

## COVER SHEET

<b>1. Transitional Programme Manager - Ruapehu Regional Visitor Development Plan Implementation Project - PGF Express Application</b>	<b>For: Approve</b>
<b>Background &amp; context:</b>	<b>Recommendation:</b>
<p><b>Applicant Organisation:</b></p> <ul style="list-style-type: none"> <li>Ruapehu District Council</li> </ul> <p><b>Location:</b></p> <ul style="list-style-type: none"> <li>Taumarunui, Ruapehu</li> <li>Manawatu-Wanganui</li> </ul> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>The engagement of a Programme Manager to establish the governance, structure, and operational framework for 'Ruapehu 400', essentially an Economic Development Agency with a clear goal of delivering key tourism destination experiences</li> </ul> <p><b>Funding Sought:</b></p> <ul style="list-style-type: none"> <li>Total project value: \$ <small>Commercial Inform</small></li> <li>PGF Funding: \$ 85,000</li> </ul> <p><b>Background:</b></p> <ul style="list-style-type: none"> <li>Ruapehu District GDP per capita is 23% below the national average. The average annual employment growth between 2001 and 2016 was around minus 2%. The Manawatū Whanganui Economic Action Plan (2016) identified tourism as the critical Ruapehu growth opportunity.</li> <li>In June 2018 the draft Business Case for the proposed Ruapehu destination development and management agency and for the roll-out of related new Ruapehu experiences, was completed.</li> <li>The recommendations were to seek funding from the PGF to establish and operate the Ruapehu Destination Management Agency ('Ruapehu 400') for the first three years of its operation, and to progress 6 new destination-growing experiences:</li> </ul>	<p><b>We recommend that the SROs:</b></p> <p>a) <b>Note</b> that this project's goal is to establish the governance, structure, and operational framework for 'Ruapehu 400' by June 2019, with one of the likely outcomes being a request for funding in support of the establishment and ongoing operation of 'Ruapehu 400'.</p> <p>b) <b>Note</b> that the key objective of 'Ruapehu 400' will be to work with key stakeholders to progress the Ruapehu destination development opportunities identified.</p> <p>c) <b>Note</b> that initial indication was a funding requirement of \$ <small>Commercial Informatio</small> over 3 years for the establishment and ongoing operation of 'Ruapehu 400'.</p> <p>d) <b>Note</b> that MBIE Tourism supports the proposal to fund the employment of a Programme Manager in support of tourism development. They agree that the region needs support to get projects up and running and to prioritise the pipeline of investment required.</p> <p>e) <b>Note</b> that MBIE Tourism has concerns regarding the proposed focus of the Programme Manager and the sustainability long term of 'Ruapehu 400' as currently envisaged.</p> <p>f) <b>Note</b> that MBIE Tourism proposes working with Ruapehu District Council to develop a revised governance structure and project description – a greater focus on pushing forward the 6 key</p>

<ul style="list-style-type: none"> <li>○ RAL Gondola - now confirmed;</li> <li>○ Ruapehu Alpine Walk;</li> <li>○ Turoa to Ohakune / Te Ara Mangawhero mountain bike / walking trail;</li> <li>○ Ohakune Nāgati Rangi Waharoa ;</li> <li>○ Pipiriki Waharoa; and</li> <li>○ Explore potential alternative low-carbon mass-transit options for the transport of persons wanting to enjoy experiences within Tongariro National Park.</li> </ul> <ul style="list-style-type: none"> <li>● As proposed 'Ruapehu 400' role would be to provide the framework to ensure the key tourism opportunities are progressed and assessed appropriately, taking into account environmental sustainability, wilderness protection, iwi and heritage considerations, funding structure and long term viability.</li> </ul>	<p>destination projects rather than the establishment of the cost heavy 'Ruapehu 400' structure.</p> <p><b>g) Note</b> that following the announcement of the Gondola project in June 2018, a short discussion regarding the Economic Action Plan for the Tourism sector took place with Minister Jones and representatives from RDC, MBIE, TPK, Manawatu/Whanganui Regional Council and Iwi.</p> <p><b>h) Note</b> that three key factors were identified:</p> <ul style="list-style-type: none"> <li>● The need for robust analysis regarding the level of funding for Ruapehu destination developments;</li> <li>● <b>Commercial Information</b> [REDACTED]</li> <li>● Certainty about the support of iwi for the proposals.</li> </ul> <p><b>i) Support</b> the recommendation to <b>Approve</b> \$85,000 from the PGF fund towards the Transitional Programme Manager - Ruapehu Regional Visitor Development Plan Implementation Project subject to:</p> <ol style="list-style-type: none"> <li>a. Agreement between MBIE Tourism, the PDU and Ruapehu District Council as to the project description, project deliverables, and clarity of roles and responsibilities; and</li> <li>b. PDU and MBIE Tourism approval of the proposed contractor to undertake this work.</li> </ol>
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**PGF criteria that this proposal supports:**  
**Note: The benefits identified below would be dependent on the successful delivery of the proposed 6 new destination-growing experiences**

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
<b>Link with fund and government outcomes</b>		
Creates permanent jobs	<ul style="list-style-type: none"> <li>● More visitors, staying longer and contributing more to the economy will produce more</li> </ul>	✓✓✓

	<p>employment opportunities.</p> <ul style="list-style-type: none"> <li>• Ruapehu Resident numbers dropped by more than 17% between 2001 and 2016 and, under a low growth scenario, will decline to under 7000 persons by 2035. Growth in the Ruapehu visitor sector, underpinned by the successful delivery of new destination experiences will provide the catalyst for new jobs. <ul style="list-style-type: none"> <li>○ As an example, the RAL investment is forecast to create up to <sup>Commerc</sup> new full-time jobs will be created.</li> </ul> </li> <li>• Stable economic activity underpinned by greater seasonally-dispersed visitation and occupancy rates.</li> </ul>	
Delivers benefit to the community	<ul style="list-style-type: none"> <li>• More social inclusion and participation of iwi.</li> <li>• A more diverse and innovative regional economy.</li> <li>• Higher value / higher wages / higher productivity, GDP contributions would increase, and overall levels of employment would improve.</li> <li>• Targeting a <sup>Comm</sup>% increase in visitor expenditure every year between now and 2028.</li> </ul>	✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> <li>• Destination development and management provides Ruapehu iwi with future employment, health and well-being opportunities.</li> </ul>	✓✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> <li>• The Ruapehu Regional Visitor Development Plan calls for destination growth that sustains environmental, wilderness and heritage values.</li> </ul>	✓✓✓
Mitigation of climate change effects	<ul style="list-style-type: none"> <li>• Planned projects will contribute to environmental objectives. These include proposals to: <ul style="list-style-type: none"> <li>○ Explore low carbon emitting alternatives to the transport of persons wanting to enjoy experiences within the Tongariro National Park.</li> <li>○ Extend park and ride facilities to transport users of Tongariro National Park from hubs to points of recreational interest, particularly the ski-fields.</li> <li>○ Increase the attractiveness of Kiwi-Rail's Northern Express service as a low carbon means of travelling to the region.</li> </ul> </li> </ul>	✓✓✓
Additionality		

Adding value by building on what is already there	<ul style="list-style-type: none"> <li>Ruapehu 400 is a new organisation established from scratch.</li> </ul>	
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> <li>Ruapehu 400 role would be to provide the framework to ensure the key tourism opportunities are progressed and assessed appropriately, taking into account environmental sustainability, wilderness protection, iwi and heritage considerations, funding structure and long term viability.</li> </ul>	✓✓✓
<b>Connected to regional stakeholders and frameworks</b>		
Alignment with regional priorities	<ul style="list-style-type: none"> <li>The Manawatū Whanganui Economic Action Plan (2016) identified tourism as the critical Ruapehu growth opportunity</li> </ul>	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li>Manawatu-Whanganui Accelerate 25 fully engaged.</li> <li>Ruapehu iwi leaders to meet with the Mayor and CEO of RDC to integrate Iwi perspectives discuss implementation of business case</li> </ul>	✓✓✓
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>Governance oversight will be provided by Councillors from Ruapehu District Council and members of the Lead Team from A25</li> <li>The CEO, Ruapehu District Council, will exercise management responsibility over the Programme Manager. <b>Commercial Information</b> [REDACTED]</li> <li><b>Commercial Information</b> [REDACTED]</li> </ul>	✓✓✓
Risk management approach	<ul style="list-style-type: none"> <li>Risk identified – The engagement of a suitably qualified and experienced contract to undertake the work – The support of MBIE Tourism helps mitigate this.</li> </ul>	
Future ownership / operational management	<ul style="list-style-type: none"> <li>Ruapehu District Council</li> </ul>	
<b>The purpose of this briefing is to consider recommending PGF funds to the Transitional Programme Manager - Ruapehu Regional Visitor Development Plan Implementation Project.</b>		

**Risks Issues:**

- Commercial Information

**Eligibility points of note:**

- *Due diligence:* Local Authority - Entity due diligence completed.
- *Conflict(s) of interest:* Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- *Illegal Activity:* Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans:* The Manawatū Whanganui Economic Action Plan (2016) identified tourism as the critical Ruapehu growth opportunity
- *Commercial funding availability:* Given the nature of the project which is to fund a project manager access to commercial funding is not considered a feasible option.

**Consultation undertaken or implications:**

<b>Legal</b>	N/A	<b>HR</b>	N/A	<b>Finance</b>	N/A	<b>MBIE policy</b>	N/A	<b>Other</b>	MBIE Tourism
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**Supporting proposal:**

Yes

**Appendices:**

Yes - Applications and supporting letters are as annexes

**Sponsor(s):**

N/A

**Manager/Author of paper:**

Nick Hough Investment Team

