

2.25 Buller District Regional Digital Hub

Evaluation, Cover Sheet and Decision Form

Project:	Buller District Regional Digital Hub		FOR: Approve
Applicant:	EPIC Westport Limited		PDU ID: <input type="text" value="Commercial I"/>
Application type:	Grant	(A) Total Project Value:	\$ <input type="text" value="Commercial Informa"/>
Funding type:	Grant	(B) PGF Funding Sought:	\$ <input type="text" value="Commercial Informa"/>
Entity Type:	Local Authority	(C) PGF Funding Recommended:	\$400,000
Region:	Bay of Plenty	(D) Applicant Contribution:	\$ <input type="text" value="Commercial Informa"/>
Tier:	1 - Regional	(D/A) Co-contribution Rate:	<input type="text" value="Comm"/> %
Sector:	Digital Connectivity		
Application Summary	<p>The project seeks to improve digital capability and business productivity in Westport and the Buller District, by providing a regional digital hub (RDH). Westport is at the centre of the Buller District and is the commercial hub for the wider district,</p> <p>There will also be two other RDHs located on the West Coast. One will be located in Greymouth to service the Grey district. The other RDH is referred to as an 'Outreach Hub' and will service the Westland District. The Outreach Hub will be located in a modified shipping container and will be relocated between towns in Westland throughout the year.</p>		

It is recommended that: SROs

Support the PDU recommendation to approve a \$400,000 grant from the PGF towards the Regional Digital Hub proposal in Buller District, because:

- this is in line with the PGF allocated funding for Regional Digital Hubs (RDHs) in that 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
- EPIC Westport is a private firm and has offered a physical shared office and co-working space with a range of business development services for the last 3 years and a Blockchain Technology Centre from 2018. Given its standing in the Buller District Business Community, this is a good fit to ensure digital literacy and programmes for the Business Community
- The proposed RDH at EPIC Westport has the support of Buller District Council, Development West Coast and Iwi
- EPIC Westport has operated for 3 years in Westport and has further technology businesses in Christchurch. It has a reputation of strong governance and management.

Funding conditions:

- Confirmation of co-funding
- Funding being reduced from the \$^{Commercial Inform} requested to \$400,000
- PDU approval of the final governance structure, expected project deliverables and financials
- The regional digital hub existing in a separate, physically segregated space from the commercial area of ^{Commercia}

Section A: Assessment against PGF local connectivity investment principles

How does the project demonstrate:

<p>➤ Accessibility: 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 proposed RDH location is available and is currently operating as EPIC Westport which provides shared offices, co-working space and a range of business development services. The RDH will be able to be installed and be operational quickly within the existing centre.</p> <p>RDH's are a potential driver for positive change in rural areas and will be fundamental to driving innovation as well as improving economic growth in the Buller District.</p>
<p>➤ Criticality: Is the regional digital hub a critical component for supporting a wider PGF investment in the region? How does the proposal promote wider regional goals?</p>	<p>This application is one of three proposed West Coast Digital Hubs that will offer digital capability services to individual entrepreneurs, businesses and the community through free Wi-Fi connectivity, digital hardware and software as well as innovative co-working spaces. EPIC Westport already offers a private co-working space – this hub will build on this current venture.</p> <p>There has been ongoing engagement with local council and iwi to ensure that the RDH in Westport and other locations on the West Coast align with priorities of respective stakeholders. This engagement will</p>

	<p>continue as the hubs are implemented to ensure the hub’s objectives continue to align with wider regional priorities.</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>The applicant expects the programme to be able to run beyond the 5 years of PGF funding. Any capital excess at the end of year 5 will be used to continue growing revenues for future years.</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 government, through Crown Infrastructure Partners, is investing a total of \$63.8 million in the West Coast region. The investment includes roll-out of Ultra-fast Broadband (UFB), Rural Broadband Initiative phase 2 and Mobile Black Spot funding. The region has a responsibility to make best use of this investment and in turn contribute more to the prosperity of its residents and New Zealand as a whole. Recent Infometrics data confirms that the internet access rate for the West Coast at 69.6% is well below the national average of 76.8%.</p> <p>The applicant also notes the following potential benefits of the regional digital hub for the Buller District:</p> <ul style="list-style-type: none"> • Latest technology facilities will be made available to the community • Digital literacy across both business and community will be increased • Efficiencies in business will be achieved through the increased adoption of digital tools • Decrease of the digital divide • Better connected communities • Local wealth generated through new businesses created, attracted or grown • Indirect creation of new jobs for the region • Younger generations are retained in the region • More education and training opportunities

Funding arrangements

A grant of up to \$400,000 from the PGF towards a RDH in Westport.

Confirmation of expected deliverables is to be confirmed at the contracting stage. The indicative budget shows \$^{Commercial Information} will be used to fund rental of facilities, a hub evangelist, hub support, tech support, admin support and programme licenses. The remaining PGF funding will be used to fund fit out costs.

Conflicts of interest and T&Cs

No conflicts of interest have been identified as part of the due diligence process

Due Diligence

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

Supporting proposal:	Yes
Appendices:	Yes – Application
Author of paper:	MN, Investment Analyst, PDU Investment Team JH, Investment Director, PDU Investment Team