

## 2.21 TAIRĀWHITI ECONOMIC ACTION PLAN DELIVERY

PGF Application		For: Approval	
<b>Applicant:</b>	Activate Tairāwhiti Ltd	<b>Pipedrive ID #</b>	Commercial Information
<b>Entity Type:</b>	Company	<b>PGF Funding Sought:</b>	\$200,000
<b>Region</b>	Tairāwhiti	<b>Total Project Value:</b>	Commercial Information
<b>Tier:</b>	1 - Regional	<b>Co-contribution rate:</b>	Commercial Information %. Note: The project budget includes the \$ Commercial Information granted to Tairāwhiti for the Commercial Information refresh from the PGF.
<b>Sector:</b>	Regional Projects	<b>Funding Structure:</b>	Grant
<p><b>We recommend that the SROs:</b></p> <p>a) <b>Approve</b> \$200,000 from the PGF fund towards the Tairāwhiti Economic Action Plan (TEAP) Delivery project on the basis that funding will assist with the acceleration of delivery and implementation of growth strategies for the Tairāwhiti region, subject to:</p> <ul style="list-style-type: none"> <li>• Activate Tairāwhiti delivering the TEAP refresh project that will form the basis of forward work associated with this resource allocation; and</li> <li>• a detailed project budget.</li> </ul> <p>b) <b>Note</b> Grant funding is the proposed funding structure for Economic Development Agencies (EDAs) to work alongside the PGF in the development of regional projects.</p> <p>c) <b>Note</b> The project has approval from the Tairāwhiti TEAP Steering Group.</p> <p>d) <b>Note</b> This application is seeking funding under the agreed EDA funding PGF allocation.</p> <p>e) <b>Note</b> The PGF has previously approved grant funding under the above PGF allocation including \$200,000 towards the implementation of the Wairarapa Economic Development Strategy Action Plan and Accelerate25 in Manawatū/ Whanganui which are similar in nature this application.</p> <p>f) <b>Note</b> Te Taihū's regional EDA funding is also being presented to this SRO meeting.</p> <p>g) <b>Note</b> Activate Tairāwhiti has co-funded this project with a Commercial Information % contribution: \$ Commercial Information</p>			
<p><b>Proposal:</b></p> <p>The applicant notes:</p> <p><i>Activate Tairāwhiti was part of a successful national PGF application made by Economic Development New</i></p>			

Zealand (EDNZ) to secure additional support for economic development agencies, given the extra activity generated by the PGF and as a way of building regional capacity.

The application was approved on the basis that each region then works with their respective SRO (in this case Commercial Information) to apply the funding locally. Discussions with the Tairāwhiti SRO indicate support for this application being made providing the TEAP Steering Group endorse the application. This endorsement was provided at their 1<sup>st</sup> May meeting.

### Assessment against the PGF criteria:

#### Eligibility Criteria

The application has been assessed as meeting the PGF eligibility criteria.

#### Productivity Potential

Understanding the productivity potential is an essential component in identification of growth opportunities and how they can be developed to maximise productivity returns (e.g. development of business cases and project delivery plans).

#### Policy objectives and regional priorities

Identifying and developing opportunities for growth in the Tairāwhiti region aligns with the local and regional priorities. Implementation of the TEAP is an acknowledged goal of the region and the application comes with TEAP endorsement and signoff (provided).

PGF Criteria	Assessment Commentary	Rating (0✓ to 5✓)
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#### Link with fund and government outcomes

Creates permanent jobs	This proposal provides resources to assist the PGF Tairāwhiti team manage the development of the PGF investment portfolio and regional investment more generally.	✓✓✓
Delivers benefit to the community	Aiding the development of investment into the region will ensure better investment outcomes, benefiting the community, albeit indirectly.	✓✓✓
Increased utilisation and returns of Māori asset base	A goal of the TEAP refresh was to better align Māori and non-Māori investment in Tairāwhiti. As such, it is hoped investment for Māori in Tairāwhiti will receive more attention. Limited at this stage however.	✓
Enhanced sustainability of natural assets	Again, potentially through strategy actions.	✓
Mitigation of climate change effects	No evidence in the application.	

#### Additionality

Adding value by building on what is already there	Seeking to better deliver the TEAP is a goal and will build on the investments already made in the region.	✓✓✓	
Acts as a catalyst for productivity potential in the region	Potentially indirectly through strategy actions.	✓✓✓	
<b>Connected to regional stakeholders and frameworks</b>			
Alignment with regional priorities	The proposal has come out of a regional strategy process that has involved key regional stakeholders.	✓✓✓✓	
Support from local governance groups (inc. Councils, Iwi/Hapu)	The proposal has come out of a regional strategy process that has involved key regional stakeholders. The application is signed off by the TEAP Steering Group.	✓✓✓✓	
<b>Governance, risk management and project execution</b>			
Robust project management and governance systems	<ul style="list-style-type: none"> <li>Governance is provided by Activate and the TEAP Steering Group. Further governance will be provided by the PGF team based in Tairāwhiti.</li> </ul>		
Risk management approach	<ul style="list-style-type: none"> <li>The applicant has provided a R/ M register. It is noted that the applicant has delivered the TEAP refresh, the preceding piece of work for this application.</li> </ul>		
Future ownership / operational management	<ul style="list-style-type: none"> <li>N/ A</li> </ul>		
<b>Analysis of the benefits and costs</b>			
The key benefit of project is providing access to resources and systems to implement growth opportunities / strategies for the region. There is potential for loss if identified growth opportunities are not well managed through to delivery.			
<b>Financial Analysis</b>			
As noted above, Activate will provide \$ <sup>Commercial</sup> to this project. The funding request has been agreed by the PGF as appropriate for ED activity in the regions. A PGF funding contribution of \$200,000 will assist with acceleration of the projects and potential realisation of the benefits for the region.			
<b>Funding Arrangements</b>			
#	Deliverable	Due Date	Associated Payment (ex-GST)
1	Funding Agreement executed by both parties and the Recipient entered into an extended contract with the existing employee	Commercial Informatio	\$ <sup>Commercial In</sup>
2	First quarterly report	Commercial Informatio	\$ <sup>Commercial In</sup>

3	Second quarterly report	Commercial Information	Commercial In
4	Third quarterly report	Commercial Informatio	Commercial In
5	First Year Final Report	Commercial Informatio	Commercial In
6	Year 2 First quarterly report	Commercial Informatio	Commercial In
7	Year 2 Second quarterly report	Commercial Information	Commercial In
8	Year 2 Third quarterly report	Commercial Informatio	Commercial In
9	Final Report	Commercial Information	Commercial In

### Due Diligence and Ownership

The applicant has had DD undertaken previously and no issues were identified. If contractors are brought in to undertake work, DD should be carried out on them, as required.

### Risk Assessment

The applicant has provided the following R/M register. The PDU notes the table outlines reasonable risks and mitigations.

Additional PDU risk is noted in relation to bringing greater focus on Māori investment. Not achieving this goal is a risk identified by the PDU.

Forestry is acknowledged as a key driver of economic activity and investment is likely to increase. The sector currently has an uneasy relationship in the region and is noted as a possible reputational risk for government.

#	Risk	Mitigation approach	Rating
1	Being unable to retain the current Programme Manager through lack of funding and being unable to find a replacement	- PGF application approved in time to secure extension to employment contract	High
2	Unable to provide regional action delivery coordination so outcomes not maximised or not delivered at all	- PGF application approved in time to secure extension to employment contract	H
3	'Best for region' approach is lost and individual stakeholders pursue diminished self-interests	- PGF application approved in time to secure extension to employment contract	H

### Consultation undertaken or implications:

#### MPI

**Background information or knowledge the Ministry for Primary Industries may have of the organisation and the wider project / proposal that PDU should be aware of.**

Activate Tairāwhiti Limited seeks funding of \$200,000 over two years from 1 July 2019 for the continued management of Tairāwhiti Economic Action Plan (TEAP) delivery.

The application is similar to other regions seeking Provincial Growth Fund (PGF) support for RED resources / delivery e.g. Manawatu and Wairarapa. This funding has previously been notified and encouraged by senior

officials.

The Tairāwhiti Economic Action Plan (the Plan) was launched in February 2017 and outlines sector-specific and cross-sector priorities, and associated enablers and actions, for the region over five years. The Tairāwhiti Economic Action Plan Steering Group (“the Steering Group”) exists to oversee the development and implementation of the Action Plan.

A fixed-term Programme Manager for 24 months will be employed to oversee the implementation of the Tairāwhiti Economic Action Plan and to report to Central Government on the progress made.

**Does the Ministry for Primary Industries consider this proposal will make a positive impact on the achievement of primary industry objectives (or not)? Explain.**

The Programme Manager will coordinate across the Plan’s actions; align project management practice and performance assessment in facilitating the delivery of actions, and act as a point of contact regarding its priorities and actions for both regional stakeholders and central government agencies. The role will involve communicating across a wide range of stakeholders, including iwi/Māori, private and public agencies, and supporting project managers to achieve milestones.

**Does the Ministry for Primary Industries have any other feedback on the viability of this proposal?**

Activate Tairāwhiti was previously part of a successful national PGF application made by Economic Development New Zealand (EDNZ) to secure additional support (\$<sup>Commercial</sup> for the period **Commercial Information**) for economic development agencies, given the extra activity generated by the PGF and as a way of building regional capacity.

The earlier application was approved on the basis that each region then works with their respective SRO (in this case Apryll Parata) to apply the funding locally. Discussions with the Tairāwhiti SRO indicate support for this application being made providing the TEAP Steering Group endorse the application. This endorsement was provided at their 1<sup>st</sup> May meeting.

Since receiving this funding TEAP have been refreshing their RED Plan to include, among other things, the previously separate Tairāwhiti Māori Economic Development Plan.

**Recommendation:**

**THAT MPI:**

- Support this PGF application
- Are included in quarterly reporting and monthly TEAP meetings

Contribute to this application with MBIE to lead.

<b>Supporting proposal:</b>	Yes
<b>Appendices:</b>	Yes – Application
<b>Author of paper:</b>	ELH, Investment Team