

## 2.11 PORT EMPLOYMENT PRECINCT WHANGANUI

<b>PGF Application – TE ARA MAHI</b>		<b>For: Approval recommendation</b>	
<b>Applicant:</b>	Wanganui District Employment Training Trust(WDETT)	<b>Pipedrive ID #</b>	Commercial Information
<b>Region</b>	<b>Manawatu-Wanganui</b>	<b>PGF Funding Sought:</b>	\$1,545,670
<b>Region detail:</b>	Whanganui Port – located in Castlecliff Whanganui	<b>Total Project Value:</b>	\$ Commercial Information
		<b>Applicant co-funding:</b>	\$ Com
<b>Entity Type:</b>	Registered Charitable Trust	<b>Funding Structure:</b>	Grant
<b>Entity Detail:</b>	WDETT delivers the Whanganui Work Ready Passport Initiative, referred to as 100% Sweet in Whanganui, which creates pathways to employment for young New Zealanders		

### We recommend that the SROs:

- a) **Support** a recommendation to RED Ministers to approve \$1,545,670 from the Te Ara Mahi portion of the Provincial Growth Fund towards the Port Employment Precinct Whanganui(PEP)
- b) **Note** the application is a grant
- c) **Note** the funding is for Commercial In years
- d) **Note** that this application is part of wider applications, and is dependent on the Whanganui Port Revitalisation Infrastructure (Commercial Information) being approved by RED Ministers
- e) **Note** there is also a PGF application for private company Q West Boats building expansion (Pipedrive # Commercial In )
- f) **Note** that local Iwi support the establishment of the Precinct
- g) **Note** that the Independent Assessment Panel supports, in principal, the Port Infrastructure and Q West applications
- h) **Note** that the establishment of the Precinct is to support business locating at and around the port to attract and retain the local workforce
- i) **Note** Commercial In roles will be created as part of the Commercial Information
- j) **Note** that there is business support located at or around the port, and these business intend to grow their workforces between Commercial Informat new jobs over the next 10 years, and, the attraction of new businesses to the port is estimated to create Commercial Informat new jobs.
- k) **Note** that the induction process at the port for all employees will contain a local cultural element delivered by Iwi about the significance of the Whanganui Awa. This will be delivered by the re-establishment of Commercial Informat which was a WDETT solutions to preparing and finding new entrants for employers in Wha g nui. Commercial Informat will deliver the base level induction for all employees and contractors situated at the port Commercial Informat was first funded by Commercial Information under the youth guarantee scheme.
- l) **Note** that the port is located in Castlecliff Whanganui, which has high unemployment, sitting at 17%, of the total population only 17.5% hold post-secondary qualification, and has a Maori population of 64.8% according to the 2013 census

- m) **Note** the applications target group is school leavers and Job Seekers of working age
- n) **Note** that [redacted] Commercial Information [redacted]
- o) **Note** the Precinct will co-ordinate and work with existing Iwi and private training providers
- p) **Note** the application has Ministry of Social Development support and the Accelerate 25 Lead Team
- q) **Note** WDETT has received Te Ara Mahi funding for the Whanganui Work Ready Passport Initiative (\$ [redacted] Commercial Informa Pipedrive # [redacted] Commerc), this project will help feed school leavers to the precinct
- r) **Note** the Precinct will become self-funding as employers contribute to costs and lease agreements include access costs to the Precinct

**Proposal:**

This initiative is part of a wider infrastructure programme located at the Whanganui Port. It is wholly dependent on the approval of the Whanganui Port Revitalisation Infrastructure by RED Ministers.

The Port Employment Precinct will employ [redacted] Commercial Information that will liaise with the businesses and training providers to establish needs. Within the first year the [redacted] Commercial Information will be employed, followed by [redacted] Commercial Information. There is scope for cooperation and collaboration with [redacted] Commercial Information [redacted]

This training and employment facility, Port Employment Precinct(PEP) will be a one stop shop for businesses building the port infrastructure and for existing businesses located at the port. It will also provide the same service to new businesses locating to the port and the wider Heads Road industrial area, which has most of Whanganui's larger employers with [redacted] Commerc or more employees.

The Port Employment will provide coordination of the Physical training of potential employees, so they have skills, knowledge and experience required for businesses operating at the port and the companies undertaking the infrastructure work.

Having the Port Employment located at the port is the most cost effective way to meet the future employment and training needs, ensuring that trainees are on the ground and ready to move into employment. Each individual working with Port Employment will have an opportunity to map out their career aspirations at the port, including existing employees of port industries.

The Port Employment will work collaboratively with, [redacted] Commercial Information [redacted] and training providers to provide a single coordinated organisation and voice in establishing the types of training programmes required for employment needs, associated with the port, however, not exclusively for the port. This training is will be focused on NZQA level 3 to 9.

All employees, new and existing, will undertake an induction programme that is focused on health and safety, employment standards, and more importantly will have a Te Awa Tupua component.

Port Whanganui is a key infrastructure project for the Castlecliff suburb. This suburb has high unemployment at 17% with a Maori population of 64.8%. Port Employment being located at the port will give this community greater access to employment and training opportunities.

The [redacted] Commercial Information which is governing the revitalisation of the port will contract WDETT to provide Port Employment ongoing services as part of the [redacted] Commerc leasing model for those businesses located at the port. This will contribute to the sustainability of the Port Employment beyond PGF funding.

The wider port infrastructure programme will eventually create an area around the port, Commercial Information

### Outcomes

Over the life time of the project it is expected that there will be;

### Employment

- Commerc employment outcomes, linked directly to jobs at the port
- Commerc jobs employed indirectly in the wider Whanganui area
- Comm people will be supported into alternative pathways

### Wider public benefits:

- Castlecliff community members will have access to meaningful employment
- Students and Job Seekers are well informed in choosing a career pathway
- Improved financial wellbeing, strengthening families and communities in Castlecliff and the wider Whanganui community
- Talent retained in the district and improved productivity due to talent retention

### Funding details

Funding request is for \$1,545,670, which is Commerc % of the training and employment programme via the Port Employment Precinct, and is for three years. However, in the wider scope of the port projects, represents a much smaller portion. The funding will cover, personnel, operational, contribution to training, computer equipment, leased vehicle costs and facilities leasing costs.

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):	<span style="background-color: #cccccc; padding: 0 2px;">Commerc</span>	This is achievable with good leadership and the recruitment of a skilled operations Manager
Number of people expected to attain employment as a result of the project/activity annually (on average):	<span style="background-color: #cccccc; padding: 0 2px;">Commerc</span>	Should the entire Whanganui Port Revitalisation Infrastructure go ahead, there is a strong belief that these employment numbers will be obtainable and will measured and reported.

### Assessment against the PGF criteria:

#### Eligibility Criteria

This application is eligible for PGF funding

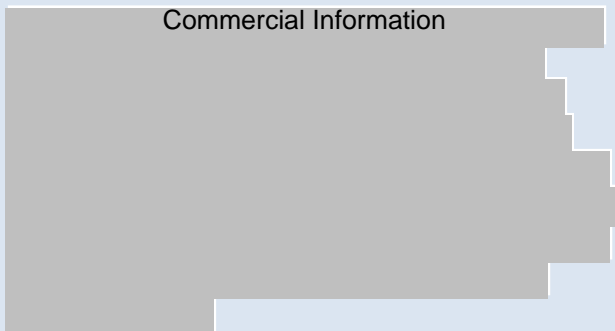
### Productivity Potential

The project will improve productivity in the Manawatu/Whanganui region by giving access to businesses that require a highly functional port. This will give opportunity to new and existing business to locate at the port improving their productivity and distribution networks. It will also increase the connectedness of Secondary School students, Job Seekers, Castlecliff community and the wider Whanganui region to employment. The increased focus on tailored training solutions will lead to greater productivity within the port businesses and contribute to higher wages.

### Policy objectives

- 1) It focusses on supporting local businesses, local people, the Castlecliff community 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 currently cover or have existing resources to cover.
- 3) It fits within mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF.
- 4) It directly reinforces investment in PGF Tier 2 (Sector Investment) and PGF Tier 3 (Enabling Infrastructure) projects; through the improvement in work readiness of potential community members, Job Seekers, school leavers required to support Tier 2 and 3 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 aligns with the Whanganui Labour Market Strategy, specifically “strong employer-provider” partnerships and aligns with Accelerate 25 and Te Pae Tawhiti Economic action plans as to the Whanganui Port Revitalisation Infrastructure project.</li> </ul>	<b>Yes</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>• Will prepare the Castlecliff community, Job Seekers and School leavers to be ready to take up roles within Whanganui Port Revitalisation Infrastructure companies.</li> <li>• Will assist the Whanganui Port Revitalisation Infrastructure companies to meet their immediate staff needs</li> <li>• Will prepare the workforce for future businesses located at the port</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>• It is reasonable to expect that a portion of people targeted will fit into this category</li> <li>• This project includes NEET with Maori being over represented thought-out the region</li> </ul>	<b>Yes</b>

	<ul style="list-style-type: none"> <li>The location of the port is the Castlecliff suburb that has a Maori population of 64.8%</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>The project will improve earning potential by upskilling young people, Job Seekers and existing employers with relevant skills.</li> <li>The project will support local Job Seekers into sustained employment</li> </ul>	Yes
<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 contributes to the development of a more highly skilled workforce in an area that has portions of it with high social and economic deprivation.</li> <li>The project will support Students, Job Seekers and Castlecliff Community members into sustained employment</li> <li>This programme is unique in that it has support from significant local employers, Iwi and MSD.</li> <li>The WDETT has experience delivering programmes in the rohe</li> </ul>	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"> <li><b>Commercial Information</b></li> </ul> 	Yes
<b>Connected to regional stakeholders and frameworks</b>		
Alignment with regional priorities	<ul style="list-style-type: none"> <li>The project aligns with the Whanganui Labour Market Strategy, specifically “strong employer-provider” partnerships and aligns with Accelerate 25 and Te Pae Tawhiti Economic action plans as to the Whanganui Port Revitalisation Infrastructure project.</li> </ul>	Yes
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 letters from the Whanganui District Council, Q West Boats, Nga Wairiki Ngati Apa, Whanganui &amp; Partners and the Accelerated 25 Lead Team.</li> <li>This application is also supported by MSD and TPK as to the wider Whanganui Port Revitalisation Infrastructure projects.</li> </ul>	Yes

<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>The application includes funding for <span style="background-color: #cccccc;">Commercial Information</span> to maintain the quality of programme delivery and ensure success of programme</li> <li>The Charitable Trust has been in operation for 12 years and has strong leadership and trustees with extensive regional, and business experience.</li> <li>WDETT is currently funded by Te Ara Mahi funds for the Whanganui Work Ready Passport Initiative</li> </ul>	<b>Yes</b>
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> <li>The applicant intends to employ the appropriate people who will have the relevant skills in the roles of <span style="background-color: #cccccc;">Commercial Information</span></li> <li>The WDETT Board has extensive business experience</li> </ul>	<b>Yes</b>
Risk management approach	<ul style="list-style-type: none"> <li>Outlined in their application (see p.18 of application)</li> </ul>	<b>Yes</b>
Future ownership / operational management	<ul style="list-style-type: none"> <li>The Port Employment has a revenue plan that includes access costs built into the leasing agreements for businesses located at the port and new and existing business relocating to the port</li> </ul>	<b>Yes</b>

### **Funding Arrangements**

The funds will most likely be distributed via a milestone plan, which is likely to include an upfront cost for set up. This will be sorted during the contracting stage.

### **Due Diligence and Ownership**

Due Diligence was undertaken on this trust as part of their Whanganui Work Ready Passport Initiative Commercial Information and some of the related parties: No findings of any significance of key management were found at that time. Further due diligence in relationship to this request has been sort and any contract will be subject to favourable finding.

#### **Shareholders:**

Shareholder	%
Wanganui District Employment Training Trust	100

#### **Trustees & Governance**

- Privacy of natural persons
- Privacy of natural persons
- Privacy of natural persons
- Privacy of natural persons
- Privacy of natural persons
- Privacy of natural persons

#### **Key Management Personnel:**

- Commercial Information to be appointed

**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	If our cost estimates are inaccurate, then the applicant may be unable to complete the project in the agreed manner	A number of the costings are flexible with suitable provisions in place, if approved	Commercial
Recruitment	This initiative fails to achieve outcomes due to reasons such as low participation/recruitment rates and/or completion rates, causing a flow on reputational risk to the PDU	Ensure application has clear and feasible mitigations in place to address these risks and ensure outcomes are achieved	Commercial

**Consultation undertaken or implications:**

MSD “MSD support the application. The development of a reliable and capable international port facility is integral to the economic future of the Whanganui district, providing import-export access to global and national markets” There is also a letter of support from the Taranaki, King Country and Whanganui Regional Commissioner of MSD.

Support letters attached from Whanganui District Council, Q-West Boats, Nga Wairiki Ngati Apa, Accelerate 25 Lead Team and Whanganui and Partners.

<b>Supporting proposal:</b>	Yes
<b>Appendices:</b>	Yes – Applications and supporting letters are as annexes Supporting letters withheld - Commercial Information
<b>Author of paper:</b>	Te Ara Mahi/He Poutama Rangatahi Team