. This initiative would work to ensure local people are supported into these roles instead

The above points are supported by research and statistical evidence provided as part of this application

Ability to achieve outcomes:

Great South (previously 'Venture Southland') has been successfully operating Southland Youth Futures in Southland since 2016 through one full time co-ordinator. Success statistics from previous programme delivery include:

- 85 employers engaged with and involved in the service (from 0)
- 16 secondary schools and 4 foundation studies providers connected to the service (from 0)
- More than 1800 students aged 14-20 directly involved in Southland Youth Futures activities and programmes in 2019 (from 0)
- More than 280 students and 35 teachers/tutors participating in workplace tours

Stakeholder engagement and support

The applicant has worked with regional stakeholders to identify the need for this service and has been able to provide support letters from a broad range of stakeholders. A detailed list is provided in the consultation section of this document.

Employer contribution

Employers involved with Southland Youth Futures contribute in many ways. As well as committing their people, time and equipment to the successful implementation of the programme, many have also developed educational programmes within their businesses both to support the Southland Youth Futures programme and to meet specific training needs within their industries. Examples are

- The heavy transport driver licensing training and young leaders' development programme **Commercial Information**

- The national attraction and retention strategy **Commercial Information** supported locally by **Commercial Information**
- The structured training and career progression pathway, including annual cadetships, **Commercial Information**
- Summer internships and a new dairy processing apprenticeship being developed by **Commercial Information**
- Summer internships with a science and environmental focus offered by **Commercial Information**
- Youth-focused dairy industry recruitment and retention strategies being developed by organisations such as **Commercial Information**
- The 40+ Southland Youth employers who invest in hiring and training apprentices or new tertiary graduates

Wider Benefits:

The expansion will have a substantial impact in the Southland region. It will:

- Ensure Southland's future prosperity, by building connections between young people and employers
- Increase local employment, education and/or training opportunities (in general and for Māori)
- Increase economic output
- Improve viability of existing businesses
- Increase social inclusion and participation for young people

Funding detail:

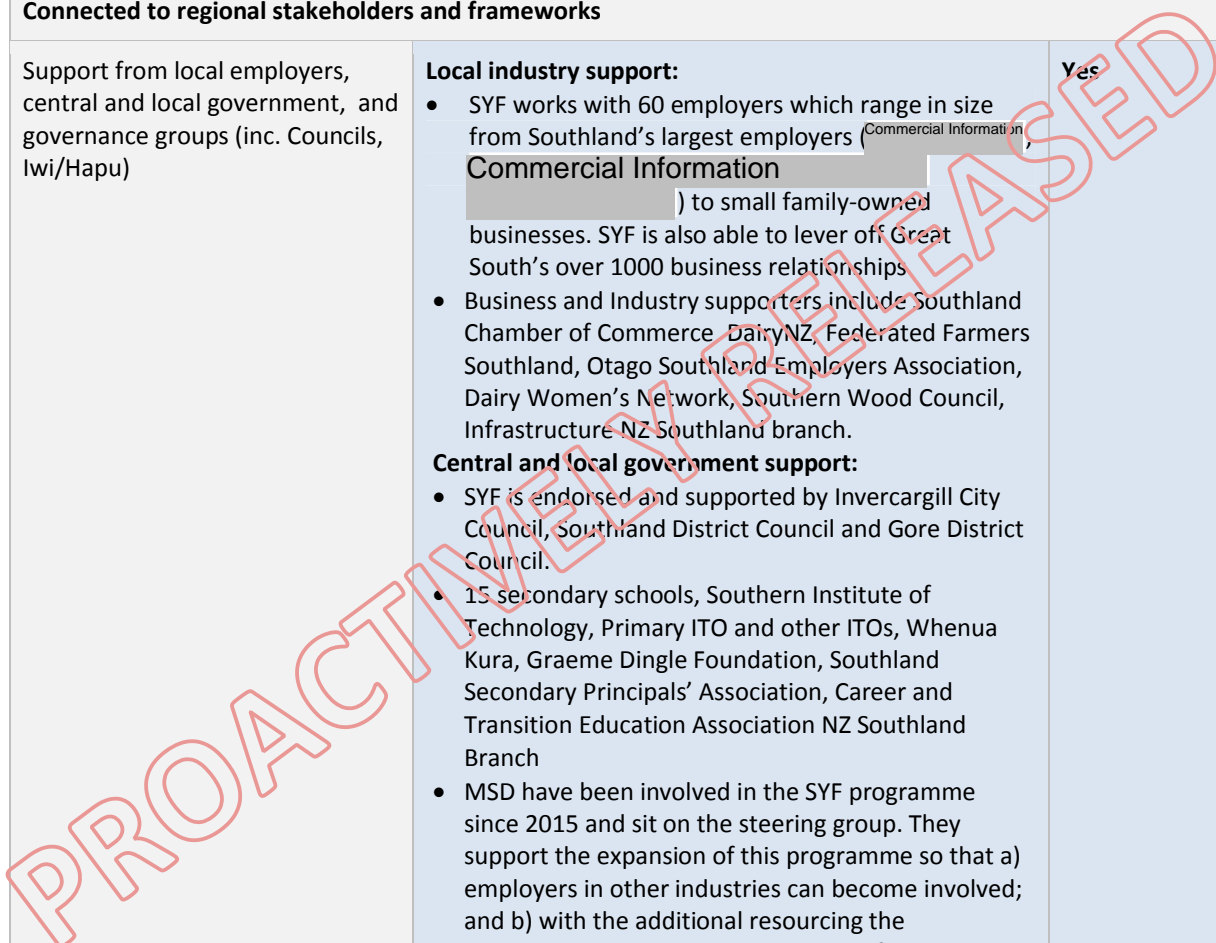
- The funding requested is for **Commercial Information** % operational costs ranging from materials to marketing to staff salary
- The funding requested includes \$ **Commercial Information** contingency/other costs over 3 years
- The average cost per participant is approximately \$ **Commercial Information** – based on the 2300 young people actively engaged with annually
- The applicant is contributing a total of \$ **Commercial Information**
- **Commercial Information**

	Response	PDU (TAM) Statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually (on average):	2300 actively engaged with annually	This is a conservative estimate based on Ministry of Education data and their learnings from the programme to date.
Number of people expected to attain employment as a result of the project/activity annually (on average):	The programme is a first step to employment – it educates rangatahi about options available and makes initial connections with employers, rather than placing participants directly into employment.	The first major wave of students who were first reached as year 10's in 2016 are only just entering the workforce or tertiary training now so results should grow from here. Grow South currently lacks the resources to track employment outcomes over time, but anecdotal evidence indicates that some of the first participants entering the workforce are finding employment through connections established with employers during the programme.

Assessment against the PGF criteria:		
Eligibility Criteria		
This application is eligible for PGF funding		
Productivity Potential		
This initiative will increase the productivity potential of Southland by: <ul style="list-style-type: none"> Introducing and connecting young people to career opportunities in Southland and encouraging businesses within the region to invest in Southland's youth. Without people, new businesses and industries cannot develop, and existing industries cannot be extended. Up-skilling young people to replace the regions retiring workforce 		
Policy objectives		
Applications alignment with the principles of Te Ara Mahi: <ol style="list-style-type: none"> 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 cross-government departmental 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 likely connection of potential workers to regional Tier 2 and 3 investments 		
PGF Criteria	Assessment Commentary	Rating (0✓ to 5✓)
Link with fund and government outcomes		
Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> It supports the Southland Regional Development Strategy, which aims to diversify and expand Southland's economy, retain and upskill residents, and grow the region's population by 10,000 by 2025 	Yes
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"> Southland is facing a workforce shortage due to its ageing population. A key focus of the programme is to upskill young people so that they can fill the vacancies which will be created over the next 15 years as Southland's ageing workforce retires. 	Yes
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	<ul style="list-style-type: none"> Southland Youth Futures supports the reduction of NEETs, by working alongside agencies such as MSD which have direct contact with this cohort. A prime objective of Southland Youth Futures is to foster collaboration between transition and education agencies which all have the goal of supporting young people into appropriate training 	Yes

	<p>and career pathways, thus reducing their chances of becoming NEETs. The multi-agency approach is already bringing results. Statistics New Zealand estimates the number of NEETs in Southland has dropped by a third over the past three years.</p> <ul style="list-style-type: none"> • Labour market research cited states there are a lot of vacant jobs across all industries and skill levels but not the people to fill the roles. Linking local people to these roles and upskilling when required will reduce the rates of those not in employment, education or training. It will also support the SRD strategy. 	
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"> • Large Southland providers have, as recently as December 2018, been given approval by Immigration NZ to hire overseas staff, saying they could not find suitable New Zealanders to fill their roles. This initiative would work to ensure local people are supported into these roles instead • Young people are engaged with early regarding the types of roles available in Southland. Early engagement supports them to understand which industries interest them, allowing them to align their subject choices and training with these interests, ultimately ensuring a stronger likelihood of successfully entering meaningful and thus sustained employment. 	Yes
Additionality – adds value by building on what is already there		
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"> • This programme was set up to address an identified gap in service provision. By working in partnership with educators, employers, training providers, ITOs and industry advocacy groups, SYF are well placed to “connect the dots” and ensure young people are assisted into appropriate training and/or employment before they leave the education sector, thus reducing the rate of NEETs. • This funding would ensure students considered by educators to be most at risk of becoming NEETs will be targeted and supported into employment, education or training 	Yes
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"> • The project falls outside the scope of other government agencies. • While some of the participants are school children, the Ministry of Education has confirmed that it cannot fund a programme that also includes students outside schools in Foundation Programmes • Similarly, TEC has confirmed that it cannot fund this 	Yes

	<p>form of employer connection programme</p> <ul style="list-style-type: none"> Both agencies have confirmed that Southland Youth Futures does not duplicate the programmes they provide. 	
<p>Connected to regional stakeholders and frameworks</p>		
<p>Support from local employers, central and local government, and governance groups (inc. Councils, Iwi/Hapu)</p>	<p>Local industry support:</p> <ul style="list-style-type: none"> SYF works with 60 employers which range in size from Southland’s largest employers (Commercial Information,) to small family-owned businesses. SYF is also able to lever off Great South’s over 1000 business relationships Business and Industry supporters include Southland Chamber of Commerce DairyNZ, Federated Farmers Southland, Otago Southland Employers Association, Dairy Women’s Network, Southern Wood Council, Infrastructure NZ Southland branch. <p>Central and local government support:</p> <ul style="list-style-type: none"> SYF is endorsed and supported by Invercargill City Council, Southland District Council and Gore District Council. 15 secondary schools, Southern Institute of Technology, Primary ITO and other ITOs, Whenua Kura, Graeme Dingle Foundation, Southland Secondary Principals’ Association, Career and Transition Education Association NZ Southland Branch MSD have been involved in the SYF programme since 2015 and sit on the steering group. They support the expansion of this programme so that a) employers in other industries can become involved; and b) with the additional resourcing the programme can target students identified as at-risk of becoming NEETs, thus stemming flow of NEETs into the benefit system MoE are very supportive of this initiative and attend the Venture Southland meetings. They believe Venture Southland have a positive impact on opportunities for young people in Southland and are well supported by secondary schools and employers in the region. They consider Venture Southland to be a proactive, practical group that make a difference for young people and are well aligned with the changing and diverse employment trends in Southland <p>Iwi Support: Venture Southland works closely with Murihiku iwi on</p>	<p>Yes</p>



	business, community development and tourism initiatives and projects and a Waihopai Runanga kaumatua was a member of the SYF Regional Taskforce		
Governance, risk management and project execution			
Robust project management and governance systems	<ul style="list-style-type: none"> The existing governance and management model for Southland Youth Futures will be utilised 	Yes	
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> The applicant has been successfully running this programme for 3 years; the number of employers and schools involved highlights this 	Yes	
Risk management approach	<ul style="list-style-type: none"> Appropriate risk management for the proposal has been identified 	Yes	
Future ownership / operational management	<ul style="list-style-type: none"> The Future Work Directors would report to the Venture Southland Business Services Manager The contract will include measures for setting up a future funding plan beyond the life of the PGF 	Yes	
Funding Arrangements			
Funds will be distributed via a milestone plan which is likely to include an upfront cost for set up.			
Due Diligence and Ownership			
Due Diligence was unable to be completed for inclusion in this coversheet however will be completed in time for the 31 August board meeting so any issues can be presented to decision makers if required.			
Risk Assessment			
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
Perception of duplication	This application could be perceived as a duplication of services provided by other agencies/providers, however it is outside the scope of other agencies and they have confirmed there is no duplication.	Confirmation from other agencies that it is out of scope for their funding – <i>received</i> Clear communications about the service including: <ul style="list-style-type: none"> How it fits within what other agencies/providers offer Its success rate 	Low
Consultation undertaken or implications:			
The following consultation has occurred: <i>Internal PDU teams</i> – feedback on application received, more information sought from applicant, new information incorporated into application.			

Other agencies – A wide range of agencies have been consulted on this initiative with the majority of agencies responding with no substantive feedback. Detailed cross agency feedback was received from MoE, MSD, TEC, MPI and MFAT.

Ministry of Education – supportive

1) *Regional:* “The Ministry has reviewed the Te Ara Mahi application for Funding Employment and Skills for Southland Youth Futures (SYF).

We provide in-principle support for this initiative, which has an important focus on young people at risk of leaving education or those who have already left school, through coordination of activities and opportunities to better connect young people with education and employment opportunities within the community.

This initiative remains connected to education providers, employers and the community, and we are therefore pleased to be a part of the support network and this application process.

As you may appreciate, the Ministry funds schools to deliver a wide range of activities and initiatives that support student transition into further education, training and employment – this includes operational funding, professional development, and additional funds for targeted initiatives or programmes such as Trades Academies or STAR within the schooling system. Schools have a great deal of discretion on the use of various funding streams to support a range of activities, but little ability to support projects or initiatives that fall outside of this scope of existing funding commitments. SYF are well-linked to the employment opportunities for young people in Southland and can connect students from secondary schools, AE providers and post school NEET's in the Southland area to employment experience and opportunities that are beyond the scope of the Ministry or any one school. The Ministry of Education has one staff member only working across Otago and Southland in support of strategic advice to schools for Secondary Transitions and doesn't have the capacity to coordinate the scope of this wider work.

Upon review of the application, we do not believe the application or services in the proposal duplicates existing services as delivered and funded by the Ministry.

Since the activities outlined are considered out of scope for existing Ministry funding, the Te Ara Mahi proposal meets the criteria for funding via Te Ara Mahi.

Moreover, there are further important education initiatives that aim to improve student transitions into education, training and employment, such as the NCEA Review and Careers Action Plan that we see would complement the work delivered via Southland Youth Futures proposal.

We are therefore pleased to lend our support to this application.”

2) *National office:* “I am aware of the Southland Youth Futures work and believe it to be very solid. Their engagement with the local employers is very good and they have a lot of support in their area. This employer support is a very good indication of the value the employers place in the programme and the engagement with young people. The support of schools is also positive. Our local regional office has already provided a letter of support”

Ministry of Social Development – supportive

“MSD have been involved in the Southland Youth Futures programme since 2015, and sit on the Steering Group. The programme currently aims to promote career opportunities in the primary sector in Southland to young people. The programme encourages employers to step up and help young people to make better decisions about their career paths, and to become ‘youth friendly’ employers. This involves being available to mentor young people, provide site visits to school groups and facilitate personal development for young members of their own staff.

The programme addresses a specific target in the Southland Workforce Strategy 2014-2031. MSD was involved in the community workshops when developing this strategy at the time. The target for youth engagement in

Southland is for a 12% increase in youth 15-24 participating in the economy. Addressing the long-term social and economic impacts of youth disengagement has numerous advantages for the community, and reduces the number of youth MSD needs to work with in Southland.

While MSD supports this initiative, it is focused mostly on school students, rather than our youth clients. Currently most of the activities are school visits, and in conjunction with the CATE teachers in schools. We support the expansion of this programme so that a) employers in other industries can also become involved; and b) with the additional resourcing, that the programme can access and provide these services for NEETs as also.

We would encourage Southland Youth Futures to consider NEETs into any future activities, to ensure they have equal access to these opportunities.

MSD is unable to fund this programme currently as our funding is limited and focuses on direct employment outcomes, while this programme is currently focused on careers advice and information for school students. We are unable to fund this programme as it does not meet our funding criteria.

Tertiary Education Commission – originally required more information to confirm their support, their feedback has been corperated

“The TEC does not fund individual learners and while TEC is active in careers services provision it does not have a fund appropriation to support initiatives such as Southland Youth Futures. There would be the possibility for TEC to fund the courses the learners participate in if they are approved by both NZQA and TEC for funding.”

MPI – supportive

“SYF aim to strengthen connections between students and educators, through advice, information, conversations and real-world experiences. To achieve this, they seek continued funding for the Co-Ordinator’s role (i.e. already received \$140,000 for the period November 2017-October 2019) for a further period October 2019-October 2022 and to fund three new ‘Future of Work’ Director roles for three years from June 2019-June 2022. The programme participates in collaborative projects in the region e.g the Southland Work Ready Passport employability skills initiative, and is represented in the youth transition sphere through a range of related education stakeholder groups in the region. In principal MPI supports this initiative, but would like to see through the next steps of development some specific information around how some of the current barriers will be addressed moving forward”

Ministry of Foreign Affairs and Trade – supportive

“MFAT’s feedback is that:

- This proposal raises no material risk from a Subsidies or Countervailing Measures Agreement (SCM) or Agreement on Agriculture perspective.
- The grant would constitute a ‘subsidy’ for the purposes of the SCM, however there would be negligible risk that it could cause adverse effects for another WTO member.
- There are no material risks from a General Agreement on Trade in Services perspective.”

Support letters provided from:

- Ballance Agri-nutrients – Privacy of natural persons, Production Manager Awarua
- Careers and Transition Education Association NZ – Privacy of natural persons, Southland branch chairman
- Privacy of natural persons, Invercargill City councillor and chairwoman of the Southland Youth Futures Advisory Group
- Privacy of natural persons, Southland district councillor and member of the Southland Youth Futures Advisory Group
- Dipton Dairies – Privacy of natural persons, co-owners
- Fi Innovations – Privacy of natural persons, co-owner
- Gore District Council – Tracy Hicks, Mayor
- HW Richardson Group – Privacy of natural persons, General Manager People
- Invercargill City Council – Sir Tim Shadbolt, Mayor
- Invercargill Licensing Trust – Privacy of natural persons, Marketing and Sales Manager

- Ministry of Social Development – [Privacy of natural persons], Regional Commissioner for Social Development, Southern
- Rayonier Matariki Forests Southland – [Privacy of natural persons], Southland Regional Manager
- [Privacy of natural persons], dairy farmer, Southland Youth Futures co-founder and advisory group member
- Southern Group Training Trust – [Privacy of natural persons], General Manager
- Southern Institute of Technology – [Privacy of natural persons], Chief Executive
- Southland and Fiordland Regional Tourism Organisations – [Privacy of natural persons], Group Manager Community, Tourism and Events, Venture Southland
- Southland Chamber of Commerce – Sharee Carey, Chief Executive
- Southland District Council – Gary Tong, Mayor
- Southland Secondary Schools Principals Association – [Privacy of natural persons], Principal, Menzies College
- [Privacy of natural persons], Southland Youth Futures co-founder and former Advisory Group chairman

Supporting proposal:	Yes
Appendices:	Yes – Applications and supporting letters are attached as annexes
Author of paper:	AM, Te Ara Mahi/He Poutama Rangatahi Team

PROACTIVELY RELEASED