

## 2.28 Opotiki Regional Digital Hub

### Evaluation, Cover Sheet and Decision Form

<b>Project:</b>	Opotiki Regional Digital Hub		<b>FOR:</b> Approval
<b>Applicant:</b>	Opotiki District Council		<b>PDU ID:</b> <span style="border: 1px solid black; padding: 2px;">Commercial</span>
<b>Application type:</b>	Main PGF	<b>(A) Total Project Value:</b>	\$ <span style="border: 1px solid black; padding: 2px;">Commercial Information</span>
<b>Funding type:</b>	Grant	<b>(B) PGF Funding Sought:</b>	\$ <span style="border: 1px solid black; padding: 2px;">Commercial Information</span>
<b>Entity Type:</b>	<b>Local Authority</b>	<b>(C) PGF Funding Recommended:</b>	\$400,000
<b>Region:</b>	Bay of Plenty	<b>(D) Applicant Contribution:</b>	\$ <span style="border: 1px solid black; padding: 2px;">Commercial Information</span>
<b>Tier:</b>	<b>1 - Regional</b>	<b>(D/A) Co-contribution Rate:</b>	<span style="border: 1px solid black; padding: 2px;">Comm</span> %
<b>Sector:</b>	<b>Digital Connectivity</b>		
<b>Context for PGF investment in Digital Connectivity</b>	<p>In October 2018 [CAB-18-MIN-0516], Cabinet approved an allocation of \$100 million for investment in digital connectivity.</p> <p>This \$100m allocation has three parts. The first is \$40m for expanding the Rural Broadband Initiative Phase 2 (RB2) and Mobile Blackspot Fund (MBSF). This will support people living in remote areas of surge regions and the tourism sector. A further \$40m is to help improve the broadband performance available to businesses and households in Milford Sound and the West Coast, where the level of broadband investment through government broadband programmes has not been as strong relevant to other regions.</p> <p>The remaining \$20m of the allocation is for local digital connectivity to improve the accessibility of digital connectivity to support jobs, skills development and social inclusion. Local digital connectivity is made up of two initiatives and sub-allocations of funding: Marae Digital Connectivity (\$13m) and Regional Digital Hubs (\$7m). This sub-allocation of funding for local digital connectivity was agreed by RED Ministers on 24 January [2159 18-19].</p> <p>In the same October Cabinet paper, Cabinet also approved a position paper on the PGF approach to investment in digital connectivity. It includes four principles for local connectivity investment which will be applied when considering applications that relate to local connectivity. As such, evaluations of Regional Digital Hub applications are based on four principles: accessibility, criticality, economically sustainable, and local based priorities.</p>		
<b>Application Summary</b>	<p>Opotiki District Council is in the process of finalising the build of a new modern library facility 'Te Tahuu o Te Rangi', as part of the facility it is looking to provide the local community and businesses with a regional digital hub (RDH). This RDH will provide much needed digital services to a region where they are currently not available.</p> <p>A space for the RDH will be allocated in the new Opotiki library which is due for completion in <span style="border: 1px solid black; padding: 2px;">Commercial Information</span>. The project will therefore be implemented in two phases, where a smaller scale digital hub will operate out of a council owned retail unit near the existing library after</p>		

which it will be scaled up and focus on servicing the Opotiki district more widely.

**It is recommended that: SROs**

Support the PDU recommendation to discuss \$400,000 grant towards Opotiki Regional Digital Hub, because:

- The \$400,000 is in line with the PGF allocated funding for Regional Digital Hubs (RDHs) and it:
  - Is located in a key service town in a rural area.
  - Will provide digital connectivity and create a place for business and community activity.
- A RDH will contribute significantly to the uplift of digital capability in Opotiki and nearby areas
- The project will indirectly contribute to jobs being created in the future by improving digital capability in the Opotiki district.
- The application shows there is demand for a centrally located facility where people can access digital services and that can be used as a co-working space for business people.

Funding conditions:

- Confirmation of co-funding
- PDU approval of the final governance structure, expected project deliverables and financials
- Commitment to fund any shortfall if sponsorship is not adequate

**Section A: Assessment against PGF local connectivity investment principles**

**How does the project demonstrate:**

<p>➤ <b>Accessibility:</b> How does the initiative remove or reduce barriers to digital connectivity local communities and businesses currently face, and, promote opportunities associated with digital connectivity.</p>	<p>The purpose of the RDH project is to build digital capability in the Opotiki area by removing barriers such as access to technology devices and relevant training opportunities. Greater access to digital services will mean barriers created by Opotiki’s geographical isolation have less impact on small local businesses.</p> <p>Significant growth in certain sectors (e.g. aquaculture and forestry) along with infrastructure and land development projects in the area has created an increased need for meeting spaces and internet access that is currently unavailable in Opotiki. In providing appropriate space and facilities for people working on these significant projects, the RDH will indirectly contribute to key drivers of economic growth in the area.</p> <p>Public Wi-Fi will be accessible throughout the RDH and the rest of the library.</p> <p>The phase two scale-up of the RDH will be designed to focus on serving the greater region as opposed to just Opotiki locals.</p>
<p>➤ <b>Criticality:</b> Is the regional digital hub a critical component for supporting a wider PGF investment in the region?</p>	<p>The long-term location of the RDH will be at the new Opotiki library that is to be constructed in <span style="background-color: #cccccc; padding: 0 5px;"> </span> Commercial . Locating the RDH in the new library will mean that</p>

<p>How does the proposal promote wider regional goals?</p>	<p>residents receive maximum value from the local council’s investment. This also means that the RDH is located in a high-profile council facility which should assist in creating awareness of the hub.</p> <p>Tourism contributes significantly to Opotiki’s local economy and the applicant notes that existing tourist facilities need to be protected. Whilst the RDH will be available for use by tourists and it is expected that there will be some usage by tourists, this not the primary function of the RDH and will not be a tourist destination.</p>
<p>➤ Economically sustainable: Is it likely the regional digital hub will be financially sustainable when PGF funding ends? PGF funding is limited to covering costs (part or full funding) of Regional Digital Hubs for up to 5 years.</p>	<p>Phase two of the project will involve the relocation and scaling-up of the regional digital hub to the new library. The relocation of the digital hub will be a straight forward aspect of the project given the new Opotiki library is being built ‘two doors down the road’ from the temporary location.</p> <p>The permanent location of the RDH will allow for significantly more services and facilities to be offered. This will include three video conference capable meeting rooms that can seat between 6 and 10 people, an unspecified number of breakout rooms for smaller meetings, up to twenty desks with devices that are for use by the public for hot desking and a large area for presentations.</p> <p>ODC will cover any ongoing costs associated with the ICT equipment after phase two has been completed.</p> <p>Given this, it likely that the RDH will be economically sustainable when PGF funding ends.</p>
<p>➤ Locally based priorities: What specific needs of the local community does the Regional Digital Hub provide a solution to? How does the Regional Digital Hub intend to achieve this?</p>	<p>The project directly contributes to a key priority area identified in the Opotiki Economic Growth Strategy. ‘Purposeful Work and Learning Opportunities’ is one of these five priority areas.</p> <p>The RDH has the potential to play a significant role in helping people find work opportunities and training pathways that would otherwise be unavailable to them. This can be through digital services and the internet, or by collaborating with other users of the RDH. Put simply, geographical isolation and financial constraints means that people in the region face significant barriers to entrance into the workforce.</p> <p>The RDH will be available for use by trade’s people as a</p>

place where they can access resources to further their development and enabling them to grow their careers further.

### Funding arrangements

Suggest a grant of up to \$400,000 from the PGF fund towards a Regional Digital Hub in Opotiki.

Confirmation of expected deliverables and associated payments is to be complete at the contracting stage.

### Conflicts of interest and T&Cs

#### Commercial Information

### Due Diligence

Due diligence has been undertaken and no further action is required.

#### Supporting proposal:

Yes

#### Appendices:

Yes – Application

#### Author of paper:

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