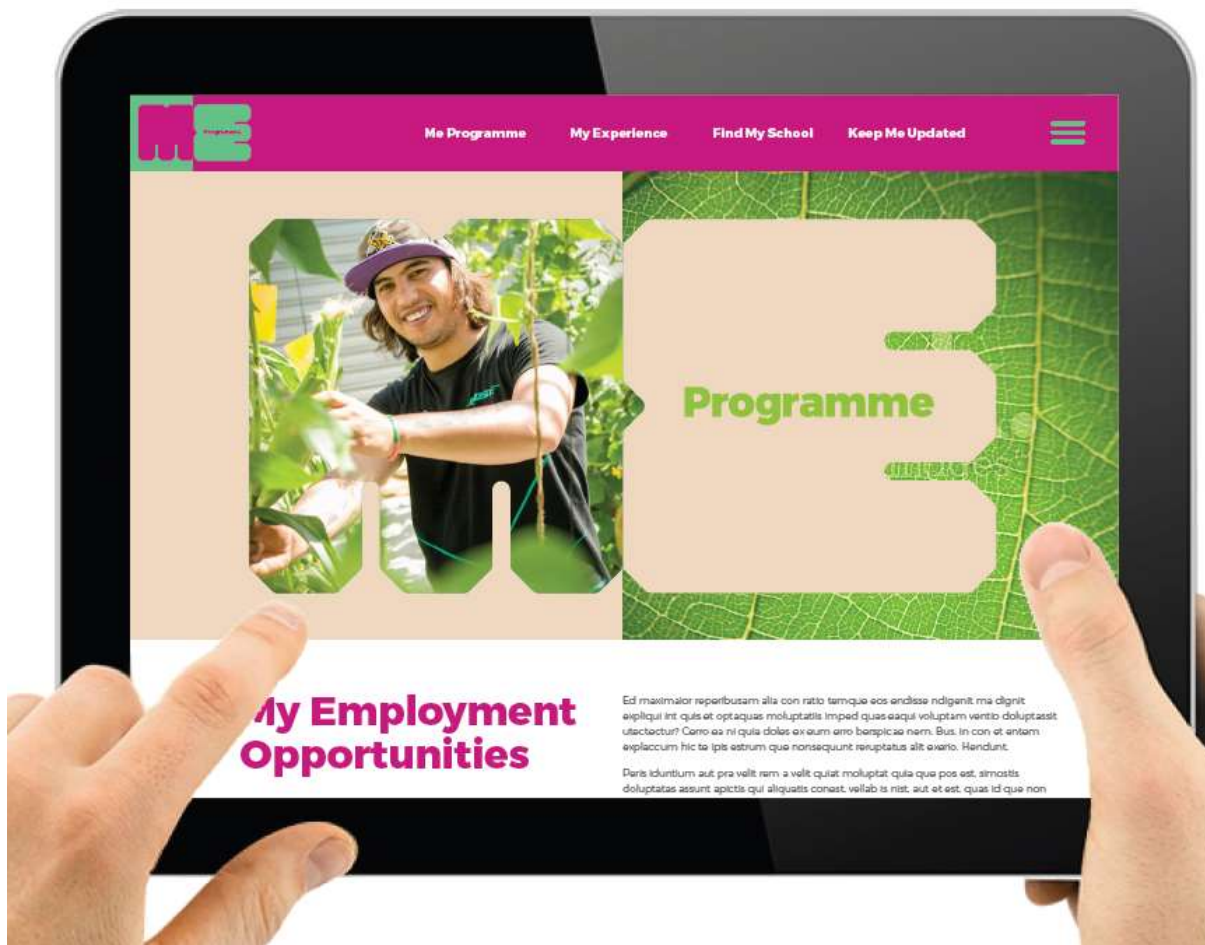


2016

Business Case – ME Programme



NZKGI

5/13/2016

Executive Summary

Although horticulture supplies over 20% of the Bay of Plenty's GDP and is New Zealand's fourth largest exporter, a current lack of workers and a projected industry boom means that businesses in the horticultural sector are faced with an impending labour shortage. Industry is now looking ahead to implement a plan to prevent the shortage from negatively impacting projected growth.

The Horticulture industry is looking for ways to attract people into the industry, and a significant amount of investment has been made by the government and economic development agencies into developing strategies that highlight regional characteristics and convert them into opportunities. Many of these strategies link to student higher educational attainment as a key to success.

The current situation within schools is that secondary school students are getting an inadequate understanding of the opportunities available within horticulture through the limited curriculum presented in schools. Additionally, schools, students, teachers and the wider public hold dated perceptions of horticulture being a subject lacking of academic quality. As a result this has held back generations of students from being inspired to enter into a world class industry. A new educational horticultural model (The ME Programme) featuring in secondary schools would be one part of a bigger campaign required to resolve the labour shortage crisis. The programme aims to bridge the gap and transition students from school and into the workforce, through providing schools with integrated industry knowledge and expertise. This industry context will be implemented into mainstream classes within the existing curriculum in subjects such as English, Maths, Science, Business Studies and Maori.

The Bay of Plenty region will be the initial focus area due to its large horticultural base and the growth opportunities the industry presents the region. The ME Programme will pilot at Katikati College in 2017 starting off with 60 students in the programme. In 2018 the programme will be rolled out to other schools with the project board intending to have quadrupled student enrolments from 60 to 240 across multiple schools in the Bay of Plenty.

Funding for this project is scalable however with projected costs calculated in the price bracket of \$400 per student, in order for the programme enrolment numbers to grow, secure and on-going funding must be obtained.

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Commonly Used Terms

Horticulture New Zealand (HortNZ)	Horticulture New Zealand is the horticulture industry leadership body that advocates on behalf of the industry. Horticulture New Zealand are Wellington based.
InStep	Instep is a Priority One programme that links local secondary schools and businesses in the Bay of Plenty. Priority One is the Western Bay of Plenty region's economic development organisation, established in 2001 by the Tauranga and Western Bay Of Plenty business community.
Kiwifruit Vine Health (KVH)	Kiwifruit Vine Health Inc. (KVH) is a grower-driven, pan-industry organisation established in December 2010 to lead the New Zealand kiwifruit industry response to the Psa incursion. KVH is based in the Bay of Plenty.
Pipfruit New Zealand	Pipfruit NZ is a levy funded organisation based in the Hawkes Bay. Pipfruit NZ covers the NZ Apple, Pear and Nashi market and manages the grower's R&D and Technology Transfer functions
NCEA	The National Certificate of Educational Achievement (NCEA) is the main national qualification for secondary school students in New Zealand. NCEAs are recognised by employers, and used for selection by universities and polytechnics, both in New Zealand and overseas.
New Zealand Avocado	The New Zealand Avocado Growers' Association (NZAGA) operates to promote avocado growers' interests. NZAGA is based in the Bay of Plenty and is a levy funded organisation.
NZ Kiwifruit Growers Inc. (NZKGI)	NZKGI is a levy funded organisation based in the Bay of Plenty that represents the political and commercial interests of New Zealand kiwifruit growers.
Stakeholders	Those who have an interest in a particular decision, either as individuals or representatives of a group. This includes people who influence a decision, or can influence it, as well as those affected by it (Hemmati, 2012).
Standard Training Measure (STM)	Defined as the amount of training that is required for a trainee to achieve 120credits (or equivalent) on the New Zealand Qualifications Framework in an approved structured training programme.
Zespri	Zespri International Limited is a grower-owned company dedicated to the global marketing of kiwifruit. Zespri is based in the Bay of Plenty.

1. The Project Defined

This section is the largest of the business case and answers most of the why, what and how questions about the project in the following headings:

- Background Information (section 1.1)
- Market Assessment (section 1.2)
- Option Identification and Selection (section 1.3)
- Business Objective (section 1.4)
- Benefits and Limitations (section 1.5)
- Scope, Issues, and Interdependencies (section 1.6)
- Key Deliverables and Plan Outline (section 1.7)
- Risk Assessment (section 1.8)

1.1 Background Information

The New Zealand Government has set the ambitious goal to double primary sector exports to \$64 billion by 2025. New Zealand's primary sector export revenue is expected to be \$37.6 billion in June 2016 (Ministry for Primary Industries, 2015), requiring a \$3 billion~ increase year on year to achieve the target by 2025. Horticulture is New Zealand's fourth largest primary exporter and is faced with a shortage of skilled workers entering the industry from secondary and tertiary training. Skills shortages are projected to grow and the industry is looking ahead to devise a plan to prevent the shortage from negatively impacting projected growth (Ministry for Primary Industries, 2014).

While the horticulture industry is concerned about having the necessary labour force to be able to meet market demand for their products, the Ministry of Education and learning institutions are aiming to lift aspiration and raise educational achievement for every New Zealander (Ministry for Education, 2016). Currently, approximately 57% of students who enter secondary school at Year 9 do not complete NCEA Level 3 before they leave (Ministry for Education, 2016). Higher educational attainment leads to higher average income levels and analysis from the Organisation Economic Co-operation and Development (OECD) countries has found improved skills lead to significant increases in Gross Domestic Product (GDP) (Malpass, 2015).

Focus on raising educational achievement extends wider than the Ministry of Education. A significant amount of investment has been made by the government and economic development agencies into developing strategies that highlight regional characteristics and convert them into opportunities. Many of these strategies link to student higher educational attainment as a key to success.

In the Bay of Plenty, 44% of the population under 15 years old is Maori and Maori own 29% of the asset base. The majority of the asset base is in agriculture and forestry (Bay of Connections, 2014). In 2013, 45% of Maori school leavers in the Bay of Plenty did not achieve NCEA Level 2 (Malpass, 2015).

A key aspect of the Bay of Plenty region Maori Economic Development Strategy is to support initiatives that improve NCEA attainment levels particularly in core education and skill sets and in transition to work programmes to generate greater wealth for Maori and the region.

In 2014, New Zealand Kiwifruit Growers Inc. approached the Ministry of Education to scope a project that would bring local industry context into the classroom and lead to greater student numbers transitioning into the horticultural workforce. Later in the year InStep was approached by the Principal from Katikati College about how the school could strengthen its links with local businesses to improve educational attainment levels. The four groups have come together and have developed a plan that aims to meet the objectives of government, learning institutions, economic development agencies and industry in improving higher educational achievement and transition of students into the horticultural workforce.

1.2 Market Assessment

A market assessment has been undertaken because ultimately this project will require the development of a programme that will compete with other programmes for resources in schools. Therefore the aim of this section is to outline the environment in which the programme will operate in. The environment will be explained using a brief PEST analysis which stands for Political, Economic, Social, and Technological analysis (Kurian, 2013).

Table 1 PEST Analysis

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL
<p>NZ government has a high impact on the education delivered in NZ.</p> <p>Programmes that meet Government goals have a higher probability of government support.</p> <p>The horticulture industry consists of many product groups each with their own structures and politics.</p>	<p>The horticulture industry is rapidly growing, export revenue has grown 15.8% (to \$4.8 billion) between the year ending June 2014 to June 2015 (Ministry for Primary Industries, 2015)</p> <p>The horticulture industry is targeted to reach \$10 billion in revenue by 2020 (Horticulture New Zealand, 2009)</p>	<p>For every 100 students who enter Year 9:</p> <ul style="list-style-type: none"> • 23 students leave without a qualification. • 34 students obtain NCEA Level 2, 18 of which stay in school. • Of the 34 who leave with NCEA Level 2 only 19 go onto further training (four into industry training). • 25 are likely to gain a degree but 38 are likely to have tried within 5 years of leaving school. (Ministry for Education, 2016) 	<p>Technology advancement is growing in the horticulture industry.</p> <p>By 2025 there will be 7,100 fewer workers without qualifications (Ministry for Primary Industries, 2014)</p>

The market assessment shows the case is strong for undertaking the project.

1.3 Option Identification and Selection

There are an array of potential solutions to skilled labour shortages and raising student aspirations and educational achievement. These include but are not limited to:

- Understanding what skills are needed to achieve industry goals in the 5-10 year time line

- Developing clear roles, obligations, consistency of relationships and networks within horticulture
- Building on-going relationships with secondary schools that meet industry and school needs
- Establishing clearer career/curriculum pathways to these needs and promote retention of capability through continuous learning
- Strengthening leadership in the horticulture sector and growing future leaders and ambassadors for the sector
- Using scholarships in a more effective way and enabling transition into the horticulture industry, increasing the flow of great students into critical roles

All of these options are relevant and will contribute to solving part of the problem. When each of the solutions is assessed on its own merits it becomes apparent that all of these solutions need to work together to form a successful project. However, “emphasis should be placed on improving links between secondary schools, tertiary education and employers in the region, in order to prepare young people with work ready skills and improve the flow of young people into tertiary education and employment” (Bay of Plenty Tertiary Intentions Strategy, 2014).

To improve the links a collaborative project between government, secondary schools, tertiary educators, and employers has been selected as the best option. This project has been named the ME Programme. The ME Programme encompasses many of the solutions outlined above by building relationships between senior secondary school students and real world businesses through implementing local industry context into mainstream classes with support from tertiary providers.

The intention is for New Zealand’s secondary schools to teach a proportion of their mainstream classes in the context of the latest horticultural information. The ME Programme will aim to provide students with practical life skills by presenting students with hands-on lessons based on real-world working scenarios and experiences. This is expected to invigorate students learning by providing them a local context that they can apply to their learning across their classes. There is powerful potential to engage and inspire all youth but in particular, Maori youth by using real world examples relevant to their background. Engagement through schools will provide opportunities for wider community engagement and a closer understanding of the benefits and opportunities that the horticulture sector provides.

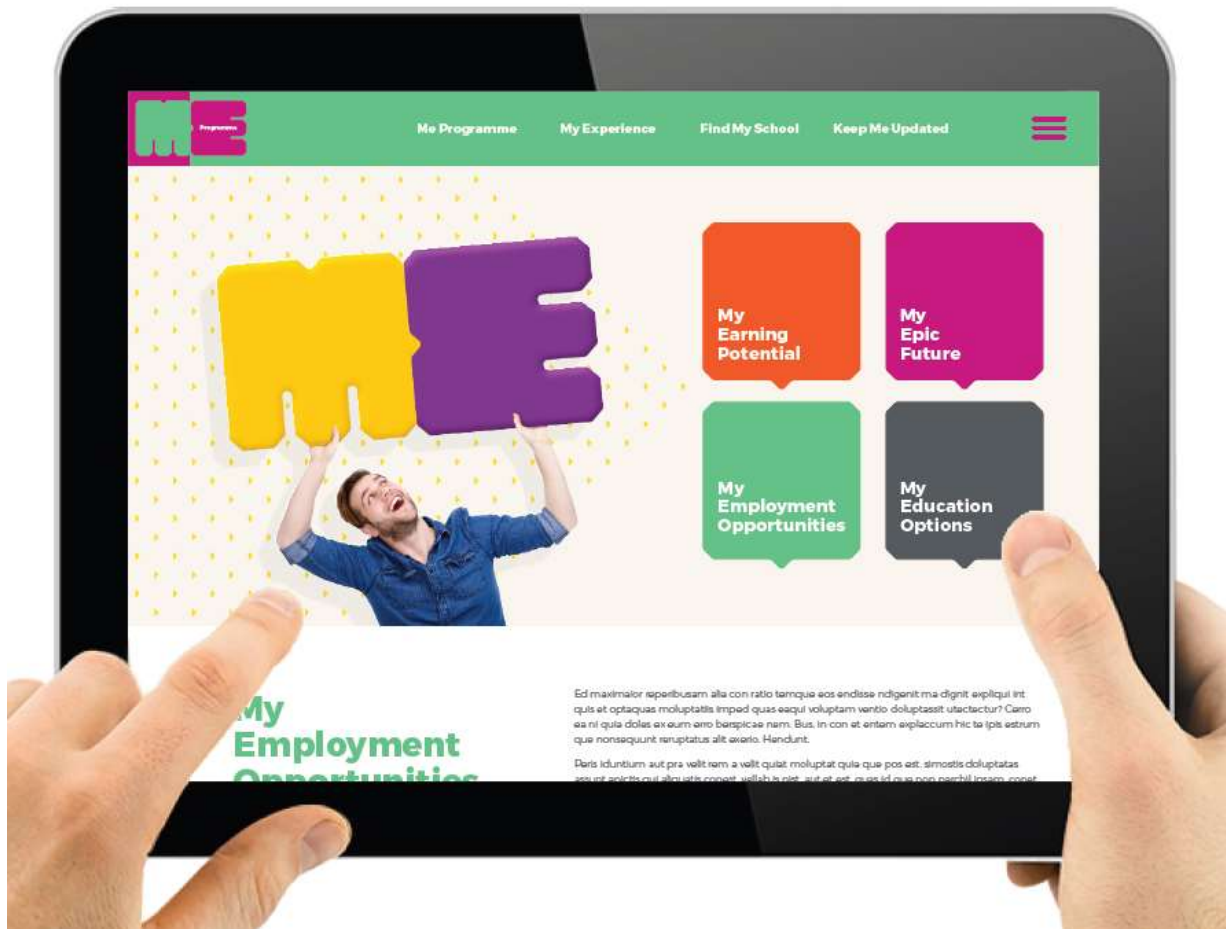


Figure 1 ME Website Concept

Students of all academic levels who participate in this model will have an understanding of the industry and the skills they need to transition from school and into the horticulture sector. The programme will be set up and designed to ‘catch’ students before they fall into unemployment and hold on to those students who are highly skilled and looking for a career in which they can innovate and thrive.

People investing in human capital through a purchase of higher education don’t know what they’re buying – and won’t and can’t know what they have bought until it is far too late to do anything about it. Education is typically a one shot investment expenditure, a unique rather than a repetitive purchase, more like buying a cancer cure than groceries....(Winston, 1999)

Student career decision making can be broken into three stages; the *predisposition* stage, the *search* stage, and the *choices* stage (Leach & Zepke, 2005). The ME Programme falls into the *search and choices* stages. The ME Programme will reach students by insuring that they are better informed about the opportunities available to them in their final years of secondary school.

1.4 Business Objective

The goal of this project is to:

- a) Attract students into horticulture by presenting it as a progressive, growing and relevant industry and communicating future employment opportunities available.
- b) Reinvigorate secondary school education, enhance student achievement, and change people's views of horticulture being a low achievers career choice.
- c) Engage teachers and work with them to provide inspiring and interesting content to teach, from a credible and reliable source.
- d) Enhance the development of our students not only in the classroom but also with the growth of self-esteem, aspiration, and cultivation of learning and life skills.
- e) Connect industry and schools to transition capable school leavers and graduates into the workforce.

1.5 Benefits and Limitations

The table below outlines the benefits and limitations of the project:

Table 2 Benefits and Limitations

Benefits	Limitations
Increased student attainment	Cost of developing the programme and implementing a new solution to solve the problem
Increased student transition into the workforce	Achieving buy in from the front line teaching staff
Employers taking on capable graduates and school leavers	Changing the perception of the wider community about the opportunities in horticulture
The opportunity to re-brand horticulture	Agreement is required by multiple stakeholders
Relate to Maori youth through their natural affinity with land and water resources	

Increased student attainment in NCEA is a key benefit of the project. The Ministry of Education and Treasury have undertaken modelling that shows that the cost to the state of non-achievement increases as those who have left the education system with no qualifications progress through their lives.

The total liability of those who have left the education system with no qualifications is \$411,000,000 and with 1 qualification is \$106,000,000 (the cohort used in this analysis is July 1 1990 to June 31 1991) (Malpass, 2015).

Those with no qualifications are five times more likely to get a corrections-managed sentence by age 22 than those with NCEA level 2 and 30 times more likely than those with NCEA Level 3-4 (Malpass, 2015). The limitation of the cost of developing and implementing a solution is insignificant in comparison.

Increased student transition into the workforce and employers taking on capable school leavers and graduates is a benefit of the project. The availability of capability and skills is an issue right across the horticulture industry. By 2025 the horticulture industry is expected to need a net increase of 7,800

workers and a larger proportion of workers with qualifications (Ministry for Primary Industries, 2014). This is a “major concern for the industry, Ministry for Primary Industries and other government agencies not enough is known by the wider public about career opportunities in the horticultural sector”(Ministry for Business Innovation and Employment, 2015).

Achieving buy in from frontline teaching staff along with the community will be critical to success of the project. “Secondary schools provide much of the prior learning that students obtain before entering the workforce or tertiary system and help to shape the aspirations and expectations of students before they make the transition”(NZ Productivity Commission, 2016). The broad lack of knowledge and lack of interest surrounding the industry is driven by how horticulture is portrayed in secondary school. Horticulture is more than simply working outdoors, growing plants, picking and packing. New Zealand Horticulture is a global leader in the provision of sustainable, healthy, premium products that contributes more than 20% of the Bay of Plenty region Gross Domestic Product (GDP) (Hughes, 2004). Students and education professionals are not recognising the endless progression and opportunities available to them in the range of disciplines in horticulture and this will need to change for this project to be successful.

This project presents a great opportunity for the horticulture industry to re-brand itself. The word ‘horticulture’ has negative connotations that have prevented collaboration between the horticulture industry and secondary education providers in the past. The results of a survey of teachers in the Western Bay of Plenty in 2014 on how a local horticultural event for secondary schools could be enhanced showed that the removal of the word ‘horticulture’ from messaging would improve attendance. The following year, the event was re-named Cultivate Your Career (CYC) and was re-focused to include the skills students would need to transition into the workforce and how those skills are applicable to businesses and organisations such as Zespri, Kiwifruit Vine Health (KVH), Locus Research and Plant & Food Research. Student attendance at the event tripled from the previous year. Re-branding horticulture in secondary schools is major benefit of this project.

A limitation of this project is the need for agreement by multiple stakeholders for it to progress. This has the potential to take the project longer to implement, however the collaboration between stakeholders will also lead to better outcomes. “Collaboration and partnerships are an increasingly important part of sustainable and resilient businesses and communities” (Bay of Connections, 2011).

A major stakeholder in this project will be Maori. Maori have a natural affinity with land and water which are fundamental to the horticulture industry.

Maori make up a large proportion of, and own a significant asset base across the primary industries in the wider Bay of Plenty economy, and comprise nearly half of all the young people in the region (Bay of Connections, 2014).

This project will align with the Central Government-led Maori Economic Development Strategy and goals. These goals are: greater educational participation and performance; skilled and successful workforce; increases financial literacy; government in partnership with Maori enables growth; active discussion about development of natural resources; and Maori Inc. as a driver of economic growth (Bay of Connections, 2014). Overall, the benefits for the project outweigh the limitations.

1.6 Scope, Issues, and Interdependencies

New Zealand's horticulture industry needs to increase skilled workers entering the industry from secondary and tertiary training. Many New Zealand government and economic development agency strategies link to student higher educational attainment as a key to growth and prosperity. Through collaborative leadership in enhanced student achievement and transition of school leavers and graduates into the workforce the objectives of both industry and government can be achieved.

The scope of the project is to implement the ME Programme that offers integrated local industry engagement as the focus for senior secondary school students from all across New Zealand to improve higher education attainment and access to real world business opportunities whilst considering their career options.

The Bay of Plenty region will be the initial focus area due to its large horticulture base (predominantly kiwifruit and avocado's) and the growth opportunities the industry presents the region (Ministry for Business Innovation and Employment, 2015). Following uptake in the Bay of Plenty, other horticultural regions will be prioritised such as the Hawkes Bay and Northland. What is in scope and out of scope has been outlined in the following table:

Table 3 In Scope and Out of Scope

In Scope	Out of Scope
<ul style="list-style-type: none"> • Integrating local Industry engagement into secondary schools • Senior secondary school students • Access to real world business opportunities whilst considering career options • The Bay of Plenty followed by Hawkes Bay and Northland • Horticulture context implemented into English, Math, Science, Maori and Business Studies 	<ul style="list-style-type: none"> • Primary schools • Junior secondary school students • Horticulture context not featured in the Arts, History, languages(excluding Maori)

The project relies heavily on collaboration and teamwork. The project will be constrained by the ability of partner schools to implement the programme effectively and efficiently into their schools. Although the programme has been developed to be as least intrusive as possible to existing timetables and curriculum, barrier's still may exist for some schools. The Ministry of Education will provide support to those schools to help them implement the programme. Reluctance from teaching staff may be a barrier. Heavy reliance has been placed on teaching staff to work with experts to develop resources and then teach other teachers within the programme how to use them. This will be mitigated by investment into a teacher's network that gives teachers part of the programme a high level of support and incentive. The Ministry of Education and industry have already co-funded collaborative resource development workshops between teachers and industry experts to understand how this may work. School's senior management may also be reluctant. Communities will be put into action to put pressure on the schools to implement the programme.

Table 4 Issues

Issues				
Description	Likelihood	Impact	Mitigation	Owner
Reluctant teaching staff	Likely	Major	Investment into teachers network	NZ Kiwifruit Growers Inc.
Reluctant senior school management	Likely	Major	Push by the community and use of project team influencers	Project team
Delayed implementation	Likely	Moderate	Support provided to school to implement	Ministry for Education
Delayed Funding	Likely	Moderate	Investment into funding opportunities	NZ Kiwifruit Growers Inc.

The issues lead to dependencies on the business strategies of local businesses and their willingness to give time in-kind to develop resources with teachers. This project has other interdependencies, such as the existing and future projects of grower associations such as NZKGI, PipfruitNZ, Avocado NZ, and Horticulture NZ. Through research on critical skills needs, career pathway development, alumni ambassador support, and effective use of incentives such as scholarships these organisations can influence the success of the project.

Table 5 Dependencies

Dependencies			
Project	Description	Action required	Owner
Independent businesses Corporate Social Responsibility (CSR) plans	Resourcing from local businesses	Obtain Memorandums Of Understanding with key business in the locality in support of the project	NZ Kiwifruit Growers Inc.
Horticulture Capability Group (HCG)	Linking grower association capability projects into the programme	Obtain Memorandums Of Understanding with grower associations	NZ Kiwifruit Growers Inc.

It is assumed that schools, communities and businesses will continue to find student achievement a priority. It is also assumed that horticulture will remain important to regional and national growth. Without these assumptions this project as outlined would not exist.

1.7 Key Deliverables and Plan Outline

This project has been designed to enable students and prepare them for the realities of the workforce. Treating horticulture as a stand-alone subject for misfits has given horticulture a reputation that has discouraged a generation of students the opportunity to participate in a world class industry. This project will enable all students to develop the skills they need to survive and open their eyes to the workforce no matter their social or academic status.

Table 6 Key Deliverables

Key Deliverables	
This...	Not this...
<ul style="list-style-type: none"> • Higher numbers of students attracted into horticulture by presenting it as a progressive, growing and relevant industry and communicating future employment opportunities available. • Enhanced student achievement, and changed perceptions of horticulture being a low achievers career choice. • Engaged teachers that work with industry provide inspiring and interesting content to teach, from a credible and reliable source. • Enhanced development of students not only in the classroom but also with the growth of self-esteem, aspiration, and cultivation of learning and life skills. • A strong connection between industry and schools that will transition increased numbers of capable school leavers and graduates into the workforce. 	<ul style="list-style-type: none"> • Treat horticulture as a stand-alone subject. • Prevent students of greater academic capability from gaining practical experiences. • Change the existing curriculum. • Require schools to change their timetables. • Be a conduit for high cost, under-utilised teaching resources.

The successful delivery of objectives will have the impact of reducing the liability to the State of students leaving school without any qualifications. Further, the objectives will prevent the horticulture industry from becoming constrained by a lack of skilled labour. The result of these impacts is an increased regional GDP.

A preliminary plan that outlines the salient features of the plan before a more detailed plan is developed has been outlined. The overall timeline is an estimate and is expected to modify as the average time it takes for schools to implement the programme becomes clearer. The project has been divided into stages with key decisions proceeding each stage and accountabilities for activity.

Table 7 Preliminary Plan

STAGE:	INITIATION		PLANNING		GROWTH	
TIMELINE	To date until December 2016		2017		2018	
KEY DECISIONS	•		•		•	
ACTIVITIES & ACCOUNTABILITIES	Activity	Accountability	Activity	Accountability	Activity	Accountability
1	Set-up Project Governance	Kate Longman	Test Teaching Programme	Neil Harray (Katikati College)	Obtain MOU's with additional schools	Renee Fritchley
2	Build Business Case	Renee Fritchley	Undertake Communications and Public Relations	Renee Fritchley	Training, Communications and User Requirements	Renee Fritchley
3	Identify Performance Measures	Terry Collett (MoE)	Resource Development Process Implementation	Renee Fritchley	Funding Applications	Renee Fritchley
4	Communications and Public Relations Planning	Renee Fritchley	Post Implementation Review	Renee Fritchley		
5	Establish Communications Platform	Renee Fritchley	Get Expressions of Interest from schools to participate	Renee Fritchley		
6	Design and Build Teaching Programme	Terry Collett (MoE)	Review Business Case	Renee Fritchley		
7	Create Programme for Resource Development	Renee Fritchley	Funding Applications	Renee Fritchley		
8	Funding Applications	Renee Fritchley				

1.8 Risk Assessment

Common project risks must be considered if the project is to be flexible and resilient to external problems that may occur. The project team will need to draw in resources, refer back to the business case and re-design and evaluate the framework of the project to identify necessary changes and improvements to be made.

The pilot school pulling out of the programme is another risk. This would be an obstacle due to having to re-invest time with establishing the programme in another pilot school. Depending on the reasons that the pilot school has pulled out; this could mean that the programme needs modification. Should the pilot school dropout this would only delay progress marginally as it is expected that it would not be difficult to find an alternative school.

There is also the risk of the industry facing either a downturn or pest incursion, due to the negative public perception on the stability of the industry that may follow as a result. In 2010, there was a bacterial disease incursion that resulted in significant loss and ramifications that were experienced throughout New Zealand, although Bay of Plenty was affected more than any other region. Local schools did not suffer during this time however, and there were no roll changes recorded that suggested families left the Bay of Plenty as a result of job losses (Greer & Saunders, 2012). Due to this risk being recently experienced by the horticulture industry, precautions and coping strategies to be able to deal effectively with potential economic and social impacts have been established (Greer & Saunders, 2012).

Table 8 Risks

Risks				
Description	Likelihood	Impact	Mitigation	Owner
The project teams ability to deliver change	Unlikely	Major	Re-design the project	NZKGI
Pilot school pulls out of the programme	Highly Unlikely	Minor	Launch the project at a different school	NZKGI
A downturn in the horticulture industry	Highly Unlikely	Moderate	Scale the project down on a per student basis	NZKGI
Pest incursion occurrence	Moderate	Moderate	Follow the established industry strategy	NZKGI

2. The Project Organisation

This section has been presented in two sections:

- Project Governance (section 3.1)
- Progress Reporting (section 3.2)

3.1 Project Governance

To derive the appropriate governance for the project, a set of principles were used as the basis of the design of the model adapted from Garland (2009):

- Ensure clarity of leadership and of timeliness of decision making by having a single point of accountability
- Prevent decision making forums from becoming clogged with stakeholders by having a separation of stakeholder management and project decision making activities
- Ensure separation of project governance and organisational governance structures

The key features of the project governance model can be summarised as follows:

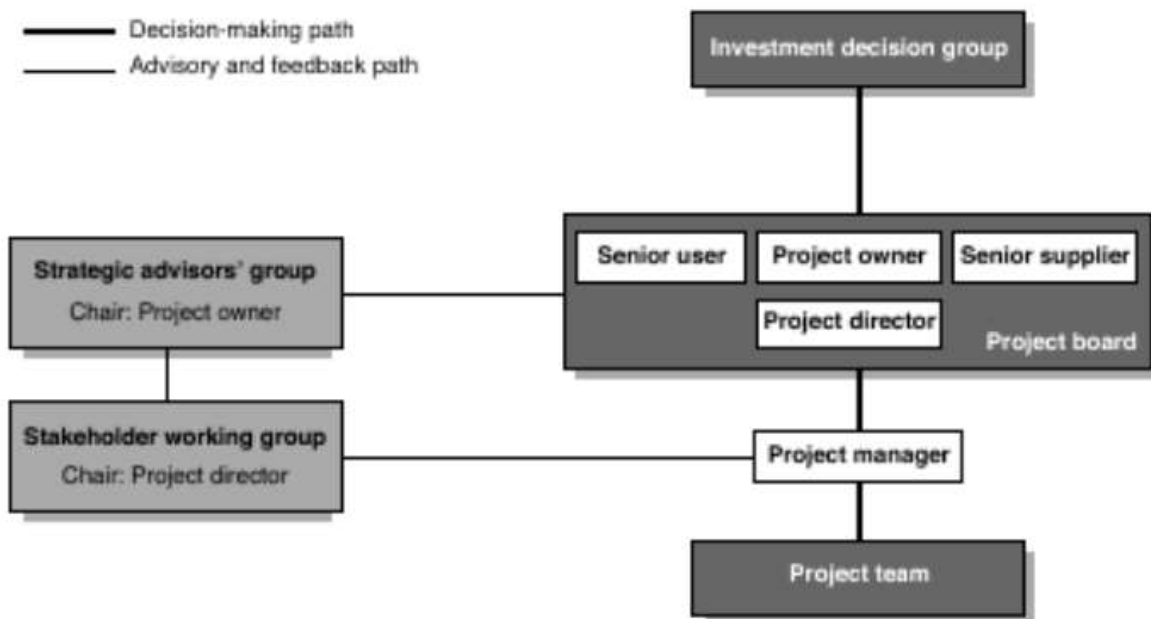


Figure 2 The Project Governance Model (Garland, 2009)

The roles, responsibilities and membership are outlined in the table below:

Table 9 Roles, Responsibilities and Membership - adapted from Garland (2009)

Role	Responsibility	Membership
Project Owner	Accountable for the success of the project	Nikki Johnson (NZKGI)
Senior User	Accountable for ensuring user needs are addressed (there may be more than one)	Neil Harray (Katikati College),
Senior Supplier	Accountable for delivery of project assets and products (there may be more than one)	Terry Collett (MoE), Lyn Parlane (InStep), (MBIE, MPI)
Project Director	Undertakes day-to-day management for the project owner, ensuring their needs are met	Kate Longman (NZKGI)
Project Board	The above constitute the project board, which is the primary decision making body and should be a maximum of six persons (4% of decisions)	As above
Project Manager	Accountable for delivering the project within the constraints stipulated by the project owner and works closely with the project director (95% of decisions)	Renee Fritchley (Me Programme)

Role	Responsibility	Membership
Investment Decision Group	Makes funding decisions and resolves escalated issues (1% of decisions)	Delegate responsibility to project board
Strategic Advisors Group	Represents remaining senior stakeholders and is chaired by the project owner. Normally project funders who do not sit on the board, government, senior managers from affected businesses.	Chair: Nikki Johnson
Stakeholder Working Group	Represents less senior stakeholders, normally direct reports of strategic advisors group members or those operating at a more detailed level within the project and with less influence	Chair: Kate Longman

The approach of this project is to leverage the necessary skills from the community in-kind as much as possible. To obtain the whole benefit the intent is to secure a Project Manager to manage the programme and co-ordinate and communicate between stakeholders and measure performance.

The majority of the decisions will be made at the project team/project manager level. These people are working with the project day in and day out and making decisions as to the best way forward. Key decisions are made at the project board level around key documentation and issues. Investment, policy and perhaps strategic decisions are made at the investment decision group level. Whilst the project is in its infancy, the responsibilities of the investment.

3.2 Progress Reporting

The project manager will report quarterly on progress against budget, schedule and scope to the project owner and senior users. The report will sum up the key points and will be outlined in the following format:

1. Report Date
2. Overall Status
3. Project Summary
4. Key Issues
5. Identified Risks
6. Tasks and Next Steps
7. Decisions Needed
8. Key Future Dates
9. Budgeting Cost
10. Spend to Date

Anyone reading the report must be made aware of progress and know when their help is needed to keep the project on track. Keeping people updated ensures they remain involved and committed. The report will create a valuable written record of the projects' life.

3. Project Financing

This section has been split into three sections

- Cost per Student (section 3.1)
- Budget (section 3.2)
- Cost verses Benefit (section 3.3)

3.1 Cost per Student

The cost to run the project has been calculated based on a start-up cost for specific activities followed by a cost per student rate of \$400 per student derived from the cost to run a similar programme with 3,000 student participants (Shubkin, 2016). The cost per student includes resource development but does not cover the full cost of hiring a Project Manager in the first three years. Therefore the cost of the Project Manager has been included as an additional cost of running the programme until year three when it is included in the cost per student.

Breakdown of Cost per Student Years 1-3	\$
Project Manager/ Administration (\$/Year)	70,000
Cost per Student (\$/Year)	
Teacher Relief	240
Travel/Meeting Rooms	40
Collateral	40
Resources	80
	400

Figure 3 Breakdown of Cost per Student Years 1-3

The cost per student decreases as more students participate in the programme as outlined below:

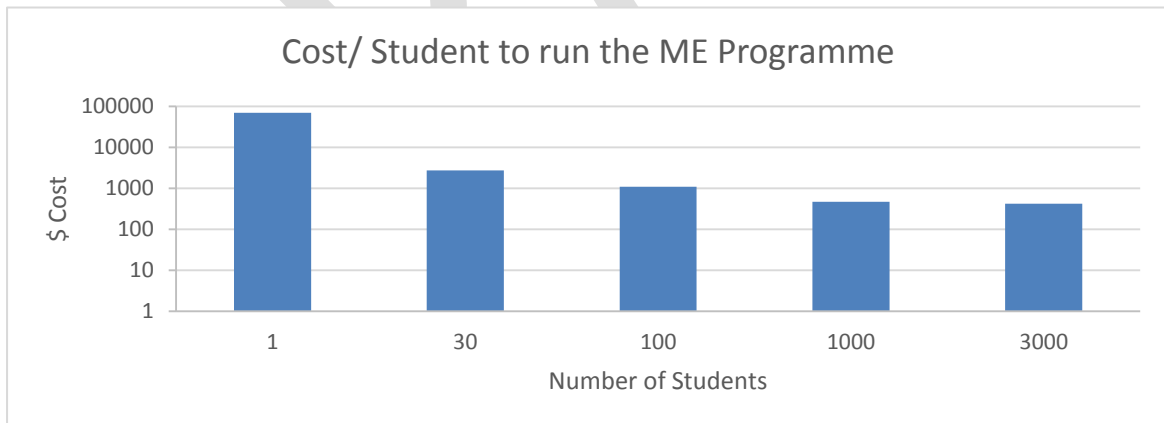


Figure 4 Cost/Student to run the ME Programme

3.2 Budget

This project will be funded via grants and sponsorship from a variety of sources including industry, government, trusts and foundations that are stakeholders in the project. Specific activities may be funded by one or multiple sources. The growth of the programme overtime will be limited by the number of students that are funded. Businesses may choose to fund a specific school and the government will be asked to subsidise the cost to businesses per student to incentivise business support. NZKGI has a fixed term employee to support the programme until July 11, 2016 at which point alternative funding sources will be required to manage the project.

Table 10 Project Financing

Initiation - To date until December 2016		
Specific Activities	Cost	Confirmed Financer
Teacher Relief	\$5,000	Ministry for Education
Logo/Branding/Front Page Website Design	\$10,000	NZ Fruit Growers Charitable Trust
Three Days of personnel time	In-Kind	Zespri; Plant & Food Research; Seeka; Compac Sorting Equipment; NZ Avocado; PlusGroup; Kiwifruit Vine Health; Ministry for Education; Priority One; NZKGI
Draft Business Case	In-Kind	NZKGI
Draft Teaching Programme	In-Kind	Ministry for Education
Start-up communications platform detailing the progress of the programme and uploading of resources	\$10,000	Priority One
Project Manager	In-Kind/TBC	NZKGI/ Anticipate Funding
Number of Students	Cost	Confirmed Financer
0	\$0	

The Project Manager cost has been included in the cost per student rate in the tables below.

Planning 2017		
Specific Activities	Cost	Confirmed Financer
TBC		
Number of Students	Cost	Confirmed Financer
60 – Katikati College (Confirmed)		
30 – Opotiki College (TBC)		
30 – Te Kaha Area Secondary School (TBC)		
= 120 Students	\$118,000	

Growth 2018		
Specific Activities	Cost	Confirmed Financer
TBC		
Number of Students	Cost	Confirmed Financer
120 - Katikati College (TBC)		
120 - Opotiki College (TBC)		
60 - Te Kaha Area Secondary School (TBC)		
=300 Students	\$190,000	

The ME Programme anticipates funding will be achieved from a range of sources. The ME Programme has submitted to a range of funders where decisions are pending. This is captured in Figure 5 ME Programme Budget where numbers in red signify anticipated funding and numbers in green signify pending funding. As the programme develops, funding opportunities from philanthropists, government, funders, and industry will be taken. It is expected that industry will fund increasing numbers of students over time. The budget starts from June 30th 2014 and ends 1st July 2018. The student numbers involved in the programme match those in Table 10 Project Financing but because the budget runs from mid-year, the student numbers are also calculated from mid-year. It will take a village to get the ME Programme running and multiple funding sources have been outlined in Figure 5.

ME Programme Budget		Red - Anticipated Funding Green - Pending Decision		
Year Ending	Jul-15	Jul-16	Jul-17	Jul-18
Income				
NZ Fruit Growers Charitable Trust	10,000		20,000	30,000
Ministry for Education	5,000		20,000	30,000
Priority One		10,000		
NZ Kiwifruit Growers	36,750	36,000	24,000	18,000
Bay Trust		24,000	24,000	24,000
TECT Funding		24,000	36,000	48,000
Acorn Foundation		10,000	10,000	10,000
Ministry for Primary Industries			20,000	48,000
Ministry for Social Development				30,000
Corporate Sponsorship				60,000
Total Income	51,750	104,000	154,000	298,000
Expenses				
Logo/ Branding Design	10,000			
Branding Workshop Facilitator	1,250			
Catering	500			
Website		10,000		
Labour	35,000	70,000	70,000	70,000
Katikati College	5,000	12,000	36,000	72,000
Opotiki		6,000	30,000	72,000
Te Kaha		6,000	18,000	36,000
Other EBOP/WBOP Schools				48,000
Total Expenses	51,750	104,000	154,000	298,000
Income Less Expenses	-	-	-	-

Figure 5 ME Programme Budget

3.3 Cost versus Benefit

Students in the ME Programme will have higher educational attainment than they would have otherwise. The cost to educate a student without qualifications post high school is more expensive than the ME Programme delivered whilst students are still in high-school. The cost of running the ME programme is \$400 per student (assuming 3,000 students are taking the programme). The ME Programme will reduce the cost of unemployment, government funded ready to work programmes and subsidised training. For example, the Tertiary Education Commission (TEC) have a fund called the Industry Training Fund (ITF). The funding rate for a Single Training Measure (STM) is \$2,880 per student for training arranged by a direct funding scheme organisation or \$3,200 for training arranged by an Industry Training Organisation (ITO).

The benefit of preventing students from leaving school without training can be measured. For every 100 students that enter Year 9, 23 leave without a qualification (Malpass, 2015). Assuming the ME Programme has 570 students by July 2018, this means 131 students have the potential to drop out. The cost of the ME Programme with 570 students is \$298,000. In comparison, the cost of putting the 131 students through NCEA level 1 once they have left school using the Industry Training Fund is \$377,568. The net benefit of the programme between June 31st 2017 and July 1st 2018 works out to be \$79,280 (see Table 11). Assuming the ME programme has 3,000 students the net benefit is \$787,200. This has not taken into account the cost of welfare payments the student may have also received since leaving school. The ME Programme will prevent students from leaving school without a qualification. There is also the added benefit of all students undertaking the programme performing better in school and in the workforce.

Table 11 Cost versus Benefit example

Cost/ Benefit Example:	No. Students	\$ Cost
Total No. of Students	570	
Cost of students participating in the ME Programme (see Figure 5)		298,000
No. of Students of the total that would leave school without a qualification (without the ME Programme)	131	
Cost of training students who have left school @ \$2,880each		377,280
Benefit		\$79,280

Cost/ Benefit Example:	No. Students	\$ Cost
Total No. of Students	3,000	
Cost of students participating in the ME Programme		1,200,000
No. of Students of the total that would leave school without a qualification (without the ME Programme)	690	
Cost of training students who have left school		1,987,200
Benefit		\$787,200

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