

## 2.02 DEVELOPMENT OF INSTITUTE- DIGITAL TRAINING AND EMPLOYMENT HUB

|  |  |                              |                           |
|--|--|------------------------------|---------------------------|
| <b>PGF Application – TE ARA MAHI</b>   |  | <b>For: Approval</b>         |                           |
| <b>Applicant:</b>  | <b>Developers Institute Limited</b>  | <b>Pipedrive ID #</b>        | Commercial Information    |
| <b>Region</b>  | <b>Northland</b>   | <b>PGF Funding Sought:</b>   | \$ Commercial Information |
| <b>Region detail:</b>  | Development of a highly skill cross sector IT workforce, achieving Level 5 and Level 6. Supported transition and pastoral support into local high skilled/high wage employment; Growth of Tai Tokerau Tech sector;   | <b>Total Project Value:</b>  | \$ Commercial Information |
|  |  | <b>Applicant co-funding:</b> | \$ Commercial Information |
| <b>Entity Type:</b>  | <b>Company</b>   | <b>Funding Structure:</b>    | Approve                   |
| <b>Entity Detail:</b>  | Developers Institute The Founders George Norris and Ruth Green-Cole are experienced in education, technology and management. Since founding the Developers Institute in 2016, Ruth and George have Commercial Information, built and managed an experienced Governance and Advisory Board. They have also completed NZQA PTE registration, developed and designed the Level 5 and Level 6 Programme. |                              |                           |
| <b>We recommend that the SROs:</b>   |  |                              |                           |
| <ul style="list-style-type: none"> <li>• <b>Approve</b> - \$670,000 from the Te Ara Mahi portion of the Provincial Growth Fund towards enabling an Employment Strategy to increase digital capabilities and industry footprint in Tai Tokerau.</li> <li>• <b>Note</b> resulting in employment of <sup>Comm</sup> participants commencing sustainable employment within a <sup>Commercial Info</sup> period.</li> <li>• <b>Note</b> Tai Tokerau RIPE key priority is maximising digital futures, develop a footprint for digital hubs across and increase the number of digital training programmes, from entry level to high skilled.</li> <li>• <b>Note</b> Investment through HPR funding to support for two entry-level digital training programmes are active within the region, this investment is to create a supported highly skilled workforce within Tai Tokerau.</li> <li>• <b>Note</b> co-funding model creating sustainable pathways with <b>Commercial Information</b> Te Ara Mahi investment creating cross sector growth with supported sustainable employment outcomes into highly skill digital pathways, this will be continued as business as usual upon conclusion of investment.</li> </ul> |  |                              |                           |
| <b>Proposal:</b>   |  |                              |                           |
| <ul style="list-style-type: none"> <li>• Developers Institute is a newly formed PTE developed through industry experience to create a highly skilled workforce in the IT Industry within Te Tai Tokerau, investment from Te Ara Mahi is to support the attraction new industry and grow capabilities of IT across sectors. They have developed a New Zealand</li> </ul>  |  |                              |                           |

Diploma in Web Development in Design Level 5' (120 credit), taking enrolments to commence 3rd of February 2020.

- Developers Institute are targeting cohort shows an understanding for the range of opportunity available with obtaining IT skill sets for whanau across Tai Tokerau, focused on improving the enrolment and achievement outcomes for Māori and Pasifika across all identified cohorts:
  - Rangātahi (18-24 years) - Students in the youth group often want to gain more practical and hands-on skills, and believe a practical diploma will best suit their career and learning needs
  - Career Changers (25 years +) - Career Changers (including parents returning to work), hands on training that can lead to homebased employment.
  - Upskillers (25 - 45 years) - People already in the workforce, in need of training to lift their skills and advance their careers.
- The focus of funding request is development and implement of an Employment Strategy, with a high-level objective is to ensure supported sustainable employment, creating growth and attraction of National and International IT industry to Tai Tokerau, while supporting graduates into sustainable employment and remaining in support for up 12 months after placement.
- All students will have one-on-one consultation to support them to create an individual Employment Plan, this will then focus on active introduction / connection to industry employers, events to expose students throughout their study to different types of roles within the industry giving graduates the best prospects for job satisfaction and therefore long-lasting employment.
- Recognising that to retain key staff, organisations need to employ people, who are work ready, interested in the work and have either prospects for advancement depending on their ambition. Developers Institute will built a network of supports for graduates and industry to ensure sustainable outcomes for all parties.
- Another element of funding is to support an 8 week Inaugural Programme with full scholarship for 5 students to user-test curriculum, delivery, and operational systems to ensure a seamless student experience, students will complete 80% of the first course of the Level 5 programme: WDD01 Intro to Client-Side Web Development. Educational delivery will be a combination of face to face, self-directed and digital learning in the classroom, utilising a flipped-classroom approach. Ensuring a fully-operational industry ready product accessing TEC funding in February 2020.
- 47 student enquiries for the inaugural programme 34 have been assessed as being appropriate for the programme with 5 enrolled. A further 20 are actively engaged in the enrolment process for February 2020, maximum number of students accepted in February is 28. Also noting (binary) gender ratio is close to 50:50 and around 90% of enquiries are from people living in Te Tai Tokerau Northland, or wanting to return here to live and work.
- The 2018 Future of Jobs Report, sets out “the need for proactive investment in developing a new surge of agile learners and skilled talent globally.” and makes the point that “if you build it they will come”. Creation of a pathway to highly skilled and sustainable jobs that are suited to a geographically isolated population that has received large-scale digital infrastructure investment such as Tai Tokerau.
- Jobs available and/or advertised in the local and national level demonstrates the need for development of a skilled workforce, these roles are cross sector and can be achieved from a remote location with the right skills and technology.
  - 2,269 “Software” jobs found on Seek in September 2019
  - 2,036 “Data Analyst” jobs found on Seek in September 2019
  - 1,036 “Web Developers” job found on Seek in September 2019
  - 1,032 “User Experience (UX)” job found on Seek in September 2019
- Across all regions these positions dominate the list of roles that have experienced upward hiring trends cross sector from digital, marketing and talent-related professions, alongside marketing specialists, and professionals specializing in software engineering, Data Analysts, User Experience Designers and Human Resources Specialists. These Tech sector roles impact sustainability, innovation and efficiency cross-sector for the region.

- Te Tai Tokerau RIPE has clear intent to development a footprint for digital hubs across the region, with Whangarei one of the very first cities to have the urban fibre roll out, so it makes sense that we start to see the development of programmes to activate the industry and workforce in our main urban centre. Next steps would be to see this occurring in our rural locations and this is where the digital hubs and marae connectivity PGF programme come in to play.
- Two digital initiatives LifeTalk and NGEN focused on the lower level workforce development and industry demands – basic digital literacy through to a level 3 qualification. They are both real world learning experiences, Developers Institute is a pathway to higher skilled opportunities in an exciting and emergent industry for Te Tai Tokerau.

**Cost summary:**

TAM contribution (over <sup>Commercial Inform</sup>): \$670,000

- 5 scholarships and operational costs of inaugural programme \$ <sup>Commercial Inform</sup>
- Employment Strategy and support employment transitions for <sup>Comm</sup> Students \$ <sup>Commercial Inform</sup>

Applicant contribution: \$ <sup>Commercial Inform</sup>

- Start-up capital to develop IP, Development of qualifications, approval through NZQA, PTE approvals and costs to develop business model

Co-funding contribution ( <sup>Comm</sup> ) : \$ <sup>Commercial Information</sup>

- Delivery of training
- <sup>Commercial Information</sup> deliver qualifications

Fill in the following table relating to outcomes:

|   | Response                 | PDU (TAM) Statement regarding achievability of target                                 |
|---|--------------------------|---|
| Number of people expected to be targeted by the project/activity annually (on average):                   | Total of 87              | 5 in <sup>Commercial</sup><br>82 in <sup>Commercial I</sup>                           |
| Number of people expected to attain employment as a result of the project/activity annually (on average): | Total of <sup>Comm</sup> | <sup>Com</sup> in <sup>Commercial</sup><br><sup>Comm</sup> in <sup>Commercial I</sup> |

**Assessment against the PGF criteria:**

**Eligibility Criteria**

This application is eligible for Te Ara Mahi funding

**Productivity Potential**

The New Zealand Institute of Economic Research estimates the economic impact of technology sector growth for Northland at 0.6% growth from 4% rise in tech sector productivity. Increasing the supply of skilled workers increases productivity building sustainability, innovation and efficiency cross-sector for the region.

**Policy objectives**

| Te Ara Mahi is specifically for regional employment, skills and capability. This investment works to support development of a highly skilled workforce with tailored support for both participant and employer to create sustainable employment cross sector in Te Tai Tokerau. |   |                      |
|---|---|----------------------|
| PGF Criteria  | Assessment Commentary   | Rating<br>(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>Tai Tokerau RIPE key priority is maximising digital futures Develop a footprint for digital hubs across and increase the number of training programmes</li> <li>RIPE also speaks to building an agile fit for purpose workforce and increase digital literacy</li> </ul> | ✓✓✓✓✓                |
| 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>Development of agile fit for purpose workforce and increased digital literacy across Northland</li> </ul>  | ✓✓✓✓                 |
| Reduces the rates of people not in employment, education and training, with an emphasis on Māori  | <ul style="list-style-type: none"> <li>Yes, covered in cohort attraction and connection to wider community networks to create a clear pathway</li> </ul>  | ✓✓✓✓                 |
| 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>Increases local high skilled employment, by ensuring qualifications and building on local industry.</li> <li>Employment strategy is to build sustainable outcomes and support students for at less 12mths following placement.</li> </ul>                                | ✓✓                   |
| <b>Additionally – 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>There are no training programmes that offer this level of qualification 5/6 and aimed to build industry alongside increasing local skill.</li> </ul>   | ✓✓✓                  |
| 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><small>Commercial Information</small> has been indicated, TAM looks to fund development of employment strategy, supported transitions to employment and sustainability of participant within industry.</li> </ul>  | ✓✓✓✓                 |
| <b>Connected to regional stakeholders and frameworks</b>  |   |                      |
| Alignment with regional priorities  | <ul style="list-style-type: none"> <li>Aligns to RIPE priorities and TTNEAP.</li> </ul>   | ✓✓✓✓✓                |

|   |   |          |
|---|---|----------|
| Support from local employers, central and local government, and governance groups (inc. Councils, Iwi/Hapu)   | <ul style="list-style-type: none"> <li>IT industry is a cross sector industry. Information within application provides context to local connections at governance and operational level.</li> </ul>           | ✓✓✓      |
| <b>Governance, risk management and project execution</b>  |   |          |
| Robust project management and governance systems  | <ul style="list-style-type: none"> <li>Suitably demonstrated in the application</li> </ul>  | ✓✓✓✓     |
| Demonstrates the capacity and technical capabilities to effectively implement the initiative  | <ul style="list-style-type: none"> <li>Inaugural programme is to ensure programme content is suited to Tai Tokerau delivery.</li> <li>Qualification has been design by industry for industry need.</li> </ul> | ✓✓✓✓     |
| Risk management approach  | <ul style="list-style-type: none"> <li>Suitably demonstrated in the application</li> </ul>  | ✓✓✓✓     |
| Future ownership / operational management   | <ul style="list-style-type: none"> <li>Demonstrated in the application, Employment strategy and pastoral care can be maintained following PGF investment.</li> </ul>  | ✓✓✓✓     |
| <b>Funding Arrangements</b>   |   |          |
| The application is for grant funding. Distributed on a milestone plan tied to quarterly Te Ara Mahi reporting requirements, providing attendance, academic achievement records, employment outcomes and employer feedback.  |   |          |
| <b>Due Diligence and Ownership</b>  |   |          |
| There were no key findings on any other members listed below.   |   |          |
| The PDU works with DIA to assess risk around local authorities.   |   |          |
| <b>Shareholders:</b>  |   |          |
| <b>Shareholder</b>  |   | <b>%</b> |
| <a href="#">ENTELECHY LIMITED</a>   |   | 100      |
| <ul style="list-style-type: none"> <li>Commercial Information</li> </ul>  |   |          |
| <b>Directors:</b>   |   |          |
| <ul style="list-style-type: none"> <li>George Selwyn Herewini NORRIS                             <ul style="list-style-type: none"> <li>Other current company interests:                                     <ul style="list-style-type: none"> <li>Commercial Information (Director)</li> <li>Commercial Information (Director and shareholder)</li> </ul> </li> <li>Former company interests:                                     <ul style="list-style-type: none"> <li>Commercial Information (Ceased director and former shareholder)</li> <li>Commercial Information (Ceased director and former shareholder)</li> <li>Commercial Information (Ceased director and former shareholder)</li> </ul> </li> </ul> </li> </ul> |   |          |

- Ruth Ellen GREEN-COLE
  - No other company interest

**Trustees:**

- George Selwyn Herewini NORRIS
- Ruth Ellen GREEN-COLE

**Key Management Personnel:**

- Emma MIDDLEMISS (Operations Manager)
  - No company interests
- Privacy of natural persons (Campus Manager)
  - No company interests
- Privacy of natural persons (Marketing Manager)
  - No company interests
- Privacy of natural persons (Managing Director of People Potential)
  - Current company interests:
    - Commercial Information (Shareholder)
    - Commercial Information (Director and shareholder)
    - Commercial Information (Director)
    - Commercial Information (Director and shareholder)
    - Commercial Information (Director and shareholder)
    - Commercial Information (Director and shareholder)
  - Former company interests:
    - Commercial Information (Director)

**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 |
|--------------|---------------------------------------|--|-------------------|
| Cost Risk    | Sustainability of Employment Strategy | <ul style="list-style-type: none"> <li>• Strategy and operation to become business as usual after life of fund</li> <li>• Applicant working this into budget from point of approval</li> </ul> | Low               |
|              |                                       | <ul style="list-style-type: none"> <li>•</li> </ul>  |                   |

**Consultation undertaken or implications:**

Application goes under review with the Commercial Information. Comments and agency feedback will be provided at approval hearing. Agencies members of SEOG – MSD, TEC, MOE, TPK, MBIE (Immigration), MPI, Northland Inc

|                             |  |
|-----------------------------|--|
| <b>Supporting proposal:</b> | Yes  |
| <b>Appendices:</b>          | Yes – Applications and supporting letters are as annexes<br><i>Withheld - Commercial Information</i> |
| <b>Author of paper:</b>     | J L, Te Ara Mahi   |

PROACTIVELY RELEASED