

COVER SHEET – PGF SKILLS & EMPLOYMENT (TE ARA MAHI)

2.3 Eastern Bay of Plenty Driver and Operator Training Centre Te Ara Mahi (TAM) Application		For: Approve	
Tier:	1 - Regional	Sector:	Skills
Background & context:		Recommendation(s):	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Toi EDA <p>Location:</p> <ul style="list-style-type: none"> Kawerau/Eastern BOP <p>Proposal:</p> <ul style="list-style-type: none"> To establish a Commercial Driver and Operator Training Centre in Kawerau to address the acute nationwide shortage of qualified drivers/operators, including in the Eastern Bay of Plenty. The facility will provide: <ul style="list-style-type: none"> Class 2-5 Driver License training¹ for 20 participants p.a. Driver/Operator endorsements² – Forklift, Dangerous Goods, Wheels, Tracks, Rollers, Crane and Rigging, for 40 participants p.a. NZQA Level 3 Chain Management and Logistics, Road Transport qualifications, leading to levels 5-6, for 30 participants p.a. Cadetships for Road Transport and Distribution Skills, including forklift/ warehousing, machine operation/maintenance and supply chain management for 10 participants p.a. The proposal also includes the lease of two minivans to enable residents in remote Eastern BOP communities to participate in the programme. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$ <small>Commercial Informa</small> PGF Funding: \$598,600 		<p>We recommend that the SRO(s)</p> <p>a) Approve \$598,600 from the Provincial Growth Fund (PGF) towards Toi EDA's Eastern Bay of Plenty Driver and Operator Training Centre project, comprising:</p> <ol style="list-style-type: none"> \$308,600 from He Poutama Rangatahi for components targeting rangatahi NEETs aged 15-24 \$290,000 from Te Ara Mahi for components targeting participants of all working ages <p>b) Note that the Provincial Development Unit has worked to ensure Toi EDA's proposal aligns with the PGF's existing investment into the Kawerau Pathways to Work programme</p> <p>c) Note that Toi EDA is in advanced negotiations for a commercial facility in Kawerau that has previously been used for similar Class 2-5 driver and operator training</p>	

¹ Classes 2-5 are required to operate any medium/heavy rigid or combination vehicle.

² Specific endorsements are required to operate special-type vehicles (i.e. forklifts, cranes) *in addition to* a Class 1-5 licence.

Background:

- Toi EDA, working in conjunction with Industrial Symbiosis Kawerau and the Freight Logistics Action Group, identified the need for a Commercial Driver and Operator Training Centre in the Eastern Bay of Plenty, with the only current facilities based in Mount Maunganui and Tokoroa.
- The proposal is modelled off the latter, which has facilities provided by the local council, training provided by Toi Ohomai (Bay of Plenty's largest tertiary provider) and equipment and employment pathways provided by local industry.
- The applicant has secured the support of three training providers: **Commercial Information** [redacted]. It intends to develop a sustainable training programme that can function beyond the life of the PGF, by securing support from local industry, including the provision of mobile equipment. **Commercial Information** [redacted].
- The Bay of Plenty Regional Government Group has worked closely with the applicant to ensure this proposal complements the Kawerau Pathways to Work programme (approved by SROs on 28 March 2019) and avoids duplication.

	Target	PDU (TAM) Statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually:	100	Applicant will need to work closely with existing Class 1 service providers in EBOP to ensure pipeline of qualified drivers progressing to Classes 2-5
Number of people expected to attain employment as a result of the project/activity:	Commercial In p.a.	Achievable given demand for qualified Class 2-5 drivers/operators – estimated Commercial jobs in next two years

PROACTIVELY RELEASED

High level outcomes sought by the project/activity:	<p>Year one:</p> <ul style="list-style-type: none"> Up to 20 participants receiving Class 2-5 Driver Licenses Up to 40 participants receiving Endorsements on Class 2-5 Driver Licenses Up to 30 participants completing NZQA Level 3, 5-6 Chain Management and Logistics qualifications 10 cadets placed into Road Transport and Distribution Skills cadetships <p>Year two: <i>same outcomes as Year one</i></p>	
Detail of who else is involved in funding the project/activity:	<p>Commercial Information</p> <p>TEC funding will be available for some participants.</p>	
PGF Skills & Employment criteria that this proposal supports:		
Te Ara Mahi Criteria	Assessment Commentary	Met (Y /N/Partial)
Link with fund and government outcomes – delivers benefit to communities		
Acts as a catalyst for improving productivity potential in the region (s)	<ul style="list-style-type: none"> Proposal aims to create a pipeline of qualified Class 2-5 drivers/operators, logisticians and cadets to support local industry – both in Kawerau and across the Eastern BOP 	Y
Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> Addressing the acute shortage of qualified commercial drivers/operators is a key priority for the Eastern BOP 	Y
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"> Proposal aims to support PGF’s existing Tier 2 investment in the Kawerau Pūtuaki Industrial Hub project, which underpins a number of promising commercial investments in Kawerau that are expected to bring ^{Commercial Inform} jobs online in the next five years 	Y
Reduces the rates of people not in	<ul style="list-style-type: none"> The proposal is particularly targeted towards 	Y

employment, education and training, with an emphasis on Māori	unemployed/underemployed Maori across the Eastern Bay of Plenty. Toi EDA has also incorporated the provision of pastoral care into the minivan service	
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"> Lack of Class 2-5 driver licenses frequently identified as a key barrier to employment in the Eastern BOP 	Y
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"> Current lack of Class 2-5 driver license training services in the Eastern BOP, with Toi Ohomai facilities at Mt Maunganui and Tokoroa the only significant facilities. For residents in remote communities, this represents a significant barrier. The proposal includes the provision of minivans to 	Y
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"> NZTA funding only covers Class 1 driver licenses. TEC funding will be available for some participants. 	Y
Demonstrates awareness of and ability to connect to other services/initiatives that are complementary to the project	<ul style="list-style-type: none"> Applicant has worked closely with Industrial Symbiosis Kawerau and Tuwharetoa Ki Kawerau, both of whom are recipients of PGF funding, to ensure alignment between this proposal and their Kawerau Pathways to Work programme 	Y
Connected to regional stakeholders and frameworks		
<p>Has support and input, where applicable, from:</p> <ul style="list-style-type: none"> Local; industry, employers, community groups and employment bodies/governance mechanisms central and local government agencies iwi and other Māori governance mechanisms 	<ul style="list-style-type: none"> Applicant has worked extensively with local stakeholders to design this proposal, <small>Commercial Information</small> [REDACTED] Commercial Information [REDACTED] The Chair of Bay of Connections' Freight and Logistics Action Group (FLAG) has developed this proposal to ensure alignment with industry needs. A member of the Sector Workforce Engagement Programme (SWEP) has also supported its development by leveraging their connections within the freight and logistics sector Bay of Plenty regional government group supportive of proposal. Kawerau, Ōpōtiki and Whakatāne District Councils are all supportive of the initiative Tuwharetoa Ki Kawerau, Te Puna Ora ō Mataatua and Whakaatu Whanaunga Trust all supportive of proposal 	Y

Governance, risk management and project execution										
Has robust project management and governance systems planned or in place		<ul style="list-style-type: none"> Toi EDAs' Workforce Development Advisory Board will provide oversight for this proposal. This group comprises community and industry leaders from across the Eastern BOP. 						Y		
Demonstrates the capacity and technical capabilities to effectively implement the initiative e.g. has experience in building local capacity, lifting work readiness and knowledge of the local labour market		<ul style="list-style-type: none"> Applicant has built a strong team of industry-connected individuals to drive project, including the Chair of FLAG and a member of the SWEP team which works to build connections between industry, local/central government and regional economic development mechanisms 						Y		
Risk management approach outlined		<ul style="list-style-type: none"> Risk management approach included in application 						Y		
Future ownership / operational management identified		<ul style="list-style-type: none"> The applicant intends to develop a sustainable training programme that can function beyond the life of the PGF, by securing support from local industry. This includes moving the programme into a Commercial Information [REDACTED] John Galbraith and Barbara MacLennan will provide operational management of the project; both have extensive management experience in relevant projects 						Y		
The purpose of this briefing is to consider recommending PGF funds for the Commercial Driver and Operator Training Centre project										
Regional Governance Group View:										
The Bay of Plenty regional government group are supportive of this project, which closely aligns with Eastern Bay of Plenty workforce/economic development priorities. The clear linkages into existing work programmes (i.e. Kawerau Pathways to Work, Bay of Connections FLAG) add to the strength of this proposal, as does the support from local stakeholders.										
Eligibility points of note:										
<ul style="list-style-type: none"> <i>Due diligence:-</i> Due diligence has been completed. No concerns were identified. <i>Conflict(s) of interest:-</i> Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further. <i>Illegal Activity:-</i> Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity. <i>Alignment with Regional development plans:-</i> Aligns with Bay of Connection' prioritisation on growing the freight and logistics sector 										
Consultation undertaken or implications:										
Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	NZTA, MSD, SWEP	

Cross agency feedback (national offices):

NZTA: noted that current funding is directed towards Class 1 (Restricted and Full), not Classes 2-5, and that any additional funding would need to come from Kawerau District Council's already fully allocated Commercial Information Commercial Information Commercial Information

Supporting proposal:	Yes
Appendices:	Yes - Applications and supporting letters are as annexes
Sponsor(s):	Kay Read
Manager/Author of paper:	BP

PROACTIVELY RELEASED