

# WAIROA DIGITAL EMPLOYMENT PROGRAMME

PGF application support overview from Korou Digital for the Wairoa Digital Employment Program

July 2019

## Aim

To establish The Digital Employment Programme designed by Korou Digital and the Wairoa Digital Collective in Wairoa through an initial partnership with the Ministry of Social Development and the Provincial Growth Fund.

The core focus of the programme is twofold. First to provide a low cost **rural sourcing** solution to New Zealand's shortage of software developers which is currently driving development offshore and secondly to transition Wairoa's static economy towards the rapidly growing technology sectors with a strong focus on **creativity and innovation**. The Trust have identified Wairoa's strong cultural base (63% Maori) as Wairoa's point of difference and our greatest asset. With culture being the foundation of creativity and in turn one of the fundamental drivers of innovation.

## Proposal

Korou Digital was formed by The Wairoa digital collective a group of **com** businesses and **com** digital leaders based in Wairoa, working together to grow the digital sector through a digital employment programme. The programme will deliver **com** employees per year and the collective have already secured **com** business offering contracts.



KOROU DIGITAL

*“He ao te rangi ka uhia,  
mā te huruhuru te manu  
ka rere”*

*Engage, inspire, educate,  
create and innovate the people of Te  
Wairoa towards equitable access and opportunity in a digital future*



Wairoa ICT Club 2016



Rangatahi at the Wairoa ICT Club 2017

## Te Wairoa E Whanake statement of support

Te Wairoa E Whanake, another PGF project aimed at regenerating the town centre through a public and private partnership to create new educational and employment pathways while revitalising the district's CBD, is in support of the Digital Employment Programme. It directly supports TWEW vision of creating a robust, sustainable, culturally reflective and digitally connected town centre.

## Rationale



The Digital Employment programme will address key issues facing Wairoa as highlighted in Economic Development Report "Whakarauora" – The Regeneration of Long Water Wairoa District Council February 20th 2019:

### Internal drivers

- Disengaged Youth
- One of the highest unemployment rates in the country at 12.8% with 4.3% nationally
- 1 in 4 adults are not working with 85% represented by Maori
- Employment pathways consist primarily of generational manual labour which is shrinking
- 87% of the Wairoa community live in the 4th and 5th quintiles Compared with 40% nationally

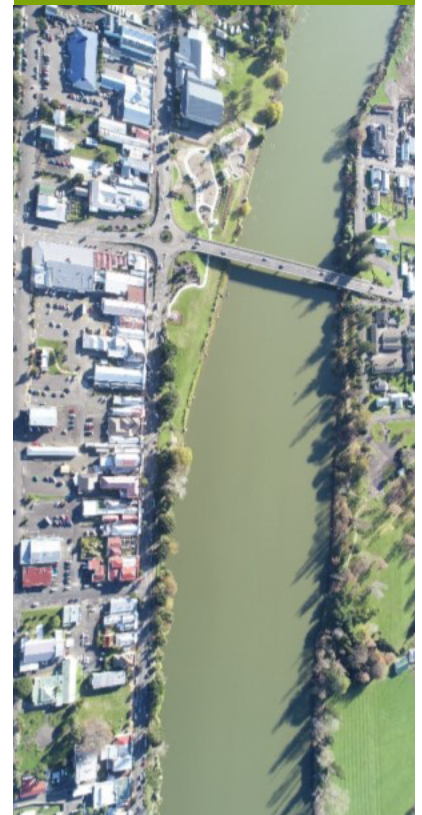
*(Bain, Giblin, & Ennis, 2019)*

### External drivers

It will also address the national and global shortage for skilled software engineers and developers. This sector shows the highest skills shortage across all industries. (Michael Page 2019)

Currently only 1 percent of nationally employed Maori are employed in the ICT industry with 43% employed in manufacturing and administration which have a high risk of shrinking significantly in the next few years

*(ref: Change Agenda: Income Equity For Maori: Berl, Ngai Tahu December 2017)*



Wairoa Town Center

# Digital Employment Programme

The Digital Employment Programme is a 12 month full employment contract that includes 12 weeks of digital and technology industry training including software engineering, programming application and game development followed by <sup>Comm</sup> week employment contracts sourced and managed by the co-operative.



Within two years The Digital Employment Programme is designed to be enrolling <sup>Comm</sup> new students every quarter with the potential to deliver <sup>Comm</sup> skilled developers with contracts annually. The Digital apprentice will have the opportunity to become certified in a variety of chosen digital and technology areas such as Maya 4D and Unity developer certified (APP & Game Development), Adobe Creative Suite certified, and many more.

All trainees will begin in full employment with the first 12 weeks dedicated to workplace training towards industry certification in which they will be paid \$<sup>Commercial</sup> per hour. At week 13 each graduate of the training programme will be contracted out to development business for a minimum of <sup>Comm</sup> weeks <sup>Commercial Information</sup>. At the end of the 52 weeks employment with the co-operative, each Graduate will be released from their contract with Korou and be free to roll over their contract into full time employment, freelance contracting or they may be offered the choice of becoming a fulltime employee or member of the Korou (co-operative) which will give them voting rights and share in any profits the co-operative makes.

Initially local trainee developers will be available to development company's and startups at lower subsidized rates starting at \$<sup>Comm</sup> per hour, with the future goal of \$<sup>Comm</sup> per hour for more experienced local developers.

<sup>Commercial Information</sup>

PROACTIVELY PREPARED

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## Delivery

The programme is designed to start on a sliding scale in the first year starting with <sup>Comm</sup> students in the first quarter to allow time to build our process

	Year 1	Year 2	Year 3
	<sup>Commercial Information</sup>		
Students (in training)	<sup>Commercial Information</sup>		
Apprentiships (in program)	<sup>Commercial Information</sup>		
Graduates (employed, self employed or contracting)	<sup>Commercial Information</sup>		
Staffing (FTE)	<sup>Commercial Information</sup>		

and capacity and begin delivering the full program of <sup>Comm</sup> inductions each quarter and <sup>Comm</sup> in the digital apprenticeship program with a <sup>Comm</sup> staff. Staff will also be responsible for managing our existing ICT Club and work with the local digital collective to mentor and support graduates as they transition into employment, freelance contracting and self employment. We anticipate many graduates will join the Wairoa Digital collective and help develop, create and deliver other innovative projects designed to engage, inspire, educate, create and innovate the people of Te Wairoa towards equitable access and opportunity in a digital future.

## Key Facts

### Software engineers and software Developers :

Spend more time learning than other professionals

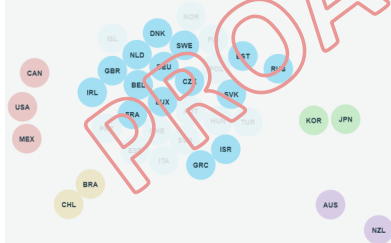
Amongst the most highly paid professionals in the world

Average salary: \$<sup>Commercial Inform</sup> (US) / £<sup>Commercial Inform</sup> (UK) / \$<sup>Commercial Inform</sup> (NZ)

Freelance developers rates in Auckland are \$<sup>Comm</sup> to \$<sup>Comm</sup> per hour

Currently the most in demand profession in the world

Software developers are in high demand in 24 countries across the world, including Japan, the UK, US and NZ



Demand for software developers is predicted to keep rising

In 2020, an estimated 1 million computer programming-related jobs in the US are expected to be unfilled. Many tech organizations are now turning to non-traditional applicants and internal training to fill these gaps.



Wairoa ICT Club 2019

## Post Training employment

Currently industry rates for freelance developers in Auckland and Wellington are \$<sup>Comm</sup> to \$<sup>Comm</sup> per hour driving many business and projects offshore to cheaper markets. This is also compounded by “a shortage of software developers in New Zealand, and continuing growth in job vacancies. The number of developers has grown steadily over recent years, but demand is expected to continue increasing in the fast-developing ICT industry”. ref MBIE.

Korou will act as a recruitment agency for the Digital Graduates, ensuring they are placed with their initial employer for the <sup>Comm</sup> week contract where they will gain experience and help establish themselves as a developer. Additional pastoral care including business mentoring health and well-being will be structured in to the <sup>Comm</sup> week period.

Beyond the first <sup>Comm</sup> week contract if the Digital Graduate wish to remain working on the programme premises and still have access to the staffing expertise available and a hot desk/commercial working space can be hired that is separate to the training facility. This ensures those requiring additional assistance to establish themselves as a developer have further pastoral care but also stimulates team working groups which are often required by employers in this sector.

There will be a number of graduates who will be able to contract from home or due to the nature of the industry anywhere in the world and those that remain in Wairoa will begin to create a larger digital collective that attracts additional ICT business facets growing Wairoa’s reputation for producing highly creative innovate skilled personal for the ICT sector.





## Business case



KOROU DIGITAL

### Funding

A proposal has been put forward to [Commercial Information], which has been met with an [Commercial Information]. However initial establishment funding is being sought through this application including salaries for the training and administration staff for a [Comm] year cycle. This will allow the programme to identify and engage long term funding pathways and activate the commercial revenue streams. The PGF contribution is [Commercial Information] over the [Comm] years. This is primarily made up of initially [Comm] employees transitioning through to [Comm] by year [Comm], establishment costs and overheads including building purchase or lease.

Year [Comm]

Commercial Information

### Businesses – commitment

We have statements of intent from [Comm] businesses who would be interested in procuring our services (appendix 1).

Year [Comm]

Commercial Information

### Governance

The Innovation Hub is an initiative overseen by Korou and the Wairoa digital collective. Korou means energy, spirit, vitality and Korou Digital's purpose is to provide the energy, spirit, vitality and support required for the Wairoa digital collective to engage, inspire, educate, create and innovate the people of Te Wairoa towards equitable access and opportunity in a digital future.

### Return on investment— [Comm] years

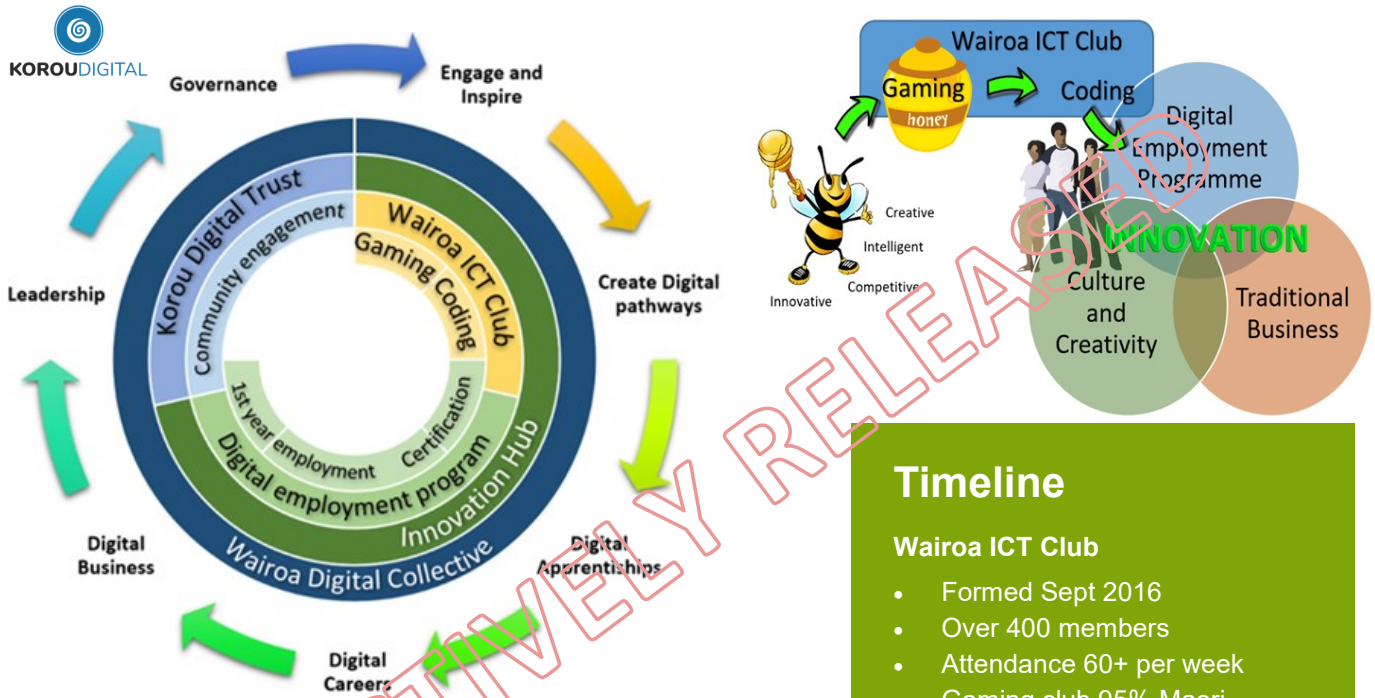
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Year [Comm]

Commercial Information

# Background:

The collective have a holistic sustainable approach starting from engagement through to governance, with the core focus being to transition Wairoa's economy to meet growing demand in the technology sectors with a strong focus on creativity and innovation. The collective have identified Wairoa's strong cultural base (63% Maori) as our point of difference and our greatest asset. With culture being the foundation of creativity and in turn one of the fundamental drivers of innovation.



## Wairoa ICT Club

The Wairoa ICT Club is a free Information and Communications Technology Club for Youth from ages 5 through to young people in their early twenty's. The club was established in 2016 through a partnership With Curve Technology and Ngāti Pahauwera through the Ka Hao Maori Digital Technology Development fund and sits under the Korou Digital Trust.

The Club teaches programming and animation through gaming and coding which has captured 400 youth and engages with 60 children a week. Currently across the gaming and coding club 90% are Maori and 35% are Female

The club will act as a conduit through to the Employment Programme as youth develop their appetite for a career in the sector through their engagement in the club.

The Digital Employment Programme will support the Wairoa ICT Club with a number of staff having ICT Club components built into their employment contracts.

## Timeline

### Wairoa ICT Club

- Formed Sept 2016
- Over 400 members
- Attendance 60+ per week
- Gaming club 95% Maori
- Coding club 85% Maori
- 35% to 40% female

### Wairoa Digital Collective – Growing

- Formed early 2018
- 6 Digital business
- 16 Digital leaders

### Innovation Hub – Growing

- Formed Dec 2018
- 3 Digital businesses

### Korou Digital Trust – Completed

- Formed Jan 2019
- Charitable status confirmed

### Korou Digital Co-operative

- Feb 2019 registered as a provisional member of Cooperatives New Zealand.

### Digital employment programme – Establishing

- Planned for Sept 2019



Wairoa ICT Club — Main Room and VR Room 2018