

## 1. TE WAKA WAIKATO EDA – PGF CAPACITY SUPPORT

PGF Application		For: Approval	
<b>Applicant:</b>	Waikato Regional Economic Development Limited	<b>Pipedrive ID #</b>	Commercial Information
<b>Entity Type:</b>	Company	<b>PGF Funding Sought:</b>	\$400,000
<b>Region</b>	Waikato	<b>Total Project Value:</b>	Commercial Information
<b>Tier:</b>	1 - Regional	<b>Co-contribution rate:</b>	0%
<b>Sector:</b>	Regional Projects	<b>Funding Structure:</b>	Grant
<p><b>We recommend that the SROs:</b></p> <ul style="list-style-type: none"> <li>a) <b>Approve</b> \$400,000 over two years from the PGF fund towards the Te Waka Waikato EDA – PGF Capacity Support project, on the basis that funding will assist with the acceleration of development and implementation of growth strategies for the Waikato region over the 2 year timeframe.</li> <li>b) <b>Note</b> This application is made under the umbrella of the RED Minister’s approval for regional funding in support of Regional Development Agencies capacity to deliver projects.</li> <li>c) <b>Note</b> Agreement has been reached for Iwi representation on the Waikato Regional Economic Development Limited’s board.</li> <li>d) <b>Note</b> Support from Waikato Plan Leadership Committee which comprises representatives from local government, tangata whenua, and independents from business and the community.</li> </ul>			
<p><b>Proposal:</b> The funding will cover the costs for two years (\$Commercial Information pa) of engaging a PGF portfolio position and project support position. Funding will support the delivery of the Waikato Regional Economic Development Programme, involving the identification of regional priorities including both growth opportunities and enablers of growth, along with project delivery teams. It involves collaboration between iwi, business, local and central government, with guidance provided by the Waikato Plan Leadership Committee.</p>			
<p><b>Assessment against the PGF criteria:</b></p>			
<p><b>Eligibility Criteria</b></p> <p>The application has been assessed as meeting the PGF eligibility criteria. The proposed activities are the responsibility of the regional council but are central to the objectives of the PGF (i.e., identifying and developing enablers of growth).</p>			
<p><b>Productivity Potential</b></p>			

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).		
<b>Policy objectives and regional priorities</b>		
Identifying and developing opportunities for growth in the Waikato region aligns with the local and regional priorities		
<b>PGF Criteria</b>	<b>Assessment Commentary</b>	<b>Rating (0✓ to 5✓)</b>
<b>Link with fund and government outcomes</b>		
Creates permanent jobs	This proposal provides a team to manage the implementation of the regional strategy and support the extensive pipeline of PGF projects in Waikato, many of those projects intend to create jobs and therefore there is potential impact, albeit indirect.	✓✓✓
Delivers benefit to the community	As above a well delivered projects will provide benefit to the community.	✓✓✓
Increased utilisation and returns of Maori asset base	Te Waka is resourcing the implementation of the Waikato Maori Economic Action Plan and Agenda in partnership with Waikato Tainui waka Iwi and Te Puni Kokiri.	✓✓
Enhanced sustainability of natural assets	No evidence of this in the application.	
Mitigation of climate change effects	No evidence of this in the application	
<b>Additionality</b>		
Adding value by building on what is already there	The proposal creates two new positions augmenting existing resources to manage the Waikato Region Economic Development Programme, a grouping of <sup>Comm</sup> projects/activities across 8 priority sectors and <sup>Comm</sup> cross-cutting initiatives which respond to the region's economic development strategy.	✓✓✓✓
Acts as a catalyst for productivity potential in the region	Again, potentially indirectly through strategy actions.	✓✓✓
<b>Connected to regional stakeholders and frameworks</b>		
Alignment with regional priorities	Te Waka is formally aligned to regional governance through the Waikato Plan Joint Committee. The Waikato Region Economic Development Programme	✓✓✓✓✓

	provides the blueprint for economic growth priorities in the Waikato between now and 2022.	
Support from local governance groups (inc. Councils, Iwi/Hapu)	The proposal has come out of a regional strategy process that has involved all key regional stakeholders. Te Waka is working with MSD for labour market strategy implementation, TPK and Waikato-Tainui for Techweek, Maori business forums and Maori Economic Action Plan implementation, and MBIE with RBP services and ICT cluster development.	✓✓✓✓
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	Te Waka is governed by an independent board that meet monthly and provide oversight to the organisations function. The new roles will report directly to the Te Waka Chief Operating Office and be an integral part of the Te Waka team, including the Regional Partner Network staff.	✓✓✓
Risk management approach	The new roles will operate within existing performance management frameworks.	✓✓✓
Future ownership / operational management	Te Waka Waikato EDA with existing ownership structure	✓✓✓
<b>Analysis of the benefits</b>		
The key benefit of project is providing access to resources and systems to identify develop and implement growth opportunities / strategies for the region. There is potential for lost opportunities if identified growth opportunities are not well managed through to delivery.		
<b>Financial Analysis</b>		
Waikato Regional Economic Development Limited's existing budget is approximately \$ <sup>Commercial</sup> . A PGF funding contribution of \$400,000 over two years will assist with acceleration of the projects and potential realisation of the benefits for the region.		
<b>Funding Arrangements</b>		
\$200,000 allocated over 1 year as follows:		
Cost Description:	\$ (excluding GST)	
Commercial Information	\$ <sup>Commercial Informat</sup>	
Commercial Information	\$ <sup>Commercial Inform</sup>	
Commercial Information	\$ <sup>Commercial Inform</sup>	
Total	\$ <sup>Commercial Informat</sup>	

## Due Diligence and Ownership

Underway – to be completed

Waikato Regional Economic Development Limited is owned by the Waikato Regional Economic Development Trust

Directors: D S Fisher, K A Goulter, K D Hill, C J Joblin, L J Roa

## 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
<b>Failure to deliver</b>	Integration and alignment of projects with PGF criteria is not achieved	Full involvement by PDU officials in the selection and planning for selected projects to proceed	Low
<b>Stakeholder engagement</b>	Loss of regional support	Build on existing/ongoing relationships	Low

## Consultation undertaken or implications:

### TPK Feedback:

**Background knowledge or information Te Puni Kōkiri may have of the organisation and the proposal that could materially impact on our assessment.**

A request was made to the Mayoral Forum for Te Waka to have Iwi representation from the Co-Chair of the Waikato Plan and Iwi representative for Waikato Tainui in February 2019. This motion was not progressed subject to further discussions between the Iwi Chair and Chair of Waikato Regional Council. Iwi were described as an interest group, and not capable to be on the Te Waka Board during the debate in this session. This information was shared with central Government. The following month (25 March 2019) the motion was passed, noting details and timing have not been finalised.

The Te Waka plan has Māori Economic Development as a cross-cutting initiative, and have committed one resource to helping the refresh of the Māori Economic Development Plan, which is appreciated, noting Waikato Tainui and Te Puni Kōkiri have funded this initiative since 2014. At this point until Iwi representation is appointed to Te Waka the plan is owned by Iwi and Te Puni Kōkiri.

It would be helpful to understand how the organisation intends to support Māori Economic Development within its structure? The positions as part of this application does not seem to require a strong focus on Māori Economic development apart from maintain relationship with Iwi leadership as part of the Action plan.

### **Level of assistance Te Puni Kōkiri has provided to the organisation with their application.**

None

### **Does Te Puni Kōkiri view this initiative as making a positive contribution to Maori Development or not? Explain.**

It is difficult to determine from the Job descriptions provided whether there is enough focus on Māori economic development to make a positive contribution.

**Is Te Puni Kōkiri aware of any Iwi or Maori relationships/matters that could impact on the viability of this proposal**

The proposal is viable once Iwi representatives are in place on the Te Waka Board.

**Supporting proposal:**

Yes

**Appendices:**

Yes – Applications and supporting letters are as annexes

**Author of paper:**

Nick Hough, Investment Director, PDU Investment Team

PROACTIVELY RELEASED